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FACE TO FACE: Bal Bahadur K.C.

National Newsmagazine

21-27 Dec, 2001 ECONOMIC GLOOM

SAARC Approaches

- Koirala: Consensus or Instability?
- Nepalese Films: Doing Well



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COVER STORY : NATIONAL ECONOMY : Bracing For Harder Times With the escalation of security budget and declining industrial production, Nepalese economy is under crisis.

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KOIRALA'S CALL : For Consensus or Instability Former Prime Minister Girija Prasad Koirala creates controversy by calling for consensus.

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ENCOUNTER : Don Priestman Energy expert Priestman talks about the need to hermose on

about the need to harness energy in this region.

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SPOTLIGHT

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EDITOR'S NOTE

he terrorists have attacked the Indian Parliament also. Even though there were few casualties, no reputed leader nor any member of parliament was hurt. But this cannot be a matter of any consolation. The Indians have to delve deep and find out the real causes that have generated such a situation. As soon we heard about the attack, we had the feeling that the blame would ultimately go to muslim militants. And no wonder it has come to pass. And this is being attributed to Pakistan. The long standing animosity between Pakistan and India has not only plagued themselves, but the whole region for over five decades. The recent event has, of course, exacerbated the acrimonious relations. The exchange of hot and fiery words might mislead the uninitiated to think that the two countries are at the verge of war. But howsoever enflamed or impassioned the speeches, both the count know well they cannot afford to go to war. And there won't be any war. But this never ending acrimony is full of potential of engulfing the whole region in a terrible blood bath and has to be resolved. As such, it becomes the top priority of not only the feuding nations but all peace loving countries of the region and big powers who shoulder the responsibility of safeguarding peace in the world to seek an early solution to this most vexing problem. Since the international community has vowed to root out terrorism and the global coalition has been able to uproot Usama bin Laden and his collaborators from their hide out and put then on the run for their lives, terrorism has to be crushed wherever it be. We do trust the Indians would practise restraint and not be carried away by hatred and would work unitedly with all the countries of the region to crush terrorism - the bitterest enemy of peace and development - for all time to come from the face of the world.

The NTV interview of the Nepalese Chief of the Army Staff Gen. Prajwalla Rana a few days back has generated mixed feelings amongst the various sectors of the Nepalese community. While the majority of the patriotic Nepalese people who have miserably suffered for the last twelve years under the various democratic regimes of different political parties, mostly dominated by the Nepali Congress, has acclaimed it, a small section of unscrupulous politicians seems gripped with fear and misgivings. Since we have, time and again, exhorted the King to dismiss the corrupt government and appoint a caretaker government of honest and patriotic men who would hold free and fair elections, we do commend the army chief on his forthright exhortations. We know unlike the corrupt political parties, the Nepalese army is very patriotic and fully capable of preserving Nepal's independence. We do trust they will never falter to perform their duty come what may.

When the host country Nepal is exerting its utmost to make the eleventh SAARC Summit a grand success, the recent bombing in the Indian Parliament has provided opportunities to some people to spread rumors that the Summit, after all, might not take place. The worsening relations between the two bigger members of the organization, they say, could become a good excuse for them not attending the Summit. We would like to advise all good friends of SAARC not to give any credence to such baseless rumors. We are fully convinced that apart from whatever has happened recently, all the member countries seem fully committed to make the eleventh summit a reality.

Thave Rivel

Madhav Kumar Rimal Chief Editor& Publisher



Strange Twist

"When airlines around the world are cutting jobs and putting off expansion plans in response to the global economic slump and heightened security concerns, Nepal's private-sector carriers want to go international ("A Costly Decision", SPOTLIGHT, December 14). This is strange. Why are our carriers so keen to flying on international routes now? The authorities should not make any hasty decisions. Besides, none of the Nepalese domestic airlines seem to have adequate technical and marketing expertise to handle the complexities of international flights.

> Shailendra Thapa Battisputali

What An Aching Mistake

Despite the various problems, Kathmandu traffic police has left no stone unturned to manage the city's traffic problem. Likewise, the media, too, has done a great deal in creating public awareness. Still, the traffic accidents are rising and there is rampant increase in the number of vehicles in the valley. The article "raffic Travails" that appeared in your esteemed magazine (December 14) exposed some weaknesses in transport management. No doubt, the writer is correct. But the persons quoted in the article are illusory and hypothetical. These persons do not work at valley traffic police office. And records provided by the writer are quite vague. It is better to first analyze in depth before writing on any serious issue. Otherwise, the efforts go in vain.

Valley Traffic Police Office Ramshahpath, Kathmandu

Voice Of Youth

It is appalling to find a large number of our youths involved in risk-taking behaviors like substance abuse and pre-marital sex ("Emerging Problem", SPOTLIGHT, December 7). In the absence of proper information, youths tend to stray from their course and fall victim to risk behaviors. A sustained flow of information and a credible media campaign can result in youth awareness. Issues of direct concern to youths should be highlighted regularly. Furthermore, the

concerned authorities must be made aware of their responsibilities.

> Deepa Gurung Thamel

Short Relief

Following the agreement to extend the Nepal-India trade treaty by three months, our officials might be heaving a sigh of relief ("Extended Coverage" SPOTLIGHT. December 7). But three months is not a long time. Even a small amount of complacency could have disastrous consequences. In the interregnum. the authorities must do their homework properly in order to convince their Indian counterparts to renew the treaty.

Chandra Bhakta Maharjan Sallaghari

Share The Experience

Nepal could learn from Indonesia's experience in family planning ("For The People", SPOTLIGHT, December 7). A country with a huge population and a conservative society, Indonesia has some traits similar to those of Nepal. Therefore, its successful experience in controlling population can surely be emulated here. Like in Indonesia, we can encourage community participation in health issues covering population management.

Shankar Shrestha Balaju

CORRECTION: Error in the name of police officer quoted in the article Traffic Travails in the last issue of SPOT-LIGHT is regretted — Ed.

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Two unidentified gunmen shot dead Ramesh Manandhar, a special security officer hired by the US embassy in Kathmandu, at Ravi Bhavan in the capital Saturday afternoon. Manandhar, 28, died while undergoing treatment at Bir Hospital. Manandhar was on an assignment to check guards on duty at different US establishments. Police said they had launched an investigation and a massive search for the assailants. Kantipur daily quoted eyewitnesses as saying the assailants, claiming to be Maoists, warned passers-by not to follow them. They had used a Chinese pistol being used by Nepal Police. The suspected Maoists may have looted the pistol from police, the report ing daily reported on Friday. In letters sent to the chiefs of the United Nations and the European Union, the presidents of the United States and China, and the prime minister of India, among other world leaders, the party said it was compelled to resume its armed campaign "as the (Nepalese) government was preparing for an armed offensive." The party claimed that it is not a terrorist outfit but a ërevolutionary movement' rooted in the masses and guided by a scientific philosophy. *Kantipur Dec. 15.*

Six Killed In Bomb Explosion

Six people, including five of a family, were killed when a bomb exploded at the house of Bhagvati Chaudhari at



Relatives with Manandhar's body

said. Robert Kerr, spokesman for the US embassy, said the assailants also robbed Manandhar and took away his ID card. Two people were detained for interrogation. *Compiled from reports Dec. 16.*

Maoists Set Terms For Resuming Talks

A fortnight after the government declared a nation-wide state of emergency and mobilized the army to crush the sixyear-old Maoist insurgency, the underground party has said it is ready for a cease-fire and the resumption of peace talks if the government agreed to its demand for a constituent assembly, a leadBatalpur village in Tulsipur municipality in the mid-western district of Dang Wednesday night. Those killed included an 80-yearold woman and two children aged five and six. According to police, the bomb, being handled by two Maoist insurgents, may have exploded accidentally. Bhagvati, the owner of the house, survived the blast. Shiva

Kumar, Bhagvati's son, who had gone underground after becoming a full-time Maoist cadre, had returned home with three comrades the same evening. *Leading dailies report.*

King, Prime Minister Condemn Attacks

King Gyanendra and Prime Minister Sher Bahadur Deuba have, in separate messages, expressed shock at the attack on the Indian parliament by a group of gunmen and have denounced it. In a message to Indian President K.R. Narayanan, King Gyanendra said Nepal strongly condemns such heinous crimes and believes that all countries must work together in combating and eliminating terrorism from the world. In his message to Indian Prime Minister Atal Behari Vajpayee, Premier Deuba said the Nepalese government strongly condemned the act of terrorism against a vital institution of democracy. "Nepal, which is itself a victim of terrorism, understands the cruelty of this heinous act. Such crimes perpetrated by terrorists elsewhere in the world reinforce our conviction that there is an urgent need for closer cooperation among all to eliminate this menace from the world." *RSS news agency reports*.

'No Indian Army Personnel In Nepal'

The Defense Ministry has strongly denied a report in a weekly newspaper that Indian army personnel had entered Nepal. The report, published in the Nepalilanguage Jana Astha on Wednesday quoting Rastriya Sahara, an Indian daily, said Indian soldiers had entered Nepal to assist the Royal Nepalese Army in its fight against the Maoist terrorists. "The news is completely fabricated and false," a ministry statement said. The ministry has asked reporters to check with the concerned authorities before publishing security-related news. *Compiled from reports Dec. 14.*

US Official Reaffirms Support

US Deputy Assistant Secretary of State Ronald Camp has said his government supported the military campaign against the Maoist terrorists because their actions were impeding the development of democracy in Nepal. During his brief stay in Nepal, Camp called on Prime Minister Sher Bahadur Deuba, Chief of Army Staff Gen. Prajwolla Shumsher JB Rana, among others. Camp left for Bangkok en route to Colombo Tuesday afternoon. RSS news agency reported that a Nepalese business delegation called on Camp Tuesday and urged Washington to provide Nepalese garment products concessional and duty-free access to the US market. Compiled from reports Dec. 13.

NEWSNOTES

Board Of Investment Formed

The government has formed a Board of Investment under the chairmanship of Prime Minister Sher Bahadur Deuba, The minister for industry, commerce and supplies will be the vice-chairman of the board. The ministers for finance, water resources, culture, tourism and civil aviation, vice-chairman of the National Planning Commission, the chief secretary, the governor of Nepal Rastra Bank and the president of the Federation of Nepalese Chambers of Commerce and Industry will rve as members. The prime minister will nominate three members, on the recommendation of the industry minister. The board aims at drawing foreign direct investment into the country. Leading dailies report Dec. 13.

Maoists Must Surrender: Deuba

A day after a leading daily reported that the Maoists had offered to resume peace talks and withdraw their offensive if the government agreed to hold an election to a constituent assembly to draft a new constitution, Prime Minister Sher Bahadur Deuba has said the Maoists should surrender first. Talking to a group of editors and publishers in the capital Friday, Deuba said there was no possibility of resuming talks with the Maoists unless they surrendered their arms, ammunitions and cash and kind they have looted from different parts of the country. Kantipur

daily quoted Deuba as saying that the government could not allow the Maoists to spread violence under the guise of talks. "I had genuinely tried to find a peaceful solution to the insurgency. But now the situation has changed," said Deuba. He added that the army operation against the Maoists would continue until the declared objective of disarming the Maoists was completed. Deuba said his duty as prime minister was to protect the country's constitution. "No one has the right to give in to the demand of a constituent assembly." Compiled from reports Dec. 15.

Low Inflation Relief **To Consumers**

Despite A slowdown in the country's economy, low inflation has given some relief to consumers, a report said. According to the report, published by Nepal Rastra Bank, during the first quarter of the current fiscal year, National Urban Price Index registered a low increment of only 2.2 percent as compared to 2.9 percent during the corresponding period last year. The low price of paddy due to combined effects of bumper domestic production and huge flow of cheap Indian rice played a crucial role for deflationary pressure on the grains and cereals group. The prices of sugar and sugar products recorded the highest rise of over 13 percent during the period, the report said.

Terrorists Killed In Salleri

Nearly two weeks after the fierce

battle between the security forces and Maoist guerrillas at Salleri, the district headquarters of Solukhumbu district. chairman of the underground Maoist Comrade party, Prachanda, has acknowledged that his party lost 15 rebels. In a statement, the Maoist leader accused the government of mobilizing

the army all over the country to surround the Maoists and employing measures to force them to surrender. Prachanda, alias Pushpa Kamal Dahal, did not refer to other Maoist casualties after the army mobilization and reported killing of their senior leaders, Nepal Samacharpatra daily reported Sunday. Royal Nepalese Army has confirmed that around 200 guerrillas were killed during an overnight gunbattle with the security forces at Salleri. Dozens of policemen, soldiers and two government officials, including the chief district officer, were also killed in the Maoist raid.

Opposition For **Shortening Emergency**

A group of 13 opposition parties have asked the government to shorten the state of emergency as far as possible. In a memorandum submitted to Prime Minister Sher Bahadur Deuba late Tuesday, the opposition leaders urged the government to introduce regulations to be followed during the emergency. Accusing the security forces of killing and arresting innocent civilians in their battle against the Maoists, the opposition parties said the authorities were not performing their duties responsibly. They also asked the government to organize regular all-party meetings at the district and central levels.

Concern Of Desertification

Nepal loses an estimated 240 million cubic meters of top fertile soil each year. This results in desertification of around 10,000 hectares of land in the trans-Himalayan region, pushing almost half of the population on the verge of perennial food shortage, experts said. Nepal signed the UN convention to combat desertification in October 1995. Addressing a workshop on "Land degradation, drought and sustainable land management" here Tuesday, Minister for Population and Environment P. L. Singh said the government has promoted people-centered natural resources management activities to mitigate the problem. He said that controlling land degradation would help reduce the poverty level in the country.





Indian Ambassador I.P. Singh and US Ambassador Michael E. Malinowski presenting their credentials to His Majesty the King

AMBASSADOR-DESIGNATE OF THE REPUBLIC OF INDIA Dr. Indu Prakash Singh and Ambassador-designate of the United States of America Michael E. Malinowski presented their credentials to King Gyanendra amid separate functions at the Narayanhiti Royal Palace Wednesday. Prime Minister and Foreign Minister Sher Bahadur Deuba and other senior officials were present on the occasion. King Gyanendra also granted audience to Bangladeshi Ambassador Cyril Sikder at the Royal Palace Wednesday. Mr. Sikder is returning home after completing his tenure. Meanwhile, Russian Ambassador Valery Nazarov and British Ambassador Ronald P. Nash called on Home Minister Khum Bahadur Khadka separately at his office Wednesday. They discussed matters related to bilateral relations.

UNDER PRESSURE FROM THE RULING AND OPPOSITION

parties to clean up the mess in the administration during the emergency, Prime Minister Sher Bahadur Deuba has asked Attorney-General Badri Bahadur Karki to draft two ordinances to empower the Commission for Investigation on Abuse of Authority (CIAA) and to control corruption. Kantipur daily reported that both ordinances are likely to be promulgated within the next two weeks. Two separate bills on the issue are pending in parliament due to lack of consensus among political parties. The anti-corruption ordinance also proposes to set up a National Vigilance Center under the direct supervision of the prime minister.

THE WORLD BANK HAS APPROVED A US\$ 22.56 MILLION loan to Nepal to finance the telecommunication sector reform project. According to the bank, the project will support the implementation of the government's sector reform agenda that includes the permission of private sector to provide all forms of value-added services and enacting the Telecommunication Act aimed at creating a level playing field for all operators and increasing competition in the sector. The project supports the licensing of a private rural operator through a market mechanism to provide telecommunication service in 534 VDCs in the eastern region, accounting for roughly 25 percent of rural areas of the country without access to telephone services.

THE GROWTH OF GROSS DOMESTIC PRODUCT (GDP) IN fiscal year 2001-02 is likely to tumble to 2.5 percent, from nearly 5 percent last year. According to preliminary estimates made by the Central Bureau of Statistics, the sharp decline in the GDP is mainly due to sluggish growth of the agriculture sector, estimated at 2.1 percent. Similarly, the non-agriculture sector is expected to grow by 2.76 percent this year as against the robust growth rate of 5.6 percent last year. Per capita income of Nepalis will grow just by 0.5 percent to Rs. 19,000 (approximately US\$ 250).

THE GOVERNMENT OF FINLAND IS TO PROVIDE A GRANT

assistance of nearly Rs. 67 million to Nepal for the production of a database of digital maps and of "ortho-photos" in relation to the census 2001 mapping project for housing and population. An agreement to this effect was signed and exchanged between Finance Ministry and Finnish Embassy officials at the Finance Ministry on Thursday. The mapping component will contribute to strengthening digital map production capability as well as digital mapping capacity and lay the foundation for the establishment of multipurpose digital database in Nepal, officials said.

SECURITY PERSONNEL IN THE EASTERN HILLY DISTRICT

of Panchthar have barred newspapers published from different parts the country from reaching the district, Nepal Samacharpatra dany reported Sunday. Leading newspapers published from Kathmandu, Blast Times daily published from Dharan and other newspapers published from Jhapa have not been allowed to reach Phidim, the district headquarters, by the security personnel.

TWO CHEETAH HELICOPTERS DONATED BY THE INDIAN government to Nepal landed at the Tribhuvan International Airport Tuesday, Kantipur daily reported last Tuesday. The choppers, manufactured in Bangalore under license from a French company, were being used by the Indian army. The helicopters are likely to be used in the ongoing army operation against the Maoist insurgents.

A UGANDAN OFFICIAL HAS SAID NEPAL SHOULD PRIORItize its problems in fighting poverty. Dr. Emmanuel Tumusiime, governor of the Bank of Uganda, said no country should live beyond its means. In a high-level interaction with Nepali officials Monday, Dr. Tumusiime described how privatization and foreign aid had helped Uganda in bringing down the poverty level from 56 percent to 35 percent over the last decade. Like Nepal, 80 percent of Ugandans live on agriculture though the country has a per capita income of around US\$ 1,000, four times greater than that of Nepal.

THE GREEN NEPAL PARTY HAS EXPRESSED DEEP DIStress at the terrorist attack on Indian Parliament and the loss of lives in the attack. Kuber Sharma of the GNP in a letter to the Indian Prime Minister has said that he values India's friendship and conveys his support in the fight against terrorism.

SPOTLIGHT Newsmagazine wishes Happy Eid Mubarak to all its Muslim friends, patrons, readers and supporters all over the world. he army had no intention of bringing physical harm (to the Maoists). We wanted to take develop-

ment. It was only after they attacked us that we have gone on the offensive." Prajwalla SJB Rana, chief of Royal Nepal Army, in his interview with "Dishanirdesh" program in Nepal Television.

"Nobody has been killed in custody." Prime Minister Sher Bahadur Deuba, addressing a gathering on the occasion of World Human Rights Day, saying that the government was committed to upholding basic human rights during the emergency, in Spacetime daily.

"The state of emergency will end after achieving its results."

Jaya Prakash Prasad Gupta, Minister for Information and Communication and the spokesman of the government, indicating that the government is not in a mood to unnecessarily lengthen the emergency, in Gorkhapatra.

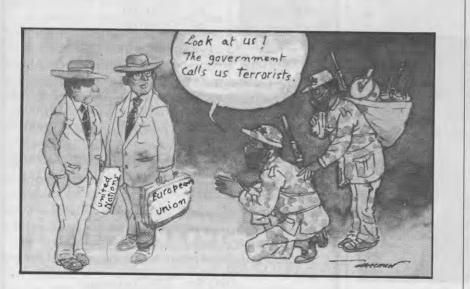
"Dialogue with the Maoists is impossible now."

Chiranjibi Wagle, Minister for Physical Planning and Works and the chief government negotiator during the



failed government-Maoists talks, in Himalaya Times.

"The government has administered emergency as an anti-pyretics to bring down the rising fever of the country. Now it should try to find the cause of the fever by introducing special programs in consensus with all the parties."



Dr. Prakash Chandra Lohani, vice president of Rastriya Prajatantra Party, in Himalaya Times.

Party workers should refrain from any sorts of pressure tactics and should help the administration in its investigation and action against terrorists."

> Khum Bahadur Khadka, Home Minister, addressing his party workers in far western town of Dhangadhi, in Spacetime daily.

"Congress made a mistake but it is strange to see the opposition parties also supporting it."

> Shailaja Acharya, former deputy prime minister and Congress leader, on the imposition of state of emergency in the country, in Drishti.

"It is futile to blame anybody. All Nepalese should share the blame."

Dr. Govinda Sharma, renowned surgeonandformer director of TU Teaching Hospital, when asked to diagnose the country's ailments, in Bimarsha.

OFF THE RECORD

Deuba's Opportunity

Former prime minister Girija Prasad Koirala seems to be maintaining a low profile these days, which a lot of his supporters simply don't like. In fact, some members of Koirala's kitchen cabinet have started becoming restive. At a recent dinner at the prime minister's official residence in Baluwatar, Koirala's followers found an opportune moment to develop close contacts with Sher Bahadur Deuba. Although the prime minister organized the dinner to discuss issues regarding the imposition of the state of emergency, it turned out to be an opportunity for many to get into Deuba's good books.

Law & Injustice

One can see violations of the marriage code by those senior officials who are supposed to lead by example. Although the court has issued a mandatory order for officials to strictly abide by the Social Reform Act, few seem to be following it. Ministers, Supreme Court judges and the head of the anti-corruption body, among other people, are seen to be violating the code with abandon. It seems the growing complaints of how corruption and the distortion of the social order have become the rule don't seem to have fallen on the right ears.

Politics of Politics

CPN-UML general secretary and main opposition leader Madhav Kumar Nepal has found his most favorite job: mobilizing opposition parties against the government. As the CPN-UML and CPN-ML try to build closer ties, Nepal's consensus-building exercise



Nepal : In the game

has allowed him to increase the frequency of his contacts with one-time rival, ML general secretary Bam Dev Gautam. Regardless of Nepal's success in achieving opposition unity, his initiative would definitely help him in his quest to draw his former enemy closer. The politics of politics, as they say.

Congress Rivalry

The Nepali Congress is known as a party plagued by dissension, where almost every individual regards the other as a rival. After his appointment as deputy general secretary of the party, former minister Govinda Raj Joshi seems to have acquired a major voice in driving the internal agenda of the ruling party. Joshi's ascendancy has angered former deputy prime minister and fel-



low central committee member, Ram Chandra Poudel. As Joshi is known as party chief Girija Prasad Koirala's blueeyed boy, Poudel can do little apart from quietly siding with Prime Minister Sher Bahadur Deuba. Meanwhile, in his quest to sideline Poudel, Joshi ó who like the former DPM represents Tanahun district — is trying to bring new ideas to maintain the balance of power.

Thapa's Tumult

Rastriya Prajatantra Party leader Surya Bahadur Thapais known for his roar. Wherever he goes, Thapa uses his highdecibel diction to send across his message loud and clear. From parliament to the public dais, Thapa can do without loudspeakers. When he was addressing the Reporter's Club recently, the public-address system fell silent for a while. But that didn't deter Thapa.



Thapa : For power-sharing?

He just turned up his own volume. When the loudspeakers were fixed, you couldn't really tell where the voice was coming from.

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SPOTLIGHT/DECEMBER 21, 2001

SAARC SUMMIT Coming Closer

As tension between India and Pakistan builds, a cloud of uncertainty hangs over the 11th SAARC summit

By KESHAB POUDEL

A lthough the Nepalese government has been working hard to prepare for the much-delayed 11th summit of outh Asian Association of Regional Cooperation (SAARC), the sudden eruption of tension between India and Pakistan following last week's terrorist attack on the parliamentary building in New Delhi has changed the mood.

As the host country, Nepal has already sent out invitations to the heads of state/government of the region to participate in the summit. But the swiftness with which events are moving, no one can predict what will happen.

The upcoming SAARC summit has many important issues in front of it, including terrorism, girl trafficking, strategy for the poverty alleviation, and, most importantly, the SAFTA. If the South Asian leaders agree to meet, they will have an opportunity to discuss such issues after a long delay. There is also a possibility of some declaration on containing terrorism in South Asia.

As part of its final preparations, the government of Nepal has initiated steps to upgrade the infrastructure in Kathmandu. Security has been tightened in and around Kathmandu valley. Other preparations are also taking place in full swing.

Nepal is hosting the SAARC summit for second time in the history of the organization. Kathmandu hosted the third SAARC summit in 1987. Sri Lanka, India, Pakistan, Bangladesh, and Maldives have already hosted the summits. Bhutan is yet to organize a summit in-Thimpu.

In the last three years, the SAARC summit has been postponed twice because of tension between India and Pakistan. In 1999, India requested a postponement of the summit citing the military takeover in Pakistan.

"Despite all this happening, there is a possibility of holding the 11th SAARC summit in Kathmandu," said a former foreign secretary of Nepal. "As both India and Pakistan are searching for a United States as the sole super power, the cold war between the two South Asian countries continues. The dispute between India and Pakistan on Kashmir has once again flared up in recent days.

India and Pakistan fought two of their three wars over Kashmir. In 1999, the two countries came close to a fullscale war in the Kargil region. India accuses Pakistan of supporting terrorists in Jammu Kashmir state, a charge Islamabad strenuously denies. As India and Pakistan both are now nuclear weapons state, any escalation in hostility or confrontation could plunge the region into nuclear warfare.

Although western countries, particu-



President of Maldives Gayoom : From Dhaka to Kathmandu

place for a one-to-one meeting, Nepal may be ideal place to discuss their bilateral matters."

Although SAARC was formed 15 years ago to promote regional cooperation and to enhance understanding, it has not been able to do much primarily because of the traditional rivalry between India and Pakistan. SAARC was formed against the background of the cold war between the former USSR and the United States, when India and Pakistan were in rival camps.

Even after the dismantling of the Soviet Union and the emergence of the

larly the United States, are urging both India and Pakistan to maintain maximum restraint, there is no sign of a reduction in the tension. India has warned Pakistan of dire consequences if it failed to close the offices of two Kashmiri terrorists organization New Delhi believes masterminded the attack.

While most countries of the world are gearing up for development through regional cooperation. South Asia, with its billion-plus, largely poor population, is lagging behind because of the longstanding tension between its two largest countries.



Koirala with leaders : Seeking censensus?

KOIRALA'S CALL For Consensus Or Instability?

Former prime minister Girija Prasad Koirala's fresh call for national consensus raises ominous questions

By KESHAB POUDEL

Tepali Congress president and former prime minister Girija Prasad Koirala has called for a national consensus to resolve the country's problems at a time when his own party's government led by Prime Minister Sher Bahadur Deuba has secured the support of all opposition parties, including ten leftgroups, on the imposition of the state of emergency. As the emergency, declared by King Gyanendra last month at the recommendation of the council of minister, has secured widespread internal and international support, Koirala's appeal makes little political sense, except, of course, as a ploy to destabilize the Deuba government.

Many see Koirala's move as a lastditch attempt to return to power. Although it would hardly matter whether Koirala is in power or outside, his call for consensus would only destabilize the political process and the bureaucracy at this critical national juncture. Koirala may succeed in forcing Deuba to resign, but he would not be able to avoid the turbulence that marked his last tenure as head of the government. Koirala, who has held the post of prime minister for more than six out of the last 12 years of democracy, realises first hand the difficulty of governing amid chronic instability.

Ever since the restoration of democracy in 1990, no government has had the opportunity to run its affairs without periodic intervention and disturbances. Each government has begun by announcing policy measures aimed at the welfare of the people, only to find itself caught in a shaky position within a few months.

When Prime Minister Deuba's government announced a package to stabilize the economy and inject a sense of security among the people, it failed to get the support it needed to succeed. As the government began to perform, politicians in the ruling and opposition parties began plotting against the prime minister. "This is one of the bitter realities of the last 12 years," says a political analyst. "Every government has had to pass through political instability, with disastrous consequences for the nation."

Koirala has been the primary victim of this reality, but, strangely, he is also the leading player in the destabilization game. In his last tenure, Koirala made all kinds of compromises to remain in power. He proposed a 14-point agenda for national consensus, seeking broad support free opposition parties and factions within the ruling party. His 14-point proposal was accepted along with his resignation. As soon as Deuba was elected prime minister, he implemented some components of the national consensus package.

Koirala is yet to define his fresh agenda of national consensus and its political significance, but it has already injected a feeling of instability in the bureaucracy, which is supposed to administer the government's programs and policies. Regardless of whether Koirala's national-consensus call has any political meaning or implications in the current context, the former prime minister has found it to be a new mantra to rock Prime Minister Deuba's position.

A Congress central committee meeting chaired by Koirala last month, after the Maoists pulled out of peace talks and resumed their violent campaign, called for the imposition of the state of emergency to quell terrorism. The party welcomed the emergency and hailed the government's decision to bring out the anti-terrorism ordinance.

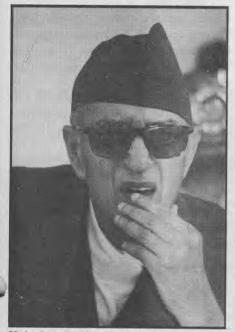
At a time when all major political parties have been supporting state of emergency, what has prompted Koirala to call for national consensus? Political analysts believe the new slogan is nothing more than a plot to replace Deuba.

Koirala was forced to resign few months ago under the pressure of major opposition parties who boycotted the winter session of parliament for 45 days and organized an unprecedented three-day general strike. Koirala call for national

NATIONAL

consensus came in the presence of key opposition leaders, including CPN-UML general secretary Madhav Kumar Nepal, Rastriya Prajatantra Party leader Surya Bahadur Thapa, CPN-ML general secretary Bam Dev Gautam, Nepal Sadbhavana Party president Gajendra Narayan Singh, and radical communist leaders Chitra Bahadur KC, Narayan Man Bijukche Rohit and Amik Sherchan.

Gautam and Singh, too, had demanded Koirala's resignation as prime minister but had opposed the UML's course of stalling parliament. In an interesting turn of events, Political leaders who not too long ago dened to attend meetings called by Koirala



Koirala : Getting restless

in protest against his alleged involvement in the Lauda Air scandal were among those who immediately endorsed the former prime minister's consensus call. Strangely enough, the program was organized by the sister organization of the UML, which spearheaded the nation-wide campaign to unseat Koirala.

"Why has Koirala's proposal for national consensus received such wide acceptance?" a political analyst asks. "It seems the proposal is being imposed by other elements." In an ominous warning, he adds, "Experience has shown that every time Nepal's political parties have been able to reach national consensus, the national interest has been sacrificed."

Koirala call for national consensus and the endorsement by major political parties is baffling also because Deuba continues to brief opposition leaders on national issues. "The government has been taking all decisions in consultation with leaders of the ruling and opposition parties," says Minister of Information and Communication Jaya Prakash Gupta, who is also the spokesman of the government. "We don't have anything to hide. The emergency has been imposed to guarantee security to the people."

Koirala's proposal and the opposition's instant endorsement could determine the political course of the nation. The strangest part of the unfolding scenario remains that Koirala is leading a band of politicians who until very recently were his bitterest opponents.

Whether one like it or not, Koirala will remain a central figure of Nepalese politics as long as he is active. However, the time has come for Koirala to prove himself a statesman, rather than a politician. "I don't understand what kind of consensus Koirala is seeking. Is it a consensus for his party, consensus for his coterie or consensus for his family? If Koirala is really serious about solving the country's problems, he has to show greater political maturity," says another analyst.

Many question Koirala's ability to forge a consensus among 10 different political groups at a time when he is unable to control factions within his own party. But Koirala wants to a consensus agenda within a month. "We must have to agree on certain things before the 11th SAARC summit," the former prime minister said. Koirala found an

early enthusiast in RPP leader Thapa. "No single party can solve the nation's problems now. We need to have a broad consensus among all the major political parties to sort out these problems," said Thapa.

Although Thapa stopped short of setting a deadline like Koirala did, the RPP leader, too, wants some decision taken soon to meet the challenges posed by the Maoist terrorists. "We have to unite to protect the rights of the people," said Nepal, UML general secretary and leader of the opposition.

After finding support outside the party, Koirala left for Biratnagar. The Congress strongman visits his hometown whenever he feels he has to take a serious political decision.

The latest statement of Koirala, a diehard anti-communist who is known for his extensive knowledge of the ins and outs of Nepali politics, shows how he can be used to destabilize his own party's government, which is on its way to successfully mobilizing the security apparatus to quell the Maoist insurgency.

Unlike many of his colleagues in the Congress, Koirala can identify problems, but he is unpredictable and can easily be misled. Any hasty political moves on the part of Koirala, who is obviously in the last leg of his political career, may benefit his coterie. But it would not benefit him personally — or the nation.

	INDIVIDUAL	INSTITUTION	China/Korea	US \$ 150.00	US \$ 200.00
Nepal	NRS Rs. 1400.00	NRS Rs. 2500.00	ME/ Isreal	US \$ 150.00	US \$ 200.00
India	IC Rs. 1400.00	IC Rs. 3200.00	Bhutan	US \$ 150.00	US \$ 200.0
Other SAARC			Hong Kong/Taiwan	US \$ 150.00	US \$ 200.0
Countries	US \$ 100.00	US \$ 150.00	Australia/New Zealand	US \$ 150.00	US \$ 200.0
apan	US \$ 150.00	US \$ 250.00	Europe	£150.00	£200.0
Asean Countries		US \$ 200.00	USA	US \$ 150.00	US \$ 200.0
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NATIONAL

ROAD CONSTRUCTION Rolling Ahead

Unlike their popular image as sluggish workers, road department raises many eye-brows by their quick work on the eve of SAARC Summit

By SANJAYA DHAKAL

t took them more than six months to complete the expansion of around a kilometer of road stretching to the west of the old Bus Park. And it is taking them less than a month to complete the renovation of 30 kilometers of roads within the valley.

What is it with our government, the road department and the general worker that make them unbelievably indolent at times and unimaginably energetic at others?

Just as the 11th SAARC Summit approaches, the army of road-makers and municipal workers seem busy everywhere. While a group of them are leveling the Jamal section to widen the road there, another group is busy bringing down illegally constructed houses in Tinkune. More of them are busy at different parts of the capital valley black-topping and smoothening the rough roads — less the VIP guests scoff when they set their feet there.

Going by their efficiency, ordinary people are murmuring that Kathmandu be a host to SAARC Summit every year. "That way we won't have to put up with the roads with potholes that resemble swimming pools after a brief shower," said Sunil Bista, a Kathmanduite.

According to a high official from the Department of Road, they have already completed more than one-third of their work. Amount to the tune of Rs 120 million had been ear-marked for the renovation of city roads.

Along with the road construction and renovation, the Kathmandu Metropolitan Corporation (KMC) is also busy trying to build gardens in Tinkune and Maitighar section as a part of its city beautification project before the SAARC Summit.

Despite their welcoming the SAARC Summit, the residents of Kathmandu fear the traffic problems. Already congested, the valley will literally tear at its seams while playing host to not one, not two but seven VVIP guests. Already there is a talk of restricting the entry of big vehicles like buses within the ring road during the summit days. The traffic police is also considering to allow public vehicles like taxis and micro-buses to ply on alternate days depending on their even or odd registration number.

Meanwhile, as just a little over two weeks remain before the SAARC summit opens in Kathmandu, the road department still has a lot to do if it wishes to complete its responsibility. The department has to renovate roads running from the hotels where the VVIP guests stay to the conference centers as well as the roads leading to tourist centers.

Till now, the department has finished renovating the sections at Sinamangal-Putalisadak, Tilganga-Golf Ground, Dhumbarahi-Mandikhatar, Bagbazar-Putalisadak-Exhibition Road, Soaltee-Grand Hotel, Maharajgunj-

> Bansbari, Pashupati-Guheshwori and Royal Palace southern gate.

Still the roads to Gokarna, · Nagarkot, Swayambhu and those leading to big hotels remain to be renovated. According to Dr. Hare Krishna Bhagat, chief of road division office. Minbhawan, they can complete the remaining work within the next 15 days. Although it appears that their target of completing the renovation of around 20 kilometers in as many days seems ambitious to meet, the speed in which they are working makes one optimistic.



Bull-dozers levelling illegal buildings in Tinkune : Fast work

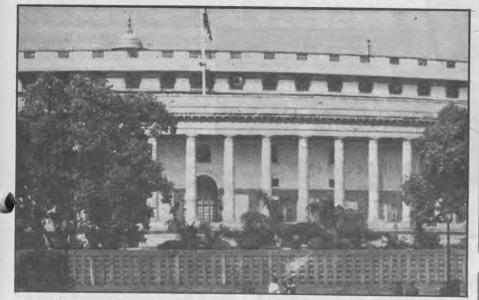
TERRORISM Common Concern

The attack on the Indian parliament heightens the urgency of the war against terrorism in South Asia

By A CORRESPONDENT

ollowing the daring terrorist attack on the Indian parliament last week, Delhi is considering all necessary action against terrorism in South Asia. Indian officials have begun by demanding the hand-over of the suspected masterminds of the attack who they believe are based in Pakistan. of legislators and ministers were assembled when they were confronted by security guards. Thanks to the alertness of the guards, all the intruders were killed in the shootout. Seven security officers lost their lives defending the heart of Indian democracy.

India's desire to take decisive action against those behind the attack is understandable, as the country has suffered much from terrorism, especially during the last



Indian Parliament : Under attack

According to Indian officials, prompt action by security officers inside the parliament complex averted widespread devastation. The Indian government has asked Pakistan to close down two Pakistanbased Kashmiri outfits it believes carried out the attack and has sought the handover of key leaders.

In a late morning gunbattle on Thursday, December 13, five terrorists entered the premises of parliament in a stolen car bearing security passes. They were trying to enter the inner perimeter of the parliament toward the area where a large number two decades. Nepal, which has endured sustained terrorist attacks by Maoist insurgents over the last six years, understands India's pain and anguish.

King Gyanendra, Prime Minister Sher Bahadur Deuba, main opposition leader Madhav Kumar Nepal and other political parties condemned the attack on the Indian parliament. Former prime minister and Nepali Congress leader Krishna Prasad Bhattarai spoke on the telephone with Indian Prime Minister Atal Behari Vajpayee and expressed his shock.

Terrorism must be condemned ev-

erywhere and in every form. No one can justify the killing of innocent people under the pretext of any cause. After the Maoists pulled out from peace talks and resumed their violent campaign against the state, the Deuba government had no alternative to declaring the rebels as terrorists and mobilizing the Royal Nepalese Army against them.

However, Maoist leaders have been giving interviews to leading Indian newspapers in which they have been trying to justify their heinous acts. This has served to give credence to persistent reports that Maoist leaders are actively being sheltered in India. Although the Indian government has declared Nepal's Maoists as terrorists — and subsequently termed two of its own Maoist groups as such — the fact that the Indian media has easy access to senior rebel leaders wanted by Kathmandu points to the need for greater cooperation from New Delhi in the kingdom's fight against terrorism.

As Nepal is hosting the 11th SAARC summit next month, many expect a regional agreement against terrorism to be signed. As neighbors sharing a long and open border, Nepal and India need the full support of each other in their effort to quell terrorism. Moreover, the progress of most South Asian nations, irrespective of their size and strength, faces a major obstacle in the form of terrorism. The time has come for concerted regional action against terrorism.

Shrestha Retires

After serving for over two decades at the United Nations Information Center as an information officer. Narayan Bahadur Shrestha retired in the last week of December. Shrestha's contributions as a bridge between the United Nations and the Nepalese people have been laudable.

Shresthais well known to the Nepalese media. During his tenure as information officer, Shrestha worked to popularize the causes espoused by the United Nations among the Nepalese people. UNIC was established in 1964 in Kathmandu. Shrestha, who started his career as a radio broadcaster, joined the UNIC in 1976. ■

STATE OF EMERGENCY Absence Of Responsibility

The comments of politicians and senior officials on the state of emergency sow confusion

By A CORRESPONDENT

t a time when security forces are engaged in the dangerous mission of disarming Maoist terrorists in various parts of the country, intellectuals, political leaders and judges are busy uttering irresponsible comments. The army personnel are sacrificing their life to bring normalcy to the country, but civilian leaders and opinion makers are spending time and energy on undermining the objectives of the emergency.

In difficult terrain and amid great personal risk, soldiers and police have been working day and night to disarm the terrorists and to show the presence of the administration. In the operations, a number of soldiers and policemen have been martyred. Scores of others have been injured. The sacrifice of the security personnel, however, seems to have no effect on politicians and intellectuals.

In the last six years, when more than 500 policemen were killed in various parts of the country fighting

terrorist well trained on foreign soil, Nepalese political leaders and intellectuals ignored their sacrifices. The extent of the politicians brazen disregard for the seriousness of the issue can be seen in their failure to discuss how terrorism could have originate in a peace-loving country.

"Instead of moving to cure the disease, the politicians just made efforts to divert public attention by sending ill-equipped police personnel on the battlefield. Had senior politicians taken proper steps to identify the forces behind the problems, the situation would not have gone out of proportion," says a political analyst.

Even after the mobilization of the army, it seems politicians and intellectuals are yet to learn how to conduct themselves. Recent comments from a senior judge, former army general and political leaders show an abject lack of sensitivity toward the situation. A former army general even went to the extent of disclosing the strategies employed during the armed actions.

A senior judge of the Supreme Court seems to have taken upon himself the responsibility to create confusion by questioning the legitimacy of the state's actions. Although the comments were against the code of conduct of a judge, nobody has



Nepal (left) and Koirala : Irresponsible remarks

bothered to raise the point. Political leaders, too, are in a similar race to sow confusion. While supporting the government's action against terrorism, they are demanding the lifting of the emergency, which is a basic prerequisite for successful army action.

"This shows how supposedly responsible people misunderstand the system of governance and fail to appreciate the seriousness of major issues," says a political analyst. "The recent decision by Indian MPs, following the terrorist attack in the parliament building, to donate a monthis salary to the family of security personnel who died defending the heart of Indian democracy was an exemplary gesture. Could our politicians and intellectuals think that way?" Instead of backing the strategy and sacrifices of security forces, Nepalís intelligentsia is discouraging them by their irresponsible utterances. "The responsibility of a judge is to the case presented before him," says the analyst. "In other countries, you don't find judges preaching about democratic conduct. If journalists had made such utterances, they would have been sent to prison. Who will judge the judge?"

Recent uncharitable and unsolicited utterances of senior judges have been disliked by many in the legal profession. Unless the judge himself realizes the have he is doing, there can be no cure for the problem. "A judge has to deliver justice in the cases presented before them. He or she cannot speak as a politician."

Others dispute this contention. "A judge has every right to speak on constitutional matters. If a judge cannot speak against

> the imposition of restrictions on fundamental rights, who will defend the rights of the citizen?" asks a lawyer.

> But when a judge starts speaking publicly on an issue that could provoke strong public reaction, there is a possibility of serious differences of opinion at the highest level. Thus his decision may engulf the country in a controversy that could ultimately undermine the national interest.

> Other high-ranking officials have similar problems. Nobody seems to understand the responsibility and limitations attached to security-related matters. Public security and the strat-

egy of armed operations seem to be normal issues for them. Either they do not know the gravity of the situation under a state of emergency or they are playing into the hands mysterious elements in total ignorance of their responsibility.

Politicians are meeting every day to discuss issues related to emergency, as if they do not have other subjects in front of them. This shows that even the supposedly enlightened group of Nepalis are yet to learn the culture of statecraft.

Once a state of emergency is declared, what is the purpose and intention of creating confusion and controversy that would undermine the mission. Once the emergency is lifted after fulfilling its aims, there would be enough time for post mortem.

'Comprehensive Tourism Package Soon'

-BAL BAHADUR KC

At a time when tourism entrepreneurs are worried about the decline in tourist arrivals, Minister of Tourism and Civil Aviation **BAL BAHADUR KC** has revealed that the government is planning to come out with a comprehensive program to improve the situation. K.C spoke to Paribesh program of Radio Nepal on various tourism-related issues. Excerpts:

What steps is the government taking to increase the number of tourists in the country?

The government is trying to formulate a comprehensive program, taking into confidence the private sector, to increase the number of tourists. Our first step will be to reduce visa fees for tourists who want to visit Nepal for the second time. Secondly, we are opening new peaks and restricted areas to tourists. The ministry will take necessary measures in this direction. We have already identified those decisions the ministry can take by itself and those that need to be taken by the cabinet.

How do you see situation of the tourism industry right now?

Because of national and international circumstances, tourist arrivals have declined and the industry as a whole is suffering from it. The government is fully aware about what is going on in the tourism sector.

A large number of tourists visiting Nepal are second-timers. Why has the government failed to come out with incentives for this group?

It is true that second-time visitors represent more than a third of the total number of tourists. Because of lack of coordination, we were unable to take necessary steps to introduce such incentives. We are going to do so now.

As you know, hotels, airlines and travel agencies have been facing major problems because of the low tourist arrivals. What other incentives is the government considering for tourism entrepreneurs? Because of low tourist inflow, the number of hotels and airlines are unable to pay interest to the banks. The ministry is proposing to give some relief to tourism entrepreneurs by waiving interest rates for the time being. Along with this, the government is planning to make airlines more efficient and reliable. We are considering an increase the domestic air fare. We will subsidize the airfare for the remote areas.

It is said that the state of emergency has affected the number of tourists. How do you look at it?

This is a misunderstanding. As you know, the law-andorder situation has drastically improved following the declaration of the state of emergency. We have failed to disseminate this positive side of the emergency. After the declaration of

the state of emergency, tourists have greater guarantee of security. We have launched steps to inform tourists about the positive aspects of the emergency. The aim of the state of emergency is to improve the law-and-order situation. We must send this message to other countries.

How do you plan to mobilize the private sector?

We need support from the private sector to achieve our targets. I am encouraging private parties to take necessary steps in partnership with the government. The private sector will be given a key role in revitalizing the tourism industry. There is a need for active participation of the private sector in tourism promotion activities.

When will Chinese tourists start coming to Nepal under the recent bilateral agreement?

We have already signed a memorandum of understanding with the Chinese



officials. I think Chinese tourists will start coming to Nepal within six months. We are already in the process of selecting the travel agencies to cater the Chinese tourists. We will announce the list of travel agents soon. We still have to settle the issues of language, money exchange and other facilities for the Chinese tourists.

What is happening with regard to Destination Nepal?

We will announce the main committee to celebrate Destination Nepal shortly. I am trying to encourage the private sector in Destination Nepal. I believe we need to mobilize the private sector to make Destination Nepal successful.

What other reforms is your ministry taking?

The government is considering spending certain percentage of revenue in those districts that generate tourism revenue. We are taking this step to encourage local participation in the tourism sector.

NATIONAL ECONOMY Bracing For Harder Times

Declining development expenditure and rising security expenses are any fiscal manager's nightmare. With economic growth projected to be one of the lowest in the decade and a slowdown gripping all sectors, the country is being hit hard. Internal and external factors have had their toll as the government tries to mobilize foreign assistance and cut unnecessary expenditure. The days ahead for Nepal's economy are anything but smooth

By BHAGIRATH YOGI

rime Minister Sher Bahadur Deuba convened a meeting of the donor community at Shital Niwas Monday at a time when the government is engaging in an all-out war with the Maoist insurgents. Addressing the gathering of representatives of Kathmandu-based donor agencies, Premier Deuba acknowledged that the slowdown in trade, tourism and industrial production had severely affected revenue mobilization. Poverty is increasing and economic activities are shrinking due to terrorist activities, said Deuba. He sought the donor community's support in the government's programs for public works and employment promotion in the Maoist insurgency-affected areas. The prime minister also sought their support for the government's humanitarian relief works for disadvantaged groups, women and children directly affected by the conflict.

'There has been a very encouraging gesture from the donor community,' said Chiranjivi Wagle, a senior cabinet member who is also convenor of the high-level emergency management and coordination committee. 'The donors have expressed their full support to the government's programs.'

Sources who attended the meeting, however, said the donor community was not as forthcoming as officials had expected. As in the past, the donor community asked the government to set its priorities straight and do more homework to carry out development programs. The donor community also criticized the government for what they called a lack of fullfiedged commitment on its part to implement good governance programs, expedite economic reforms and effectively control corruption.



Garment products : Hit by slowdown

Officials said there was no specific proposal from the government in terms of sums or projects for donor assistance. Sources said the government had anticipated assistance of up to US\$ 70 million from the donor community to meet its development needs, but there was no breakdown or specific demands.

The government has found itself in a tight spot. The growth of Gross Domestic Product (GDP) in the current fiscal year 2001-02 is likely to tumble to 2.5 percent, way below from nearly 5 percent last year, reports said. According to preliminary estimates prepared by the government's Central Bureau of Statistics (CBS), the sharp decline in the GDP is mainly due to sluggish growth of the agriculture sector estimated at 2.1 percent this year. Similarly, the non-agriculture sector is expected to grow by 2.76 percent only this year as against the robust growth rate of 5.6 percent last year. The CBS has projected that the per capita income of the Nepalese will grow nominally this year by just 0.5 percent to Rs 19,000 (approximately US\$ 250).

Despite the slowdown in the country's economy, low inflation has given some relief to common consumers, the Nepal Rastra Bank (NRB) said. According to the central bank, during the first quarter of the current fiscal year, National Urban Price Index registered a low increment of only 2.2 percent as compared to 2.9 percent recorded during the corresponding period last year. The low price of paddy due to combined effects of bumper domestic production and huge flow of cheap Indian rice played a crucial role for deflationary pressure on the grains and cereals group. The prices of sugar and sugar products recorded the highest rise of over 13 percent during the period, the NRB said.

While all do agree that ensuring better law and order should be the first priority of the government, critics say the government is not serious toward adopting austerity measures and cutting down unnecessary expenditures. 'The government should finance its military expenditure by reducing unproductive expenses and push forward development activities with efficient and result-oriented approach,' said Dr. Dilli Raj Khanal, an economist and MP representing the main opposition Unified Marxist-Leninist. 'Nepal is now facing problems not only on the law-andorder front but also in the economic front. So the government must exhibit due seriousness to address these challenges.'

Recent economic indicators also exhibit that the Nepalese economy is heading toward crisis. During the first three months of the current fiscal year 2001/02, recurrent (regular) expenditure has exceeded the revenue collection by Rs 453.3 million. During this period, the government has received foreign assistance of Rs 1595.4 million and has used overdrafts equivalent to Rs 2252.3 million from the Nepal Rastra Bank (NRB).

Things were not the same till sometime back. Until fiscal year 2000/01, revenue was till higher than the regular expenditure though the revenue surplus was gradually declining. The revenue deficit has another serious budgetary implication on the absorption of foreign assistance, say experts. 'As the government needs to provide 20 to 30 percent of the total project cost from its own sources as counterpart or matching fund, the foreign assistance can't be utilized if the government fails to provide this fund,' said Dr. Govinda Bahadur Thapa, vice principal at the Bankers' Training Center of the NRB.

With major export items like carpet and garments passing through 'critical phase, manufacturing sector in the doldrums and tourism hit badly after the 9/11 terrorist attacks on the twin towers in the US, Nepalese economy may have never faced such a critical situation. While the business community is keeping its finger crossed about the restoration of law and order with the declaration of nationwide emergency (to fight Maoist insurgency) last month, tourists in general are said to be scared to visit this Himalayan kingdom.

'We need to tell tourists, thorough our diplomatic missions abroad and other media outlets, that the emergency is only targeted against the Maoist insurgents and it has got nothing to do with the visiting tourists,' said Basanta Raj Mishra, honorary secretary of Nepal Association of Tour Operators. 'Indeed, Kathmandu and other tourist spots are more safe now than before.'

Despite such assurances, investors want to give a look for sometime before making a final decision. The bomb explosion at the Nepal Bottlers Ltd.— that manufactures Coca Cola and other soft drinks — suspected to have been carried out by the Maoists is seen as an attempt to scare away foreign investors. Suspected Maoists have, in the past, hit joint venture companies including Nepal Lever and Surya Tobacco.

Govt's response

Officials say the government is committed to provide law and order in the country. 'The government will provide full industrial security to all the industries and businesses in the country,' said Purna Bahadur Khadka, Minister for Industry, Commerce and Supplies. 'Of course, we need cooperation from organizations like the Federation of Nepalese Chambers of Commerce and Industries (FNCCI),' he added.

At the initiative of FNCCI, among others, the government recently formed a high-level Board of Investment, to be chaired by the Prime Minister. The new level. Prime Minister Deuba should discuss the issue with Indian Premier Atal Behari Vajpayee when they meet in Kathmandu during the upcoming SAARC summit,' said a business leader.

For the government, meeting rising security costs is not an easy option. As indications are there of a prolonged conflict in the Nepali hills, sustaining a costly war is going to be a heavy burden for the country's economy. And, its first victims will be the on going or proposed development works.

'There will be across the board reduction in the development expenditure (to finance security expenses),' Prithvi Raj Ligal, vice chairman of National Planning Commission told SPOTLIGHT. 'The foreign-aided and other priority projects will,

GDP by Industrial Origin (at constant prices/in Rs Millions) S. No. Description 1999/00 2000/01R 2001/02 Q % change 1. Agriculture, Fisheries and Forestry 35439 36858 37632 2.10 2. Manufacturing 8218 8514 8684 2.00 3. Construction 9381 9467 9751 3.00 4. Trade, Restaurant and Hotel 10258 10560 10602 0.40 5. Finance and Real Estate 9204 9681 10117 4.50 6. Community and Social Services 9701 11158 11292 1.20 Total GDP at factor cost 88481 92865 95186 2.50 GDP at producers prices 94779 99567 102040 2.48

Note: R stands for Revised estimates and Q stands for Quick estimates. Source: Central Bureau of Statistics 2001

board will not only listen to the grievances of the investors, it will also take initiative in streamlining the foreign direct investment projects, said officials. Critics, however, want to wait and see if the new mechanism really works. 'Former prime minister Girija Prasad Koirala formed a high-profile Business Consultative Group but it could not meet for the last two years,' said a leading businessman. 'We don't know if the group still exists.'

Making promises and then forgetting them has been the favorite pastime of Nepalese leaders, say critics. The failure to renew Nepal-India trade treaty in time is one such example. 'It is obvious that the issue needs to be resolved at the political however, not be affected as only the lowpriority projects will be scrapped.'

According to Ligal, insurgency has hit the people living below the poverty level the most. 'Unemployment rises and service delivery is affected (due to insurgency). Development works also could not be implemented smoothly. So the government has given top priority to improve security measures,' explained Ligal.

Officials said they were trying to rise up to Rs 4 billion to meet the security expenses. Sources said the government was also preparing for a supplementary budget, with provisions for raising customs duties, among others, to be present in the upcoming winter session of the parliament.'

Businessmen are worried that they are not in a position to pay more taxes to finance the security expenses. 'At a time when the economic activities are down, the government should not impose burden on the industry and businesses,' said Ravi Bhakta Shrestha, President of FNCCI. 'Instead, the government should announce immediate measures to rehabilitate sick industries, promote tourism and boost exports.'

Experts warn that the Nepalese economy is in a volatile stage now. 'The situation seems to be moving toward something like stagflation (inflation-plus stanation) when men and machine are out of work,' said Dr. Bishwambher Pyakuryal, professor of economics at the Tribhuvan

> University. 'The government should not use the state of emergency to terrorize the terrorists only. It should adopt austerity measures and develop midterm expenditure framework. If needed, the number of Ministries should be reduced and unnecessary employees should be bid good-bye.'

Finance Minister Dr. Ram
 Sharan Mahat could also listen
 to what his Indian counterpart
 has said. In an interview with
 Outlook magazine, Yashwant
 Sinha, said, 'We have to cut our
 coat according to our cloth. But
 our cloth is very small while the
 coat is getting huge.' Adds The

Economist magazine in its recent.issue, 'The only reliable path of peace in Nepal is to end its widespread poverty. More than a third of the population live on the equivalent of less than \$1 a day, making them receptive to the message of the communists. The surprising thing is that they do not have more support.'

Fighting terrorism remains at top of the agenda for the Deuba government at present. But postponing long over-due reform programs and not taking drastic measures to cut unnecessary flab from bureaucracy will not help the government. It could even endanger the country's decade-old democracy, which is passing through one of its most serious crises.

'Our Economy is in a Volatile Stage'

Professor of Economics at Tribhuvan University, **Dr. BISHWAMBHER PYAKURYAL** is known for his frank and critical views on different aspects of the Nepalese economy. A former board member of Nepal Bank Limited, Prof. Pyakuryal recently resigned from stateowned Nepal Industrial Development Corporation (NIDC) to head the Business Information Services Nepal Pvt. Ltd, a private-sector onk tank. He spoke to BHAGIRATH YOGI at new office at Kamalpokhari last week. Excerpts:

How do you see the present state of the economy?

Revenue collection is negative and regular expenditure is higher than the revenue. This indicates volatility of the economy. Even before the declaration of emergency, the government did not have surplus revenue to pay for the remuneration and benefits of retired civil servants. The year 2002 is going to be difficult as major loans are going to mature. Debt servicing will also demand a significant share of the budget. Up to 65 percent of our development expenditure is being financed by foreign aid. But if we can't meet the regular expenditure (through our revenue), it will be very difficult for us to convince the donor community. This could push our society toward what is called a 'mass unrest society.'

How serious is the situation?

The government hasn't been able to redefine the sick industries. The program to rehabilitate sick industries has been awfully delayed. The government doesn't have any resources to rehabilitate sick units. The situation seems to be moving toward something like stagflation (inflation-plus stagnation) when men and machine are out of work.

How effective have been the government's attempts?

The government is about to establish an Assets Management Company to take over the non-performing assets (NPAs) of the government-owned banks. On the other hand, it looks like the government's entire concentration has been on two commercial banks only (Nepal Bank Ltd. and Rstriya Banijya Bank). Due to cumulative growth of the NPAs, the banks haven't been able to collect their overdue. Due to the present uncertainty and higher risks, there is virtually no demand for new investments. That's why many banks are concentrating on conventional areas. We haven't been able to explore potential areas of competitive advantage in the regional context.

Isn't maintaining macro-economic stability an achievement?

After 1990, we have seen that macroeconomic stability could not ensure the reduction of poverty. If the present rate of economic growth and population growth continues, it will take at least 20 years to double our per capita income. It has been proved that macroeconomic stability alone can't ensure economic development in a country like Nepal. At the same time, the low-level of inflation at present may not reflect future prospects for Nepalese economy.

Can the state of emergency help address economic problems?

The government should not use the state of emergency to terrorize the terrorists only. It should adopt austerity measures and develop a mid-term expenditure framework. If needed, the number of ministries should be reduced and unnecessary employees should be bid goodbye. As the economy is passing through rainy days, we may have to compromise with social justice. So, besides liquidating loss-making public enterprises, the government should involve the private sector in almost all cases. We have a situation where the Ministry of Finance (MOF) is looking at the fiscal side and National Planning Commission (NPC) at the programs. The NPC and MOF should be integrated and bureaucratic junk should be eliminated. A one-window policy on the basis of inter-party consensus should be implemented. The present priorities of the government in real sense need to be narrowed down and re-prioritized. Different committees, departments and over-lapping institutions should be eliminated. The government should work keeping in mind the sentiments of the Nepal Development Forum, Least Development Countries and regional organizations. The government should bring out a white paper on the state of national economy.

Has the focus on agriculture been supported by the programs?

The Agriculture Perspective Plan (APP) has demanded more inputs on fertilizer and irrigation. The APP has envisaged a 4 percent rate of growth for agriculture. But over the last four years, it has been less than 2 percent. In face, the government investment has declined in the areas prioritized by the APP. Resource allocations have been influenced by the politi-

-Prof. Bishwambher Pyakuryal



cal personalities, rather than on the basis of priority. A strong law should be formulated to check such aberrations. Government officials, including ministers, should be held accountable for the performance or non-performance of their ministries.

What will be the impact of the cutting down of development expenditure to finance security expenses?

The country will suffer. It will have multiplier effect if the development expenditure is reduced. The government should be more assertive and more transparent and invite people's help and participation in all sectors. The government can't do anything from the existing resources. Of course, there will be dramatic improvement if the security situation improves. More joint ventures and foreign direct investment could flow in. In fact security is the most important element for promoting investment. The problem with us is that our institutions haven't been able to sustain our economic policies. We are suffering from structural, supply-side and policy-level constraints. So, we should devise such policies that will have an influence on price and consumption behavior of the people. If we always remain as a transitional economy, when will we graduate from the state of an LDC?

How can Nepal deal with bilateral problems while remaining an active member of SAARC?

The issues like certificate of origin, value addition, surge and safeguard measures also have some kind of commonalities (that have cropped up between Nepal and India) at the regional level. So, Nepal should raise such issues at the level of SAARC. If a consensus could be built up on such issues at the regional forum, bilateral problems could be solved.

SPORT INJURIES Joint Action

Proper exercise, nutrition and rest provide the best treatment

By AKSHAY SHARMA

You may be tempted to get out your running shoes and become a 'weekend warrior' after months of being sedentary. However, if you do too much too soon, you could pay for it with knee pain, either due to a new injury or to a previously existing condition.

Several rehabilitative exercises can prevent injury of the knee joints and help rehabilitate a previously injured knee, according to experts. Although a plethora of painful knee conditions exists, a high percentage of the problems seems to originate from the patellofemoral (PF) joint, say experts. This is the point at which the patella, or kneecap, joins the femur, or thighbone. So-called knee-strengthening exercises are designed to strengthen the muscles surrounding this joint.

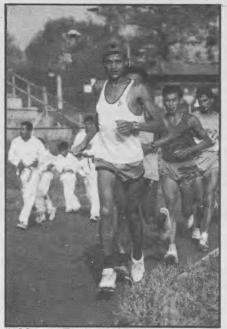
Some of the problems that can cause a painful knee joint include soft-tissue injuries to the muscles, ligaments, or tendons, muscle imbalance, and tightness of the soft-tissue surrounding the joint. Pain that increases during or after exercise is not normal, say experts.

Dr. Prateek Lohani, an assistant professor of physical therapy at Tribhuvan University, says the exercise program should contain a combination of elements that strengthen and stretch the specific muscle groups involved.

Experts caution against focusing on the aesthetic goals of an exercise program without considering the impact on the body. This approach to fitness can lead to overworking the body and injuring a joint.

"We change our exercise regimen because we need physiological changes. We want to burn more calories, or create more muscular bulk," Dr Lohani told SPOTLIGHT. "When we change our regimen, though, we're also going to change the effects of the exercise on our joints and muscles. This physical impact has to be taken into consideration while we're working toward our goal."

Nabin, the manager of therapy services at the Everest Nursing Home, stresses the importance of making changes in small steps. "For example, don't add a new exercise, increase the number of repetitions, and increase the weights at the same time. For runners, this same principle ap-



Athletes : For better health

plies to adding miles to a run. This way, you will know which one was too much. If there's pain, you need to know what is causing it, and you will only know if you add one factor at a time to the workout."

Osteopathic medicine is often advanced for such injuries. "Osteopathic physicians are taught to look at the body as a whole. Therefore, in addition to meeting all the requirements of traditional medical schools, we also have incorporated into our program 200 hours of osteopathic manipulative medicine," says Dr. Hira Tuladhar.

Dr. Lohani says the most common sports injuries evaluated in emergency rooms and doctors' offices are low back pain, knee injuries, shoulder injuries, foot and ankle as well as wrist fractures and strains. "Low back injuries may be seen in all types of sports, usually in the weekend warrior, and people advancing in age, after the age of 20."

If you have abnormal swelling or pockets of fluid that can easily be seen felt, you should see a physician. "If the pain does not slowly go away with home treatments, that means it's time to see the doctor," says Dr. Basanta Silwal, of the Himlayan Nursing Home.

Dr Cavindra Shrestha of the Everest Nursing Home says, "Although I am not a surgeon, and my opinion is thought biased, many orthopedic surgeons will try to operate on these people. Usually conservative management including ice, rest, an antiinflammatory and a good physical therapy program will often help their symptoms."

What about cortisone injections into the joints? "I have used cortisone injections in my training program as well as in my practice," says Dr. Silwal. "I use them only after the basic treatments have been addressed. I do not have objections to using these medicines although I myself am very conservative in their use."

After minor injuries, is it safe to return to the game when the pain stops? "This is a tricky question," says Dr. Silwal. "Most people are able to return after brief periods of rest, although remember that most sportsm injuries that do not require surgery do require ëdown time' for the body to heal itself."

What is the best way to prevent sports injuries? "Make sure your body is in optimum health including rest, proper diet, a stretching program as well of the use of a good multi vitamin with minerals," says Dr. Shrestha. "Make sure you drink copious amounts of water."

Ultimately, a good strengthening and relaxation program incorporated with diet, sleep and proper nutrition could help you go a long way.

NEPALESE FILMS Coming Of Age

Kollywood productions are finding more and more takers

By SANJAYA DHAKAL

n the middle of watching "Afno Manchhe", Saraswati Basnet gave birth to a male child on Wednesday (December at Bishnu Theater in Tulsipur, Dang. Cashing in on the media hype, the filmmaker declared that she and her family would be provided free lifelong viewing of their films.

The incident shows the growing enthusiasm among the Nepalese audience, for local films. Just a few years ago, Bollywood (Indian) cinema were the primary intakes of most of the urban as well as semi-urban residents. These cinemas from the south ruled the roost not only in Terai but also in hilly towns.

But the scene is changing. From making one or two films annually, the Nepalese producers are now churning out 50 o more in the course of a decade.

The fact that despite the imposition of emergency and perceived insecurity, a number of new films have been released and that the people have been braving Kathmandu's December, among others, to see them, speaks volumes about the rising attraction of Nepalese films. Right now the theaters in the capital are screening Ram Krishna Dhakal's "Ashirwaad", Dilip Rayamajhi's "Muskan" and Rajesh Hamal's "Arjun".

"Ashirwaad" is a film based on the life of singer Ram Krishna Dhakal. It did well outside the valley and is now trying to lure the valley audiences. "Muskan" is a musical love story while "Arjun" is action-oriented.

The trend among Nepalese producers is such that they test their films outside the valley before screening it in the capital valley, which represents almost half of the market.

"On average, the business of Nepalese

films lie in the range of Rs 7 million to Rs 8 million. They collect half the money from Kathmandu valley and rest from around the country. Their average cost ranges between Rs 4 million and Rs 6 million. While some major hits collect big amounts, most of the films — about half of

every success there are dozens of failures.

However, the encouraging signs for producers has been the steady growth in the market of local films. "For the last two, three years, the market for Nepalese films is increasing rapidly," said Poudel.

The rise in the production of Nepalese films followed the tax rebate given to them by the government. "Moreover, after the Hrithik Roshan episode last December, the market of Hindi films has shrunk further. Although there is no authentic data, I would guess the market share of Nepalese films has reached about 70-80 percent," Poudel said.

Despite their growing numbers and market share, Nepalese films are yet to



A scene from Muskan : Growing popularity

them — fail to recover even Rs 2 million," Uddhav Poudel, a leading producer and theater owner, told SPOTLIGHT recently.

Last year films like "Darpan Chhaya" and "Tan Ta Sarai Bigris Ni Badri" did big business. While the former was a musical and emotional love story, the latter was out and out comedy. Made at the cost of around Rs 3 million "Darpan.." grossed around Rs 30 million all over the country. On the other hand, "Tan ta.." also grossed equal amount but was made at the cost of around Rs 6 million.

But successes like that of Tulasi Ghimire's "Darpan.." and Kiran KC's "Tan ta.." do not come frequently. For make a mark on quality. Most of the films, barring few, are cheap imitation of Bollywood cinemas. Recently, Bhuwan KC came up with his latest venture "Superstar" but it was accused by many to be a direct lift of Bollywood hit "Rangeela". Likewise, Ugyen Chhopel's "Badalpari" — which also hit the valley screens recently — was charged with similar accusations.

"It is true that many Nepalese films are of sub-standard level. But I guess it is normal in an industry that is still in an infant stage. Hopefully, with the passage of time, we will overcome this problem," said one producer.

'There Are Vast Opportunities For Regional Cooperation In Harnessing Energy'

- DON PRIESTMAN

DON PRIESTMAN, chief of party, South Asia Regional Initiative\Energy Training (SARNE), a USAID project, was recently in Kathmandu. He spoke to **KESHAB POUDEL** on various issues related to regional cooperation in harnessing energy. Excerpts:

How do you evaluate the Academy of Education and Development seminars conducted over the last year?

I am very pleased with the way things have gone. We have been getting an excellent response from participants. We managed to get a real diversity of representation from various stakeholders and countries. We have been emphasizing country presentations, case studies and assignments, and what they have achieved is beyond my expectations.

What is your impression about the quality of the discussions in the seminars?

It is always a challenge to organize a training event for people from so many different countries. Obviously, there were some very experienced people. The challenge is not to bore the experienced ones and not completely lose the inexperienced ones. We have to put a lot of attention on appropriate selection and balance of the participants. As we don't want to aim too low, we would rather have experienced people.

You have conducted several rounds of training. How do you see the response of government officials?

Well, that is hard to say in a few words. It is up to the country to decide on the participants. The countries of the region are enthusiastically sending their participants. And the good number of participants indicates that the governments are quite happy. For example, Bhutan is a small country. But the participants from Bhutan are of very high quality in terms of their knowledge and position. This is just a small example of how the government supports the SARI\E concept. In the Indian context, up until recently, we did not have actual government approval for the SARI\E program. Now the Indian government has agreed to allow training programs to be organized in India and Indians to participate. This is a very encouraging sign, as India is a major regional player in terms of sharing energy.

How many seminars have you held?

In 2001, we originally hoped to hold 15 training events. But the unfortunate series of catastphes and crises led to the cancellation, rescheding or postponement of some events. In some cases, the training programs had to be rescheduled three or four times. That really created problems for the participants and organizers. Nevertheless, we have been able to hold nine training programs this year. In addition, we have been able to complete two distance learning events and produce CDs for them. We have also developed a good website on the SARI program. I think under the circumstances, we have accomplished a great deal. Yet there still remains a lot to be done.

Do you think you need to change the training programs?

We want to maximize the regional focus. We want to have greater regional relevance for the programs while also being able to talk about the international context. We want to turn the focus on South Asia, on what is happening and what could happen here. First of all, we want to maximize regional contacts and get participants as involved in training exercises as possible. That means having much more than simple lectures or conventional classroom instruction. Want to have more discussions, teamwork, presentation, case studies and field trips. In our experience, people get involved in such programs with enthusiasm. We want to create an environment in which greater achievements can be made.

As you said, India has recently endorsed the SARI\E. How do you see the possibility of regional cooperation in sharing energy?

That really is the big challenge. There is a fantastic opportunity for cooperation among the countries of the region. I am personally convinced that this is the direction to move, as cooperation in energy matters has worked to the common benefit of countries in Europe and Africa. I think it will also work here. What everybody has to do is to note the surpluses of energy potential in countries

That really is the big challenge. There is a fantastic opportunity for cooperation among the countries of the region.

like Nepal, Bhutan and Bangladesh and identify energy-deficit areas. Institutional reform, energy-sector reform, improved security of energy system and energy trade are vital. It would not take very much energy trade to make a significant difference to countries like Bhutan. As Bhutan is exporting a significant amount of energy to India, that is really helping to stimulate and strengthen the Bhutanese economy. Because of this, funds are available for social reform and education, health and infrastructure. We want promote clean and renewable en-gy like natural gas and water. There are extensive opportunities for regional cooperation in which all countries can share the benefits.

South Asian countries are in the process of reforming the energy sector. How do you see the effort and the private sector's participation?

Most of the people I have spoken to agree that energy-sector reform is essential. Again, there are very few people who argue that the current situ-

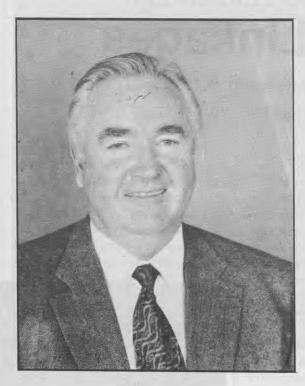
ation is ideal. There are ample opportunities for improvement both in terms of organizational efficiency and structures. Most of the utilities in the region have been facing great difficulties in financial matters. There are problems with tariff, billing and collection. There are a host of challenges that would require a lot of restructuring. Most of the people involved in the energy sector recognize that reform and restructuring are essential.

What is the role of the USAID in the SARI\E program?

The USAID came up with the SARI concept and all of the funding for the project comes from the USAID. None of this would have been happened without the commitment and vision of the USAID. We are very fortunate that they saw the need and have pushed for the implementation of this project. The USAID is also involved on a dayto-day basis in numerous ways. There are frequent meetings between the USAID and participating countries.

Six South Asian countries have joined the program. When will the seventh, Pakistan, come aboard?

The sanctions against Pakistan have been lifted recently. So it is very early to say anything. As a general principle, Pakistan is a large country in the region in terms of economy and geography



and energy. For the sake of completeness, it would be desirable to see Pakistan's formal representation. I think it will take time to achieve that. We have to be patient and move gradually toward that goal.

You visited Nepal more than three decades ago as a student. How do you see the transformation?

When I came here in the 1960s, I was just a young student trekking around the world. Along with Nepal, I visited 58 countries over two years. When my colleagues asked me which my favorite place was, I said Nepal, Kathmandu, in particular. This part of the world always has had a special place in my heart. Whenever I arrive in Kathmandu, I feel I am at home. I like the people and I like the feeling here. When I came back to Nepal after 35 years, I was shocked by the changes in Kathmandu, especially by your development. In the 1960s, there were only a few houses and empty green fields, a clean Bagmati river and environment. I was shocked in terms of what happened in the name of development. I wonder what the situation would be in another 35 years. I really hope that Nepal and Kathmandu will manage to control the effects of development. One has to balance economic and social development. Poverty, health and environment issues must be dealt with together.

We want to promote clean and renewable energy like natural gas and water. There are extensive opportunities for regional cooperation in which all countries can share the benefits.

WAR AGAINST TERRORISM Lethal Linkages

The symbiotic relationship between criminal gangs and terrorist groups comes into sharper focus

By AKSHAY SHARMA

he global war on terrorism has renewed focus on the factors that impel people and organizations to use violence to pursue political and other aims. An important element of the ongoing debate is the relationship between criminal gangs and terrorist organizations.

"Terrorism is an act of violence like sit-ins, walk-outs, and other similar protests no matter how positive," writes terrorism expert Cindy C. Combs. "Violence, the threat of violence and the capacity and the willingness to commit terrorism is endemic to terrorism. The violence need not be fully perpetrated - that is, essentially, theatre, an act played before an audience, designed to create the attention of hundreds of millions, to an often unrelated situation through shock of by doing and thinking without apology or remorse - thereby producing situations of outrage and horror."

When it comes to instilling a sense of fear, tactics adopted by Nepal's Maoists are hardly different from those used by criminal gangs. "We can't identify Maoists from any other suspicious-looking people," said Ram Saran Yadav, a taxi driver, a day before the Nepal bandh called by the underground group last week. "I bought this taxi after selling land I inherited from my father. I can't take any chances either with the Maoists or any of the common criminals that are on the prowl these days."

Although the Nepal bandh was called as a form of political protest, it was accompanied by the psychological terror the Maoists unleashed by attacking a softdrink factory in Balaju a week earlier. "That is where terrorism and crime converge. The Maoists knew that an attack on the gas factory next to the Coca-Cola

plant would have caused greater damage. But they also knew that an attack on the Coke plant would create international headlines. The Maoists seem to be good in psychological warfare," said an anlyst.

It is that capacity for cold manipulation that gives terror groups their strength. "When a poor boy becomes a martyr,

ting the security required to the areas effected," Minister for Information and Communication Jaya Prakash Gupta, who is also the spokesman of council of ministers, told reporters. "We were probably too slow in the immediate aftermath of the event. Because of the topography, the Maoists had the alternative of putting booby traps to slow the process of deployment."

But some analysts believe the government was just caught sleeping. "How could the government have taken the Maoists' commitment to peace talks so seriously when they were represented people very low in the party hierarch one analyst said.

The ability to spring surprises at will



thousands of people attend his funeral. Poor families become celebrities," writes Jessica Stern, a terrorism expert, about the Islamic seminaries in Afghanistan. "One mother whose son died in a gunfire in Kashmir by Indian security forces said it would be better if her six other sons would die as martyrs too."

For Nepal, which is fighting to douse the flames of a costly insurgency, there may be little time to spend on the arcane socio-cultural underpinnings of terrorism. "The Maoists struck with swiftness at the army barracks and our problem was getis not the only reason why the comparison between gangs and terrorist groups is apt. "The irregulars often hire criminals to do their dirty work and sometimes turn to petty or organized crime themselves. Criminals are supposedly hired to ëdrop' weapons and explosives or to carry out extreme acts of violence where a typical irregular may be unable to perform," a security analyst said.

Reports that the Maoists brought in their weapons through the porous border with India have been partially substantiated by both governments' swiftness in

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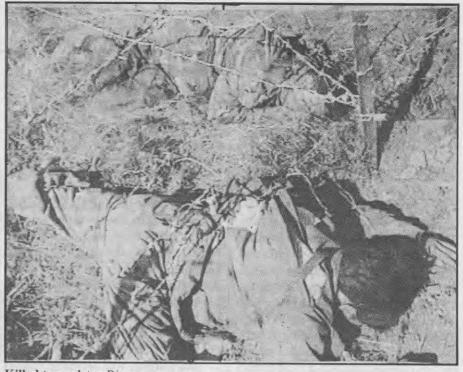
trying to seal the frontier. "When criminals join a private army, therefore, random attacks are likely to break down. Criminal involvement in the problem also affects the principal-agent, the sponsor nation: pure mercenaries are harder to control than individual whose goals are partly aligned with those of the state," Stern writes.

Nepal is a weak state and the government's vague policies are making it weaker. The country has a disastrous economy exacerbated by corruption. The lack of leadership is at the root of many of "problems. Most importantly suggest expert, Nepal must recognize militant for what they are: "Dangerous gangs whose resources and reach continue to grow, threatening to destabilize the nation which in turn would destabilize the entire subcontinent."

The fear psychosis gripping insurgency-hit areas was captured by a recent newspaper story on a boy who had come to Kathmandu from the western district of Salyan. "The Maoists wanted a representative from each house in our village to be present at a rally in defiance of the deployment of the army," the boy said. "I have to go back. I worry about my sisters and mother."

This raises the perennial question of whether terrorists are criminals or crusaders. "[T]he willingness to carry out those perpetrating acts of terrorism or missions in which one's death or at least small imprisonment is inevitable argues no small degree of personal courage," explains Combs. "A willingness to give one's life for a cause, throughout history, commanded at the least a reluctant admiration from one's enemies.

"Bravery is a subjective term. One may feel oneself to be very cowardly, but be perceived by others to be quite fearless. The audience for one's deeds are often to be judged by one's bravery only by the commission of deeds, and are unaware of the inner doubts or demons that may have driven one to the act. Nor is the individual necessarily the best judge of his or her own personal bravery, since a person's capacity of self-deception makes it too difficult to assess one's true motives and fears," Combs adds.



Killed terrorists : Bitter consequence

Terrorists have changed with the transformation of the aims of terrorism. "Modern terrorists, for the most part the fanatics, whose sense of reality is distorted, operate under the assumption that they alone know the truth, are therefore the sole arbiters of what is right and wrong," Combs writes. "While they vehemently deny the rights of the state and commit so many atrocities, they demand to be treated as prisoners of war. In other words, they invoke the laws of war only in so far as to serve their purpose, but reject any aspect of such laws which limit their ability to kill at will. The less clear the political purpose of the motivation of terrorism, the greater its appeal is likely to be in an unbalanced person."

This complex psychology makes it all the more imperative for the state to understand the linkages between terrorists and criminal groups. "Counter-terrorism involves activities more than those that bear a counter terrorism label. It is the harmonization of the foreign governments and investigative work of all the international agencies, related legal works of focused on terrorism because the problem transcends borders," writes terrorism expert Paul P. Pillar in the November 2001 issue of the Electronic Journal of the US State Department. "It includes defensive progress of every government and the private sector of every country. Every counter terrorist instrument is difficult to use. Using them well together is more difficult. But using them all is the critical factor against fighting terrorism."

Nepal's fight against internal terrorism is constrained by the government's limitations in mustering enough resources in time. However, the government's decisive move to outlaw front organizations backing the Maoists and the support it has received from political parties have raised hopes for the restoration of peace. But others, like Pradeep Thapa, are in a quandary. "The rivalry in the subcontinent could spill over into Nepal, especially since there are other militant organizations in Nepal seeking external supporters. We may be facing a long drawn-out war on Nepalese soil." Such fears need to be addressed through concerted action against terrorist groups, their propaganda machine, supply routes and funding sources, among other things. In this process, the symbiotic relationship between criminal gangs and terrorist groups needs to be studied carefully before it can be severed.

Diversity Defined

Dr. Harka Gurung dissects the social demography of Nepal

By A CORRESPONDENT

A country of profound cultural, ethnic and topographical diversity, Nepal provides social scientists a wealth of subjects to explore. Many books and scholarly papers have written by national and international experts highlighting the importance and implications of the vast social and cultural diversity of the country. Dr Harka Gurung's contributions carry extra depth and significance because of the rich personal experience as a planner, politician and thinker he brings to his subject.

Nepal: Social Demography and Expressions By Harka Gurung Published by New Era, Kathmandu, Nepal Price: Rs. 400

Dr. Gurung, who is among the preeminent social researchers of contemporary Nepal, explains the prevalent social and demographic trends and their expressions in Nepali society. He goes on to assess the realities on the ground as well as make valuable recommendations. The book is a significant contribution to the literature of Nepali social demography.

Dr. Gurung tackles his subject from the angles of ethnic, caste, linguistic, and religious diversity and divisions. He probes such elements as education, elitism, ethnicity, elections, development, ideology, the state and society with immense incisiveness.

An important strength of the book is the statistical tables that illuminate spatial patterns as well as temporal process. Amid the raging debate on how Nepal should maintain its ethnic balance, the book contains special relevance.

"The political change of 1990 was instrumental in yielding a new constitution that marked a watershed in the concept of national construction. It defined Nepal as a multi-ethnic and multi-lingual state despite the vestige of Hindu Kingdom. The recognition of distinct ethnic identities instead of common culture as the basis of nation has given enormous impetus to social assertion," says Dr. Gurung in his preface.

Dr. Gurung, who served in various senior positions during the partyless Panchayat decades, including vice-chairman of the National Planning Commission and minister of tourism, draws heavily on his extensive background while handling crucial demographic issues.

When the Bhutanese government evicted people from the south, saying they were of Nepali origin, it touched off a debate on what constituted 'Nepaliness'.

Beginning with the premise that Nepal is composed of various ethnic groups spread across different regions, including the Terai, hills and Himalayas, Dr. Gurung surveys the way they are commonly termed as Nepalis.

In his book, Dr. Gurung tries to explain the people of Nepal in terms of various ethnic groups. He blames the Panchayat regime for imposing the Hindu social order among various ethnic groups.

The author presents a descriptive account based on available data. In Part I, he presents a simple demographic account of the growth and redistribution of the population as well as its composition by ethnicity, language and religion.

Like all his previous books on social demography, Dr. Gurung tries to explain the process of social transition based on ethnicity, language, religion, culture and language. As a social researcher, he has always been interested in the patterns of social and cultural system among various ethnic groups, including domination *p*⁻⁴ exploitation. In discussing what are hig sensitive issues for many, Dr. Gurung is known for the frankness and courage with which he speak his mind.

Although his analysis and arguments have always been based on the available data, some of his reports have generated controversy. After the publication of report on migration in 1980s, a large section of the population of Terai districts demonstrated across the country. It is said that after the publication of his report, the people in the Terai started to identify themselves as Madhesiyas.

Dr. Gurung remains undaunted by the criticism he provokes, as he bases his study of demographic transition and related developments on existing data and analyses.



By M.S.KHOKNA



TRANSITION

LEFT: Rajendra Kharel, Minister for Women, Children and Social Welfare, for Yokohama, Japan, to participate in the second world conference against sexual exploitation of children at workplaces. dent Journalists Society, under the convenorship of Jeev Ram Bhandari.

FELICITATED: Bandi Das Thebe, social worker, by Dr. Keshar Jung Rayamajhi, Chairman of the Raj Parishad Standing Committee.

ON THE NET: The news in English and Nepali of the

Nepal Television will now be available in the Internet.

CELEBRATED: The 36th anniversary of English-daily The Rising Nepal.

ELECTED: Dhanman Shrestha as the president of the Nepal Cancer Relief Society.

AWARDED: Om Prakash

Biswokarma, social activist who has been working for the cause of Dalit (untouchables) in Nepal, with the International Brotherhood Ambedkar Award, by the Indian Dalit Literature Academy.

Arun Kumar Shah, an industrious student from Siraha district, with the Pundit Krishna Lal Jha award.

FORMED: Nepal Indepen-

NATIONAL

YOUTH EMPLOYMENT SUMMIT 2002 Work For All

Nepalese youths begin to prepare their agenda for the upcoming youth employment summit

By SANJAYA DHAKAL

I ith the ambitious target of providing productive and sustainable livelihoods to an additional 500 million young adults, especially those facing poverty, by the year 2012, the Youth Employment Summit (YES) is going to launch a Decade Campaign of Action in 2002.

The government of Egypt is going to host the YES 2002 in Alexandria in September next year with the support from a number of international NGOs and UN agencies.

With the objective of forming a task force to study and form Nepal's voice regarding youth employment, Nepal Volunteers Association and Youth Initiative organized an interaction program on December 16 in Kathmandu.

"This interaction marks the start of a number of programs that we will be organizing to arrive at a formal agenda we will be putting at the YES 2002," said Rajendra Mulmi, coordinator of the program. According to Mulmi, the first interaction was held only among the youth participants and it constituted a task force that would study the issue further.

After the YES 2002, there will be a decade long campaign. "If Nepal wants to be a part of the global campaign, it needs to work immediately. In fact, the Alexandria conference will be the start of the 10 years of plans of actions," said Cameron Neil, an Australian development activist associated with the YES 2002.

"We will be working together with all concerned agencies and come up with a formal agenda before the Global Youth Service Day in April," said Mulmi.

Already countries like Nepal, Tanzania, South Africa, Philippines, Romania, Egypt and Mexico are holding interaction programs in their countries to frame their

Youth : Untapped patential

agenda for the summit.

At present there are 1 billion young people between 15-24 years of age. . And 850 million of them live in developing countries while 153 million of them are illiterate. About 16 million of them (10-24 years of age) are infected with AIDS.

Large number of youths remain unem-

ployed in developing countries. "In Nepal, we don't have a concrete figure on how many of our youths are unemployed. We need to study on the figures, too," said Mulmi.

As the issue of unemployment among youths are closely linked with other issues like health and social harmony, it is an important challenge that needs to be overcome

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Video (English)

Out Cold

Spy Game

Bandits Black Knight From Hell Jomestic Distrubance Riding In Cars Iron Monkey 13 Ghost Harry Porter



Ehsaas Tera Mera Saathrahen Moksha Ashoka Abhay Deewanapan

Yeh Zindagi Ka Safar

Indian

Arjun Deva

Rehna Hai Tere Dil Mai (Source : Super Star Video, New Road)



"God gave you the time, space, cause, material, idea, skill, chance and fortune, why should you feel as if you are the doer?"

- SATYA SAI BABA

EXHIBITION Cry Freedom

Siddhartha Art Gallery and Nepalese Heritage Society present a plea for peace, hope and renewal

By AKSHAY SHARMA

ART

640 h early life early death!/Oh broken Heart!/No destiny So Cruel/And I bore you to this evil!" This excerpt from Homer's Iliad must have captured the anguish of art lovers around the world when Afghanistan's Taliban rulers demolished the Bamiyan Buddha statues.

The Siddhartha Art Gallery and the Nepalese Heritage Society brought back memories of this monumental loss in "Bamiyan Buddha, Icon of Peace, Hope and Renewal". The show, which included a collection of paintings by Prakash Chandawadker, was inaugurated by Chyoki Nyma Rimphoche on December 15. It also featured a video made by Jeong Myeong Kyeong, Pak Kyung, Kim Hun Sung, Son Jin Sook. Works by other renowned artists like Sunita Rana, Sudarshan Rana, Ashmina Ranjit Gopal Kalapremi, dances by Nritya Mandap and a recital by Sur Sudha, were part of show, organized to back a Swiss initiative to renovate the Bamiyan Buddhas.

"Siddhartha Gautam is kind of a sentimental factor to me," said Sangeeta Thapa, the director of the gallery. "When I heard about the destruction of the Bamiyan Buddhas, I felt very sad because I also have a sentimental attachment to Afghanistan. I've heard stories of the statues from my father, who has been there."

She added: "I remember the remark made by Indian Prime Minister Atal Behari Vajpayee after his country tested nuclear weapons: 'Even the Bamiyan Buddhas smiled'. This disregard for the icon of peace originates from the subcontinent itself. Although the Taliban were successful in destroying the Bamiyan Buddhas, they could not wipe out Buddhism." The Bamiyan Buddhas were worshiped by the local people before the time of the prophet Muhammad. "I was filled with sadness and anger when I heard the news of the demolition of the statues," said Juha Holopainen of Finland. "I do not understand why people of diverse religions still have to fight each other. Hasn't the world seen enough destruction and wars? Although the statues do not stand there anymore, can you destroy the virtues and the teaching of the very wise man who preached peace all around the world?"

Juha, whose paintings are quite diverse, has his own technique. "I grew up

in the 60's watching television and movies. I use Hollywood stars to express my inner feelings. I first use aluminium plates and glue. After it has dried, I paint on them."

Artist Ragini Upadhyaya said: "I have the liberty of having a press and have used a new technique using leaves to send across my message. My emphasis is on the sun and the Buddha. Both represent truth and can't be destroyed."

Pratima Rana, vice-president of the Nepal Heritage Society, said: "Sangeeta is donating Rs 10,000 and the Nepal Heritage Society is donating the same amount to the Swiss government, which has taken the initiative to rebuild the Bamiyan statues." Dolly Rana, treasurer of the society, said, "The event we are organizing here is creating a lovely evening of the mixture of art, culture and peace." Nritya Mandap's Yagya Man Shakya choreographed dances representing the elements and message of Buddhism.

Chandawadker said his paintings focus on the harmonization of the colors of Hinduism and the beauty of Buddhism that exist so beautifully in Nepal. "I have tried to capture the five elements of Buddhism in my paintings. Everybody needs solace from something. For me, it is B dha."

The video focuses on the theme of the Bamiyan Buddhas, said Kim Hun Sung. "It's an abstract

production, a jerky home made production aimed at the Pancha (five) colours. We used a camcorder. The focus is to make the audience realize the destruction of the Bamiyans. And we focused on destruction as a cycle — it comes and goes."

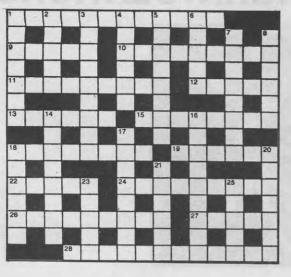


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ACROSS

- 1. Poorly deliver second part of speech. beset by cowards (12)
- 9. Expression of suffering increased in sound (5)
- 10. Upset, my dear chap, with a singularly thick-skinned type (9)
- 11. TV not being kept fresh? This provides access to entertainment (3,6)
- 12. Heavily drop bottles of wine causing little damage? (5)
- Extended flexible cylinders to pull around 13.
- container (6)
- 15. Varied answer to riddle 'What walks on three legs?' (8)
- A library, in short, English don arranged (8)
- 19. Marsha's conversion in religious community (6)
- 22. Having a specific purpose ñ to provide more wine, say (2,3)
- Not missing a trick, take lots of dollars 24.
- and escape in America (5,4)
- 26. Crunchy food chopped outside, likewise chopped inside (6,3)
- Justice, in turn for an old-fashioned chau-27. vinist (5)
- 28. Where many stand so that one may have a seat (7.5)

- DOWN
- 1. A lot of information obtained from gipsy queen? Just some (7)
- American people take legal action in hear-2. ing(5)
- 3. Telephone receiver put under guard securely (4-5)
- 4. It protects the consumer when fare is dropped (6)
- 5. Government responsible for a lot of states, relatively speaking (5,3)
- Sing the praises of railway entering into 6. competition (3.2)
- 7. Unknown hero's turned out for us when
- 8. Cured with some medicine initially ap-
- 14. Religious type taking his time with doomed sailor (8)
- 16. Jailed patient person for crime with accomplice (6,3)
- 17. Alarming constituents in such an unsafe seat (8)
- 18. Divide British and American farmland (6)
- 20. Huge insect after mother (7)
- 21. Times style set after Bill turned up leading

- printer (6)
- 23. Religious statement taking century to put right (5)
- 25. Slow overall, but mostly fast (5)

Manifold 18. Bodleian 19. Ashram 22. Ad hoc 24. Grand slam 26. Cashew nut 27. Jingo 28. Pooling

Across : 1. Mispronounce 9. Groan 10. Pachyderm 11. Box office 12. Plonk 13. Tubing 15.

NOLLOTOS

spade jack is allowed to win, he switches the attack to a low club, East winning his jack. A heart return goes to South's king, and South cashes his club ace and concedes a club to East's king. 14. Buddhist 16. Inside job 17. Marginal 18. Branch 20. Mammoth 21. Caxton 23. Credo 25. Centlo With no need for a second spade finesse, Down: I. Megabit 2. Sioux 3. Ring fence 4. Napkin 5. Unclesam 6. Cry up 7. Zero hour 8. Smoked pooth

South wins East's diamond shift to cash two more black-suit winners. With a total of four black-suit winners. With a total of four blacksuit winners and five in the red suits, South casts a sly wink toward East, while claiming his tricky game.

BRIDGE Opening lead: Heart jack Jaisner T'** 40H 12-07. SNT All pass IN Z North East SSEA 1SOM unos :Buidding and Degler: South Vulnerable: Both HLOOS MEST V OIO HIMON

'The ignorance of the world leaves one at the mercy of its malice.'

- William Hozlitt

Any experienced player is aware that defenders are under no obligation to make life easier for him. Therefore, he can trust an opponent's play only at great risk. Examine today's interesting deal. A nave South took East's bait, costing him a vulnerable game.

A Jacoby Transfer, North's three-heart bid promised a five-card or longer spade suit and asked South to bid spades. After South completed the transfer, North bid three notrump, limiting his holding to only five spades. With six spades or more, he would have chosen to play in spades instead.

South won West's heart jack with his queen ñ the card he was known to hold ñ- and passed the spade jack for a 'winning finesse.' A trusting soul, South repeated the spade finesse. This time East won his king, teaching South the ways of the real world. With no second spade winner available, and with no help from the defense, South took only seven tricks.

A seasoned declarer would eye the win-

ning spade finesse with suspicion. After his

attack begins (4,4) proved (6)

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