

Opinion: Dr. Ananda Bahadur Thapa

www.nepalnews.com/spotlight

The National Newsmagazine

# SPOTLIGHT

June 30-July 06, 2006

## Population Changing Dynamic

Politics : Peace Move  
Economy : Budget Preparation

C.D.O. Regd No. 151/079-40  
Printed at Regd No. 20/060-61

Other SAARC Nations..... US \$ 1.00  
Australia..... US \$ 1.00  
China/Korea..... US \$ 1.00  
Japan..... US \$ 1.00  
MELASRAL..... US \$ 1.00  
New Zealand..... US \$ 1.00  
Other Asian Countries..... US \$ 1.00  
USA/UK..... US \$ 2.00  
Hong Kong..... US \$ 1.00

# सुखी परिवारको लागि आनो लगानी

प्रयुक्त छ...

...परिवार वचत खाता

यस क्रमिक वचत खाताले भविष्यमा तपाईं र तपाईंको परिवारको आर्थिक आवश्यकताहरू पुरा गर्दछ। यस खातामा प्रारम्भिक निक्षेप रु २,५०० र न्यूनतम मासिक निक्षेप रु ५०० जम्मा गरि विभिन्न सेवाहरू पाउनुहोस्।

- ३% वार्षिक व्याजदर
- व्यक्तिगत दुर्घटना बीमा रु ५०,००० सम्म
- लक्करको निक्षेपमा ५०% छुट
- ति:शुल्क अन्तर शाखा कारोबार सेवा
- ई-बैंकिङ्ग सेवा

विस्तृत जानकारीको लागि नजिकैको नेपाल इन्भेस्टमेन्ट बैंकको शाखामा सम्पर्क गर्नुहोस्।



**नेपाल इन्भेस्टमेन्ट बैंक लि.**  
NEPAL INVESTMENT BANK LTD.

w w w . n i b l . c o m . n p



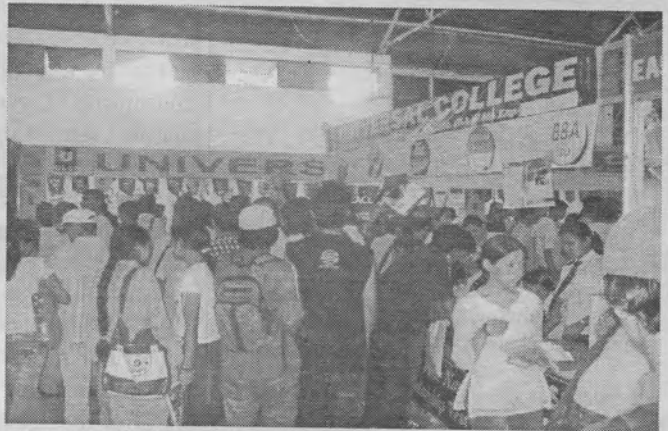
Truly a Nepali Bank

EARLY BIRD Prizes  
Win NPR 1,000  
for first 8 minor Accounts

दरबार मार्ग ४२२८२२२, ४२४२४३० सिपाडोल ६६१५६१७, ६६१२३३३ बीरगंज ५२३३३७, ५२५५७७ पुन्योक ५५३०३४६, ५५४६८४८ बनेपा ६६४४०१ न्युरोड ४२४२४८४, ४२३०३७४ वीराटनगर ५२४५२३, ५२४५२४, ५२४५२५ गुदवेल ५४९९९५, ५४९९९३, ५४९९९३ जीतिपुर ५२०२९७ पोखरा ५३८९९९ कैरहवा ५२६९९५, ५२६९९९ पुतलिसडक ४४४५३०९, ४४४५३०९ नारायणगढ ५३३९३१, ५३३९३३, ५३३९३३, ५३३९३४

# CONTENTS

LETTERS	3
NEWS NOTES	4
BRIEFS	6
QUOTE UNQUOTE/TRANSITION	7
OPINION: Dr. AB Thapa	8
SLC RESULTS: A Click Away	11
BUDGET PREPARATIONS: Uphill Task	16
VIEWPOINT: Madhukar SJB Rana	20
ARTICLE: Subroto Roy	21
NATIONAL: IV Alumni Association	23
PROFILE: Keith Bloomfield	24
SPOTLIGHT/JUNE 30, 2005	



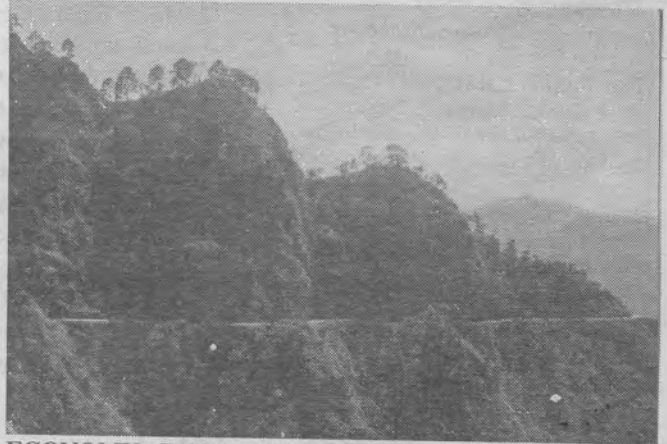
## COVER STORY : Changing Dynamic

Nepal is passing through a demographic transition with younger population dominating the composition Page 12



## POLITICS: Building Confidence

Maoist leaders are in an exercise to build confidence with the political parties Page 10



## ECONOMY : Bridging The Giants

After the opening of Nathula, Nepal needs to redouble its efforts to develop as transit bridge between India and China Page 18

**SPOTLIGHT**

THE WEEKLY NATIONAL NEWSMAGAZINE

Vol. 25, No 43, June 30, 2006  
Asar 16, 2063

**Chief Editor And Publisher**  
Madhav Kumar Rimal

**Editor**  
Sarita Rimal

**Managing Editor**  
Keshab Poudel

**Senior Reporter**  
Sanjaya Dhakal

**Reporter**  
Thakur Amgai

**Design and Layout**  
Jyoti Singh

**Photographer**  
Sandesh Manandhar

**Legal Advisor**  
Advocate Lok Bhakta Rana

**Marketing**  
Navin Kumar Maharjan  
Madan Raj Poudel  
Bishnu Prasad Chaulagain

**Editorial Office**  
GPO Box 7256, Maitidevi, Kathmandu  
Tel (977-1) 4423127 Fax: (977-1) 4417845  
Chief Editor's : 4435594,  
E-mail : spot@mail.com.np  
Internet : www.nepalnews.com/spotlight

**Cover Design : Digi-Tech Scanning & Pre-Press Pvt. Ltd.**  
P.O. Box : 1655, Jwagal, Kupondole,  
Lalitpur, Nepal  
Tel : 5551251, 5529530  
E-mail : degiscan@wlink.com.np

**Distribution : R.B. News Paper Traders**  
New Road, Kathmandu, Nepal  
Ph : 4232784, 2020247, 4244679  
E-mail : rbnewspaper@hotmail.com

**Printers : Printers World P. Ltd.**  
Maitidevi, Kathmandu  
Ph : 4423904  
E-mail : printerworld@wlink.com.np

C.D.O.Regd. No  
151/039-40  
Postal Regd. No  
42/61/62  
U.S. Library of Congress  
Catalogue No. 91-905060

**T**he eight point agreement signed between the CPN (Maoists) and the Seven Party Alliance seems to have developed some cracks. It was not unexpected. That it was a temporary marriage of unavoidable compulsions on the part of both the signatories and would not last long, unless one party was willing to make heavy compromises, was not very difficult to assume. If one party is driven by the zeal of extreme ideology, devoid of any practical knowledges and experiences, the bigger constituents of the other are impelled by the lure of power and pelf. If the credentials of one are yet to be tested, the bigger parties of the SPA have exposed themselves, quite a few times, for the common man to get disillusioned. It seems quite strange why the smaller constituents of the SPA are not grudging to share the ignominy of the bigger parties. No ghost need come from hell to tell us that, had it not been for the Maoists, neither the King's authority would have been cut down, nor the House would have been restored and nor the SPA would be sitting in the government now. Since it has become crystal clear that the Maoists have emerged as the dominating political force in Nepali national politics, they have to renounce their pre-revolution concept and behavior and start acclimatizing themselves with the poor country's most pressing priorities. Except the urban areas, most of the rural Nepal is under their control and Nepal government has been turned into a helpless spectator. The overwhelming poor people of Nepal, who have been oppressed and exploited up till now, are looking up to them for redress. Whether the Maoists will come up to the expectations of poor Nepalis and safeguard their dignity and pride by avoiding the remote control that has become the bane of politicians in the poor country has become the most burning issue at the moment. As per the established tradition of all revolutions in the world, the Maoists too should have grabbed power and authority in Nepal. But, they have exhibited great statesmanship by restraining themselves which otherwise, might have embroiled the country in senseless and devastating civil war. But the sinister developments of recent past have only generated misgivings and apprehensions that the SPA government is dragging its feet in implementing the eight point agreement in real earnest. They seem to have taken the cue from their mentors. They have started taking shelter behind the art of rhetorics. Now, they are trying to put the blame on regressive and traditional parties and people but they refuse to acknowledge that their own bigger partners are still stinking from their unforgivable and unforgettable crimes against the nation committed by them when in power. They keep on overlooking the simple truth that there are innumerable honest and patriotic men and women who can become strong pillars of their nation. The discredited politicians can never be trusted to work honestly and patriotically for the country. Isn't it a simple farce that they want the members of the restored House of Representatives to take oath after such a long time? Are they willing to accept that all the activities of the restored House have become invalid since the members had not taken their oath? If not why this oath taking drama at this juncture? This must serve as a simple clue to read the mind - what are they thinking and planning. The Maoists, if they want to keep their slate clean all the time, instead of exerting themselves in meeting and talking with men with borrowed minds, they must initiate meeting Nepali intelligentsia who have not been defiled yet. This will not only help them understand what the country wants urgently, but also provide genuine base and material to formulate their future policies. Since the undercurrents in Nepali politics are becoming stronger every passing day, the Maoists must not fail to read them if they want their sacrifices to bear fruit. They also must be able to see the specter of isolationism that is lurking on the horizon. Since the country cannot wait for long, they must not delay bringing the needed reforms that only can rejuvenate the nation to fruition. And this demands liberal and broad minded thinking, vision and imagination and tolerance. These are very tall demands. Can the Maoists meet them? ■

*Madhav Kumar Rimal*  
**Madhav Kumar Rimal**  
Chief Editor & Publisher



## Article Of Caution

The cover story titled "Changing Roadmap" (June 23) has urged Nepalese to be skeptical towards the controversial activities carried out by the parliament and be careful because they might mislead us by making tempting promises, which have no real value, because they are not fully committed towards their own declaration. On the one hand, they declare that there should be representation of at least 33% women in each sector of society and, on the other hand, they did not include even a single woman in the committee formed to draft the interim constitution. It is true that opposition should be together to achieve a success. However,

one needs to be critical towards their wrong deeds. Before commenting about others, they need to be self-critical at first.

*Jeevan KC  
Battispatali*

## Wayward Policies

Parties, either they be of seven party alliance or the Maoists, are like institutions and their members are like their employees. Imagine if the employees were not made clear about an institution's objective or each step it is going to take, then how could they achieve their goal for which they have teamed. It is almost impossible. The thing, which we don't want to imagine, is being practiced by the seven party alliance. Members are not even informed about the eight-point agreement, which the top most leaders signed. The article of the cover story (June 23) made it clear that even many senior leaders including *Am Chandra Poudel* and *Arjun Narsingh K.C* of the ruling Nepali Congress were unaware about the new agreement. That is very depressing and sheer irresponsibility on the part of the top leadership. They should remember that members are not merely the tools that are made to listen to decisions made by the top leaders. Rather, the members have all the right to be involved in the process of making decision and giving their views and suggestions. If they want peaceful landing of this critical situation, they first need to have contact with their members before taking such important steps.

*Bikram Rana  
Manbhanwan*

## Change Policy Towards Nepal

The changed political situation in Nepal must impress upon the Indians to change their policy towards Nepal. In name India is a very friendly neighboring country. But our experiences do not prove it. Starting from Kosi and Gandak projects to Mahakali, Nepalese people have seen how India has tried to exploit us. India has always applied divide and rule policy in Nepal, like she has tried in other small countries of South Asia like Sri Lanka and Bangladesh. Now India must see that it is not in her interest. She cannot fool the smaller nations all the time. There has been a revolution in Nepal and Nepal wants India to be a good friend to her now. Nepalis people are very patient people. If they lose their patience they can become aggressive, which will not be good for India. India should not play with Nepal's weakness. It will be better for both if India changes her policy.

*Devaki Nandan Ghimire  
Kathmandu*

## Give Priority To Women

As I read the article "Time to Empower" (June 23) I came to know about the only one agency working for women that is 'UNIFEM.' I was very much

excited to hear such a good news and I also felt proud as a woman. But as I went through the article, I realized that presently it is not even given the status of a full-fledged agency but only remains as a mere department of UNDP. Women who are not getting much attention, need an independent and strong women's agency to raise their voice. However, it is unfortunate that UNIFEM is not being provided full resources and strong authority. Therefore we, women need to think of it more carefully. And we should be more active to resolve such problems. And we should realize that in the absence of such an agency, the rights of women will be undermined.

*Sukanya Amatya  
Patan*

## Economy First

The interview with professor Dr. Surya Subedi (June 23) tries to clarify that until and unless the economic prosperity is not gained the country can't move ahead in the path of sustaining democracy and managing the change. Because until people are convinced that they are moving ahead towards a prosperous life, they are not going to stay quiet. As he states, Nepalese now need a political system, which is supportive of economic development.

*Kisan Mahato  
Maharajgunj*

## Good News

I am happy to learn that the Gross National Disposable Income (GNDI) has increased in the country (Saving Grace, June 23). Thanks to the increasing remittances, which helped to increase the disposable income of the people, the country is able to hold its economy together despite adverse situation. Since because of our young working force working in overseas countries we are able to survive, we need to pay tributes and respect to the workers. All kinds of immigration-related hassles for them during their overseas trip and return home must be abolished.

*Janak Khadka  
Jawalakhel*

## Commission Summons Three Former Ministers

The high-level judicial commission formed to probe repressions against people's movement has dispatched letters summoning three former ministers including former vice chairman of the Council of Ministers Dr. Tulsi Giri, Badri Mandal and Nikshya SJB Rana for interrogations. The commission has asked the three to present themselves at the commission office on Tuesday morning (June 26). The commission is expected to summon other ministers and key royal advisors soon. *Leading dailies report.*

## Mid-Marsyangdi Row In International Court

The multi-national contractor of the Middle Marsyangdi hydropower project has filed a case against Nepal Electricity Authority (NEA) at an international court demanding payment of additional Rs 3.68 billion. Already the cost of the project has doubled compared to initial estimations. The multinational contractors DDC-JV has filed the case during the tenure of former executive director of NEA Harish Chandra Shah. The contractor is said to have approached the court after attempts of reaching the settlement mutually failed. *Kantipur daily reports.*

## Cop Gets Clean Chit

The committee formed to probe the incident regarding the beating up of Bharat Keshar Simha, president of World Hindu Federation and honorary ADC to King Gyanendra, by locals in Lainchaur and the subsequent response by police inspector Abhusan Timilsina has given a clean chit to him. The three-member team submitted its report to the chief of Nepal Police stating that there is no reason to take action against Timilsina. Following the report, Timilsina has resumed work at his Durbarmarga police post. "The police officials had enough grounds to handcuff Bharat Keshar Simha and his two sons.

Had they not done so, the incensed mob would have set fire to Malla Hotel," said a police official. The Police Headquarters had set up the probe panel headed by Deputy Inspector General Rabi Shrestha. *Leading dailies report.*

## Parties Express Commitment For Himalayan Lokmarga

The main political parties have expressed their commitment for the construction of Himalayan Lokmarga (People's Highway) that links the northern belt of the nation from Taplejung in the east to Darchula in the far west. The concept of this highway has been forwarded by Himalayan Lokmarga Citizens' Concern Society. The highway is planned to run 1300 km at the foothills of mountains across the northern belt. The Society expects that construction of such highway would lead to emotional integration of people living in the mountainous region; physical transformation of the region; help in the sustainable exploitation of natural resources; and avert possible rebellion in the future by ensuring development and prosperity. The highway will pass through various northern hilly districts including Darchula, Bajhang, Bajura, Humla, Mugu, Dolpa, Mustang, Manang, Lamjung, Gorkha, Dhading, Nuwakot and Taplejung. Proposing that the road be named "Himalayan People's Highway" UML general secretary Madhav Kumar Nepal announced that he would mobilize hundreds of thousands of UML militia in the construction of the road. He also hoped that the Maoists and other parties would also similarly mobilize their cadres for the purpose. "Congress is committed for this road. This road will now be constructed anyhow. No one can stop it," said vice president of Nepali Congress (NC) Sushil Koirala. Convener of the Society Hari Bairagi Dahal said that the road has been proposed with the objective of empowering the local people. The feasibility of the highway is yet to be conducted. *Nepal Samacharpatra daily reports.*

## Rayamajhi Commission Asks Govt To Put 13 Under Surveillance

The high-level probe commission led by Krishna Jung Rayamajhi has asked the government to put 13 persons including ministers and advisors of the previous royal regime under surveillance. Following the incident of one of the key royal advisors Sharad Chandra Shah fleeing to Bangkok last week, the commission has submitted a written recommendation to put them under surveillance. "We gave the written recommendation so that such incidents do not repeat," said a member of the commission. Among those in the list of 13 persons include former vice chairman of Council of Ministers Dr. Tulsi Giri and former ministers Kamal Thapa, Badri Mandal, Niranjan Thapa, Tanka Dhak, Shrish SJB Rana, Jagat Gauchan, Senate Shrestha and Nikshya SJB Rana. Likewise, the commission has also asked the government to put advisors Satchit SJB Rana and Bharat Keshar Simha under surveillance. The member added that the commission has almost completed its preliminary investigation and would start summoning these persons for interrogation within a few days. The commission had been formed to probe repression against the people's movement by the previous regime. *Kantipur daily reports.*

## Prachanda Smells Conspiracy

Maoist chairman Prachanda has said that conspiracies are afoot against the eight-point pact between the seven parties and the Maoists. Addressing his party cadres and militants in Barchhain of Doti district in far west Nepal, Prachanda said, "We are seeing that conspiracies are being hatched against the eight-point pact," he said, adding, "Such conspiracies will be shattered in a few days." He claimed that a foreign power, which had colluded with the King, is working to break the pact. He did not elaborate on the nature of conspiracy. Prachanda also added that his party was demonstrating maximum flexibility for the sake of peace in the country. *Leading dailies report.*

## NA Takes Exception Against Prachanda's Remarks

Nepalese Army (NA) has raised serious objections to the remarks made by Maoist chairman Prachanda last week in Baluwatar where he deplored the NA. In a statement issued by NA spokesperson Brigadier General Nepal Bhusan Chand, the NA has stated that its attention has been seriously drawn to the "objectionable remarks and accusations made by Maoist chairman Prachanda targeted at the NA." The statement reads, "History is witness, the army has been forever committed to work under the directions of constitutional governments to protect the sovereignty and territorial integrity of the nation." On Friday (June 16), during a joint press conference with leaders of seven parties, Prachanda had accused the NA of having done nothing "except kill Nepalese people and rape women." He also stated that the number of NA soldiers should be brought down to 20,000. *Leading dailies report.*

## PM Discharged From Hospital

Following the successful prostate laser surgery, Prime Minister Girija Prasad Koirala has been discharged from the Bumrungrad Hospital in Bangkok. He is currently resting at the Nepalese Embassy there. After a final check up on Saturday, PM Koirala could return home on Tuesday (June 27), reports say. *Leading dailies report.*

## IMF Fears For Nepal's Fiscal Well-Being

A three-member mission of the International Monetary Fund (IMF), led by Sanjay Kalra from Washington DC, completed their 10-day long visit to Nepal ahead of Nepal's budget announcement for fiscal year 2006/07. It has taken a very serious view of the status of the country's macro-economic stability, especially of its fiscal imbalance in recent times. Currently, only Rs 3.4 billion is in government's treasury, which is just enough to meet the salaries of civil servants for a month. With this fiscal imbalance, IMF is confused whether to continue its Poverty Reduction

Growth Facility (PRGF), under which Nepal has been getting loans to the tune of about Rs 7 billion at below one percent interest rate for a three-year period. Another major concern shown by IMF is related to Nepal's increased domestic borrowing, says a source. During this fiscal year, the government has taken domestic borrowing amounting to Rs 11.85 billion, which is two percent of GDP that stands at Rs 539 billion as of today. As per South Asian standards, this amount is not big but according to global standards, it is 'dangerous.' It could ultimately hit external sector such as state of Balance of Payment, IMF views. Meanwhile, the IMF team is said to have advised the government to adjust petroleum prices and expedite privatization. *The Himalayan Times daily reports.*

## FDI Continues To Increase

According to data compiled by the Department of Industry, despite the adverse political and security environment, the volume of Foreign Direct Investment (FDI) increased by 15 percent in the first 11 months of the current fiscal year. The Department informed that FDI worth Rs 1.82 billion came during the period – up from Rs 1.57 billion previous fiscal year. Likewise, the number of foreign-invested projects have also increased in this period. The Department approved 104 such projects in this period compared to only 58 last year. "Compared to the volume of investment, the increase in the number of projects is higher. This shows growing attraction in small-scale projects," said an official at the department. Of the total FDI, majority have come in the service sector – Rs 900 million. The FDI have come from around 24 countries. Projects from India leads at 29 projects totaling Rs 820 million of commitments. The US is in the second place with the commitment for investing Rs 413.5 million. The number of jobs that will be created by the FDI this year will increase by 3 percent compared to the last year. *Kantipur daily reports.*

## Maoist Leader Calls For Cooperation To Build National Capital

Stating that the country's economy cannot prosper without industrial

development, central leader of the Maoists Dev Gurung has said that his party is willing to cooperate with entrepreneurs and business community to develop the national capital. "After the change of 1950, the process of industrial development had started but due to feudal state system the national capital could not be developed," Gurung stated, addressing a program organized by Confederation of Nepalese Industries (CNI) titled "Economic Roadmap of Tomorrow." Gurung added that in the coming days, all forces should give common commitment for economic development. Agreeing that in the immediate term, the country would lack capital and technology for development, Gurung said support from donor agencies could be accepted to fill the gap. He said that in the new context, globalization, open market, liberalization and privatization should be used in the interest of the nation. *Nepal Samacharpatra daily reports.*

## Sikta Irrigation Project Kicks Off

After 27 years of letting it un-utilized, the government has finally decided to construct the Sikta Irrigation Project. As interested donors have turned away from the project due to Indian opposition, the government has decided to construct it itself. The government has signed agreement with contractor this month to construct the project, which aims at irrigating 34,000 hectares of land in Banke district. The European Union, Saudi Development Fund, Kuwait Fund for Economic Development and OPEC were willing to aid the Rs 6-billion-strong project collectively but they backed down after Indian opposition. The government now has awarded the contract for headworks construction of the project at Rs 1.85 billion to a joint venture company of Chinese and Nepalese contractors called Sinohydro-Lumbini JV. The government aims to complete headworks and desilting basin construction by 2009. India had opposed the project stating that its construction would divert water from the downstream areas. The project is expected to benefit around 300,000 people in the district. *Kantipur daily reports.*



**PM Koirala meets with Thai PM Thaksin Shinawatra in Bangkok**

The Kathmandu Post

**THE ASSISTANT SECRETARY GENERAL OF THE UNITED Nations** Kul Chandra Gautam held talks with the government negotiating team on Saturday. He discussed the modalities about the UN involvement in peace process with the government team. He said that the UN will immediately dispatch a team of experts to Kathmandu once it receives the letter from the government. Gautam told government negotiators that the UN was willing to extend any kind of cooperation. Earlier, addressing a program in Kathmandu, Gautam who is on a private visit to Nepal, said that it could take anywhere between four to five months for the UN to dispatch its monitoring team for the purpose of arms management. Gautam also held talks with deputy prime minister and foreign minister K.P. Sharma Oli.

**IN THE FIRST SIX MONTHS OF THE CURRENT FISCAL YEAR,** the volume of micro credit has increased by 17.3 percent compared to the same period previous year. During the period, over Rs 17.36 billion were provided as micro credit by nine rural development banks including four from private sector, according to the Nepal Rastra Bank (NRB). Last year, these banks had given micro credit to the tune of Rs 14.35 billion. The NRB data shows that micro credit – which is provided without any collateral and under collective guarantee – service has been availed by 2,77,825 persons in this year. Of them, 1,30,276 are members of private sector rural development banks. The micro credit service is aimed at catering to the rural people who have no access to mainstream banking services.

**A TWIN OTTER BELONGING TO YETI AIRLINES** CRASHED near Jumla airport killing all nine persons on board including three cabin crew members. The aircraft crashed after it lost balance as it neared Jumla aircraft. The aircraft was flying from Surkhet to Jumla. Meanwhile, the government has formed a committee to probe the crash.

**THE KOREAN FEDERATION OF SMALL AND MEDIUM Enterprises** has refused to provide quota for Nepalese workers to the government of Nepal. According to officials at the Ministry of Labor and Transport Management, the federation has sent a letter to the government saying it cannot provide the quota to the government. Earlier, the government had requested the federation to provide the quota to it, claiming that its official representative Moondrops Manpower Agency had committed irregularities in the selection of candidates. According to the officials, the Korean federation has stated that since it has an agreement with the private company for recruitment of workers, it cannot provide the quota to the government. Furthermore, in its letter the federation has indicated that if the Nepal government has revoked the license of Moondrops, it would be compelled to recruit workers from other countries. In reply to the letter, the government has informed the federation

of latest situation clarifying that it has not revoked the license of the agency and had merely suspended it. The government has requested the federation to maintain the quota to Nepalese workers.

**A SOLDIER OF NEPALESE ARMY AND A KID HAVE DIED IN AN** explosion of a stray bomb in Pagma of Hariharpur village in Surkhet district. Two others have also been injured in the incident. Soldier Sher Bahadur Karki and Home Bahadur Rana, 11, died of the explosion. Karki had gone to his village on a vacation.

**ALTHOUGH THE PEACE TALKS BETWEEN THE** government and the Maoists is going on, one dozen soldiers of Nepalese Army (NA) who had been abducted by the Maoists in different times are still missing. According to high-level source at the NA, there is no information about their whereabouts. "At a time when the Maoist detainees have been released, it is the duty of the Maoists to release them," said the source. The data at the NA headquarters show that 12 soldiers are still missing following abduction by the Maoists since 2059 BS. "These are the ones who have gone missing after abduction. There are others who have been missing in action," the source added.

**THE UN WORLD FOOD PROGRAM (WFP) HAS STARTED** supplying essential food stuffs to remote areas in mid and far western regions. The supply would provide relief to around 225,000 people living in this drought-hit region. According to WFP/Nepal official, the supply started after WFP headquarters in Rome approved the program. In the first phase, food will be supplied to Jumla, Kalikot, Dailekh and Jajarkot. Beginning first week of July, food will be supplied to other districts including Bajura, Humla, Mugu, Rukum, Rolpa and Dolpa. The cost of the supply operation would be around \$3 million.

**INDIA, AS PER PREVIOUS AGREEMENT, WILL PAY THE** amount towards refund of excise duty to Nepal within two to three days. The Central Excise Duty Center (DRP Refund Section) told this to the Nepalese Embassy in New Delhi. An official of the economic affairs section at the Nepalese Embassy in India, Lal Mani Joshi, told The Himalayan Times that they received information, on Monday, about the release of Rs 41 crores Indian currency that Nepal has to receive under excise duty refund. India had stopped releasing the amount to Nepal after the royal move of February 1, 2005; however, India has started to release the amount after the success of people's movement. India, immediately after the success of the movement, had released Rs 76 crore to Nepal and Rs 25 crore a day before PM Koirala's visit to India. "Nepal has to get more than Rs 20 crores even after the release of Rs 41 crores," said Joshi.

**IN SUPPORT OF THE NEW NEPAL GOVERNMENT, US** Ambassador James F. Moriarty thanked Minister for Local Development Rajendra Prasad Pandey for working with the Embassy to send 5,500 copies of the book "On Democracy" to all village and district development committees in Nepal. Ambassador Moriarty visited the Minister at his office in Pulchowk on June 26 to officially hand over the books. "On Democracy," by Robert Dahl, is often used in the United States as a textbook and resource for students of political science. The U.S. Embassy's American Center Library translated the book into Nepali last year. The volume proved so popular that the Embassy printed 20,000 more copies and has worked with the Ministry since April to send them out across the country to all local government offices. "Such partnership is a good example of our support to the Nepal Government," said American Center Library Deputy Director Laura Lucas at the event. "The government is working hard to put the nation on a path to democracy, peace, and prosperity, and information about democracy itself is critical to fulfilling those goals."



“Definitely, Prachanda’s remarks were not conducive to improving atmosphere.”

*K.P. Sharma Oli, deputy prime minister and foreign minister, urging responsible Maoist leader not to do anything that could impact the environment for talks, referring to Prachanda’s remarks against Nepalese Army, in Kantipur.*

\* \* \*

“No foreign troops should be invited to monitor the weapons. We do not want foreign peace keepers, too. Our own former soldiers, policemen and conflict experts can do the job.”

*Madhav Kumar Nepal, general secretary of UML, in Nepal Samacharpatra.*

\* \* \*

“Maoist must keep their weapons beyond use permanently and demonstrate in action that they are committed to multiparty democracy”

*Keith George Bloomfield, British ambassador, in The Himalayan Times.*

\* \* \*

“An interim government will be formed after the drafting of an interim constitution. The new government can unite the two armies.”

*Prachanda, Maoist chairman, talking to reporters in Doti.*

\* \* \*



Bimarsha

“The army should not be commenting on political issues.”

*Mahantha Thakur, Minister for Agriculture and Cooperatives.*

\* \* \*

“An interim government will be formed only after the UN takes charge of arms management.”

*Krishna Prasad Sütula, Home Minister, speaking at the Reporter’s Club.*

\* \* \*

“No government should own the media in the 21st century, especially in a country like Nepal, where there is strong possibility of the government and parties in power

making the media their mouthpiece at the cost of tax payers’ money.”

*Mahendra Bista, General Secretary of the Federation of Nepalese Journalists (FNJ).*

\* \* \*

“Nobody wants to kill people just like that. In course of agitation and movement, there were some problems and the government of the day had to take some actions.”

*Dr. Tulsi Giri, former vice chairman of Council of Ministers, talking to reporters after recording his statement at the commission probing allegations of repression against People’s Movement.*

\* \* \*

## TRANSITION

**RETURNED:** Prime Minister Girija Prasad Koirala, after completing his treatment at Bumrungrad Hospital in Bangkok.

**K.P. Sharma Oli,** Deputy Prime Minister and Foreign Minister, from Geneva, after attending the first ministerial level meeting

of the Human Rights Council (HRC) from June 19 to 21.

**ADVISED:** The government, to put 13 individuals including former ministers and advisors of royal regime, under surveillance, by the high-level judicial investigation commission formed to probe the incidents of repression against people’s movement.

**VISITED:** Kul Chandra Gautam, Assistant Secretary General of the United Nations.

**GIVEN:** Inspector Abhusan Timilsina, clean chit, by the panel formed to probe the incident of mob attack against Bharat Keshar Simha, honorary ADC to the King, and his two sons.

**NAMED:** Professor Birendra Mishra, former chief of Election Commission, as the coordinator of the committee formed to monitor the ceasefire code of conduct.

# Power Export And Upper Karnali Project

By Dr. AB Thapa

Nepal has been hoping since a long time that in near future it would be possible to bolster our national economy by exporting on a very large scale hydroelectricity produced in our country. Unfortunately such hopes would be completely shattered if we failed to proceed with the plans to develop our water resources projects based on sound techno-economic judgment. Our concerned institutions rarely care to examine seriously to find out the true nature of the power market, despite the fact that some of the studies carried out under the aegis of the donor agencies do provide a good deal of information. Similarly, we lack competence to differentiate the potential of some of our hydropower from others to generate electricity at an exceptionally cheap rate. It would be explained hereinafter that the full-scale Upper Karnali Project could be the best among all projects studied so far for the export of cheap power to India. Astonishingly, neither the Water Resources Ministry nor the Planning Commission appear to be aware of it. As a result, the Ministry of Water Resources is going to commit the most serious blunder by pushing ahead to implement the simple diversion type Upper Karnali Project that would ruin the prospect for the generation of cheap peaking energy on a very large scale for export to India at a highly competitive price to the benefit of both the countries.

## India's Power Market

At present India is experiencing an acute shortage of peaking energy. At the beginning of the Eight Plan, the total peaking shortage was 20% whereas the energy shortage was only 9% of the total power generation. The thermal and nuclear power stations are suitable to supply electricity to meet the base load demand of the system. It is not economic to use them to supply peaking energy. Gas turbines can be used to meet the peak load demand because of low specific investment costs and quick start up. However, the efficiency is limited due to the high exhaust gas temperature of the turbine.

India is making every effort to improve the hydrothermal mix for ensuring better system operating condition. However, the share of hydropower in the overall power generating capacity has steadily declined since the last few decades. The share of the hydropower in the overall power generating capacity was 50.6% in 1963. But few years before it has come down to only 25.66%.

## Pumped Storage Schemes

Most of the good sites for the hydropower development have already been developed in the Northern India. There are even now several good sites for hydropower development in the North-Eastern India which have not as yet been used. However, such sites are at locations far away from the load centers. As a result, the Government of India in recent years had to embark on a plan to develop the pump storage schemes

Pumped storage schemes are provided for the generation of peaking power, even though there is a net energy loss in the system because more energy is consumed in pumping than can be produced by the turbines. The cycle efficiency of a pumped storage plant can usually be between 60 and 70 percent. It implies that such a plant consumes about three units of electricity to produce only two units during the peak hours.

The cost of the peaking energy produced by a pumped storage plant will have to take into account the investment to be made in the construction of the pumped storage plant. The per unit capacity investment cost of a pumped storage plant can be comparable to the cost of a similar hydropower located at a favorable site.

So far 56 major pumped storage schemes with a total installed capacity of 94,000 MW are reported to have been identified in India. Already few pumped storage schemes such as the Nagarjun Sagar (700 MW), Kadampani (400MW), Kadana (240MW), Panchit (40MW), Paithan, and Ujjani are either in operation or under various stages of construction. Bids were being evaluated some years ago by the West Bengal authorities for a civil work contract for the 900 MW pumped storage facilities at Purulia on the Ayodhya hills. Three other pumped storage facilities of similar capacity are being planned. The pumped storage at Sardar Sarovar (1200 MW) and Tehri (1000MW) are planned for construction in near future.

## Upper Karnali Storage Project

The Upper Karnali Storage Project could be ranked at the very top among all hydropower projects identified so far in Nepal including the Karnali (Chisapani) High Dam Project for the generation of cheap peaking energy. The total installed capacity of this power station could be about 4,000 MW at 25% capacity factor. Unfortunately, the Government institutions and the donor agencies in Nepal are virtually unaware of this vast potential. At present we are on the verge of ruining this potential by leasing out this site to a private developer to build a relatively small simple diversion type hydropower with a capacity of about 300 MW. There is an urgent need for holding debates to be participated by few specially invited well recognized experts in the field of hydropower engineering on this issue before it is too late.

## The Karnali Bend

The Karnali river makes a big loop in its lower reach near a place called Asare. From here the river flows in the south-east direction for about 25 kilometers, after that the river makes a complete reversal in its direction. The river comes back to a point just two kilometers away from its earlier position near Asare. There is a drop of about 150 meters in Karnali river bed elevation between these two positions merely two kilometers away from one another. The project to utilize this bend for power generation was originally known as the Karnali Bend Project. Later on the name was changed to Upper Karnali Project.

## Feasibility Studies

The Karnali basin is the first to arouse keen interest in Nepal's vast hydropower development study. There are several attractive sites for the generation of cheap hydroelectric energy in this basin. In early 1960s an agreement was signed between HMG of Nepal and the UNDP for providing assistance to conduct a survey of the Karnali river and its main tributaries culminating in a pre-investment report indicating hydroelectric potential of the river as well as the best sites for hydropower development. The final feasibility reports and general basin development report were submitted in February, 1966.

In 1980s further studies of the two projects were carried out under the aegis of the World Bank. They are the feasibility

study of the Karnali Dam Project (Chisapani) and the pre-feasibility study of the Upper Karnali Hydroelectric Project (Karnali Bend Site). Unfortunately, the scope of the Upper Karnali Project study was deliberately made very narrow. The size of the project was scaled down to be suitable to meet the Nepal's internal power requirement completely disregarding its vast potential to generate exceptionally cheap peaking energy for export to India. The concept of the small Upper Karnali Project is very simple. It includes a small diversion dam to provide daily regulation, a spillway for the passage of excess water across the dam particularly during the floods, desanding facility, a power tunnel across the Bend, and a power house at the downstream side of the Bend. The small Upper Karnali project is not at all an inferior project by comparison with many other hydropower projects similar in size. The proximity of the dam site from the power house helps to bring down the cost of the delivery tunnel and its related structures like the surge chambers although the construction of a low height diversion dam across a big river of the size of the Karnali flowing in a narrow gorge is not an advantage. Unfortunately this small diversion project as explained before could preclude the viability of the full-scale Upper Karnali Storage project. It need is a matter of great concern. It might astonish many of us to learn that the per unit investment cost ( US Dollars/ KW ) of the Upper Karnali Storage project could be much less than such cost of the Karnali Chisapani High Dam project. Thus this project could be the most attractive hydropower project for the export of peaking power to India among all projects identified so far in Nepal including the greatly publicized Karnali Chisapani Dam project.

**The Upper Karnali Storage Project**

It has been explained in the Upper Karnali study report that a Karnali Bend storage hydro project could include a dam up to 260 meters in height. The most economical way of developing the full power potential of the Karnali Bend would result from construction of a large storage dam on the eastern side of the bend, a power tunnel across the bend and a generating station located on the western side of the bend. If the Upper Karnali Storage project were developed to its full potential, some 4000 MW power at 25% capacity factor based on firm energy for meeting the peaking demand could be generated.

**Comparison With Karnali Chisapani Project**

The Upper Karnali Storage project and the Karnali Chisapani Storage project both would be having waterways quite comparable in length, but the Upper Karnali project would be operating at a head almost two times greater than that of the project at Chisapani. It makes the Upper Karnali project far more attractive for export of cheap peaking power to India than the Chisapani project. Reasons for it are explained below.

Of all the site characteristics, *head is the most important. Design guidelines, 1989 approved by the American Society of Civil Engineers* has given some simple reasoning that would help to explain why the Upper Karnali project operating at a head about two times greater by comparison with the Chisapani hydropower could be built at far less per unit installed capacity cost. *"Very simply if one doubles the head the quantity of water needed to produce a certain amount of energy is halved. Thus, for like site energy development the conduit area and reservoir volume are halved and further large cost reductions occur for powerhouse and machinery costs. This fundamental consideration is at the root of the large cost reductions that*

*occur at higher heads."* Needless to mention that the lower investment cost means the generation cost of the electricity would also be less.

The Stage A study report of the Karnali Chisapani Project shows that the increase in hydraulic head greatly helps to enhance the net project benefit. It has been explained in the report that the incremental benefit would be about six times greater than the incremental cost if the height of the Chisapani dam is further raised over the present height fixed at 270 meters. It is stated in the report that the dam height was limited at 270 meters for the reason that higher reservoir levels and dam heights would cause the abutments of the dam to spread into the Banghar Khola upstream and would severely constrain project development between the downstream toe of the dam and the preferred spillway plunge pool location downstream. It is not satisfactorily explained in the report why other sites further upstream suitable for much higher dams were not considered for the optimization study.

**A Great Loss To Nation**

The Upper Karnali Storage project about half the size of the Karnali Chisapani project in terms of annual electricity generation could help to accrue our country enormously large benefits from the export of electric power at highly competitive rates. Such excellent opportunity could vanish if we unwisely decided to lease out the Karnali bend site to a private developer to build a relatively small simple diversion project.

It might well turn out that the Upper Karnali storage project and the Upper Karnali simple diversion project are mutually exclusive of one another. We will be certain about it only after the completion of a full-fledged detailed study of the Upper Karnali Storage project. Even in case these two projects are not outright mutually exclusive of one another, it would not be justifiable to implement the simple diversion project. It is the opinion expressed in the pre-feasibility report of the study carried out under the aegis of the World Bank. The excerpt from that report is given below.

*Even when assuming that the KR 1 A run-of-river project (simple diversion project) is a sunk cost, it will be seen that a single large power plant (4180 MW) associated with the major storage project is less costly than the combined cost of smaller plant at the same location (3532 MW) and a second power plant at the foot of the storage dam (408 MW) discharging directly into the KR 1 A run-of-river project head pond. Based on this assessment, it appears that the later development of the major hydro storage project at Site KR 1 would cause the KR 1 A run-of-river project to be effectively discontinued. There may be limited opportunity for secondary energy generation during the periods of spillage.*

**Advice From Donor Agencies**

Nepal should always be very grateful to donor countries and institutions for their valuable assistance in development of our water resources. At present Nepal urgently needs to be helped to establish close relationship with various leading foreign institutions working in the field of water resources engineering. Such relationship would provide us opportunities to be constantly guided in proper planning and implementation of various water resources projects, as a result, our country would not go wrong in taking decisions in the genuine interest of our people. Institutions like the ICIMOD could also be directed to play more active role.

*(Dr. Thapa writes on water resources)*

## PEACE PROCESS

**Building Confidence**

After the eruption of controversies following eight-point pact, the Maoist leaders are trying to build confidence with the political parties

By A CORRESPONDENT

The ongoing door-to-door campaign by the Maoist chairman Prachanda and his deputy Dr. Baburam Bhattarai has placated the ruffled feathers of the political party leaders following the 'hasty' signing of the eight point pact.

After the eight-point pact was announced following the summit meeting between Prachanda and Prime Minister Girija Prasad Koirala, there were enormous reaction from the leaders of seven parties who deplored the lack of transparency, homework and consultations. They were miffed because the pact had agreed to dissolve the parliament, among others, without adequate consultations among the seven party alliance.

Worried by the growing negative reactions against the pact, Prachanda returned to Kathmandu along with his comrade Dr. Bhattarai and held parleys with top leaders of the seven parties. The Maoist leaders-duo met with general secretary of the Unified Marxist Leninist (UML) Madhav Kumar Nepal, president of Nepal Workers and Peasants Party (NWPP) Narayan Man Bijukchhe, deputy prime minister Amik Sherchan, president of Nepali Congress (Democratic) Sher Bahadur Deuba, among others.

The damage-control exercise was initiated after leaders of all major parties including NC, NC-D, UML, NWPP and Nepal Sadbhavana Party (NSP-Anandidevi) expressed discontent over the lack of consultations prior to signing the deal of 'far-reaching consequences.'

"We felt there was lack of understanding among some political parties regarding the eight-point deal. That is why our chairman has started discussions with them to clarify our point of understanding over the deal," said Krishna Bahadur Mahara, spokesperson of the Maoists.

Likewise, since Prime Minister Girija Prasad Koirala has already returned from his trip to Bangkok where he had gone for health check up, the Maoist chairman is likely to



**Maoist militia:** Ready for arms management?

have a second summit meeting to thrash out the contentious issues like dissolution of the parliament and management of Maoist arms.

Although in the eight-point pact nothing has been said whether the Maoists would agree for the management of their arms prior to their joining the interim government, Home Minister Krishna Prasad Sitaula - who is also the chief government negotiator in the ongoing dialogue with the Maoists - said that the issue of arms management will be taken

care of before the formation of interim government. Sitaula added that the government and Maoists would soon send the letter to the United Nations asking for latter's assistance in arms monitoring. "Only after the UN starts its monitoring, will the interim government be formed," he said.

The latest exercise by Prachanda also follows a public spat between him and the Nepalese Army (NA) over his allegations against the latter. Addressing a joint press conference in Baluwatar after signing the eight-point pact, Prachanda had accused that the NA had done nothing for the country except murdering people and raping women. As the government did not immediately react to his allegations, the NA issued a statement condemning the accusations and maintaining that the NA had always abided by the orders of constitutional governments. This reaction prompted Prachanda to reply that the response coming from the army was not

good omen. "Army should not have reacted. It was the government which should have reacted," he told reporters in Doti.

There were varying reactions from ministers and political leaders to the response by the NA. While the deputy prime minister K.P. Sharma Oli said that the Maoist chairman should not have made those remarks against the NA, another DPM Amik Sherchan said it is responsibility of the government and not the army to react. "Definitely, Prachanda's remarks were not conducive to improving atmosphere," said Oli. However, he added that the government should have responded to the anti-army remarks made by Prachanda in the first place. On the other hand, general

secretary of the Unified Marxist Leninist (UML) Madhav Kumar Nepal has criticized the government for not being able to defend its army. Disagreeing to the way the army had to come forth to defend itself, Nepal said it was the duty of the government to defend them from any move to belittle them.

This controversy is expected to be resolved after the return of PM Koirala who also holds the Defense portfolio. ■

## SLC RESULTS

# A Click Away

The Office of the Controller of Examinations (OCE) unveils new systems for helping students gain easy access to SLC results

By SAHISHNU POU DYAL

The Office of the Controller of Examination (OCE) has added another website for the convenience of the SLC students seeking their result. This time, the Office is going to give results on its own website [www.soce.gov.np](http://www.soce.gov.np). Earlier, the OCE used to publish its results through the websites of various offices like Educational Department, Educational Ministry and Nepal Telecom. This time, however, in addition to the existing websites belonging to Education Department ([www.doe.gov.np](http://www.doe.gov.np)), Education Ministry ([www.moe.gov.np](http://www.moe.gov.np)) and Nepal Telecom ([www.ntc.net.np](http://www.ntc.net.np)), the OCE has opened another website for the benefit of the students. The results will be published in the websites immediately after it is released.

Furthermore, the students can also know about their results by dialing 1600 on their telephone set. The Nepal Telecom has installed a system whereupon they can provide information about the result to 300 persons at a time. These services have been launched for the ease of the SLC students. In the past, the only source for the students used to be Gorkhapatra daily paper. These additions will assist them a lot. Moreover, the NTC is also in the process of providing results through cell phones.

Now there are altogether four websites from where the students can benefit from. "This is actually targeted for the students out of valley. They had to wait long time to see their results due to the lack of access to Gorkhapatra on time. We think that this system of giving results on the websites and through telephone will benefit them a lot," said Gajendra Lal Pradhan, SLC exam controller. "This time NTC has also increased their capacity. Last year they could serve only 60 students at

a time but this year, their capacity has increased to 300," he added. This is five times greater than the previous time. According to Pradhan, this number was increased because of higher access of telephone in villages. If the examinees do not have telephone in their village, they can still go to district headquarters for the purpose. Because almost every district headquarters has at least one telephone set, they may not need to wait long to see their results.

"Our seniors, before six or seven years back, needed to wait for Gorkhapatra to see their results. They had no option but to visit the office of Gorkhapatra Sansthan and struggle to buy the paper as there would be huge crowd of students. And more often than not, the Gorkhapatra of that day carrying SLC result would not be delivered on the right time because of huge demand and limited supply. Some time they were forced to pay Rs 100 to 200 to buy a

single paper. Thankfully, now there are no such hassles. We are lucky that we can see our results staying at our own home using internet or dialing telephone," said Archana Thapa, a SLC examinee, who is keenly awaiting her result, which is expected to be announced in a week or two. "The increased number of websites, and the convenience provided by NTC is definitely going to help us because if we cannot open one website then we can go for another because we have got many options now."

Like Thapa, students from outside the valley are also encouraged with the availability of new services. "It is more advantageous for us than the students of the capital because in our village we get newspaper two days after they are published. However, we have telephone set at our district headquarters, which is not too far from our village. From the last four, five years, we don't have to worry about finding about SLC results," said Samir Shah a boy from Terai who appeared in the SLC this year.

Thanks to new technologies, 3,32,181 students like Archana and Samir this year are going to be benefited. Last year 3,13,216 students appeared in the SLC examination. Out of the regular examinees only 38.72 percent students had passed last year. ■

## Prime Minister Returns

Prime Minister Girija Prasad Koirala returned home on Tuesday (June 27) following 11-day stay in Bangkok where he underwent treatment and surgery at the Bumrungrad hospital.

Stating that his health had improved vastly, PM told reporters at Tribhuvan International Airport (TIA) that he will now become actively involved in politics. Koirala said he would first start talks with political leaders and could then meet with Maoist top leaders who are currently in town. "I will talk with my colleagues about the latest political situation and then meet with the Maoist leaders," he said. Reports say PM Koirala may have second summit meeting with Prachanda soon.

When he was asked to comment about the controversy that erupted following Prachanda's remarks against Nepalese Army, Koirala said he would first get the full assessment before making any comment. After Prachanda accused the NA as having only killed people and raped women, the NA spokesperson issued a statement condemning the accusations. This led to controversy with leaders claiming that the army should not have made political statements.

Meanwhile, Nepali Congress (NC) central member Dr. Shashank Koirala, who had accompanied the PM in Bangkok, said that his health is now well-improved. "His health will not pose obstruction in his duties now," he told reporters. PM Koirala underwent prostate laser surgery at the hospital in Bangkok. No malignant disease was discovered during his check-up, reports say. ■

# YOUNG POPULATION

# Changing

# Dynamism

As young population dominates the overall demographic structure of Nepal, the country faces challenges as well as opportunities ahead. Out of 2.5 million total population, 33 percent are young ones aged between 10-24 years. Unskilled and uneducated, majority of this population can be used as a permanent force for political and economic instability in the country. By throwing their support behind the recent People's Movement II and bringing the change in society, the group has shown that they can be used as tools of politics or forces of change until and unless the society introduces specific programs to employ them and address their concerns

By KESHAB POUDEL

**S**ixteen-years-old Pema Lama, a resident of Kalapathar of Dolkha district, 500 miles east of capital, was born a few months after the restoration of democracy in Nepal. A primary school drop-out, Lama is now working as a porter in a trekking agency. With high hopes and aspirations, Pema took part in the recently concluded People's Movement II longing for peace, better future, free education, employment opportunities and high salaries.

Working as a porter, Pema makes about Rs. 3000 (\$28) a month. He started carrying goods when he was just 12 years old. Intensification of insurgency, closure of schools and family's economic condition forced Pema to join this job early on in his life.

"I wanted to complete high school education but there was no high school nearby my village. When I was studying at fifth grade, my father asked me to follow his footstep to carry things of foreigners (trekkers)," said Pema.

According to National Census 2001, Nepal's population composes of young ones (10-14 years) 13.11 percent, 10.51 percent of those between 15-19 years, and 8.87 percent of those between 20-24 years. Around 7.59 percent of population is aged between 25-29 years.

Interestingly, there is a high prevalence of illiteracy and school drop out among these groups of population. A study conducted by the Ministry of Sports and Education showed that a large number of rural population between these ages are either drop-outs from primary level or illiterate. To encourage the students to

continue their education, the government is already providing many incentives, particularly, to the girls. Illiteracy among the young population also helps increase annual population growth.

So far as Nepal is concerned, the country has high growth rate. According to National Census 2001, the growth rate is 2.25 percent. On the basis of age structures, Nepalese population is dominantly younger and every one in three or about 33 percent of population are younger in accordance with the new definition of the World Health Organization. According to WHO definition, the young population is the one aged between 10-24 have with similar demands, aspirations and wishes. According to 2001 census, the women literacy is 42.5 percent compared to average literacy rate of over 50 percent.



**Youths:** Changing dynamic of demography

“These groups of population have high demands and high aspirations. As long as we do not develop the programs focusing them, this will not only affect economic sector but also the political sector. If we see the recent political agitation, the majority of the participants were young people,” said Dr. Ramhari Aryal, a senior government official at the Ministry of Health and Population and population expert.

#### **Opportunities for Development**

What many demographers see in the prevalence of large number of younger population is the opportunity for the economic development provided focused and better programs for them. According to a study conducted by National Planning Commission (NPC) recently, annually more than 300,000 to 400,000 youths land in employment market but Nepal’s domestic market is too small to accommodate them. In rural areas, majority of young work force is engaged in agricultural sector.

According to the report, there are 14 percent of economically active population that are unemployed. “The tenth plan has something for the youth but it is not enough to accommodate all the youths. If we fail to take necessary steps, this group of population, which can easily turn into boon, may end up as bane to the nation,” said Dr. Shankar Sharma, former vice chairman of National Planning Commission.

Others, too, believe that every country needs younger population for high economic growth. Many developed countries are now facing challenges from aging population and want more young population to sustain their high growth. However, Nepal is struggling to cope with the challenges of huge mass of unskilled and illiterate young population.

“In a demographic term, this is a transition between the initial period of high fertility rate and recent declining fertility. Whenever there is a transition phase of fertility, there will be a large number of young people. This is also known as demographic bonus,” said Dr. Aryal. “We need to convert demographic bonus as the opportunity. This is challenge as well as opportunity. This is a productive composition of the population, so one need not be worried. This group of population can support country’s economic, political and other development. We need to cash this group of population.”

#### **Youths Are Vulnerable**

Having tried several times to go to a foreign country for further studies, Sangam Bhandari, 22, a graduate of Baneswor Kathmandu has lost all his hope. Desperate and frustrated Bhandari has seen a long phase of political instability, frequent strikes, lock outs and jams in the streets of capital. From elected government to King’s direct rule and the last three

months of the government of revolutionary parties, Bhandari has seen them all but does not feel possibility of any drastic change in terms of economic development.

“This government is politically correct but they too don’t have any specific programs for youths like us. If they don’t bring a new economic package directed to youth, there will be another revolt,” said Bhandari, who took part in the 19-days-long demonstration in April this year that overthrew the royal government.

Sociologists and psychologists, too, see this section as vulnerable and very unpredictable group. “Growing sense of consumerism has already changed the behavior of these groups. Till this group is given due opportunity through generating employment, they will remain a perennial threat for social and political system,” said psychologist Dr. Niranjan Prasad Upadhyaya. “These urban youths have access to all kinds of modern means of communication including radio, newspapers, television and Internet to feed the growing appetite of consumerism.”

“We need to develop focused program for them. This population can also be destructive in case of mis-utilization. They are ends and means of development. We need to exploit this population as a means of development. Don’t think that the population will decline dramatically in coming 30 years. The average age now is 17-18 years but it will move to 24-25 years in the coming decades,” said Dr. Aryal.

#### **Drifting Priority**

Although Nepal has several economic, social and development problems, it is now involved in a heated debate over how to make a constitution by holding the elections for Constituent Assembly. As the government and Maoists are yet to announce a long term ceasefire and modality of the constitution is yet to develop, the future is still uncertain.

Thanks to uncertainty over the political system, the country’s overall development programs seem to have been sidelined. In absence of local bodies at the grass root level, even the donors are in a dilemma where to invest their money.

“At a time when the country’s major challenge is to draft a new constitution through the elections of Constituent

Assembly, nobody is taking about the need to provide education, employment and other such things to these groups of people," said an economist. "If the government does not manage this group of population, it will definitely invite more unstable course in future."

Economists argue that the country must develop stable programs directing at youths. Even during the time of elections and preparation for CA, which may take several years, the political players have to build certain understanding about the youth.

#### Growing Number of Unemployed

Since the employment opportunities in the country are virtually non-existent and nobody seem concerned about the need to provide jobs, a large number of Nepalese youths are moving to foreign countries for the employment.

According to the Department of Labor, majority of labor leaving for foreign employments are below 24 years old but most of them are unskilled. Although they are highly energetic population, they are low paid because of lack of skills.

Young people do not have any opportunity in Nepal as they have to go to foreign country for employment. The schools are often disturbed by politicization. As Nepal's population is going to remain dominantly younger for many more years, more trouble may be

created by them in society and political sector if they are not managed well.

There are many youths who are whiling away their time due to lack of jobs. Thanks to taste of modern consumerism generated by mass media, these youths with high hopes and aspirations want their life as compared to the youths of other parts of the world.

Frustrated and desperate, these youth can be used by anybody anytime. In recent agitation, they played an important role in resorting to vandalism.

Sociologists and social psychologists are alarmed over the number of younger population and their defiant characters. As long as the governments take certain policy initiative focused at these youths, the country will have to pay heavy political price.

Unfortunately, this agenda seems to be of nobody's interest. The country, which is led by seven party alliance that thrived on the strength of youths of schools and colleges, too, is asking them to be patient for the time being.

#### Longer Period of Youth

The present structure of population will last for another several decades. Although the fertility rate is declining and population growth is in the process of decline, Nepal will not see any major shift in the population structures. According to

the demographers, these kinds of population momentum will be there for at least another 30 years.

As there is going to more younger population, the government needs more resources for them. From creating employment opportunities to providing the education facilities and training courses, the state has to manage many things.

The main challenges lying ahead are resources and stability. Nepal, at present, does not have any of the two. The country is already involved in the process of going to the Constituent Assembly, which means that the country may still have to go through prolonged political instability.

One option Nepal has at present is to export surplus youth to gulf and other countries as there are huge demands of Nepalese laborers there. Like all other sectors, the labor migration has also suffered a lot due to uncertainty and question of safety in recent years.

"We have to utilize them in labor migration. We have to start campaigning for safe labor migration. If we provide education to young people, they will automatically be available for use in productive sectors. As the young people have played decisive role in People's Movement II, they deserve special focus," said Dr. Ayal.

#### Rural Urban Gap

There are disparities in opportunities between the rural and urban youths.

Because of availability of all kinds of facilities, the younger population in urban areas enjoy almost all benefits of consumerism compared to rural youths. Due to the availability of facilities, education and health services the demographic structure is changing as well.

According to Nepal Population Report 2004, there is already replacement level fertility in urban areas as majority of couple are satisfied with two children. In rural parts of the country, this is still high.

As education and employment can bring a lot of difference in the overall fertility, the expansion of education institution and employment



**Young urban population:** Growing aspirations



# “We Are In Transition Between High Fertility And Declining Fertility”

— DR. RAMHARI ARYAL

*DR. RAMHARI ARYAL, division chief of Ministry of Health and Population, has a long experience in population management sector. At a time when Nepal's population is going through the phase of transformation, Dr. Aryal spoke to SPOTLIGHT on various aspects of changing dynamic of demography. Excerpts:*

## **How do you see the status of population?**

When we look at the population of any country, we have to see three things. First is the structure of population, second is growth and third is distribution. So far as Nepal is concerned, the country has a very high growth rate. According to National Census 2001, the growth rate is 2.25 percent.

## **What about the status of young population?**

On the basis of structure, Nepalese population is dominantly younger and every one in three or about 33 percent of population are younger in accordance with the new definition of the World Health Organization (WHO), which defines the younger population (10-24) with similar demands, aspirations and wishes. This group of population has high demand and high aspirations. As long as we do not develop the programs focusing them, this will not only affect economic sector but also the political sector. If we see the recent political agitation, the majority of the participants were young people.

## **What is the situation of fertility?**

In a demographic sense, this is a transition between the initial period of high

fertility rate and recent declining fertility. Whenever there is a transition phase of fertility, there will be a large number of young people. This is also known as demographic bonus. We need to convert demographic bonus as opportunity. This is a challenge as well as opportunity. This is a productive composition of the population so one need not to be worried. This group of population can support country's economic, political and other development. We need to cash this group of population. This is a vulnerable group also. We need to develop focused program for them. This population can also be destructive in case of mis-utilization. They are ends and means of development. We need to exploit this population as a means of development. Don't think that the population will decline dramatically in coming 30 years. The average age of Nepalese population now is 17-18 but it will move to 24-25 years in coming decades.

## **How long will this group of population last?**

This phenomenon is also known as a population momentum. It has already gained the momentum as the fertility decline has begun. According to the demographic theories, these kinds of population momentum will be there at least for another 30 years.

## **How do you see the speed of fertility decline?**

The fertility transition has already begun and once it starts to decline it will never return to previous position. In many developed countries, fertility continues to decline and it is now in negative. Once it

starts declining, it cannot go back. In 1976, our fertility was 6.3 but now it is 4.1. Although the speed of declining fertility is slow, it is in the process of declining.

## **Where can Nepalese youth be employed?**

There are huge demands of Nepalese labor in international market. We have to utilize them in labor migration. We have to start campaigning for safe labor migration. If we provide education to young people, they will automatically be available for use in productive sectors. As the young people have played decisive role in People's Movement II, they deserve special focus.

## **How is the urban-rural gap in population?**

There is a huge gap in urban and rural population composition. In urban areas, there is already replacement level fertility. It means most of the couple have just two children. In rural areas, this is still higher. So our focus should be to reach out to rural areas. We cannot reduce the population just by dispatching contraceptives in the rural areas. There is a need to change the mentality of people and create the environment for its use. There is a need for behavior change. Education and employments have made a lot of difference in the overall fertility. We have our own traditional value system. There is still priority for baby boy. If population continues to grow by 2.25 percent, our population will double in the next thirty one years. The distribution of population is urban oriented. This is concentrated in urban areas and it is difficult to sustain. ■

opportunities in the rural parts of the country will have the long-term drastic effect.

As the domination of country's population structure by youths may last for at least another thirty years, this can be boon as well as bane to the country. If this age of

population is not managed properly, they will turn themselves as soldiers of instability. If programs are developed to manage them, they will provide much needed oil to economic engine of the country.

In the present population structure of Nepal, what Gunnar Myrdal said in

his book “Asian Drama” about how the growing population raises the expectation of society seem quite valid. Growing population poses both challenges and opportunities. Challenges for management and opportunities for development. ■

## BUDGET PREPARATIONS

# Uphill Task

The government is hard pressed to come up with a budget that can satisfy all sections of society

By SANJAYA DHAKAL

**F**inance Minister Dr. Ram Sharan Mahat is no stranger to working under pressure. Having prepared budget a number of times in the past, he knows he cannot satisfy all sections of society by his document. And that is exactly what everyone is expecting from him.

The government needs to announce the budget for the fiscal year 2006/07 sometime in the middle of July. And the Ministry of Finance is working overtime to compile what Dr. Mahat calls as 'inclusive' budget.

Even though this year the finance minister will get more space of maneuvering as he does not need to allocate huge resources for defense and security and even though there is optimism of durable peace in the horizon, his challenges will be anything but less.

As a minister of the government that was installed following the People's Movement II, Dr. Mahat will need to

satisfy various sections of society including the radical leftists. "This is a time when the country is in transition. So, the government needs to consult with all including us when formulating budget," said Dina Nath Sharma, a Maoist leader. Sharma, in fact, added that the job of formulating full-fledged budget should be left to the forthcoming interim government.

Following the visit to New Delhi, Dr. Mahat was encouraged by the assurances by the Indian government regarding budgetary support and other assistance. Riding on the successful transition to democracy, the government does enjoy good rapport with the donor community at present. The donor community has assured the government of all kinds of support. However, the government is still not able to formulate strategies and priorities based on which the donors can support.

"The donors have demanded specific strategy and priority of the

government, without which they would not release assistance," said Dr. Shankar Sharma, former vice chairman of the National Planning Commission (NPC). Unfortunately, even after one and a half month, the government has not yet appointed members of the NPC – the premier planning body of the country. Since it takes anything up to five months to formulate comprehensive strategy, the support from donor could get delayed. The absence of NPC leadership could also be affecting the process of budget formulation. Besides, since Tenth Plan is set to expire next year, process should be afoot by now to discuss and deliberate on next plan.

Meanwhile, the business community has started to present their suggestions for the coming budget. The Nepal Chamber of Commerce (NCC) has urged the government to form a Revenue Authority to resolve revenue-related disputes/problems and advise relevant policies on revenue. In a memorandum it submitted to Dr. Mahat in view of forthcoming budget, NCC has urged the government to form the Revenue Authority through the coming budget. It has also urged the government to simplify tax payment procedures. The chamber has presented a comprehensive set of recommendations related with revenue, tax, export, import, custom duties, industrial promotion and so on.

As the government currently is suffering from low collection of revenue, it is desperately searching for support. This fiscal year the government would be collecting only Rs 73 billion as revenue whereas its recurrent expenditure alone would reach Rs 83 billion – a deficit of Rs 10 billion.

Last week, after meeting with a delegation of International Monetary Fund (IMF), Dr. Mahat said that in order to generate more resources in the forthcoming budget, he would be seeking their help. "We had a fruitful discussion with the IMF for the continuation of the Poverty Reduction Growth Facility (PRGF) program, under which bigger amount will be lent compared to previous years," he told The Himalayan Times daily. Earlier, IMF had provided a loan of \$72 million to Nepal. ■



Textile factory: Looking for relief

# Economy: Maoist Perspective

As the air of suspicion regarding the Maoists' economic policy prevails in the business/industry sector, a senior Maoist leader and a member of the Maoist talks team has said the Maoists would not go for blanket nationalization of big industries and that they have no problem with liberal economic policies while the main focus will be on revolutionary land reform and promotion of small industries.

"The only way to economic transformation of society is through an industrialized economy. The industry sector was not allowed to grow in the past," Gurung said in an interview to Aajako Abhiyan weekly, adding, "The policies in the past lapped up foreign multi-national companies and allowed them to capture the market, take away cheap raw materials and then market their products here. This should not happen now."

Further elaborating the Maoist economic policy, Gurung said his party was in favor of internal competition between national capital, major industries and cottage industries as domestic capital cannot compete with foreign capital and domestic industries cannot compete with multinationals and same goes with small industries and big national industries in terms of competition should there be no control. He said small industries need protection.

"We are not saying we don't want multinational companies or to prevent them from investing here. We have to see where they want to invest and under what conditions. If it is in the national interest only then we should allow them in," the rebel leader said and added that the Maoists were not in favor of servile capitalist ventures or foreign 'broker capitalism'.

The Maoists, he said, would encourage a self-reliant domestic economy by using local resources and would be ready to encourage and assist the mercantilist class and industrialists.

The economic policies of the CPN (Maoist) will be based on the 75-point program passed by the party a few years back which stressed on radical land reform, nationalization of land owned by trusts

and servile capitalists – without any compensation – and the state's control on forests, major rivers, lakes and mines and trade of essential goods as well as foreign trade, among others.

The 75-point program ratified at the meeting of the United Revolutionary People's Council, the administrative body of the Maoists, also pledged to make the industry sector the mainstay of the economy and sideline the brokers and servile capitalists from the industry sector, promote small industries and ensure the involvement of laborers in the management of industries.

Gurung explained that the revolutionary land reform would be focused on Terai where most of the cultivable land is owned by Shahs and Ranas. He said the land would go to the tillers but the landlords will be allowed to keep up to 10 bighas of land for their upkeep, as "they are also Nepali citizens".

The World Trade Organization (WTO) provisions, he said, are not in favor of smaller economies and the interest of the poor nations should get more priority in the global trade body.

Meanwhile, in a separate interview with Rajdhani daily, Gurung said the Maoists are not going with the policy of nationalizing the industries and that his party would adopt liberal economic policy. However, there will be provisions regarding protection in some areas.

According to Gurung, the state should not promote industries like alcohol, tobacco and coca cola that are not in the best interest of the society and the state should adopt policies to control such industries and such investment should be channelled to productive sector.

"We are not saying that liberal policy means total freedom; there should be some limitations. The Nepalese industry sector, market and the capital is very backward," he maintained. "It is disproportionate at present and it should be open and competitive with some protection policies."

Saying that Nepal's agro-based industries have not flourished, Gurung pointed out the foreign monopoly in the Nepalese market. "The national capital is squeezed because of the monopoly of foreign capital." (Courtesy: nepalnews.com) ■

## UN Concerned Over Maoist Abuse Of Human Rights

Stating that the Maoists have continued murder and abduction even after ceasefire, the UN Office of the High Commissioner for Human Rights (OHCHR) has expressed deep concern.

The Office has stated that since ceasefire, nine people have been killed by the Maoists in different parts of the country. It has said that the Maoists were taking action against what they call as 'criminals.' The OHCHR has asked the Maoists not to take unilateral action against 'criminals' but hand them over to the government agencies.

The OHCHR has also asked the Maoists to form an internal monitoring committee at national-level to investigate these incidents and take action against the culprits.

Meanwhile, the Maoists have subjected two UML leaders to mental harassment after the latter refused to go to Maoists' People's Court in Kathmandu. The two UML leaders Damodar Aryal and Dr. Krishna Adhikari refused to go to the so-called People's Court where a case had been filed against them. The two said they would not go to illegitimate court. Later on, the Maoists visited Aryal's residence in Sokedhara and threatened them. The UML valley coordination committee has issued a statement condemning the incident and has asked the Maoists to dissolve their "People's Court." ■

## TRANSIT ECONOMY

# Bridging The Giants

India and China have decided to formally open Nathula point for bilateral trade. Nepal needs to quickly step up efforts to develop its transit economy to benefit from growing Sino-Indian trade

By SANJAYA DHAKAL

**F**inally, Indian and Chinese authorities have agreed to open Nathula point for trade. After four decades, the Nathula pass between Tibetan Autonomous Region of China and Sikkim of India is all set to re-open beginning July 6.

At a time when Nepal was debating the economic significance of forwarding itself as a transit bridge between two rapidly growing economic giants, the two countries have overcome decades-old bitterness to open the strategic trade point between themselves.

Last week, a delegation of Indian officials crossed the border between the

two countries via the land route in Nathula to meet with their Chinese counterparts and make on-site inspection of the route, which had remained closed since Indo-China war in 1962.

It took more than three years for the point to be actually opened even after the two governments had signed a pact to open it at the highest political level. It was in 2003 during then Indian Prime Minister Atal Behari Vajpayee's visit to Beijing when the decision to reopen the pass was announced with much fanfare. However, due reportedly to security concerns, the opening of the pass was delayed.

Located 54 km from Gangtok, the capital of Sikkim, Nathula is situated at

15,000 feet (4,500 meters) above sea level. Lhasa is some 460 km away and Kolkata is 550 km away from Nathula. From Kakarvitta point in Nepal, Nathula is 200 km away.

## Resulting Implications

The opening of Nathula has generated mixed feelings among the business community in Nepal. While some believe that it could divert the possibility of Nepal transforming into a transit bridge between India and **China**, others consider the growing Sino-Indian trade ties to be too huge to be limited to any one or two points.

In fact, in recent years the bilateral trade volume between India and China is growing astronomically. In 1990, it stood at US\$ 260 million, which increased to US\$ 7.6 billion in 2003 (compare this total trade of Nepal, which stands at meager US\$ 2.3 billion) and US\$ 13.6 billion in 2004. In 2008, this figure is expected to touch US\$ 20 billion and to US\$ 30 billion in 2010.

As such, the two Asian giants would be needing much more trading interface between them. Nathula or no

Nathula, Nepal still can offer its transit points for the trade between them. In the coming years when bilateral trade between India and China will continue to soar, every route worth their penny would be utilized.

"I do not think the decision to open Nathula would hurt the chances of Nepal becoming transit bridge," said Dr. Shankar Sharma, former vice chairman of National Planning Commission (NPC). Dr. Sharma also headed a team that studied Nepal's prospective as transit bridge and which submitted its recommendations to the government.



**A highway:** Upgrade needed to handle increased trade

Agreed, Rajendra Kumar Khetan, noted industrialist and vice chairman of Confederation of Nepalese Industries (CNI). "There is no reason for us to worry whether the whole trade would now be diverted to the Nathula point. If we adopt appropriate policies and develop our infrastructure, we can attract the trade here," he said.

Besides, the recent agreement to open Nathula are, at best, 'baby steps' as was termed by an editorial in a leading Indian daily. "The reopening of the Nathula pass, a key junction for trade between India and China over centuries, could have been a momentous event. Instead, trade between the two sides will be confined to about 40 commodities, identified as being of interest to people living in the border areas," wrote the editorial in *The Times of India* (June 21, 2006).

For the time being, the Nathula point would be open for trade for only four days a week and only the traders from bordering areas will be allowed to operate.

#### What For Nepal?

Despite the timorous moves by the two neighbors who are still haunted by the history, the future appears bright so far as their trade and economy is concerned. Outside world, if not they themselves, is highly optimistic about their growth. After years of talking about rising China, the whole world is now talking about rising "Chindia."

Nepal, consequently, is sitting atop arguably the most precious piece of real estate – located between the two darlings of global economists. In recent years, whereas China and India have been growing impressively at nearly 10 percent and 7 percent annually, Nepal – sandwiched between the two – has suffered from internal conflict, which has dragged its growth to around 3 percent.

Nepal shares over 1700 km of open border with India. It also has over 1400 km border with China, which is separated by high mountains. However, despite the difficult terrain, Nepal-China border consists of more than 34 important passes through which trade and cultural interactions have taken place in ancient period. In fact, before the entry of British

Empire into Indian sub-continent, traders used the route through Nepal to conduct trade with Tibet – with Nepal acting as an *entrepot*. Subsequently, in the past two-three centuries before Nepal formally opened up to the outside world in 1950, Nepal's trade interactions were limited with Tibet.

There are eight major trade routes between Nepal and China that have been identified as economically viable. One is the existing Kodari highway. Other seven includes *Syaphrubesi-Rasuwadhi* (under construction); *Belhiya-Beni-Jomsom*; *Lomanthang-Korala*; *Brahmadevmandi-Tinker*; *Jamuniya-Hilsa*; *Bhittamod-Lamabagar-Lapchegaun*, *Jogbani-Kimathanka* and *Kechana-Olangchungola-Dharila*.

"The priority for us right now should be the swift up-gradation of Kodari highway and completion of the Rasuwadhi-Syaphrubesi highway. Since, the Asian Development Bank and Chinese government are helping in the construction of the latter highway, it would also be open soon. The third highway – Beni-Jomsom-Lomangthang will also be completed next year and will have to be upgraded. These transport infrastructures will be vital for Nepal to become transit bridge," said Dr. Sharma. According to him, becoming a transit bridge is also the need of Nepal. "In the coming days, we will not be able to escape this opportunity," he said.

Apart from facilitating bilateral trade between two giant neighbors, the development of transit routes would also



**Transporters:** Need for harmonization

be in the economic interest of Nepal. The development of infrastructures, human resources, and trade-friendly policies would also improve the country's financial position. Currently, Nepal has trade deficit with both its neighbors. In the fiscal year 2003/04, Nepal's total international trade (including exports and imports) stood at US\$ 2.3 billion – 57% of its total trade were conducted with India; 37% with the overseas countries and the rest with China.

However, if Nepal continues to be embroiled in political instability and misses the bus, the economic opportunities would only be in paper. As such, the country needs to swiftly work towards developing infrastructure, harmonization of trade, transport and custom policies and practices and convincing its two neighbors of the judiciousness in using its territory for their trade. If this can be done, Nepal can look forward to its prosperous future. ■

# Liberal Democracy, Insurgency and Terrorism in South Asia: Lessons from India's Tripura state

By MADHUKAR S.J.B.RANA

The strategically-located Northeast Indian state of Tripura (population 3.2 million; with a territory that is 10,453 sq. km. or 4,036 sq. miles) shares a 856 km border with Bangladesh. It is near completely (85%) surrounded by Bangladesh on all fronts; except the west being linked to Assam and Mizoram. Myanmar is not very far from its borders.

Its history is ancient. It is said to be mentioned in the Mahabharata and Puranas. It rose to the pinnacle of its glory as a kingdom in the 16<sup>th</sup> century. A symbol of its past glory is the Hindu temple at Radhakishorepur. By the 18<sup>th</sup> century it became part of the Mughal empire; and by the 19<sup>th</sup> that of the British empire. Under both empires, it maintained its own administration.

The Regent Maharani acceded to the Indian Union in 1949—two years after the departure of the British and the partitioning of Bengal into West Bengal and East Pakistan. Thus ended the Manikya dynasty founded in 1464. The Regent Maharani probably could not continue as an independent nation owing to the sad fact that, by the time of the partition of India, Tripura had been completely overwhelmed by Bengali immigrants. If in 1901, 51.8% of the population was local by 1951 it was down to 36.9, which is probably less than 28% presently.

Such was the demographic transformation that a proud Hindu kingdom was reduced to, thanks to electoral democracy and its fundamental principle of one-man-one-vote, a secular state losing its Tripuri national identity in the bargain with the indigenous inhabitants demeaned to the status of tribals. This is the root cause of the insurgency: deep resentment amongst the indigenous people for the loss of national identity—language, religion and customs. At one time in history the Tripura kingdom extended into Comilla and parts of Chitgaon, Dhaka and Nokhali with Bengalese as subjects. This profound experience of Tripura (as well as the others, to a lesser extent, in the Northeast of India; but more dramatically the events leading to the unconstitutional absorption in 1974 of Sikkim as the 28<sup>th</sup> state) is probably the dominant factor explaining the nightmarish psyche of the Bhutanese king and people against its Nepalese ethnic majority. It is also a key factor for the retarded progress in sub-regionalism in the form of the South Asian Growth Quadrangle (SAGQ) approved by the SAARC council of ministers in 1997. Currently, 13 border security battalions are deployed. This number is considered to be inadequate by the state's political establishment.

It became a 'Union territory' in 1956 whereby direct administrative authority was maintained by the Indian central government. Thereafter, it became a full state in 1972 with its own administration. Insurgency took hold from 1947 itself and by today has taken pride of place, perhaps, as the most violent of the insurgencies amongst those festering in the seven Northeast Indian states. This is because insurgency deteriorated into

terrorism from 1997. It is estimated that in between 1981-2001, 3000 lives have been lost, in between 1997-2001 around 1600 lost their lives; amongst whom were 1300 civilian casualties. Indeed, Indians classify Tripura as the most crime-ridden Indian state. It is near totally controlled by insurgents as can be seen from the fact that to travel one needs armed convoys and it takes 25 hours to travel 165 kms from Guwahati in Assam to the Tripura capital, Agartala. It has taken only about 1000-1500 armed militia belonging to the National Liberation Front (NLFT) and All Tripura Tiger Force (ATTF) to create such havoc in the backwoods of federal India. Since 2001 communalism has entered insurgency politics with the NLFT driven by the mission to convert the indigenous people into becoming Christians together with its fight to end the 'neo-colonialism' by Bengalis.

Kidnapping, extortion and looting are a common place by the Tripura insurgents despite the CPI (M) and Congress being in power since 1972. It is publicly notified just how much levy each person or business is to pay the two insurgent groups. It is argued by Indian analysts that insurgency is 'good business' since after the loot they can re-join the mainstream by voluntary surrender of their arms and ammunition and live as the nouveau riche elite. Both the parties are said to be using the insurgents to garner electoral victory. While a deep nexus exists between ruling politicians and the two insurgent factions, all the blame for insurgency is laid on the doorstep of Bangladesh as being the promoter, protector and financier of insurgents domiciled in its territory.

The lesson from Tripura is precisely this: (1) Tolerance for holding of arms by non-state actors will embolden insurgency that prospers on extortion, smuggling and drug trafficking. (2) A powerful counter ideology must be enunciated by the democratic forces to combat those of the insurgents that give hope and vision to the youth with ample employment and educational opportunities opened for the minorities. (3) Insurgents could descend into becoming war lords when enticed by foreign powers' intelligence agencies; when they come into contact with the international mafia that deal with drugs, engage in smuggling of people, drugs and other goods protected from international competition, and engaged too in money laundering—they become a part of the international mafia economy, so to speak. (4) Last, but not least, that cross-border bilateral and regional intelligence and security cooperation are vital to contain insurgency and terrorism. Otherwise, the propensity to pursue hurt-thy-neighbor policies and counter-policies are a commonplace temptation in the kind of low intensity wars being fought between the state and non-state actors. ■

*(Rana is a former Finance Minister)*

# Communists & Constitutions

The Speaker is right that the Supreme Court does not oversee Parliament - the Supreme Court oversees something greater than Parliament, namely, India's Constitution

By SUBROTO ROY

Constitutions and Communists do not go together. The most glaring example comes from Russia – the Motherland not only of modern communism but also of great brave individual souls like Alexander Solzhenitsyn and Andrei Sakharov, and the many other men and women who struggled to defeat communism there over seven decades. Before Russia managed to liberate herself from communism - i.e. before the Communist Party of the Soviet Union began under Mikhail Gorbachov and Boris Yeltsin to liberate itself from itself in the late 1980s - the only genuine elections that ever occurred in the country were to

the Constituent Assembly of November 1917. That constituent Assembly was a multiparty legislative body and it happened to have a large anti-Bolshevik majority. It met only once in January 1918 and was destroyed under Lenin immediately because it quite naturally refused to adopt Bolshevik Proposals. Under the Czar, the "Constitutional Democratic Party" (the "Cadets") formed in 1905, "constituted the most dangerous ranks of revolution". Under the government of the proletariat, the very same Cadet Party represented "the most dangerous ranks of reaction" (Solzhenitsyn).

Constitutionalists inevitably ended up battling both the Fascists of the Right and the Communists of the Left. As Hannah Arendt made clear, the organization of totalitarian governments whether of Hitler's Germany or Stalin's USSR or Mao's China were remarkably similar in nature. Upon seizing power in November 1917, Russia's Bolsheviks attacked the constitutionalists first, outlawing the Cadet Party and arresting its members, and doing the same to students, workers and soldiers associated with the "Alliance for the Constituent Assembly". This is not a coincidence. Communists and fascists are powered by instincts of grabbing State political power for themselves any which way they can, in order to impose by brute force on everyone else the rather shoddy obsolete

ideologies they subscribe to themselves. Karl Marx himself most famously said the words "I am not a Marxist."

Communists and fascists cannot stand the idea of the anonymous individual citizen standing up on his or her own; their instinct is one which cannot attribute credit to the individual person for any good that may be done, instead purloining it into a fake "collective" effort. Similarly, errors cannot be simply acknowledged, and instead responsibility is diffused all around until nobody remembers who said or did what or when, and all history becomes a jumble.

*Every great scientific and artistic achievement has been an expression of individual genius, often against the reactionary collective will. And constitutions from Magna Carta onwards have been built on the idea of protecting the anonymous, powerless individual citizen against the violent arbitrary power of the established State and its comprador organizations. Britain and America may have contributed their share of evil to world history but they have made up for at least some of it by pioneering Anglo-Saxon constitutional jurisprudence.*

Every great scientific and artistic achievement has been an expression of individual genius, often against the reactionary collective will. And constitutions from Magna Carta onwards have been built on the idea of protecting the anonymous, powerless individual citizen against the violent arbitrary power of the established State and its comprador organizations. Britain and America may have contributed their share of evil to world history but they have made up for at least some of it by pioneering Anglo-Saxon constitutional jurisprudence. It may be no coincidence Britain and

America have been home to the greatest outpourings of human creativity and invention in modern times, from the steam engine to the Internet.

In fact, it has been a singularly American contribution to pioneer the very idea that parliamentary majorities themselves need to be restrained from their own baser proclivities. In 1767, before America had herself become free from British rule, the British Parliament once issued a declaration that a parliamentary majority could pass any law it saw fit. It was greeted with an outcry of horror in Britain's American colonies. Patrick Henry of Virginia - led the battle for the anonymous free individual citizen against the arbitrary power that comes to be represented by the herd or mob instincts even of elected parliamentary

majorities. Constitutions are written to protect parliaments and peoples from themselves.

The philosopher John Wisdom, who translated the subtle work of Wittgenstein and Freud into normal idioms, once said: "Sometimes a society acts as if all power lay in the hands of the most babyish and animal members, and sometimes as if all power lay in the hands of strict old men, and sometimes it acts more as a whole - mostly when there's a war on. Sometimes a man is not himself and acts as if a babyish or cunning animal had gained control - that's the id - sometimes as if an exacting parent, a sarcastic schoolmaster, or an implacable deity possessed him - that's the super-ego. Sometimes a man is more himself and acts more as a whole, a new whole which is not a combination but a synthesis of the id and the super-ego. Some are constantly at the mercy of the id, some are slaves to the super-ego, and in some first one and then the other gains an unhappy victory in a continual struggle, and in some conflict and control have vanished into cooperation." Similarly, we

may say that political processes in any country appear to often give play to the most "babyish" and "cunning animal" instincts of the society, while at other times the "strict old men" or "exacting parent" take over. The constant struggle of political reasonableness is to find the rational, normal national self that rests in between.

India at present has been set upon an unproductive and pointless course of inevitable Constitutional collision between Parliament and the Supreme Court. That course has been singly set by the present Speaker even though every attempt is being made now to diffuse his responsibility for the situation that has arisen, so that soon nobody will be able to remember exactly what happened or why. The incumbent Speaker, instead of being wholly self-effacing as called for by the job-requirements of the high and grave office he holds, has remained too much of a normal parliamentary advocate. Before grave irreparable damage comes to be done to India's Parliamentary and Constitutional traditions, he needs to return at once to the Front Benches of the Communist Party of India (Marxist) as a distinguished senior Member of the House, and from there make whatever arguments he wishes about Parliament's rights

under the Constitution. The high self-effacing office of the Speaker is not from where such arguments as he has been making should be made - unless India's Parliament and Constitution are soon to be thrown into the dustbin for ever (as has similarly happened for half a century across the border with our Pakistani cousins).

The incumbent Speaker is right that the Supreme Court does not oversee Parliament. The Supreme Court oversees something greater than Parliament, namely, India's Constitution. Parliament, its Speaker, its Prime Minister, the President of India, and the Supreme Court itself are all creatures of the Constitution. However, the Constitution of India that was adopted on 26 January 1950 is not sui generis a creature of itself. It is the outcome of a clear and well-known constitutional history which has among its modern milestones the Government of India Act of 1935, and thence all the ancient milestones of Anglo-American constitutional jurisprudence going back to Magna Carta. And India's Supreme Court - sitting

*India at present has been set upon an unproductive and pointless course of inevitable Constitutional collision between Parliament and the Supreme Court. That course has been singly set by the present Speaker even though every attempt is being made now to diffuse his responsibility for the situation that has arisen, so that soon nobody will be able to remember exactly what happened or why. The incumbent Speaker, instead of being wholly self-effacing as called for by the job-requirements of the high and grave office he holds, has remained too much of a normal parliamentary advocate. Before grave irreparable damage comes to be done to India's Parliamentary and Constitutional traditions, he needs to return at once to the Front Benches of the Communist Party of India (Marxist) as a distinguished senior Member of the House*

not in any of its normal division benches but as a Constitutional Bench - does indeed have jurisdiction, indeed it has sole jurisdiction, over whether India's Constitution is being made to suffer crimes or misdemeanors at the hands of India's Government or Parliament of the day. For the Speaker to decline to receive a notice from the High Court is an irrelevancy; many people who

are served notices ignore them; it does not reduce jurisdiction by an iota. An "All-Party" meeting of MPs can rail all it wants against the Supreme Court - even the whole of the present Parliament can pass as many unanimous resolutions as they want against the Supreme Court. They will only make themselves look silly and petulant in the eyes of history. As for the BJP Opposition in particular, the present situation may make it perfectly clear that there is not among them a single, principled, liberal constitutionalist hidden in their proto-fascistic ranks. ■

*(This article had appeared in The Englishman published from New Delhi)*



## IV Alumni Discuss Their Role For The Country

The newly formed International Visitors Program Alumni Association (IVAAN) organized an interaction on June 25 to debate the next role of IV alumni community for the country.

The IV alumni consists of hundreds of professionals including government officials, planners, policy-makers, journalists, scholars and teachers who have visited the United States on the International Visitors Leadership Program, formerly known as IVP. The US State Department invites four to five thousand of selected people from across the world on a three-week tour of the US cities in order to acquaint them with American policy-making process, society and perspective.

There are 700 IV alumni members in Nepal alone. With the objective of bringing together this group and mobilizing them for constructive purposes, the IVAAN has been formed recently. "The purpose of this forum will be to provide platform for discussion and sharing to IV Alumni on emerging issues and make a common understanding on the potential contribution that each IV participants could make on the issue from their respective role and positions that they are currently holding ultimately making value addition towards national-building process," states a press release issued by the association.

As its first official program, the IVAAN ad hoc executive committee held the interaction by inviting IV alumni members and media representatives. "At a time when the whole country is engaged in debating the social and political transformation process, we believe the IV alumni members, too, should discuss about their possible role for the country," said Lok Deep Thapa, chairman of the ad hoc committee.

Addressing the interaction program, Dr. Shankar Sharma, former vice chairman of National Planning Commission (NPC) and an IVP fellow, said the nation was demanding not only peace but also development. "If existing inequalities and non-development are the root causes of the conflict, time is now ripe for addressing these problems," he said.



Dr. Sharma stressed on three major areas in which the country needs to focus – generating resources, absorbing resources and formulating strategy/priority. "At least for the next 8 to 10 years, the country will have no option other than to rely on foreign assistance. And in order to get the assistance, we will need to formulate specific strategies and priorities," he said.

Speaking on political situation, Tara Nath Dahal, former president of Federation of Nepalese Journalists and an IVP fellow, said that the country was passing through 'broad civilizational transition.' Likewise, chief guest of the program Minister for Local Development Rajendra Pandey, who is also an IVP fellow, spoke at length about managing the country's transition towards a peaceful, prosperous and democratic entity.

The IVAAN is planning to hold a formal general assembly to induct elected members in the executive committee.

## BOOK LIST

- Reoridctive Health Right Well –being in south Asia**  
Bishwa Jeshar Maskay /2005 150/-
- Standing up Against the Statys Quo**  
Dr. Binayak Rajbhandari /2005 75/-
- Women and Development in the third world A case study frin Ghandruk, Nepal**  
Manaslu Gurung (WWF) /2004 500/-
- Ethnobotany and Biodiversity conservation : A sustainable livelihood among the tamangs**  
Narbikram Thapa /2006 300/-
- International Watercourses Law and its Application in south Asia**  
Dr. Trilochan Upreti / 2006 1000/-
- The Prison ( Original title : Karagar) Fiction by Banira Giri**  
Translated by Ann Hunkins /2005 300/-
- Issues of the world of work in Nepal**  
Rimal/ Khatiwoda/Upadhyaya /2005 350/-
- The Great Sons of The Tharus: Sakyamuni Buddha And Ashok The Great**  
Translated by Philip H. Pierce /2001  
Subodh Kumar Singh / 2006 117/-
- Child Labour In Transportation Sector In Nepal A study in Major Urban Areas of Nepal**  
Madhav Pradhan CWIN/ Plan Nepal 2006 100/-
- Under the Shadow of Violence**  
Kishore Nepal/ 2005 300/-
- Nepal Human Rights Year Book 2006**  
Upendra Kumar Poudel /2006 500/-
- The Restless Quest**  
J.,P. Cross /2004 850/-
- Nepal's Illustrated Biodiversity Primer**  
Edited by Joshi & Bhattarai ( IUCN Nepal) /2005 250/-
- Reading on Governance & Development (Vol Vi)**  
Editor Mukti Rijal (IGD)/ 2006 300/-
- Baseline Survey on Criminal Justice System of Nepal**  
Daina/ Hugos /(CelRRd) 312/-
- Statistical Year Book of Nepal 2005**  
HMG Central Bureau of Statistics /2005 190/-
- Environment Statistics of Nepal 2005**  
HMG Central Bureau of Statistics /2005 270/-
- Selected Stories From Nepal**  
Translated by Dr. Govinda Raj Bhattarai /2004 390/-
- Important Bird Areas in Nepal Key sites for conservation**  
Hemsagar Baral and Carol Inskipp (IBA) /2005 100/-
- An inventory and Assessment of Invasive Alien Plant Species of Nepal**  
Tiwari/ Adhikari/Siwakoti & Subedi/ 2005 (IUCN Nepal) 350/-

KEITH BLOOMFIELD

# Misunderstood Diplomat

In his four years tenure, British ambassador Keith Bloomfield has seen many ups and downs in Nepal

By KESHAB POUDEL

**B**ritish ambassador Keith Bloomfield might have assumed that Nepal would have to pay a heavy price in case of confrontation between the constitutional forces – the monarchy and the political parties. Thus, he spared no time in trying to bring the two forces together to meet the challenges facing Nepal.

For best efforts of envoy Bloomfield, there were no takers and all the warring factions took his suggestions as weakness. Whether in the pro-Palace news media or pro-Loktrantrik media, Bloomfield, who carries a long tradition of British diplomacy in Nepal, had to often face negative views.

Pro-democratic populist media often distorted his version while pro-monarchist media used those distorted reports to criticize him. A section of powerful royalist media even went to the extent of demanding that he be declared persona non-grata.

In whatever manners the two warring factions projected him, British ambassador Bloomfield, who is very candid in his views and opinion, was hardly popular in both the camp. Even just before his departure from Nepal, British ambassador was complaining about the way a leading English media of foreign investment misquoted his opinion on the current political atmosphere.

When Bloomfield came to Nepal, there was a functional parliament and there was a government accountable to it but at the time of completion of his tenure Nepal does not have any accountable government and functional constitution. Bloomfield, a

counter terrorism experts, had seen all four experiments of King Gyanendra, too.

Following the February 1, 2005 actions of the King, Bloomfield was openly critical of the move and his relations with senior palace officials soured. Thanks to his deteriorating relations, the monarch even declined to meet four important parliamentary delegations from the United Kingdom.

Finally, he met King Gyanendra recently at the Royal Palace not for any consultation but as a good bye call when



**Bloomfield:** Lots of memories

King Gyanendra does not hold any state power. Having a long historical relations with Nepal, British government through its envoy Bloomfield tried to prevent the present political scenario when Nepal's all political forces were, in one way or the other, in the fight to finish.

Finally, what the silent majority in Nepal and Nepal's good friends tried

to preempt successful agitation there is now a huge rift between the traditional forces and modern forces.

At a time when Bloomfield was appointed as an ambassador to Nepal, the country was stable and there were instruments like elected parliament to bridge the gap between political forces. Now, slowly and gradually political institutions are in the process of destruction.

On Maoists' question Bloomfield has clear view. "Maoists should be encouraged to join the peaceful political process. They should also be encouraged to give up weapons," said Bloomfield. "I love this country and its people," added the envoy who is departing for his home country. ■

## SRI LANAKAN AMBASSADOR Learning New Skills

Many diplomats come and go, but some of them really take memorable things with them. For most of the western diplomats, Nepal's mountains and people are major attractions but for others there are more things to see.

Starting from Brian Hodgson, the first British resident representative to Nepal, all foreign envoys have made one or the other kind of contributions to Nepal.

Hodgson published a number of books documenting history and geography of Nepal. Former Indian ambassador Deb Mukherjee published a pictorial of mountains and rivers of Nepal. In his short tenure of about one and a half years, Mukherjee trekked to mountains where he took the breath-taking pictures. Along with British ambassador, Sri Lankan Ambassador Grace Asirwatham is also returning to her country after completing her three and half years-long tenure in Nepal. During her tenure, she polished her skills of painting. She painted a number of paintings about nature, culture, religions and faces of Nepal.

At a time when all other western ambassadors were busy settling the political problems of Nepal, Sri Lankan ambassador got the inspiration from the beauty of the mountains and tranquility of nature.

Although the intensification of Maoist insurgency was the main area of interest for western diplomats, the Sri Lankan envoy was impressed by nature, culture and other surroundings of Nepal.

Displayed at the program organized to bid her farewell, the paintings are the perfect works of credibility. From temple to women and nature to other surroundings, Sri Lankan ambassador has expressed her inner feelings about Nepal in her works.

"Actually, I am not a professional artist, I have learned all these skills in Nepal. These collections are my own impressions taken during my stay in Nepal," she said, adding, "Despite many ups and downs, I found time and setting to complete my works." ■

# SPOTLIGHT

The News  
Magazine  
Packaged  
with  
Up-To-Date

News  
Views  
&  
Analyses  
Our Readers  
Deserve The Best



**SPOTLIGHT**

The National News Magazine

BALUWATAR, GPO BOX: 7256

TELEPHONE: (977-1) 4423127, FAX: (977-1) 4417845

Email: [spot@mail.com.np](mailto:spot@mail.com.np)



# The Star is in Your Favor.

*Choose Your Lucky Casino!*



**CASINO NEPAL**  
Soaltee Compound  
Tahachal, Kathmandu  
Tel: 4280588  
Fax: 9771 4271244  
rdi@mos.com.np



**CASINO ANNA**  
Hotel de L' Annapurna  
Durbarmarg, Kathmandu  
Tel: 4228650  
Fax: 9771 4225228  
casanna@mos.com.np



**CASINO EVEREST**  
Hotel Everest  
New Baneshwor, Kathmandu  
Tel: 4780925  
Fax: 9771 4782284  
everest@mos.com.np



**CASINO ROYALE**  
Hotel Yak & Yeti  
Durbarmarg, Kathmandu  
Tel: 4438619  
Fax: 9771 4223933  
royal\_royale8hotmail.com



**CASINO RAD**  
Radisson Hotel  
Lazimpat, Kathmandu  
Tel: 4420311  
Fax: 9771 4445525  
casinorad@mail.com.np



**CASINO TARA**  
Hyatt Regency  
Boudha, Kathmandu  
Tel: 4482517  
Fax: 9771 4470722  
casinotara@mos.com.np