

DAO Kathmandu Regd. No. 148/11/063/064  
ISSN: 2091-0711



**VIEWPOINT**  
Dr. Tilak Rawal



**OPINION**  
Dipak Gyawali



**PERSPECTIVES**  
Greta Rana

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# New SPOTLIGHT

May 17 - June 06, 2019

FORTNIGHTLY

**KARNALI PROVINCE**

## Gender Under A Shadow

**INSIDE**



**100**  
1919-2019  
SOCIAL JUSTICE  
DECENT WORK



**INTERVIEW**  
Richard S. Howard, PhD



# Whole Body HEALTH CHECKUP

Sun-Fri 7am to 2pm / Sat - 7am to 10am

## Whole Body Basic

### Components

- **Eye:** Vision Test by Licensed Optometrist
- **Heart Function Test:** ECG
- **Lungs Function Test:** Spirometry (PFT) on Plethysmograph
- **General Test:** Body Composition Analysis
- **Kidney Function Test:** Urea, Creatinine
- **Diabetic Test:** Blood Sugar Random
- **Liver Function Panel:** SGOT, SGPT
- **LIPID (Fats) Profile:** Cholesterol, HDL Cholesterol, LDL Cholesterol, Triglycerides
- **Complete Blood Count (CBC):** Hemoglobin, Packed Cell Volume, R.B.C Count, MCHC/MCV/MCH, Platelet Count, Total W.B.C/Differential Count, Platelet Count
- **Other Test:** Urine Routine Examination
- **Precision Radiological Examinations:**
  - USG- Abdomen & Pelvis on GE 4D-Live Voluson E6
  - Chest X Ray on Full Digital GE Brivo DR-F
- **Doctor Consultation**

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Total Saving	<b>Rs. 4,330</b>
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2% Discount for M-Card users

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- **Heart Function Test:** ECG, Heart Scan (Calcium Scoring on 500 slice CT Scanner)
- **Lungs Function Test:** Spirometry (PFT) on Plethysmograph
- **General Test:** Body Composition Analysis
- **Kidney Function Test:** Urea, Creatinine
- **Diabetic Test:** HBA1C, Blood Sugar Random
- **Liver Function Panel:** SGOT, SGPT
- **LIPID (Fats) Profile:** Cholesterol, HDL Cholesterol, LDL Cholesterol, Triglycerides
- **Complete Blood Count (CBC):** Hemoglobin, Packed Cell Volume, R.B.C Count, MCHC/MCV/MCH, Platelet Count, Total W.B.C/Differential Count, Platelet Count
- **Other Test:** Urine Routine Examination
- **Precision Radiological Examinations:**
  - USG- Abdomen & Pelvis on GE 4D-Live Voluson E6
  - Chest X Ray on Full Digital GE Brivo DR-F
- **Doctor Consultation**

Total Price	<b>Rs. 13,710</b>
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Total Saving	<b>Rs. 8,210</b>
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www.spotlightnepal.com

**Kathmandu DAO Regd. No.**

148/11/063/64

**Central Region Postal Regd.**

No. 36/067/068

**US Library of Congress Catalogue**

**No. 91-905060, ISSN : 2091-0711**

**(Print), ISSN: 2091-0754 (Online)**

**Printing**

Megha Offset Printing Press P. Ltd.,

Dhapasi, Kathmandu

Tel. : 977-1-4363624

**Notes From The Editor**



Nepalese media, which claims as a main proponent of current political change, has been facing tough time to retain freedom of press and freedom of expression. Beginning from the promulgation of Civil Code Act two year ago, couples of new acts at central level and similar kind of acts at provincial level and rural and municipal level have already passed aiming to restrict the journalists. However, media did not take a notice. Divided on the basis of party ideology, there are greater divisions among journalist associations and media houses. Taking advantage of this divide, the government, at all three levels, have passed the acts against freedom of expression. With the rise of social media, online portals, there are countless incidences of misuse of media defaming individual personalities as well. However, government cannot justify its move to bring harsh acts to contain the media on that ground.

As the two third majority government led by Nepal Communist Party-Nepal Communist Party has been ruling the country, proponents of free and independent media are feeling a threat. Since forming the government, the government has made several efforts to contain and curtail the media freedom. It imposes several conditions to issue the accreditation to journalists. A new advertisement law is in place with few clauses enough to control the flow of information. Despite growing pressure from media affiliated organizations including Federation of Nepalese Journalists, Nepal Media Society and other right organization, the government on May 9 has registered a new bill in the Parliament proposing to impose a fine up to Rs 1 million on media outlets, editors, publishers and journalists if they were found guilty of damaging someone's reputation. The bill also proposes punishment for violating the code of conduct which includes suspending accreditation of media persons and downgrading the classification of media outlets. We do believe that free and independent media are foundation of democracy. Survival of democracy depends upon healthy media. As the pressure continue to grow, we do hope that the government will make necessary amendment in the bill consulting with all stake holders to guarantee the freedom and independent of Press. However, our cover story for this week is about the state of Gender Equality and Social Inclusion in rural Nepal. There also include other regular column and political commentary as well.

**Keshab Poudel**

Editor



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# Looming Threat

BY A CORRESPONDENT

As Nepal has been implementing the federal structures of government, with a two-thirds majority government led by Nepal Communist Part (NCP) controlling the central government and six out of seven provinces, the Nepali media is gradually feeling uneasy.

Following a series of bills tabled in the parliament with clauses and provisions aimed to restrict the freedom of press, media persons and media organisations have come out jointly demanding their withdrawal.

As the government continues to defend its bill, ignoring the demands of the media persons and media organisations, main opposition party leader and former Prime Minister Sher Bahadur Deuba has shown his solidarity with the cause of the media.

“The government is planning to stage a coup d’état against press freedom and journalism through the introduction of Media Council Bill,” said Deuba, President of main opposition Nepali Congress.

“The NC has been advocating and fighting for liberty, freedom and human rights since its inception,” Deuba said, adding his party would not accept, at any cost, moves to curtail press freedom.

Although Nepali Congress did not oppose much in the previous two bills in the parliament and did not take notice of earlier bills in provinces 3 and 5, it sided with media persons on Nepal Media Council Bill.

As the government registered Nepal Media Council Bill on May 9, proposing to impose a fine up to Rs 1 million on media outlets, editors, publishers and journalists if they were found guilty of damaging someone’s reputation, all the media outlets and journalist have come to oppose the bill.

According to the section 18 (1) of the new bill, if any media publishes content in contravention to the code of conduct and if an investigation launched after the affected party’s complaint finds that such news content damaged the reputation of the complainant, then the council can impose a fine between Rs 25,000 and Rs 1 million on media outlets, publishers, editors, journalists and reporters.

Section 18, Sub-section (2) of the bill stipulates that the council can order the erring parties to pay compensation if the content in media outlets damages the reputation of the affected party.

Section 17 proposes punishment for violating the code of conduct which includes suspending press pass of mediapersons and downgrading the classification of media outlets.

The bill also proposes to form a committee under a government secretary to recommend the chairperson of Nepal Media Council.

“If the bill passes, it will relegate the Nepal Media Council to be a branch of the Ministry of Communications and Information

Technology,” said former PM Deuba.

According to the NC, the new bill contradicts the constitution that guarantees ‘complete press freedom’ in the preamble. The new bill has also removed words ‘autonomous’ and ‘semi-judicial’ mentioned in the Press Council Act, ending the autonomous and semi-judicial nature of the council.

As there exist some draconian provisions to curtail press freedom, Nepal Media Society has demanded that the government should withdraw Media Council Bill from parliament.

Issuing a press release signed by its Chairman Subha Shankar Kandel, the society asked the prime minister and council of ministers to revise the bill in consultation with stakeholders, including the media society and the Federation of Nepali Journalists.

NMS also stated that it was ready to express solidarity and lead any movement in favour of press freedom. Media Federation of Nepali Journalists has announced protest programs against provisions of the bill related to

constituting Nepal Media Council, which according to FNJ, could serve as a government-controlled council to curtail press freedom.

The umbrella body of journalists also protested the provisions of the bill in front of the Parliament and in district headquarters on May 17 by downing tools.

FNJ has also demanded that the anti-media provisions of the Advertisement Bill and Information Technology Bill, being considered by the Parliament, should be dropped. FNJ said the government brought the Nepal Media Council Bill without consulting stakeholders.

However, Minister for Communications and Information Technology Gokul Prasad Banskota has assured that the Media Council Bill was being brought for the greater good of journalists.

At a press conference organized by Press Chautari Nepal and Press Centre Nepal, Minister Banskota shared that new rules would be introduced to ensure journalists’ rights and welfare.

According to him, some media owner were dreadful of facing the music as they were not paying their employees a minimum wage determined by the government but dodged taxes. Urging the working journalists to be assured, he pledged to secure their rights and welfare.

Given Nepal’s past experiences, introducing the draconian laws cannot bring an order to the media. The new government has also to find out a way to bring order in media not curtailing the freedom.



## NEWSNOTES

### KOICA Supported The Construction Of Disaster Recovery Center In Hetauda



Minister of Communication and Information Technology Gokul Prasad Baskota, inaugurated the Disaster Recovery Center (DRC) at Hetauda in the presence of special guests Park Young-sik, Ambassador

of the Republic of Korea to Nepal.

Sunghoon Ko, Country Director, KOICA Nepal Office and Hari Bahadur Mahat, Mayor, Hetauda Sub-metropolitan city and other various dignitaries.

The Government of the Republic of Korea and the Government of Nepal signed the Memorandum of Understanding (MoU) for the project “Establishment of Disaster Recovery Center (DRC) for Government Integrated Data Center (GIDC)” in May, 2013. The Korean Government provided USD 4.6 million through Korea International Cooperation Agency (KOICA) for this project. The key objective of the newly established DRC is to minimize the government data losses from natural or human-induced disasters through the back-up system of Disaster Recovery Center (DRC). The project also aims at harvesting synergy effect in the information management of Nepal government with GIDC in Singhadurbar.

Acknowledging the importance of minimizing the digital gap for facilitating sustainable economic growth for developing countries, KOICA has given assistance to its partner countries, including Nepal, to share the benefits of information technology and develop digital opportunities.

### Embassy Of Israel Organizes Free Eye Camp

The Embassy of Israel in Nepal in cooperation with Dhulikhel Hospital, Kathmandu University Hospital, recently organized Free Eye Camp and Cataract Surgery. Around 200 people from rural communities of the two outreach centers of Dhulikhel hospital, namely Dhunkharka Outreach Center and Baluwa Outreach Center, were examined on 9th April and 23rd April 2019 respectively.



With an aim of providing eye care facilities to the under privileged communities, the camp was conducted. The primary purpose was to identify patients of curable blindness and treat or improve their eyesight. After the screening, the patients who needed treatment and cataract surgeries were followed up by the hospital. The cataract surgeries were successfully performed. The patients were also provided free medications.

The closing ceremony of this program was held on 9 May 2019 at the hospital premises. Speaking at the ceremony, Benny Omer, Ambassador of Israel said, “Getting back eye

sight is probably one of the best gifts you can receive in your lifetime. We are proud to be associated in this noble deed.”

Ambassador Benny Omer expressed his delight upon knowing the doctors giving their best to provide genuine services to the rural and needy community.

Prof. Dr. Ram Kantha Makaju Shrestha, Vice Chancellor of Kathmandu University, said, “In spite of all the adversities, Israel has grown to be a very successful nation. If we were able to learn from Israel and implement the lessons here, we would be a very successful nation too.”

### Elke Wisch New UNICEF Representative For Nepal

UNICEF has welcomed Elke Wisch as the new UNICEF Representative for Nepal, succeeding Tomoo Hozumi. Wisch is a German national with a long record of realizing the rights of children and women. She brings a wealth of experience and insight to UNICEF’s work in Nepal.

“I have wanted to come to Nepal for a very long time,” said Wisch. “I feel very privileged to be in this beautiful country and to have the opportunity to serve the children and women of Nepal.”

For over 23 years, Wisch has been working to improve the lives of children and women and their communities in a range of development, transition and emergency contexts.

Wisch joined UNICEF in 1996 as Child Protection Officer in Rwanda, and subsequently served as Child Protection Chief in Liberia. Between 1999 and 2001 she worked in the Balkans region as Program Coordinator during the Kosovo Emergency and as Acting FYR Macedonia Representative. From 2001 to 2003, Wisch held senior positions in Emergency Coordination and Child Protection during the Afghanistan Emergency Operation prior to serving as the UNICEF Deputy Representative in Myanmar from 2003-2007.



According to a press release issued by UNICEF, in 2008, Wisch took on the role of Senior Peace building and Recovery Coordinator for Northern Uganda within the UN Country Team, and then held the position of UNICEF Deputy Regional Director for the Eastern and Southern Africa region from 2009-2014. She was appointed as the UNICEF Representative in Madagascar in 2014 (a position she held for four years). In August 2018, Ms Wisch joined the UNICEF Regional Office for South Asia, serving as the Deputy Regional Director ad interim, until taking up the Representative post in Nepal.

Wisch holds a Master of Arts in Social and Political Sciences from Munich University and a Master of Public Administration from the Kennedy School of Government, Harvard University. Prior to joining UNICEF, Wisch worked for various conflict resolution organizations and academic institutions in Germany and the United States.

### RCSC Marks 74th Anniversary Of Victory Day In Russia



Russian Centre of Science and Culture (RCSC) in association with Nepal Russia Literary Society organized a Literary Program Dedicated to “74th Anniversary of Great Victory Day in Russia”.



Victory Day is observed

on May 9, and it is one of the most important holidays in Russia. The holiday commemorates capitulation of Nazi Germany to the Soviet Union in the II World War. Documentary about Russia was shown at the beginning of the program.

The program was commenced by Chandrakanta Acharya, General Secretary, Nepal Russia Literary Society. Aleksey Kotlyarov from Russian Centre of Science and Culture welcomed everyone and highlighted about Victory Day and its importance.

Prof Dr. Jangab Chauhan, President of Nepali Russia Literary Society, highlighted aspects of World War II and Russian Literature and he also recited a poem “Wait for me” by the poet Konstantin Simakov with Nepali Translation. Various war songs were performed with Nepali Translation. Patriotic Songs were sung by singer Jujukaji Ranjit and Ram Bahadur Pahadi.

Chief Guest Ganga Prasad Uprety, Chancellor, Nepal Academy delivered his valuable remarks. Vishnu Bahadur Singh, Vice President of Nepali Russia Literary Society delivered his vote of thanks. The program was followed by Film Show “Tank”.

### US Embassy Breaks Ground On Morang Birthing Center

The U.S. Embassy, in partnership with the Government of Nepal, conducted a Groundbreaking Ceremony for the Morang Birthing Center in Biratnagar, Morang District. Funded by the U.S. Department of Defense, the Nepali built birthing center will be a \$1.2 million dollar facility designed to provide much needed maternity services in the area.

According to a news release from the U.S. Embassy in Nepal, the Koshi Zonal Hospital currently has limited capacity and is unable to meet the needs of local citizens. The Morang Birthing Center will increase accessibility to hospital beds for maternity patients within the region. Greater access to mater-



nity services will help decrease infant and adult mortality rates during childbirth as well as improve neonatal and postpartum health services.

“The people of the United States

are pleased to enhance access to healthcare services in Nepal through this birthing center. But, even after this center opens its doors and we see more families choosing facility births over home births, it will be critical that we continue to improve the quality of services. This means that we must continue to invest in the health workforce and ensure they it has appropriate in-service training and skills,” said USAID’s Health Development Officer Monica Villanueva.

### Nepal, Eswatini Establish Diplomatic Relations

Nepal and the Kingdom of Eswatini have entered into a formal diplomatic relationship. This marks Nepal’s establishment of bilateral diplomatic relations with 166 countries around the world.

The Permanent Representatives of Nepal and Eswatini to the United Nations, Ambassadors Amrit Bahadur Rai and Melusi Martin Masukure respectively, signed a Joint Communiqué to this effect in New York this morning, together with a joint letter informing the United Nations Secretary-General about this development.

On the occasion, the two Ambassadors acknowledged that Nepal and Eswatini are already working closely at the United Nations and other multilateral forums. They also shared views on widening and deepening bilateral cooperation between the two countries in the days ahead. Both Nepal and Eswatini are fellow members of the group of Landlocked Developing Countries, the Non-Aligned Movement and the G77 and China.

## BUSINESS BRIEF

### NIBL Opens 80th Branch In Dewangunj

Vice Chairperson of Dewangunj Rural Municipality Punita Devi Yadav and Chief Executive Officer of Nepal Investment



Bank Ltd. have jointly inaugurated branch office in Dewangunj Municipality ward 2 as 80th branch office. With ATM inside, the branch office will provide financial services to 50,000 people.

Under its policy to increase financial lit-

eracy, the bank has expanded new branch in the province no 1. After this branch, NABIL has 24 branches in Kathmandu Valley and 56 in outside Kathmandu. The bank has 112 ATM, 13 extension counters, 10 revenue collection centers and 51 branchless services.

### NAC To Resume Osaka Flights From July 4

While celebrating its 61st anniversary, Nepal Airlines Corporation (NAC) has announced it will resume its regular flights to the Japanese city of Osaka from July 4, 2019.

According to a press release issued by NAC, the airlines will operate three flights a week in the beginning. The flight will depart at 2:30 AM from Kathmandu and will reach Osaka at 11:55 AM. The plane will return to Kathmandu at 6 PM.

NAC A330-200 series wide body will be operated in Osaka flights. Previously, NAC used to operate Osaka flights through Shanghai of China till 2007. In the year 2000, 41,070 Japanese tourists visited Nepal and Nepal Airlines alone carried



22000 tourists.

After the suspension of flights by NAC, the number of Japanese tourists was drastically reduced. In 2015, the number reached 17613. After NAC starts its flights with 57,000 seat capacity, it will positively contribute to Nepalese economy.

With 6:30 flying hours to Osaka, NAC is now also preparing to start another flight to Japan's busiest airport Narita. NAC started its flight to Narita in 1994 through its Boeing 757 aircraft with stop over in Shanghai. Now, NAC's wide body will make direct flights.

### Yeti Airlines Becomes Nepal's First Carbon Neutral Airline

Yeti Airlines has become the first airline in Nepal, and most probably South Asia, to successfully reduce and offset its Greenhouse Gas (GHG) emissions of 2018, replicating the UN's 'Greening the Blue' approach to climate neutrality.

The airline underwent an independent carbon audit

process facilitated by the United Nations Development Programme (UNDP) that calculated the airline's total carbon emission and laid out plans to reduce and offset the same.

The audit revealed that Yeti Airlines produced 19,665 tonnes of CO2 equivalent emission in 2018 from its entire operations, including flights, vehicles and other facilities. This equals the amount of carbon sequestered by approximately 325,165 trees growing over 10 years. The emission from its flight operations accounts for over 99.9% of its total GHG emissions.

As part of the emission reduction plan, between 2017 and 2018, the airline was able to reduce the CO2 equivalent emissions per flight km by 20% and per passenger by 12% after adopting a more fuel-efficient aircraft fleet. The airline has achieved lower per passenger GHG emissions by expanding its fleet of fuel-efficient aircraft, i.e. ATR72-500 while gradually phasing out its Jetstream 41 operations. In addition, implementing more efficient flight operations, streamlining ground procedures, improving airport infrastructures, creating public awareness and staff training are the other vital GHG reduction strategies being enacted by the company.

Yeti Airlines was also able to offset its GHG emissions by procuring carbon credits, i.e. Certified Emission Reductions, certified under the United Nations Framework Convention on Climate Change (UNFCCC) through 'Climate Neutral Now' platform. In the past, Yeti Airlines undertook various environmental and social projects such as the Yeti Green Re-forestation Project, Green Far West Project and the Everest Clean Up campaign.

"Providing the largest network of flight routes in Nepal, Yeti Airlines works tirelessly to raise its standards of customer service whilst working to help protect the environment in which it exists," said Umesh Chandra Rai, Chief Executive Officer of Yeti Airlines. "We have pledged to demonstrate our leadership in aligning and supporting the Sustainable Development Goals (SDGs) in every opportunity, particularly promoting SDGs no. 5 Gender Equality, no. 13 Climate Action and no 17 Partnership for the Goals. Yeti Airlines is committed to remain carbon neutral and invites others to join hands to protect our environment for the future generations to come. To keep its promise of remaining carbon neutral, Yeti Airlines is further committed to work together with UNDP on community level climate adaptation initiatives in the future."

"UNDP would like to congratulate Yeti Airlines on becoming the first carbon neutral airline in Nepal after having successfully met the international UN approach on carbon neutrality. This is an exemplary effort to demonstrate how the private sector can help accelerate the achievement of the SDGs. This is also one step forward to helping Nepal fulfill its commitment to Paris Agreement on Climate Change. We hope the airline will continue its good works to remain carbon neutral and inspire others to follow the path in the coming years as well," said UNDP's Resident Representative, a.i. Ayshanie Medagangoda-Labe.



**Yeti Airlines**  
You come first



## Kumari Bank Convenes Its 17th & 18th AGMs

Kumari Bank Limited (KBL) has jointly convened its 17th & 18th Annual General Meeting (AGM) on 9 May, 2019 (26th Baisakh, 2076) at Nepal Pragma Pratisthan, Kamaladi, Kathmandu.

The Bank issued 21.25% bonus shares, i.e. 12.75% bonus shares for the FY 2073/74 & 8.50% bonus shares for the 2074/75 on its Total Paid-up Capital to its shareholders. The Paid up Capital of the Bank reached NPR 8.68 billion after issuing the mentioned bonus share.

At the end of Chaitra of FY 2075/76, Bank's Total Deposit and Total Loan reached NPR 77.29 billion and NPR 73.24 billion respectively. At the same time, the Bank earned Operating Profit of NPR 1.42 billion and Net profit of NPR 1.00 billion.

With an extensive network of 88 branches, 83 ATMs, 3 extension counters and 3 Branchless Banking networks across the country, the Bank has been rendering swift and modern banking services to all its customers

## KOICA-KAAN Organised Fair Trade

The Korea International Cooperation Agency (KOICA), KOICA Alumni Association of Nepal (KAAN) and Beautiful Coffee Nepal (fair trade related KOICA supported NGO) has organized a joint program to memorize 2019 World Fair Trade day on May 13, 2019(Monday) at Beautiful Coffee Nepal, Sanepa.

The major objective of the program is to strengthen partnership between KOICA Alumni members and Fair Trade related NGOs on the occasion of celebrating World Fair Trade Day. The program provided an opportunity to have a better understanding of KOICA's various types of cooperation. There was an intensive participation of more than 200 people from fair trade related NGOs, government officials, KOICA fellows, KOICA Overseas volunteers as well as other likeminded organizations and public.

Sunghoon Ko, Country director of KOICA point out the contributions made by fair trade in bringing economic empowerment of small producers, gender equality in practices, workplaces and promoting responsible production practices. He added that with a vision of pursuing global social values KOICA's mission is also to leave no one behind with people centered Peace, Prosperity and Planet. Creating opportunities and capacity building are the common principles of KOICA and the Fair trade; definitely both of them work with different groups of

people but with same principle. He further added that there is the gap between various partners of KOICA because of which the impact made by each partner of KOICA is not that visible. He wished to see if all of them can identify some innovative ways of working together for people centered, meaningful, result oriented and sustainable development.

Sunil Chitrakar, Vice-Chairman of Fair Trade Group presented what fair trade is as well as its basic principles. Fair trade is a sustainable business model where resources are shared with needy ones taking sustainable approach because it looks after community, profit as well as environment. Initially, fair trade was started with charity to support WWII effected communities in Europe but now there are 26 organizations associated with fair trade in Nepal. Fair Trade Group has created 15,000 jobs for 45,000 households in Nepal in 40 districts especially for the vulnerable communities as well as women.

Binod Bidari, President of KAAN presented the introduction as well as objectives of KAAN. It was established in 2001 as a KOICA Club. Its main objectives are to serve a bridge between Korea and Nepal, to help in enhancing the effectiveness of future program provided by Korea and effective exchange of information to share new ideas and knowledge in the field of education and socio-cultural activities etc. He shared major as well as annual activities of KAAN along with the activities conducted in 2018.

Prachandaman Shrestha, Chairperson of Beautiful Coffee explained about the establishment of Beautiful coffee as a resource center for coffee sub-sector development in 2014 in Nepal with technical expertise in coffee production, processing, marketing and organizational development. Via the second phase project Regional Development through Strengthening of Cooperative and Business Capacity in Nepal, KOICA has supported for Beautiful Coffee in Sindhupalchowk and Lalitpur district. He emphasized the KOICA project that has integrated fair trade policy in Coffee Producer's Cooperatives. The project is more focused on Strengthening/Capacity building of the coffee producers and their association, Nondiscrimination and gender equality, Trading practice, Transparency and Marketing platform.

During the seminar, possible collaboration activities are also shared between government officials, KAAN members as well as KOICA personnel. Fair trade related NGOs like Mahaguthi, KOLPA, H Plant, M cube gallery, DD bakery kept stalls to promote their products.

KOICA's Civil Society Cooperation program aims to eradicate poverty and improve welfare of people in partner countries, based on cooperation with private organizations. This program supports international development cooperation activities of CSOs (Civil Society Organizations) and academia, working towards reducing poverty and promoting the better standard of living in developing countries, in agriculture and fisheries, multi-area). In Nepal, Currently KOICA is supporting more than 5 Korean NGOs in Nepal who are working in various development sectors.



# Season Of Annual Rituals

With winter over now, people all over Nepal, probably with the exception of a few warm areas in Madhesh, have begun to enjoy the change in climate. Along with the common people, those in the government must have found themselves a bit energized to satisfactorily discharge their responsibility of performing annual rituals, which generally begin with the presentation of policies and programmes for the upcoming fiscal year in the House. The document read by President Bhandari on May 3 contained resolve of the government to foster rapid development in the new fiscal year and make it the year of faster development growth. It also claimed that the year 2018/19 has successfully laid the foundation for the country to achieve higher economic growth in the coming years. In keeping with the past practice, government repeated its commitment to giving high priority to timely completion of projects, especially national pride projects. The government also aims to achieve double digit growth within the next four years. After being almost certain that the wished growth rate of 8 percent is nowhere to be found in the current fiscal year, may be the budget writers for the next fiscal year will have no objection to this a-bit-extended timeline. Everything contained in the document was as usual but President's repeated use of the phrase 'my government' courted controversy and attracted attention of political leaders and civil society members who feel the head of state should not have used the phrase that was exclusively used by kings of Nepal. These comments notwithstanding, current dispensation should be happy that the use of these two words (my government) at least attracted attention of many people to this document, which otherwise would not be considered anything more than the annual ritual work and thus unworthy of paying attention to. Indeed, unlike last time, parties differed vehemently this time around over words found in the policy document and allegedly demeaning language used by Prime Minister Oli in the House. However despite exchange of allegations between parties, obstruction created by the major opposition party and unhappiness of some prominent lawmakers over the use of the two words, the document containing government's policies and programmes was approved by majority in a chaotic House on May 7. Oli has been justifying the use of the words both within and outside of the Parliament. With the passage of this document, prebudget discussion began and concluded, which



BY DR. TILAK RAWAL

**In the midst of these hiccups, government is expected to proceed with the annual works in a ritualistic fashion. Lots of crumbs spreading is likely to be seen in the budget, which is certain to be distributive\populist as there is tremendous demand coming from politicians for inclusion of populist programmes. Growth has to be achieved first then comes the question of who gets it, let us not forget. May the writers of the budget not forget that an opportunity for stable growth backed by strong domestic demand is in the offing?**

will be followed by presentation of the survey covering last fiscal year and thereafter presentation of the budget for the next fiscal year. One noteworthy thing in the recently approved document is that the government needs four years to achieve double digit growth, which is not in conformity with what is stated in the ongoing budget and Oli's observations made before the policy document that 10 percent growth level would be achieved soon and that Nepal would achieve a much higher growth level not taking too long a time. Let us hope Prime Minister Oli will share with us his views on growth model\ways that Nepal should adopt, after completing his state\study visit

to Vietnam and Cambodia. His selection of these two war-torn countries is very appropriate because what has been achieved in these two countries is a glaring example of how nations with economies in a terrible state can progress very fast to ensure their people a reasonable level of living. In our case, it is still not very clear how soon the two-digit growth will be achieved. Government had expected gdp to grow by 9.1 percent in 1976/77 and a year thereafter it will hit 9.5 percent. These gdp figures for different years were based on the estimated growth of different sectors such as agriculture (6.6 percent) and non-agriculture (10.7 percent). Within non-agriculture sector, industry was expected to grow by 14.9 percent and services by 9.4 percent during these years. Probably in view of the unsatisfactory performance related to budget implementation, the concerned tried to play safe giving a different timeline through the policy document for the much publicized double-digit growth. It would be unwise to blame Oli for being over optimistic but one cannot also brush aside the existing ground realities which are far from satisfactory.

With less than three months left for the current fiscal year to be over, capital expenditure of the government stands at 38 percent of the total allocation, indicating sluggish progress in development works. This is indeed contrary to the expectation that the current relatively strong government would expedite development works. Government's rush to spend the huge sum in the remaining period of the fiscal year could lead to misuse of funds from which emanate questions related to quality of the completed work. Government's recent decision to raise Rs.86 billion as internal loan has also become controversial especially in view of low capital expenditure and Rs. 130 billion of its money lying idle at the central bank. Let us hope at least the



slashed (by 15 percent) capital expenditure of Rs. 262.62 billion is spent properly in the remaining period of this fiscal year.

Very disappointing figures continue to flow on the performance of the external sector, which shows accelerating imports and stagnating exports. According to data made available by the concerned agency, imports totaled Rs. 1061 billion and exports remained at Rs. 71 billion in the nine months of this fiscal year. If this imbalance in trade remains unchecked, it could easily hit Rs. 1430 billion to surpass the total budgetary outlay. In these months, Nepal imported fossil fuel worth Rs. 182 billion and this agricultural country's import of food grains such as rice, maize, wheat and millet is on the rise. Nepal's import of agricultural products is mostly from India. Our agriculture is becoming less attractive and manpower is not available. Trade deficit has surpassed net invisible earnings, further widening the current account deficit which could reach 9.3 percent of GDP in the current fiscal year. Despite a robust growth of remittances and stable oil prices in the past months, current account deficit has widened on account of increased imports of capital and consumer goods and services. Nepal undoubtedly faces the risk of external sector instability on account of increasing trade and current account deficit. Not even an iota hope is seen on the fast-deteriorating external sector because no significant improvement in our production base is seen and the situation outside of Nepal is also not encouraging.

President Trump of the United States has imposed new sanctions on Iranian oil and the waiver granted earlier to countries like India and China to buy Iranian oil for sometimes has been withdrawn and the country in turmoil (Venezuela) is finding it very difficult to sell its oil on the global market mainly on account of US sanctions. Iranian leadership has confessed that International sanctions have begun to create serious problems, which the Islamic Republic had never experienced before, not even during the years of Iran-Iraq war. It may be noted that, after remaining stable for some period, oil prices have begun to rise, which is likely to hurt the economies of great consumers of fossil fuel like

India and China and also contribute towards further widening the serious trade gap seen in our economy. Recent deployment of US warship in the Gulf has made the US-Iran relationship tenser and the sabotage attack on oil tankers near the Strait of Hormuz has created additional tension for the oil traders.

Trade row between the two largest economies is far from over and people are apprehensive that it could further worsen in view of the new developments. President Trump has increased tax rate on Chinese goods, requesting Chinese authorities not to raise taxes in retaliation. Chinese, however, have decided to raise tariff from June on 60 billion dollar worth of American goods. China has made it abundantly clear that it is not likely

to succumb to the pressure because it is wasting no time in retaliation and is hardening its bargaining position. Even if a trade deal is struck soon, many observers feel that the conflict between the two could continue for long as the two nations are tacitly battling for global supremacy. Continuation of this row for some more time will definitely hurt in a more serious way global output and trade, which could ultimately pave way for global recession. A prolonged conflict between the two great powers is bound to produce disastrous consequences for the entire world. Let us hope the competition between the two countries remains healthy. Let us also be happy that trade talks have not completely broken. Along with this row, BREXIT has continued to shake Europe and is still drawing global attention to issues related to it. Nearly three years of uncertainty since the June 2016 referendum has begun to slow economic growth, discourage investment and damage the reputation of Britain as a paradise for commerce and trade. Steady shifting of jobs and assets by global companies away from Britain to cities in continental Europe has already begun to hurt the country's reputation as a hub for European Trade. Let us hope Theresa May of Britain gives a new date for exit and succeeds in smoothly moving out of the European Union without letting the situation further deteriorate. Things are not very pleasant in East Asia either because Korean Peninsula looks tense again with the resumption of nuclear activities by North Korea. Missiles are being fired, which is reminiscent of the tense relationship between the US and North Korea prior to commencement of summit level dialogues. It may be noted that after the fruitless talk in Hanoi between the heads of government of the two countries, Mr. Un was seen in Moscow interacting with President Putin. In dealing with North Korea, it now looks that Trump will have to seek cooperation of not only China but that of Russia as well to achieve meaningful result from any effort to be launched in future.

Things are not very normal in our Himalayan country as improvement in weather conditions have increased mobility of people rendered less mobile during the bitter months of winter. Indeed good time is on for annual political activities and will remain so until the onset of monsoon. The major opposition party Nepali Congress has launched a nationwide programme to tell people how this government heading towards authoritarian direction, has failed to deliver the promised goods and that only NC can work for the betterment of people, safeguarding democratic norms and values. Further, despite government's resolve to crush the Biplab-led Maoist party, the party is very much alive and making its presence felt occasionally. In the midst of these hiccups, government is expected to proceed with the annual works in a ritualistic fashion. Lots of crumbs spreading is likely to be seen in the budget, which is certain to be distributive/populist as there is tremendous demand coming from politicians for inclusion of populist programmes. Growth has to be achieved first then comes the question of who gets it, let us not forget. May the writers of the budget not forget that an opportunity for stable growth backed by strong domestic demand is in the offing?

*(Dr. Rawal is a former governor of Nepal Rashtra Bank)*

**Let us hope Prime Minister Oli will share with us his views on growth model/ways that Nepal should adopt, after completing his state study visit to Vietnam and Cambodia. His selection of these two war-torn countries is very appropriate because what has been achieved in these two countries is a glaring example of how nations with economies in a terrible state can progress very fast to ensure their people a reasonable level of living.**

## KARNALI PROVINCE

## Gender Under A Shadow

*As local and provincial governments are giving less priority to Gender Equality and Social Inclusion (GESI), Violence Against Women or Gender Based Violence (GBV), has been growing in the mid-western region of the past that is now Karnali Province. With provincial and local level governments slashing the budget under GESI, gender-based programs have been affected. At a time when over 90 percent budget goes to infrastructure development, for road and building, the achievements made by Nepal in gender issue over the years might face a reversal*

By KESHAB POUDEL

As local and provincial governments are giving less priority to Gender Equality and Social Inclusion (GESI), Violence Against Women or Gender Based Violence (GBV), has been growing in the mid-western region of the past that is now Karnali Province. With provincial and local level governments slashing the budget under GESI, gender-based programs have been affected. At a time when over 90 percent budget goes to infrastructure development, for road and building, the achievements made by Nepal in gender issue over the years might face a reversal

By KESHAB POUDEL

In Nepal, although marriage before the age of 20 is illegal and punishable and use of alcohol in public places is a civil offense punishable by up to three months in prison, child marriage and misuse of alcohol are rampant in districts and villages in Karnali Province.

With rampant child marriage and misuse of alcohol, incidents of violence against women continue to rise. However, the newly elected bodies have not shown much of their concern. Recent reports of two municipalities and one VDC of Karnali Province have revealed that elected representatives are more concerned about expanding infrastructure rather than stretching

social capital, gender and empowerment program.

Allocating over ninety percent of the budget in infrastructure, local bodies spend virtually nominal budgets for the welfare and protection of women, children and elderly.

Situated in Dailekh District, Narayan Municipality has 11 wards, with total budget on concurrent and capital expenditure. It has allocated just over Rs. 900,000 for the welfare and livelihood of women, dalit, children, Janjati, backward and elderly communities.

Under the new mandatory provisions, people have voted two women in each ward. However, they are yet to register their voices in the male dominated ward office and General Council meeting.

“Since connectivity is a major problem of Narayan Municipality, we are allocating necessary budget to connect all the wards of our new Municipality,” said the mayor of the municipality. As a remote municipality, we have very few areas from where to collect the local revenue, that is why, we depend in bulk for central and provincial grants. I have already told our women members that they have to support us to build the infrastructure, particularly roads,” said Mayor Ratan Bahadur Khadka.

With the support from Nepal’s development partners and government’s

own resources, the budget allocated for targeted groups, including women, dalit, and people, with disability, children and indigenous people Rs. 1000000.

Out of the total budget, the municipality has also allocated the budget for Gender Equality and Social Inclusion. The budget allocated under this title is Rs.100,000. With rampant incidents related to Chaupadi, the Municipality allocated Rs.100.000 to conduct a campaign against Chaupadi.

The municipality allocated Rs.8.5 million to purchase vehicles and Rs. 1.7 million to purchase furniture. Out of total budget of Rs. 123591477, women, gender and targeted groups receive less than what it allocated to purchase vehicles and furniture. For the construction of infrastructure like road, buildings, compound walls, and temples, the municipality has allocated Rs. 63410477.

The situation of Khandachakra Municipality of Kalikot District too is not different. It allocated more than 70 percent of its budget to infrastructure and mere 5 percent for women, children, gender and social inclusion. With a total of over 120 million budget, eighty percent goes to capital investment, which includes road construction and purchasing of vehicles and other machineries.



“Since ours is a newly set up municipality with no connectivity, our priority is to build the roads and other infrastructures. Road connectivity is a pre-requisite to end the discrimination at all levels,” said Ratna Bahadur Shahi, mayor of Municipality.

The situation is not different in Sinja Gaunpalika either. With its 52 million annual budget for the ongoing fiscal year, the municipality sanctions 45 million rupees for construction and maintenance of roads and bridges.

District’s Sinja Gaunpalika is one of the most vulnerable places for gender discriminations and gender based violence.

With poor Human Development Index (HDI), all the Rural Municipalities and Municipalities in Karnali Province need massive investment in the social sectors like Gender Discrimination and Social Inclusion

According to UNAF District Profile, Kalikot ranked 73rd of Nepal’s 75 districts on the Human Development Index in 2004. The average life expectancy in Kalikot is 47, below the national average.

“The prevalence of sexual abuse of women and children is reportedly high in Kalikot district, as well as in other areas of the Karnali. Caste-and gender-based discrimination is very widespread in Kalikot. Discriminatory practices were greatly reduced during the conflict period, but resumed since the peace process began. Kalikot lags behind national averages on various educational indicators,” says the report.

As in most other districts of Karnali, caste-and gender-based discriminatory practices continue to hamper the wellbeing of women and historically marginalized groups in Dailekh. Number of victims of domestic violence continues to grow. UN HRD shows child marriage is common in Dailekh. While 73% of boys and men aged five and above are literate, only 53% of girls and women can read and write.

Like other Gaunpalika in Jumla, Sinja Gaunpalika also has rampant incidents of gender inequality and domestic violence. Although the Gaunpalika is connected by Karnali highway, it is one of backward areas due to its remoteness. The practice to migrate during the winter season to



the hill and Terai areas continues. Large number of males continue seasonal migration to India to cope with chronic food insecurity, especially during winter. As male leave for seasonal work during the winter, women and children have to bear all kinds of household burden. Although the regular transport service from plains to the village has seen some change, the road shuts down almost for two months during the winter due to heavy snowfall making the situation of women and children most difficult.

With easy availability of alcohol in open market and household level, the incidents of violence against women are very high in all communities. The situation is worse in the Dalit community.

Along with other Gaunpalika and Municipality, these three areas have also made quite a good progress addressing the Gender Equality and Social Inclusion. However, a large proportion of people living in these villages have been facing discrimination of many facets.

The Constitution of Nepal envisions Nepal as an inclusive state and guarantees the right to equality for all its citizens and the government has already taken the number of initiatives including promulgation of new acts. GESI Working Groups have been formed in various levels to help realize the constitution’s vision of inclusion

and equality.

Nepal Government and development partners have implemented various policies and programs in line with these mandates. The GoN GESI policies and guidelines have been adopted in seven sectors.

It is encouraging that so far seven major sectoral ministries (Agriculture, Education, Forest, Health, Federal Affairs and Local Development, Urban Development, Water Supply and Sanitation) have issued and are implementing GESI policies and guidelines and, in many cases, have established dedicated units with specially trained staff and systems to monitor results.

Achieving Key Sustainable Development Goals Welfare outcomes are improving steadily in Nepal – though at different rates for different groups. Although poverty levels have dropped dramatically across the board over the last several decades, there are still disparities based on social identity and location.

At a time when the provincial government and local level government are allocating their huge budget to physical capitals like road and bridge at the cost of social sector, disparities between women and men and different social groups and violence against women are likely to increase in Karnali Province.

# What Ails Nepal's Communists?

The Left-leaning daily *Naya Patrika* recently initiated a debate around the problems facing Nepal's broadly Left but mostly communist parties, a burning issue that was also picked up by other broadsheets. Views ranged across the political spectrum, from True Believers to hardened Sceptics; but there was a strange agreement on the nature of the problem even if proposed solutions differed widely.

The debate itself was ignited by the failure of Loktantra to live up to its tall promises, and how events of the last decade – from compromises against nationalism with Mughlani spooks to pecuniary benefits from dilettantish Leftist West – have exposed its fatal flaws. We have a communist government that commands an enviable two-thirds majority in parliament and rules the roost of the local governments in six of the seven provinces but has spent a whole year and more doing almost nothing. Worse, it is mired in scandal after scandal which get exposed but the hullabaloo dies down when incriminating fingers start pointing to the top leaders of Loktantra, their relatives or party faithful and funders.

The list not only gets longer by the day but dwarfs scandals that happened in earlier regimes: Nirmal rape and murder, aircraft wide-body scandal, private telecom tax evasion, holy wine, loot and privatization of public land, promotion of corrupt but party-faithful judges, theft of public funds... not a day goes by without another scandal raising its ugly head. And the opposition Kangress is not only unable to cash in on public anger with such sleaze but has itself been caught with its pants down and hands deep in the till. These shenanigans prompted a Nepali song "*Loot, Kanchha, Loot!*" that was widely popular and accurately reflected the public mood.

Attempts by today's top rich communist leaders to shield themselves with explanations and statements have ranged from comical to dishonest and bizarrely cut off from reality. Prime Minister Oli and his cabinet spokesperson trying to justify how their party's top secretary acquired official Baluwatar land had property developers rolling with laughter. Co-PM Prachanda, speaking before his increasingly frustrated cadres, said that his life is currently in danger and threatened to go back to the jungle



BY DIPAK GYAWALI

ostensibly to re-ignite the compromised revolution. He, but not his cadres or his critics, forgot that the jungle is occupied by the Biplavite comrades he and Baburam betrayed (and from whom he has far more to fear than the Nepal Army or for that matter US Imperialism where he could safely take his ailing wife for treatment). Liberal analyst Jugal Bhurtel tauntingly tweeted that, yes, Prachanda might like to go back to the concrete jungle of Delhi's Noida from where he directed the murderous movement that took 17 thousand Nepali lives, maiming and destroying the lives

of many thousands more.

Socialist-leaning but non-communists have accurate diagnosis of the problems faced by the Left and argue for re-thinking socialism itself in the current national and global context, and in that re-thinking they discuss where the communists have gone wrong. Uddhav Pyakurel argues that there is really nothing communist about those who today call themselves so, and Krishna Khanal describes how leaders of parties calling themselves communist would make capitalists green with envy when they see the personal wealth they have accumulated. Many pointedly discuss how Nepali communists have given up on class and become communalists advocating caste and ethnicity-based politics. Pradeep Giri is not surprised by this degeneration as his own Kangress party's leadership is completely in confusion about socialism and the ideological stance his party swears by. He spoke in parliament about how Kangress betrayed socialism in the early 1990s by opting for unbridled privatization, and it is no surprise the communists only followed that same path to market bliss. As the Nepali saying goes: "*Jetha mama ko ta bhangra ko dhoti, kanchha mama ko jhan ke gati?*" (translated: if the older maternal uncle has rags for clothes, what can one expect from the younger one?)

Leftist thinkers and leaders who have not joined the Cash Communist bandwagon identify a range of sicknesses within the communist movement; however, they have no "revolutionary" cure to suggest, only reformism and ideological cleansing. Ghanshyam Bhusal, desperately trying to keep the Marxist flame flickering



in this Bicentennial year, openly admits that communist party is no longer run on principles but is run by corrupt middlemen and brokers. Ramchandra Jha avers: communists failed to be an avant-garde Leninist party of the proletariat class and has instead kowtowed to casteists and ethnicists. Shyam Shrestha, editor of the erstwhile popular *Mulyankan* that was likened to Bombay's EPW, is amazed that communists are strong enough to hold a two-thirds majority in parliament but have lost all Left ideals and are completely beholden to middle-men traders. He predicts that without major ideological correction, the communist party will be destroyed in the next elections.

More die-hard True Believers who perform the role of Young Turks within the movement have more interesting diagnosis that calls into question some of the more fundamental tenets of communist beliefs. Hari Roka describes how trade unions have stopped looking after the broader interests of workers and average Nepalis but have become handmaidens of merchants as well as vehicles of enrichment and upward mobility of street-smart individuals. He thinks completely new and ideologically pure trade unions have to be created anew. Lekhnath Neupane sees corruption and kowtowing to comprador bourgeois as natural with a Maoist leadership that spent ten years abusing the UML for being renegade but shamelessly merged with them without any remorse.

Saroj Dhital argues that corruption among communist parties has boomed due to the throwing out the bathwater of religion together with the babies of compassion, morality and accountability. Dalits with communist leanings are feeling completely let down and now realize that their problem was never a class but a deep-seated cultural one that Bahun-led communist parties will never solve. Gopal Kirati claims that communist materialism has lost to the spiritual idealism of Nepali history and religion, leading to a situation where there is no communist leader with moral height that comes with personal sacrifice and which is needed to command a proletariat movement. Ahuti wonders how dialectical materialism is to be saved with a leadership that has lost the ideology of class; he even thinks that the Marxist approach to dominating nature must be re-thought in light of the environmental woes the world is facing.

All these statements of angst are being expressed against a background where the ideological torch has been wrested away from the mainstream two-thirds majority "Cash" communists by the practically under-

ground Biplavite "Gas" Maoists and to some extent the over-ground Vaidya "Dash" Maoists. In this context, ideologically justifying a communist approach within a putrefying Loktantra is difficult; but Chaitanya Mishra, Nepal's leading neo-Marxist scholar does make a heroic attempt to do so. He first praises Biplavites for rightly diagnosing the current regional and global scenario of hegemonic and dynamic capitalism: how the rule of law and welfarism that are enshrined in the legal codes of most countries defy Marx's picture; how today's workers are no longer the proletariat of Marx's time; and how advances in information and military technology have made a Leninist style putsch to capture state power near impossible.

Mishra then goes on, again correctly, to damn them for not internalizing these diagnostics and reframing their ideology but going back to the same old Leninist path of building up a war chest with coercive accumulation and alternative military apparatus. The old Prachanda path only succeeded because of his and Baburam's surrender to Mughlani spooks; it is doubtful if a Modified Mughlan with strong anti-communism in its genes will allow that tragic history to be repeated without becoming a farce. This is especially true in the current context of global financial capital and its total domination over industrial capital, to say nothing of its impact on Nepal's crony capitalism. Despite all these sane reflections, Mishra's advice to them, ironically, is to come back to current constitutionalism: how a party that decries the current political framework as a "butcher's shop displaying goat's head but selling dog's meat" to come under a contradictory and corrupt constitutional-

ism that has unleashed the police on them is difficult to envisage without the Biplavites committing ideological and moral suicide.

I too have added my two cents to this debate: <https://www.nayapatrikadaily.com/news-details/12002/2019-04-22>. My main contention is that, following science philosopher Karl Popper's arguments, Marxist contention that Marxism is "scientific" does not hold water: its main hypotheses have long been falsified by history. Moreover, Nepal's poverty and inequalities cannot be properly described by Marxist categories; and communist leaders who tried to do so themselves came from petty bourgeois or landlord backgrounds making the current tragic ideological corruption disappointing but probably inevitable. Nepal is destined to continue this debate long into the future, waiting for new political leaders with much more realistic political philosophies.

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SHREEJANA RANA

# Leading HAN

*Shreejana Rana Becomes First Female President Of HAN*

BY A CORRESPONDENT

Having over three decades in the hospitality industry, Shreejana Rana, the executive director at Hotel Annapurna, becomes the first woman to get elected as president of Hotel Association of Nepal (HAN).

Rana had started at the ITC Welcome Group in the 1980s before joining Hotel Annapurna. She was unanimously elected by the 46th annual general meeting of HAN. The meeting also unanimously elected a new executive committee under the presidency of Rana, executive director of Hotel Annapurna.

The HAN AGM also elected Binayak Shah to the post of senior vice president and Prabeen Bahadur Pandey as second vice president. Sajan Shakya was elected as general secretary and Vishal Kumar as treasurer, along with 25 executive members.

The members of the board are; Amarman Shakya, immediate past president of Amar hotel, Dinesh Bahadur Bista of Soaltee Hotel Limited, Bidhata Shrestha of Oriental Hotel Ltd/Radisson Hotel, Dinesh Tuladhar of Hotel Himalaya, Binod Shankar Shrestha of Hotel Shankar, Biplav Poudel of Barahi resort, Gopal Rana of Dreamland Gold resort, Tseten Tsatultsang of Shambala Hotel, Ram Kumar Puri of Hotel Kamal Pvt.Ltd, Youbraj Shrestha of Hotel Crown Plaza, Thakur Prasad Pokharel of Hotel Gansh Himal, Rajendra Bhatta of Hotel Yambu, Gyandra Kimar Bist of Hotel rainforest, Rajan Shrestha of Hotel Swagatam, Rahul Shakya of Club Himalaya, Hem Bahadur Gurung of Manang Hotel, CP Shrestha of Siddhartha Hotel Association, Asit Shamsher Janga Bahadur Rana of Sneha Hotel, Rahul Choudary of Meghauli serai C G Safari and tours/

travels, and Bhataraj Parajuli of RHAN Pokhara.

Follower of Sri Sadguru and Sri Sri Ravi Shanker, Rana expressed her commitment to work for betterment of hospitality sector and the entire tourism sector of the country.

Starting her career in the hospitality industry with ITC Welcome group in the 1980's, she worked with them for seven years. After returning to Nepal, she married Kapil SJB Rana, the current Chairman of Hotel Annapurna, whose family has over 50 years of experience

& Industry (NICCI).

Rana was born to late Kiranendu Malla and late Kendra R L Malla, she trained in Hotel Management and Tourism with ITC Welcome Group for six years after completing A level.

She is also the Vice Chairperson of Jayanti Memorial Trust which is working to make cardiac care available to all Nepalis. Newly elected Rana pledged to come up with programmes to coordinate efforts with the government to make Visit Nepal 2020 a success. The government aims to attract 2 million tourists in 2020 under the campaign.

Deputy Prime Minister Ishwor Pokharel said the government has accorded special importance to the development of tourism, an important base for the country's economic prosperity.

"Infrastructure construction will be prioritised for tourism development," Deputy Prime Minister Pokharel said, while inaugurating the 46th annual general assembly of the Hotel Association of Nepal (HAN), according to RSS. Promotional activities would be initiated in collaboration between the government and private sector to make the government's 'Visit Nepal Year, 2020' a success, he said. DPM Pokharel said that budget for the new fiscal year would be made in accordance with the policy and programmes for the fiscal year 2019/20.

According to him, the proposed policy and programmes had attached priority to development of physical infrastructures, tourism, agriculture and energy. Acting Secretary at the Ministry of Culture, Tourism and Civil Aviation Suresh Acharya shared that managerial works relating to enhancing capacity of the Nepal Aviation.



in the hospitality industry. She joined Hotel Annapurna in 2008.

An active social worker, Rana has worked for many years for the empowerment of women. She was a member of Women Entrepreneur Association, member of the SAARC Chamber Women Entrepreneurs Council (SCWEC) for 12 years and is a member of the Association of St. Mary's Alumnae Nepal (ASMAN). Besides, she has also served as the Executive Member of Nepal-India Chamber of Commerce



## Miss Nepal 2019

# Anuska Grabs Crown

*Anuska Shrestha Wins the Miss Nepal 2019 Title*



BY AYUSHI SUREKA

The annual beauty pageant this year brought a total of 24 fine ladies to the ramp from across the nation. This grand event was organised by The Hidden Treasure in Kathmandu on the 9th of May 2019. Each of these contestants had a charming physique and a bold personality.

After facing many challenges posed by the critics, Anushka Shrestha was crowned Miss Nepal World 2019 as she beat the other contestants at the grand finale of the pageant. Shrinkhala Khatiwada, Miss Nepal World 2018, crowned her 23-year-old successor, who is from Kathmandu.

The winner of Miss Nepal Oceania 2018, Miss Nepal World Shrestha was also named The Kathmandu Post Miss Intellectual and Yamaha Miss Fascino.

Many titles were distributed and passed down to the other participants such as 'Miss Popular Choice Award' 'The Kathmandu Post Miss Intellectual' and 'Miss International Nepal'. After clearing a lot of obstacles on the way, the competition boiled down to 7 girls who were then presented with a simple yet complicated question about one's duties and responsibilities rather than just right and freedom. While the others gave a tough competition, Shrestha effortlessly won the hearts of the crowd with her sophisticated and statistical answer.

"Focusing on our responsibilities more than our rights will certainly change things for the better. Rights and responsibilities are two parts of a coin... but it is high time we asked ourselves: what am I doing to be able to look ourselves in the mirror and say that I

have fulfilled all my responsibilities... To be able to do that, one surely needs to fulfill responsibilities as a citizen, as a person, as a friend, as a partner. Only when we fulfill all our responsibilities can we ask for our rights."

Miss Nepal Universe Pradepta Adhikari also took home three titles as she was named the Gold Star Best Athlete and N-mag Miss Talent.

Similarly, Miss Supranational

Popular Choice Award. The other title winners were Nancy Bogati (Hyundai Miss Friendship), Meera Kakshapati (Livon Beautiful Hair), Jenny Maharjan (Godrej No. 1 Miss Natura), Nisha Pathak (Brij Cement Miss Confident), and Nitika Karmacharya (Beauty with a Purpose).

As the titleholder of Miss Nepal 2019, Shrestha is now the face of Nepal with a simple motto - big picture, small steps. In addition, she will also be representing Nepal in the Miss World pageant in Thailand later this year. Spot-



Nepal Rose Lama took two other titles: Berger Miss Glamour along with Creative D Studio Miss Photogenic. Miss Nepal Earth Riya Basnet also won Miss

light wishes all the support and luck to Shrestha in the upcoming adventures of her life that she will pursue as she steps into the beauty world.

# Inland Navigation In Nepal: A Sector Which Needs Deeper Analysis



BY PRATIK POUDEL

As far as inland navigation is concerned, two rivers are considered. One is Koshi and the other is Gandaki. This also aligns with the fact that the Government of India had declared Ganga-Bhagirathi-Hooghly river system as National waterway (NW1) in 1986. However, currently Gandaki (or Gandak as it is known in India) is considered as the most feasible option. This mainly aligns with Government of India's plans to stretch 300 Km of Ganga river from Hajipur to Bhaisalotan Barrage which falls on the Gandaki region. Madhav Belbase, the Joint Secretary at the Water and Energy Commission and the Chief of Nepal-India joint dialogue committee on river connectivity says, "In Narayani River (the tributary of Gandak River), the water discharge is maximum in terms of volume, which is more than Koshi. Secondly, it has less catchment and sedimentation is obviously lower than Koshi. Therefore, Indian officials feel that with very low dredging cost (the cost related to removing sands and other deposits on the shallow area of the river), and by maintaining water depth (2m), at least 100 metric ton (that is 5 containers) can be brought to Dasdhunga, which is 100 Km away from Gandak Barrage, even at the dry season. Additionally, Narayani river falls at the centre of Nepal, where freight cost will be equal either from eastern or western region of Nepal."

## Legal Provisions:

The constitution of Nepal promulgated in Nepal in 2015, has granted the federal government the rights related to developing treaties, legislation and regulations for governing national and international waterways. The water resource strategy 2002, the National Transport Policy 2002 and the National Water Plan 2005 have mentioned developing navigational waterways. The ship registration Act 1971, provides legal basis for owning ships and boats for commercial or non commercial purpose.

## The Challenges:

One of the biggest challenges regarding inland navigation is maintaining the river ecosystem and not harming it. In the Indian territories, two sanctuaries fall under the Ganga

region, which is the Kashi Turtle Sanctuary at Varanasi and Vikramshila Dolphin Sanctuary at Bhagalpur. Even on the Nepalese side, there is Chitwan National Wildlife Reserve which falls on the bank of river Narayani (and Rapti). On the river, two endangered species, which

is ghariyal crocodile and river water dolphins reside. Therefore proper care should be taken in protecting the aquatic as well as wildlife ecosystem residing in the river. On the Indian side, through the help of World Bank, large structures made out of bamboo or "bandals" as they are known, will be erected to protect the wildlife and aquatic ecosystem in the Ganga river. Similarly large number of people will be displaced by the construction of water storage projects on the upper riparian region. These displaced people should be given proper resettlement option and at the same time, employment opportunity in the newly developed inland navigation port, or maybe a share of the portion of the multi modal water storage projects which will be built on the upstream region.



Therefore inland navigation can be a golden opportunity for Nepal to get a sea access through its own navigable rivers. Besides, Nepal has signed for Belt and Road Initiative (BRI) project which basically is about connectivity. Switzerland, like Nepal is a landlocked country.

However, because of navigable rivers, it is no more considered as landlocked. Having navigable rivers have boosted the country's economy as well. Therefore, Nepal should use this tremendous opportunity to be linked to the sea and boost its economy.

*Poudel is a Research Associate, Nepal Water Conservation Foundation for Academic Research, Chundevi, Kathmandu*





*"Today, more than ever, decent work opportunities for all are the key to inclusion, social justice, stability and peace. In a world of work undergoing transformative change, Governments, Workers and Employers must come together to build the future of work we want."*

**Guy Ryder,**  
**ILO Director-General**

**International Labour Organization**

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# INTERNATIONAL LABOUR ORGANIZATION

THE UN AGENCY FOR THE WORLD OF WORK



SOCIAL JUSTICE  
DECENT WORK



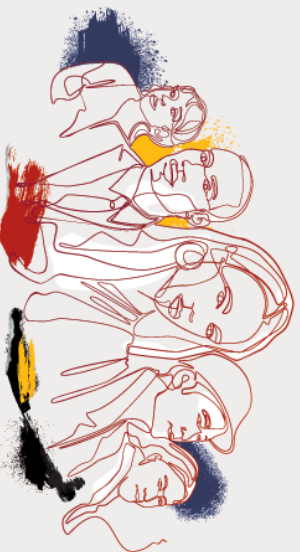
SOCIAL JUSTICE  
DECENT WORK

# Advancing social justice.

## The International Labour Organization (ILO)

is the United Nations agency for the world of work. It sets international labour standards, promotes rights at work and encourages decent employment opportunities, the enhancement of social protection and the strengthening of dialogue on work-related issues.

The ILO has a unique structure, bringing together governments, employers' and workers' representatives. The ILO has 187 member States and is one of the oldest



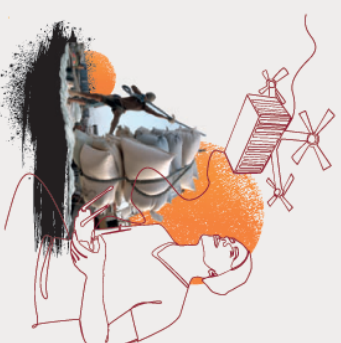
UN agencies. The ILO's Secretariat has its headquarters in Geneva, Switzerland, and a global network of technical experts and field offices in more than 40 countries. The International Labour Conference (ILC) meets once a year to adopt new international labour standards and to approve the ILO's work plan and budget.

The Governing Body is the executive council of the ILO and meets three times a year in Geneva.

# Promoting decent work.

## CREATING JOBS

Promoting economies that generate opportunities for investment, entrepreneurship, skills development, job creation and sustainable livelihoods.



## PROMOTING SOCIAL DIALOGUE

Strong and independent workers' and employers' organizations are central to increasing productivity, avoiding disputes at work and building cohesive societies.



## EXTENDING SOCIAL PROTECTION

Ensuring that women and men enjoy working conditions that are safe, allow adequate free time and rest, take into account family and social values, provide for adequate compensation in case of lost or reduced income and permit access to adequate health care.

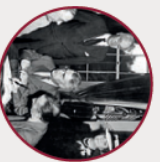
## GUARANTEEING RIGHTS AT WORK

Obtaining recognition and respect for the rights of workers. All workers, and in particular disadvantaged or poor workers, need representation, participation and laws that protect their rights.

# A bit of history.



The ILO is founded as part of the Treaty of Versailles that ended the First World War, to reflect the belief that universal and lasting peace cannot be achieved without social justice.



The Declaration of Philadelphia states that labour is not a commodity and establishes basic human and economic rights for States to uphold.



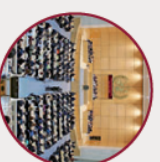
The ILO becomes the first specialized agency of the United Nations.



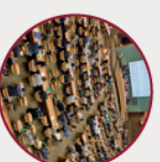
The Organization is awarded the Nobel Peace Prize.



The Declaration on Fundamental Principles and Rights at Work creates a set of core labour standards.



The Declaration on Social Justice for a Fair Globalization expresses the contemporary vision of the ILO's mandate in the era of globalization.



Agenda 2030 for Sustainable Development places decent work for all at the heart of policies for sustainable and inclusive growth and development.



The ILO marks its Centenary and launches a number of key initiatives to equip the Organization to take up successfully the challenges of its mandate in the future.



1919

1944

1946

1969

1998

2008

2015

2019



# Enabling Environment for Sustainable Enterprises in Nepal

The 96th session of the International Labour Conference, held in Geneva in 2007, adopted conclusions for the promotion of sustainable enterprises and identified 17 conditions of an enabling environment for sustainable enterprises.

It envisages an environment conducive to the creation and growth of sustainable enterprises combines the legitimate quest for profit with the need for development that respects human dignity, environmental sustainability, and decent work.

Federal Democratic Republic of Nepal is one of the countries that implemented the Enabling Environment for Sustainable Enterprises (ESEE) process that was developed as the ILO flagship programme following the conclusion of the Conference.

Based on the ESEE methodology, there are four main segments analysed in this report: political, economic, social, and environmental elements. Tripartite constituents selected six countries (Bangladesh, Cambodia, India, Lao PDR, Sri Lanka, and Uganda) as comparator countries for Nepal.

With the support of external researchers, and using the ESEE questionnaire, a survey was conducted among 622 employers from the six districts including Kathmandu, Kaski, Rupandehi, Banke, Chitwan, and Morang.

In recent years the Nepal government has taken initiatives in the direction of improving social dialogue to advance the labour and employment agenda.

Nepal's legal framework provides for the protection of human rights. However, human rights problems associated with caste, gender, and ethnic discrimination, gender-based violence, and unaddressed atrocities from the time of the civil war exist.

Nepal Government needs to address the challenges of reducing widespread poverty, creating sustainable livelihoods, building human capacity, and creating efficient institutions of governance and regulation.

There are challenges to the rule of law and the enforcement of property rights in Nepal. The bureaucracy and the legal system are also poorly resourced, and the still prevailing sense of political uncertainty makes the delivery of services and enforcement of regulations difficult.

In 2017 the Nepal Government released a national intellectual property policy that provides a roadmap to developing an intellectual protection system that would also improve the investment climate in Nepal.

Income, gender, and spatial inequities between rural and urban areas are rife in Nepal, and though the constitution goes a long way towards legislating against some of these, there is a lot of work to be done to achieve greater social justice and social inclusion.

Women rarely have access to the same educational and employment opportunities as men. They face many challenges to participating in economic growth, including gender-based violence, lower incomes, and reduced participation in com-

munity planning. The informal economy, and indeed poverty, are highly feminised in Nepal.

The Labour Act (2017) and The Contributions-based Social Security Act (2017) have provisions to help improve the enforcement of occupational safety and health standards and widen the coverage of social protection schemes for workers in both the formal and informal sectors.

Nepal needs to focus on fostering small and medium sized industries because that is where most of the Nepali end up working, and the growth of these industries would herald the beginning of upward economic mobility for members of Nepali society. But SMEs face many issues in relation to their growth.

SMEs in Nepal are predominantly young, with almost half of the informal firms being less than 4 years old. These firms feel corruption is a serious.

Income, gender, and spatial inequities between rural and urban areas are rife in Nepal, and though the constitution goes a long way towards legislating against some of these, there is a lot of work to be done to achieve greater social justice and social inclusion.

The stakeholders of MSMEs had recommended to set up a high level committee under the chairmanship of the secretary of Ministry of Labor, Employment and Social Security (MOLESS) to periodically evaluate the progress.

The Nepal Insurance Board (NIB) and Central Bank of Nepal (NRB) should initiate programs to support farmers getting compulsory insurance for products and subsidized loans based on non-collateral based qualifications (such as completion of trainings or preparation of a viable project).

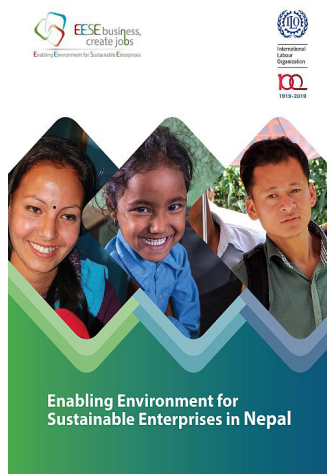
The Ministry of Culture, Tourism and Civil Aviation and Nepal Tourism Board (NTB) should jointly conduct an integrated review of policies affecting important tourism subsectors, such as aviation, adventure tourism, expedition, hotel, travel, and trekking.

The Ministry of Finance and NRB should simplify access to finance for tourism sector MSMEs, identify and provide subsidies for establishments that are now subjected to high corporate tax, and facilitate the procurement of long term loans.

The Ministry of Communication, Information and Technology should segregate Telecom Information and Broadcast Policy from IT Policy and clearly define IT-enabled services (such as BPO, KPO, Outsourcing, and FDI) and provide them with legal definitions and benefits.

FNCCI, CNI and other related institutions should work to exchange ideas between universities and the private sector.

The Ministry of Industry and Commerce and Supply (MOICS) should introduce information technology based market analysis systems and allow easy access to firms so that they can analyze the market for their products.



# "We Now Need to Work Harder to Ensure Decent Work Conditions"

*As International Labor Organization (ILO) celebrates its centenary, **RICHARD S. HOWARD, PhD**, Director, ILO Nepal Office, spoke to **NEW SPOTLIGHT** on various issues. Excerpts:*

***What are the areas the ILO has been working in Nepal?***

The primary areas of our work are employment creation, labor market governance, and social protection. Foreign labor migration is a key area of importance.

We promote awareness of existing laws on forced labour, trafficking, and child labour, while simultaneously trying to enhance government capacity to implement these laws. We support mobility by choice for women and girls.

Informality is high in Nepal. The informal economy employs 36.5% of total employed work force, where as 76.1% of all workers are classified as informal in the latest labour force survey. Our work facilitates the formalization of Nepal's workforce, and our technical assistance to initiatives such as Social Security Fund (SSF) is guided by it.

Our major constituents are the government, employers, and workers. We provide support to all of these organizations. Our tripartite mechanism has been a success, and we believe that social dialogue between government, workers, and employers is a critical component for achieving social justice.

***How has Nepal been implementing its international commitments? How do you view state of law and regulations?***

Nepal has so far ratified 11 ILO conventions including 7 fundamental conventions. Nepal has also responded to the observations of supervisory bodies in a timely manner in most cases.

The Labour Act (2017), the Contribution-based Social Security Act (2017), Trade Union Act (1992), Child Labour Protection and Promotion Act (1995), Kamaiya Labour (Prohibition) Act (2002), Foreign Employment Act (2017), and Sexual Harassment at Work Place Prevention Act (2015) are some of the important recent legal instruments that are mostly consistent with the international covenants.

We hope to see two further developments: signing of more ILO conventions, and better implementation of existing acts. We periodically provide feedback to the government



on shortcomings of existing acts, and would like to see government responding positively to them as well.

***Despite several efforts, empowerment of women is one of the key challenges of Nepal. How has the ILO been supporting Nepal Government?***

Women are struggling for equal treatment in labour market in Nepal. The recent labour force survey indicates that women are under represented in the labor force, and are on average paid 70% of the wage of men counterparts doing the same work. Unemployment rates are higher for



women, and unemployed women are also more likely to be in long term unemployment than unemployed men.

The ILO promotes women's right to mobility by choice, and runs several programs on women's economic empowerment and non-discrimination. Despite this, women face major limitations on their freedom to migrate to access better incomes. When women attempt to migrate through unsafe, informal channels, they are often characterized as trafficking victims and this further restricts their choice to decide how to pursue their livelihoods.

The ILO will soon issue a labour standard on Ending Violence and Harassment in the World of Work and this will be a major area of work in the years ahead.

### ***How do you view over 53 years of ILO in Nepal?***

I am very proud of our experience in Nepal. Our mutual trust with partners allow us to work on a number of challenging issues. In 2015,



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the ILO celebrated its 50th anniversary in Nepal with a motto - "together for social justice". We believe that fifty years of mutual collaboration has made a difference in terms of employment creation, enhancement of technical and institutional capacity of the key ILO constituents, and development of harmonious labor relations. It was not always an easy task. When Nepal had autocratic system and union activities were restricted, the ILO continued to play crucial role in helping workers organize and promote the fundamental principles and rights at work.

Some of the representative projects run by the ILO in this period are as follows. In mid 70s, the ILO supported GoN create a large number of jobs through the adoption of labour intensive technologies in irrigation, flood control, roads, trails, bridges, water supplies, erosion control, and other environmental protection work. Training for Rural Gainful Activities was one of the most successful training programmes executed by the ILO in Nepal from 1984 to 1992. In early 2000s, the ILO implemented Employment Creation and Peace Building through Local Economic Development project, whose key focus was to create jobs through employment intensive infrastructure. An ongoing project, Strengthening National Rural Transport Programme (SNRTP), aims to enhance the availability and reliability of transport connectivity for rural communities in the thirty-six districts in Nepal, while applying labour intensive technologies and employing significant number of women.

Recently we contributed to the development of labour act, contribution-based social security act, and operationalization of social security fund(SSF). We have also regularly helped conduct labour force surveys.

### ***Although Nepal enacted laws and regulations, Child labor is reportedly rampant in Nepal. How do you suggest to make child labor free country?***

Child labor is still at unacceptably high level. An official statistics in late 1990s reported 2.6 million child labour. In 2008, NLFS Survey-II reported 1.6 million child labour. The NLFS(III) hasn't identified the exact figures for child labour. Furthermore, we know that child labour is concentrated in brick industry, embroidery, domestic work, small hotels and restaurants and transportation sectors.

The government has recently endorsed the second National Master Plan (NMP-II (2018 - 2028)) on Child Labour which aims to eliminate all forms of child labour by 2030 and the worst forms of child labour by 2025. The government has also promulgated Free and Compulsory Education law very recently and is reviewing the existing Child Labour (Prohibition and Regulation) Act 2000. The National Master plan on the elimination of the child labour has identified 17 sectors to eliminate the child labour.

The ILO supports these new initiatives, and is committed to provide technical and financial support to our constituents and development partners in Nepal in combating child labour.

### ***After the amendment of Labor Act, has there been any change in the relations between labor and owners?***

We have received good feedback. Anecdotal evidence and data from labour court both point to improved industrial relationship over the last five years, with a 50% reduction in conflict from 2014 to 2018.

The new act has reportedly reduced labour disputes related to permanency of jobs because the workers are now entitled to get benefits such as provident fund and gratuity from day one. Earlier such benefits were provided to only those workers holding permanent status. This new provision in the law has made the issue of permanency, which used to be a major cause of disputes, completely obsolete. On the other hand, the new labour law provides the employers with several options to end an employment contract, a flexibility they need.

It might take some time for the effective implementation of the new labour act because of capacity constraint of provincial and local governments. The Constitution of Nepal mandates both federal and provincial governments to oversee issues related to labour and employment rights. Establishment of a tripartite Provincial Labour Advisory

## INTERVIEW

Committee and a Provincial Labour Office in all these government offices with clearly defined roles, responsibility and authority is crucial.

### ***How do you see work condition in Nepal?***

The condition of work is relatively better in the formal economy compared to that in the unorganized or informal economy though application of minimum wage law remains a challenge across the board.

We now need to work hard to ensure decent work conditions for invisible workers in informal economies such as for those workers engaged in home-based work, domestic work, and agriculture work.

There is also an urgent need to prevent child labour and forced labour, and eradicate all forms of discrimination including unequal pay, and sexual harassment and violence at the work place.

### ***As Nepal is one of the major labor sending country, how has the ILO Nepal been helping Nepal?***

The ILO recognizes the importance of migration in both countries of origin and destination. However, governing the process of migration, in particular ensuring the safety of workers and their income, remains a major challenge.

The ILO is now working to address this challenge. Our migration projects focus on strengthening migration governance, promoting fair recruitment of migrant workers, and ensuring protection of workers' rights. We have provided technical assistances to conclude bilateral negotiations, amend Foreign Employment Act(2007), support federalization of labor migration governance, eliminate forced labour and trafficking, implement general Principles and Operational Guidelines for Fair Recruitment, and strengthen capacity of key government actors.

### ***How do you see the health and other state of Nepali migrant workers?***

An alarmingly high number of deaths of migrant workers have been reported, including 6708 deaths in the last decade. However, the death rate for foreign migrants is not higher than that for Nepali workers inside of Nepal. It is important that attention on worker safety and wellbeing outside Nepal be matched with similar attention to the large workforce inside the country. For example, safety and health conditions in GCC countries are often better than those on construction sites in Nepal.

### ***Despite declaration of end of slavery, there still exist Haliya and Kamaiya, how does the ILO see it?***

The ILO appreciates the government's attempts to

end slavery and slavery-like practices in Nepal. The ILO believes that declaration of liberty for traditional bonded labours like Kamaiya and Haliya should also be extended to other groups such as Haruwa-charuwas in eastern Terai. Livelihood supports and decent employment opportunities should be provided to these freed groups for certain initial years. Haruwa and Kamaiya still exist because of the weak capacity of the government in managing their freedom.

The ILO, in collaboration with the Ministry of Land Management, has been piloting a sustainable livelihood program in two selected districts (Kanchanpur and Bajura) targeting 700 ex-Haliyas. This program can be extended to other districts.

### ***How do you see labor safety regulations and their application in the country?***

We see important gradual changes. The GoN is in the process of ratifying ILO C155, Convention on OSH. The newly enacted Labour Act (2017) has important provisions to ensure occupational safety in workplaces. Establishments with

twenty or more workers need to form a safety and health committee. The act also has provisions to appoint labor inspectors, as well as safety and health inspectors. The GoN has also drafted safety and health policy provisions for developing sector wise safety and health guidelines and policies. For example, Guidelines for brick kiln, and rural road constructions have now been approved. Guidelines for the construction sector are being formulated.

### ***How do you see the social protection of Nepal? How has the ILO been providing technical support to Nepal?***

The ILO facilitated the tripartite negotiation that resulted in an understanding to guide the operationalization of social security fund (SSF) last year. The GoN recognizes that a proper operation of SSF can be a revolutionary step in the country. We hope eventually workers from informal sector, such as domestic workers, street vendors, and agricultural workers, will also be able to enroll in the SSF.

We have provided both national and international experts for this purpose. Many important tasks are yet to be done, for example, integration of all social security related institutions including those run by private firms, and extension of beneficiaries to the firms not yet registered in the SSF. The financial health of the fund also needs to be constantly monitored. The ILO is willing to work with the concerned parties in all these issues.



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***The ILO has been working with trade unions and employers (private sector) to ensure decent jobs, how do you see the situation?***

Private sector leads job creation around the world but many countries lack a conducive environment for business, which impedes investment, enterprise creation and job growth. In the absence of a regulatory regime, many countries lack decent working conditions which affect productivity, quality and competitiveness of the economy as a whole.

The industrial relations system in Nepal has become better compared to many other developing countries in the region. The ILO on its part has been consistently providing technical support to both the workers' and the employers' organizations to make them strong, independent, and more representative so that they can better ensure decent jobs in the workplace. The ILO also advocates tripartite platform as a tool to make the industrial relation better.

***Decent work is one of the 17 goals for sustainable development that the United Nations member countries have adopted, how is Nepal Government approaching to achieve it?***

Nepal's Labor Act is one of the instruments to implement the Decent Work agenda. A proper implementation of SSF will also help promote this agenda. The GoN is also trying to improve the access to finance, decrease the perception of corruption among the entrepreneurs, and is concerned about ease of doing business. The government, in our view, is trying to improve its performance in all the pillars of enabling environment for sustainable enterprises (EESE), which are important elements for creating decent works in the country.

***What key policy recommendations has the ILO provided in terms of employment creation in Nepal?***

At federal level, we have recently recommended better work permit and visa regime which should encourage more foreign investment. We have traditionally advocated for the formalization of workforce and creation of decent work environment. This, in our view, attracts talented workers in the local workforce, increases marginal product of labor and average productivity of overall workforce, and attracts foreign investment. We have also advocated for the better industrial relationship in the country, and, for that, effective implementation of labor act and contribution-based social security act.

The ILO also promotes creation of Enabling Environment for Sustainable Enterprises (EESE), which

helps in creating more sustainable firms and jobs. In 2018, the ILO completed a nationwide survey on the operating environment for SMEs under the EESE program. What we found is that there are a long list of challenges for these companies to thrive and the federalization process is not making it any easier. The ILO worked with leading industry associations to set a course of action on these issues and is not working with these groups to drive changes in each tier of the government system. As the government moves to attract large scale investment, we cannot forget the critical role of SMEs in creating jobs, including those SMEs that are forging a path in the new high tech industries.

***Employers always claim that it is hard to find skilled workers in Nepal. What key recommendation that ILO has provided in terms of development of skills of Nepalese workforce?***

Increased opportunity of training for the workforce inside the country and liberalization of work permit regime are our two major recommendations to address the crisis regarding the availability of skilled workers.

Trainings for members of labor force and potential labor force have to become more sophisticated than what are traditionally provided and must respond to the need of the local industries.

The ILO foresees massive changes in the

type of works people will be undertaking in the future. Our Future of Work report is concerned about the changing nature of work in the world. In Nepal also, many jobs are at risk because of impending digital and green transformations in the economy. Therefore, it is important to invest in the institutions that provide individuals with lifelong learning opportunities. Training institutions should not only address the changing nature of the economy, but also be open to individuals of all ages.

Current work permit regime is also cumbersome, and is one of the factors behind the slow influx of FDI in Nepal. It also undermines the competitiveness of Nepali firms which currently rely heavily on foreign skilled workers. One of our studies showed that on average it takes 32-36 signatures to get one work permit. Furthermore, it takes, on average, 12 weeks to get such a permit which needs to be renewed every year. In our view, this regime must be changed to be competitive with other countries in south and east Asia in attracting skilled foreign workers.



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# Prosperity through road maintenance

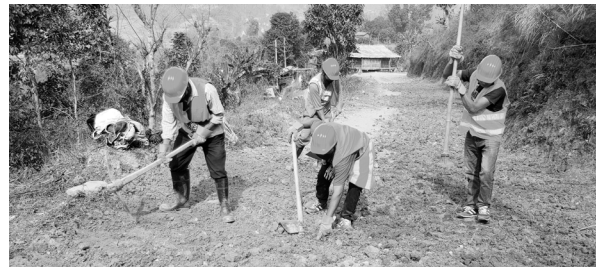
The Government of Nepal is running a large infrastructure programme, “Strengthening the National Rural Transport program” (SNRTP), with financial assistance from the World Bank with technical support provided by the International Labour Organization (ILO).

The project helps to maintain and upgrade rural roads and crossing structures. ILO’s support focuses primarily on decent job creation through the promotion of labour-intensive methods for road maintenance, incorporating a pro-poor, inclusive and gender-responsive approach in carrying out its work through Road Maintenance Groups (RMG). Occupational health and safety issues are well considered.

To date, the project has generated nearly 3 million person days of employment in the maintenance of 354 roads in 36 districts across the country with the road length measuring 5,880 km. Most of the beneficiaries of the RMG are women who are now skilled at using banks and financial institutions for transaction.

The project has also helped to develop women’s negotiation skills, and has empowered many to take on new roles as community group leaders.

Once of the lessons learnt it is that it has been difficult for women to maintain a work life balance. In addition, given the high poverty and low education, convincing them to use personal protective equipment (PPEs) at workplace has not been easy.



Routined maintenance of road

## Translating skills into employment

The town of Bhagatpur in Kanchanpur in far western Nepal is typical for its ethnic composition: almost everyone has migrated to this land as a way to overcome bitter poverty, a common phenomenon in Nepal. Life hasn’t come easy for many families but there are promising signs of a better future for skilled youth.

The family of 25 year old Punam Jaisi Nepali faced worse than biting poverty: miserable situations to live together with a family having debt bondage for over a century. She struggled hard to stay a dignified life when she got married to Sanjay Nepali, a former Haliya from Dalit community having nine family members.

In 2008, the government abolished the Haliya system that had forced the poorest and most disadvantaged population to serve landlords without any wage, freedom, or right to mobility. Today, the struggle for improved livelihood continues for Punam’s family and many other neighbours.

“I am a proud owner of this cosmetics and beauty parlor,” said Punam. She thanks Rastriya Haliya Mukta Samaj Federation for providing the opportunity for training and building her confidence. The organization is supported by ILO implemented BRIDGE project, focused on equipping former bonded families with adequate skills for improved livelihood. US Department of Labour has funded the project.

ILO Nepal joined hands with the Ministry of Land Management, Cooperatives and Poverty Alleviation for piloting a model programme of sustainable livelihood to freed-Haliyas in Kanchanpur and Bajura. Through a global Bridge Project,

ILO has reached out to 600 Haliyas families in the two districts for implementing a model of sustainable livelihood that intends to enhance their skills and employability based on the need of the local labour market. They are provided skills on 14 different trades, covering both men and women. The case in point that a well tailored training can transform lives is seen from the statistics that 317 youth have joined jobs as skilled wage earners, 246 have started their micro enterprise and 37 are preparing to join the labour market soon.

“The training has transformed me into a promising entrepreneur. On Saturdays, I get as many as 30 customers. The earning is quite satisfactory,” she exclaimed. The National Skill Certificate she received from the Government’s Council for Technical Education and Vocational Training is hung on the wall of her beauty parlor.

“The BRIDGE project has actually come as a bridge for former bonded labourer families to seek a new way of life. This is why we have requested the ILO for its extension in other districts”, demanded Ishwor Sunuwar, President of the Haliya Federation.

Forced labour, modern day slavery and human trafficking are subjects of widespread international concern and action. The International Labour Organization’s two Conventions: the Forced Labour Convention, 1930 (No. 29) and the Abolition of Forced Labour Convention, 1957 (No. 105) are among its most widely ratified instruments. According to the ILO, an estimated 40.3 million people are in modern slavery, including 24.9 in forced labour.



Punam’s new way to livelihood

# Nepal's Contribution-based Social Security Scheme: Challenges and Opportunities

Social security protection in Nepal progressed over time from initial coverage of the armed forces to the public service and workers in the private sector. Protection for the army began in 1934 closely followed by a non-contributory pension scheme for the civil service and in 1944 a provident fund scheme. Reforms in 1962 amalgamated earlier schemes into the Employees Provident Fund to provide for the retirement needs of the working population. A new institution in 1990, the Citizens Investment Trust, that operated on savings and insurance principles, to provide protection for all citizens as a way to extend coverage to the other sectors of the economy was established. As a large section of the aged population, widows and disadvantaged tribes needed economic support the government introduced allowance for the elderly, disabled, widows and disadvantaged castes and tribes in 1994. These social protection programs, affected by conflict, only gained importance with the adoption of the new constitution in 2015. Recognition of the valuable contributions of the human resources in economic development was now enshrined in Article 34 under the heading of "Rights to Labour".

Social dialogue amongst the social partners laid the foundations of labour rights, which were incorporated in the Labour Act and passed by Parliament in 2017. The Labour Act not only comprehensively covers all forms of employment it provides rights to a range of benefits. The rights to rest days, annual leave, medical benefits, payments for sick leave, maternity, accidents, gratuity, unemployment and old age retirement are stipulated in law. Alongside with these, payment of wages was regularized, occupational health and safety became a requirement and the process of dismissal regulated to enhance industrial harmony.

The social solidarity approach accepted by all parties was deemed to have a greater chance of long-term financial viability and success. The government in 2009 had started the collection of 1% tax from employers and established the Social Security Fund to administer the vision to provide benefits to the employees. However, the nature and quantum of benefits was not established, resulting in the fund being a part of general revenue of the government. The tax was not the first attempt by the government as through the Bonus Act 1974, a welfare fund for workers had been established with deposits from a portion of profits made by enterprises. Despite the fund snow balling to billions of rupees, the fund has not been utilized for decades.

In a follow up to provisions in the Labour Act, the Contribution-based Social Security Act was passed in 2017 closely followed by Contribution-based Social Security Rules in the same year. The Social Security Fund was given the legal authority to register, collect contributions and administer the payments of benefits for the contingencies of accidents,



BY PAGUMAN SINGH

sickness, maternity, gratuity, medical and old age pension.

Developments of social security protection at the national level has witnessed limited planning and coordination. International agencies supporting the implementation of social protection and its administration have provided the government with advice from international experts regarding these planned approaches. Recommendations suggesting a planned approach provided by these experts have not received the due attention of policy makers, administrators and politicians.

A broad-based policy direction of providing social protection to the whole population adopted by the government, without a coordinating and monitoring mechanism, has resulted in the establishment of organizations with individual legal frameworks and reporting to different ministries. Weak coordination exists even within ministries where agencies provide similar benefits to a group of employees. The Employees Provident Fund and Citizens Investment Trust provide medical coverage to their members, mostly government employees who are members of both organizations. On the other hand, a Health Insurance Board reporting to the Ministry of Health has been established to provide health benefits to all citizens. During the same period the Contribution-based Social Security Rules also provide medical benefits to workers.

The contribution-based social security law is an attempt provide comprehensive coverage to the private, public and informal. The challenge that confronts the Social Security Fund in its administration of the protection stems from the experience of social security programs in the past fifty years. The workers have knowledge, understanding and experience of using the savings principle with individual accounts as a way of social security protection. These savings in both the Employees Provident Fund and Citizens Investment Trust have been viewed rightly as belonging to the worker and then utilized to underwrite loans for investments in land, housing and other re-

quirements of the worker. Many employers have also allowed the payment of advances to workers as these savings acted as collateral. Workers are also used to the idea of receiving lumpsum payments for accidents and old age.

Contributor compliance is strongly correlated to the scheme design, level of benefits, an efficient claims process



Women at work

as well as seamless administration. The level of benefits available under each scheme have to be designed guided by the actuarial estimations of the rate of contribution to ensure the long-term financial viability of the schemes. The principal law or act should detail all provisions relating to eligibility, conditions under which the benefit shall be paid, the entitlement period, quantum of the benefit and other matters pertaining to administration of benefits. The Contribution-based Social Security Act does not incorporate contribution rates to be charged by schemes and does not detail the benefit structure. These matters have been incorporated in the Contribution-based Social Security Rules and in themselves are incomplete. Implementing schemes



*Occupational safety and health is always a priority*

where the legal framework that has gaps and is not in accordance to legal drafting norms poses a challenge. An opportunity to modify the Regulations is still available as the scheme are projected to be launched in a few months.

Technical considerations in benefit design and eligibility conditions for right to benefits have also deviated from the basis utilized for actuarial calculations. Liberalizing benefits is a risk affecting the long-term financial viability of the scheme, although in the short-term benefits can still be paid. However, consistency in the contribution qualifying conditions needs to be applied across all short-term contingencies. This principle in itself is not maintained in the regulations. In addition, the old age pension, as it is referred to, is a savings scheme with individual accounts paying monthly annuities after retirement. The gratuity scheme is not actuarially assessed but has a rate of contribution assigned. These technical challenges need to be addressed before the launching of the schemes. A lack of clarity of the rights to benefits and quantum of the benefit have surfaced as major issues adversely affecting the registration process.

Fundamentally, the challenge to implementing social security protection in Nepal is the lack of human resources assigned for the administration of the schemes. Staff assigned to the Social Security Fund since 2009 have been public sector officers who are transferred after a short period. The frequent change of the staff, affects staff motivation as well as removes officers who have gained some knowledge through training during the service period. The organization has been operating with a small number of permanent public sector officers supported by casual staff and lacks personnel with knowledge of social security administration.

Organizational efficiency in social security administration requires an ICT system that supports all the functions of the organization. The lack of a well-designed system not only affects the administrative efficiency but also loses the capability to provide the right benefit to recipients entitled to those benefits in a timely manner. The Social Security Fund has initiated the process

of acquiring hardware for the ICT system and will shortly acquire the software. The challenge faced by the software programmers is that design of the schemes needs to be confirmed initially. The importance of confirming the design is that it affects administrative procedures and workflows for the payment of benefits. The

challenge is compounded by the fact that there is a lack of administration capability and understanding of the complexities of claims processing and benefit approval. The knowledge gap amongst the staff supporting and supervising the software development could affect the outcome.

Roll out of social security coverage, beginning with registration of employers, has been launched without due consideration being given to the available resources, staff, preparations and expertise required. The process of covering

the whole country and enterprises irrespective of its size is a major challenge in view of the matters discussed above. A phased approach beginning with coverage of large and medium enterprises within a geographical area could have yielded better results but such an option did not receive due attention. The phased approach or piloting would have provided the required experience to modify or make administrative changes to processes and procedures before covering the whole country.

Introduction of contribution based social security reflects the positive approach of the government to provide coverage to the population. Participation in programs of social protection while enhancing coverage and providing secured rights for the workers gives them dignity and a sense of solidarity. Successfully implemented, social protection schemes have acted as safety nets for low income earners as well as reduced the financial burden of the government. As Nepal is developing, population aging a universal phenomenon, will be experienced in the near future increasing old age dependency. A contribution-based social security scheme for the contingencies of old age, invalidity (severe disability due to accident or disease) as well as survivors, if designed as a risk pooling pension scheme would provide the needed long-term protection of the worker and the dependent family.

A well-planned program of implementation to gradually extend coverage taking into consideration size of industries, number of schemes, sectors and contributions rates linked to level of benefits would ensure success. The organization to implement coverage should have capable, knowledgeable and dedicated employees supported by ITC and sufficient resources. Success is measured when the covered population accepts and supports the protection provided, as they understand the value of the protection. Contribution-based social security protection is an opportunity to make the vision of comprehensive social security coverage a reality in Nepal.

*(Paguman Singh is ILO consultant.)*



# Application of Minimum Wages in Nepal: Challenges and Opportunities

In the South Asian context, Bangladesh and Sri Lanka minimum wages have been rising in recent years, though the frequency of adjustment varies (ILO, 2018). In November 2018, the government of Bangladesh announced a new legal minimum wage for apparel workers<sup>1</sup> - a first mandatory minimum wage increase since the Rana Plaza collapse of 2013. In 2016, Sri Lanka established a national minimum wage by the National Minimum Wage of Workers Act, No. 3 extending the coverage to all wage earners, except for domestic workers.

In Pakistan, since 2010 minimum wages are set at the provincial level by Minimum Wage Boards. There has been an annual revision through these tripartite bodies, which has led to an increase in the minimum wage, sometimes more influenced by the decision taken at the federal level to set the minimum wage in Islamabad Capital Territory.

According to the India Wage Report, there are more than 1,700 minimum wage rates in India for different scheduled employments, covering two-thirds of all wage earners (ILO, 2018a). Although both central and state governments set minimum wage rates based on the 1957 Indian Labour Conference and 1992 Supreme Court Judgement guidelines, complexities arise from the lack of uniform criteria, wide range of levels and uneven periodicity of revision.

Actions carried out by South Asian countries improving minimum wage setting in a balanced approach and extending the coverage to more wage workers is now on the agenda for the region. Nepal, a country that has ratified 11 ILO Conventions including the Minimum Wage Fixing Convention 131, (1970) is also shaping its minimum wage system as the Labour Act, 2074 has replaced the previous labour law.

## Nepal Minimum Wage System

On August 2018, ITC-Turin, ILO and the V.V. Giri NLI conducted a Regional Training Course on “Designing and Implementing Effective Wage Policies” in New Delhi – India. Nepali representatives concluded that tripartite social dialogue and regular minimum wage revisions are positive characteristics of their minimum wage system, but they also mentioned that a “scientific” minimum wage fixing mechanism based on evidence could improve the way minimum wages are set in the country.

Regarding the challenges Nepal has towards designing and implementing effective wage policy, four major areas were mentioned: the establishment



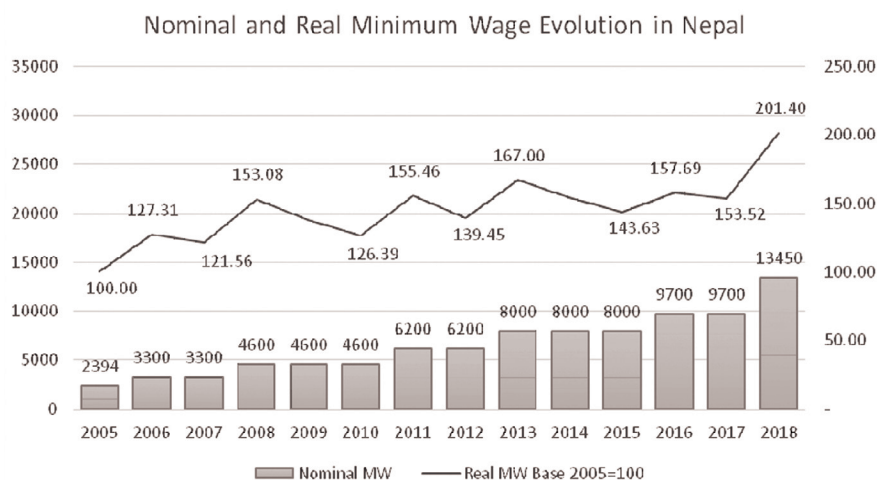
BY XAVIER ESTUPINAN

of a permanent minimum wage fixation committee, inter-government coordination, evidence-based generation and enhancing the productivity of Nepalese enterprises. Finally, the major constraint that they encountered for effective application of the minimum wage was the weak inspection and enforcement accountable by the Labour and Employment offices.

The minimum wage system has its challenges and opportunities. Now the Minimum Wage Fixation Committee, constituted by the Ministry shall have a permanent status which shall recommend a national minimum wage or a minimum wage for a particular region or industry. The use of evidence-based information and studies can provide an adequate approach to arrive at the appropriate minimum wage level. With evidence to support the deliberations of both workers’ and employers’ organizations, the discussion narrows down to a range of values and views essential to develop a consensus.

A particular strength in the Nepal minimum wage system today is bolstered on a tripartite and social dialogue that has regularly revised minimum wages every two years. In 2018, Nepal, a tripartite consultation decided to increase its minimum wage to NPR 13,450 a month (Figure 1), a 39 per cent increase since last revision and since 2005 the purchasing capacity of wage workers has doubled. Similarly, the daily minimum wage increased to NPR 517, and the hourly minimum wage increased to NPR 69. On the other hand, a differentiated minimum wage of NPR 10,781.00 was established for the tea estate (“Minimum Wage Tea Estate”).

Figure1: Nominal and Real Minimum Wage Evolution in Nepal



Source: ILO estimates based on ILOSTAT and WEO

In the new context, as the labour act does not differentiate workers between the informal and formal economy, the application of the minimum wage remains a challenge. According to ILO, 67.9 per cent of all Nepali employees is in the informal employment category (ILO, 2018c). The steps to extend the coverage to all groups of wage earners is in line with Convention No. 131, and as a result, the scope of application of minimum wage has expanded tremendously.

### **Minimum wage implementation**

The effective implementation of the minimum wage requires the commitment, coordination and effort of all stakeholders. Eventually, the outcome of an effective implementation depends on whether workers receive minimum wages or not.

The Minimum Wage Fixing Convention, 1970 (No. 131) highlights that “Appropriate measures, such as adequate inspection reinforced by other necessary measures, shall be taken to ensure the effective application of all provisions relating to minimum wages”. Additionally, Recommendation No. 135 provides specific measures to help address the enforcement of minimum wage provisions.



*Tea workers at tea garden in Ilam*

The most significant change that has occurred in the Nepal minimum wage system is the extension towards a universal coverage. In some countries, more than half of all wage earners who are entitled to the minimum wage are paid wages below the legal floor (Rani et al., 2013). So this signals for a more in-depth analysis to address which are those workers and what are their characteristics that may still not get the minimum wage.

### **Measuring levels of compliance**

In many countries, minimum wage boards or departments of labour coordinate with national statistical institutions to have first-hand access to statistical data. The primary sources are used to estimate the percentage of workers earning less than the legal minimum wage in different occupations and sectors.

An analysis of the level and distribution of wages across geographical areas, industries, formal and informal sectors, and type of employment status using the latest available labour force survey can provide a first glance of what can be the level of compliance to the new minimum wage.

Another way to measure non-compliance is through the use minimum wage violations detected through labour inspections. However, the use of labour inspection assessment provides only a partial and limited view regarding the inspected sectors or areas.

### **Transitional arrangements**

In South Africa, for example, as the national minimum wage was introduced to cover the left-out 60 per cent of wage

earners, some transitional arrangements were introduced to progressively improve the levels of compliance. These arrangements ensured that specific sectors and firms had the sufficient time to adjust to the national minimum wage. Farm and forestry sectors, as well as domestic workers, were given one more year to adapt to the new coverage. The South African Advisory Panel acknowledged that these sectors were the most vulnerable to disemployment and as often poorly organised, which made them especially vulnerable. Small businesses (employing fewer than ten people) were given 18 months to adjust to the new minimum wage level. Therefore enforcement of minimum wages focused on an extensive public campaign and training programme; where compliance be achieved through technical assistance and persuasion; and no sanctions to be set in the first two years. In fact, on the two year period, a process of monitoring had been suggested to look into the effects of the new minimum wage, including the level of compliance.

### **Information and awareness raising campaigns**

Awareness raising campaigns constitute an important factor as a deterrent to non-compliance. It is, therefore, necessary to work on a systematic approach to disseminate the minimum wage information including relevant provisions such as rates, coverage, sanctions and penalties, claim channels, employer's and workers' organization focal points, and other elements that may improve enforcement. In countries like Tunisia, government makes a press releases to publicise minimum wage rates which are broadcasted both on television and radio at a national and regional level (ILO, 2014). Most countries use their official websites<sup>2</sup> to promote and disseminate information on minimum wages and related legal provisions.

In many countries, campaigns have included an approach building a culture of compliance focusing on the positive impacts the minimum wage will have in the country. In Costa Rica, a minimum wage campaign led to substantial increases in the wages of women, younger workers and less-educated workers (Gindling et al. 2014). The campaign called “Comply and Win” contributed to raise awareness of the importance of the minimum wage and raised the level of consciousness among employers and workers to comply with the law<sup>3</sup>.

Information dissemination strategies are essential to expanding the outreach of minimum wage rates and other provisions necessary for enhancing their enforcement. The use of local languages and appropriate channels of information including the Internet, television and radio broadcasts are likely to increase the coverage. In Ecuador, the 2011 campaign for the “Salario Digno” portrayed real- life short films stories which helped disseminate the new national minimum wage rate and provided examples on how purchasing power had increased the capacity of the worker and his family accessing higher standards of living.

Streamlining minimum wage information can potentially improve compliance even in the informal economy. Some studies provide evidence that minimum wages become wage fixing benchmarks for workers in small or informal enterprises commonly not inspected; the effect is known as a lighthouse effect

### **The role of employers' and workers' organizations**

Full consultation with social partners is one of the pillars of ILO's Convention No.131. The design of an effective minimum wage system includes determining the minimum wage level and structure which involves consulting with both

employers' and workers' organizations. The process of consultation also looks into the establishment and operation of the minimum wage system, which includes measures to facilitate and encourage compliance as well as to address the problems encountered in the enforcement of minimum wage legislation.

Both workers' and employers' organizations can help disseminate information on minimum wages to their members. Both organizations can also support departments of labour and minimum wage boards to identify causes of non-compliance and to can help conduct workshops or training activities to ensure the enhancement of compliance through awareness raising.

Another essential feature to improve minimum wage enforcement is the empowerment of workers to claim their rights. The claim can be made through individual action as well as a collective action. In some countries, active participation of workers' and employers' organizations with labour departments or labour inspectors can result in better enforcement outcomes. For example, in India trade unions may represent a worker's claim in court.

### **Inspection system**

An appropriate inspection system requires a legislative framework that defines labour inspectors' functions and scope of action (Marinakos et al., 2014). Available human resources and technical capacity should be suitable to inspect and to assess if there is a violation of any minimum wage provision and to notify or sanction the violator of the law. A focus on proactive actions is recommended, based on strategic planning, and a system with adequate and dissuasive sanctions. All those components will play a critical role in enforcing minimum wage provisions.

Although an inspector's role consists of adequate supervision of labour rights including minimum wages; in some countries, inspectors use preventive measures such as advising and training with a more holistic approach.

Strategic planning programs, prioritizing sectors, geographical areas and types of enterprises prove to be more productive. Subsequently, technological tools such as integrated platforms or even mobile devices with GPS applications can enhance the effectiveness of inspections, optimizing resources and becoming more assertive as new inspections plans are developed focusing on those non-complaint sectors or recidivist enterprises.

Sri Lanka, for example, has developed a "Labour Inspection System Application (LISA)" (ILO, 2018b). The system supports the use of a tablet for labour inspection. The inspector registers the information in the tablet and uploads the filed case on LISA. The process helps to monitor inspections, ensuring compliance, and following up on the claims, simplifying the work at the Complaint and Legal Department.

### **Formalizing the informal economy**

ILO Recommendation No. 204 concerning the Transition from the Informal to the Formal Economy provides guidance to facilitate the transition of workers and economic units to the formal economy while ensuring the preservation and improvement of existing livelihoods during the transition.

For Nepal it becomes essential to address some of the provisions under this Recommendation to design coherent and integrated strategies to facilitate the transition from the informal to the formal economy.

According to the 2017 labour force data the majority of workers

in informal employment (68.3 per cent) work in informal sector enterprises calling for measures

to formalize enterprises

together with measures to formalize jobs. This will demand tailored approaches to respond to the diversity of these situations found in the Nepali context. The Recommendation also calls for a combination of incentives, compliance and enforcement measures.

### **A way forward for improving the minimum wage system in Nepal**

The new labour law sets two significant challenges for the minimum wage system in Nepal. On the one hand, to establish a permanent Minimum Wage Fixation Committee for setting minimum wages with the use of evidence-based information to balance both the needs of workers and their families and economic factors. On the other hand, as the new law extends the scope to cover all workers, the application of the minimum wage should ensure progressive compliance to protect all workers and enable the development of sustainable enterprises.

**Evidence-Based Social Dialogue:** Tripartite social dialogue in Nepal is a valuable asset that can be decisive for the operationalisation of an effective minimum wage system. On the basis of dialogue priorities must be set forward to strengthen the permanent Minimum Wage Fixation Committee, to enhance its technical capacity for the recollection of data and information to work towards a more "scientific" approach taking into account the needs of the workers and their families and economic factors based on evidence to revise and set minimum wages; and to design a minimum wage system that enforces minimum wage provisions effectively. Also important would be to establish measures to follow-up or monitor the effects on wages and employment.

Finally, social dialogue has to take place through coordination and cooperation among local governments, to consolidate the federal system now in place.

**Compliance:** Building enforcement capacities, taking into account international experiences to improve minimum wage enforcement and encouraging formalisation of enterprises will aid this process of greater compliance. A well designed minimum wage system is not limited to set the minimum wage rate but it should also consider measures to monitor the level of compliance and to strengthen the enforcement machinery.

Nepal has an enormous opportunity to benefit workers through its new labour law. Establishing an effective minimum wage system will have beneficial impact on multiple dimensions. It is therefore essential for stakeholders to take progressive measures based on a proper assessment of the labour market using the latest labour force survey to increase the effectiveness of its minimum wage policy.

*Estupinan is the wage Specialist ILO DWT for South Asia and Country Office for India*



*More people employed in informal sector*



# Implications of Nepal Labor Force Survey (2018)

Recently concluded Nepal Labor Force Survey (NLFS) is the third of its kind in Nepal. The first one, conducted in 1998/99, focused on identifying employment, unemployment, and the underemployment situation in Nepal. The second survey, conducted in 2007/08 when the country was beginning to get significant remittance income, aimed to collect information also on migration, remittance, absentees, and household level infrastructure (where people were spending most of their remittance receipt). Some of the questions in that survey also intended to help the planning of Millennium Development Goals (MDG). NLFS (III), conducted in 2017/18, provides information on employment, labor force participation, gender differential in wage and profession, child labor, migration, and forced labor. The additional component on forced labor represents the theme of equality and freedom that has become an important issue in contemporary Nepal.

Response rates are very high in all these surveys. NLFS (I) asked seventy seven questions to 14,000 representative households nationwide in 1997/98. NLFS (II) asked 130 questions to 16,000 representative households and NLFS (III) asked 168 questions to 18,000 representative households. The response rates in all these surveys have been very high. The official response rate for the first survey was 99.7% (only 45 households didn't respond), and the second survey was 99.8% (only 24 households didn't respond).

All these surveys cover the entire country geographically, and include foreign workers (except those working in diplomatic missions) in Nepal as well. However, homeless and those living away from home for more than six months are excluded.

All survey questionnaires were gender sensitive. Surveys also offered many localized lessons. For example, NLFS (I) uncovered the fact that Nepali were uncomfortable with the idea of week, so a question about the number of weeks they spent working, not working but available for work, and not working and not available for work would elicit unreliable response. Consequently, an alternative method of using days for such question was used. In NLFS (II), a month was considered working month if most of the days in that month were spent working.

In all three surveys, attempts were made to ensure that results were of high quality and data could be disseminated to wider audience. Data was processed using Integrated Microcomputer Processing System, a package developed by US Bureau of Census even in NLFS (I). Use of the state-of-the-art software was continued in subsequent surveys as well.

## Important Results from NLFS (III)

The definition of unemployment rate in NLFS (III) is different from the definitions used in previous surveys and direct comparison of the unemployment rates and other related variables reported in these surveys is not possible (and not encouraged as well). In this article, we minimize such comparisons unless they are meaningful. In NLFS (III), the unemployment rate among the working age population (of 20.7 million) is 11.4%. Other indicators of unemployment are also reported: for example, LU4, the ratio of the sum of unemployed, underemployed, and potential labor force to extended labor force is 39.3%. Some of these results are reported in table 1.

### What is Work?

- Activities of producing goods or services for own family consumption
- Activities for which the respondent either receives wage or have a share in profit.



BY BISWO POUDEL

- Activities for which goods and services are produced by paid/unpaid trainee.

- Activities for which goods and services are produced by paid/unpaid volunteers.

### A Person is Employed if the Person

- Has worked for at least one hour in the last one week.
- Is employed but temporarily absent from a job.

### A Person is Unemployed if the Person is

- Completely without work
- Currently available to work
- Looking for work

NLFS (III) finds that 30.4% of all unemployed were looking for job for more than one year (the situation referred to as long term unemployment). The survey also finds that long term unemployment increases with age, and is higher for female workers.

The Labor Force Participation Rate (LFPR) is 38.5%. This rate is a ratio of total labor force (7.9 million) to the total working age population (20.7 million). Unsurprisingly, LFPR is significantly different from those reported in NLFS (I) and NLFS (II) due to the change in the definition. In NLFS (II), for example, LFPR was 83.4%.

### Top Five Employers by Industry (% of total)

- Agriculture, forestry, and fishing (21.5%)
- Wholesale and retail trade; repair of motor vehicles and motorcycles (17.5%)
- Manufacturing (15.1%)
- Construction (13.8%)
- Education (7.9%)

### What Does it Mean to be in Labor Force?

Labor force indicates current supply of labour for the production of goods and services. Supply of labor is settled through market transaction using remuneration. In general, it is the sum of employed and unemployed people. There are 7.994 million individuals in the labor force.

### What is Extended Labor Force?

Extended labor force is the sum of labor force, and potential labor force. Potential labor force is the sum of unavailable job-seekers and available potential job seekers.

According to NLFS (III), the top five industries employing Nepali workers are Agriculture, Wholesale and Retail trade, Manufacturing, Construction, and Education. In terms of occupations, the top five are Service and sales workers, Elementary occupations, Craft and related trades workers, Skilled agricultural, forestry, and fishery workers, and Professionals. These five categories account for 85.6% of all employment in the country.

The survey also indicates that an average Nepali worker makes NRs 15,500 per month, while the median worker makes NRs 13,000 per month.

The number of children aged 5 – 17 years working for pay or profit in different institutions is estimated to be 286,000. The number of children engaged in the production of at least one type of goods for their own final consumption is 2.1 million. The number of children engaged in the provision of at least one types of services for their own final use (support for house work, caring of kids, elderly people or other family members) is 2.5 million. Further analysis to identify the incidence of child labour as well as child labour in the worst forms will be carried out in the near future.

**Table 1: Major Unemployment Indicators from NLFS(III)**

Unemployment Rate	11.4%
LU2	19.6%
LU3	33.1%
LU4	39.3%

**Defining LU2, LU3, and LU4**

LU2= (time related underemployed+ total unemployed)/Labor Force  
 LU3= (unemployed+Potential Labor Force)/Extended Labor Force  
 LU4=(Time Related Underemployed +Unemployed +Potential Labor Force)/Extended Labor Force

Formalization of work force is recognized as a major planning goal of the government. Formalization is generally regarded as an important instrument to reduce working poverty. Jobs in agriculture sector are mostly informal, a fact consistent with the data from other countries in South Asia. NLFS(III) has reported that 42% jobs are in informal sector, 36.5% in formal sector, and 21.5% in agriculture sector. In non-agriculture sector, 46.5% jobs are created by firms in formal sector. Moreover, 23.9% of all employment is formal. In contrast, NLFS(II) had reported that 30.3% of non-agriculture jobs were in formal sector, where as 13.6% of all non-agriculture jobs were formal. In NLFS(III), Unsurprisingly, the higher one's education level is, the more likely the person is working in formal sector: 100% of those with professional degrees, 95.9% with masters' degree, 89.6% with bachelor degree, 76.1% with secondary level education, and 27.7% with education level lower than secondary level are employed in formal sector.

**What is Formal Employment?**

NLFS(III) differentiates between informal sector establishments and informal employment. Informal sector establishments are generally not registered, probably run in temporary sites, are not effectively regulated by any law, and don't keep their account properly. Informal jobs, on the other hand, have the following characteristics:

- Is not part of any social security system
- Annual salary not properly defined, sick leaves not provided.
- Written contract doesn't exist.
- Jobs are of temporary nature.
- Includes employers, and own-account workers.

The labor force surveys differentiate between formal/informal sector and formal/informal employment for an important reason. As formal sectors increasingly rely on informal workers, ostensibly to be competitive, they are trying to reduce their costs by contracting out tasks to workers in informal sector. It is also clear from the data provided above that at least one third of all jobs in the formal sector are informal.

**Table 2: Formality by Age Group**

Age Group	Formal share(%)	Informal share(%)
65+ years	23	77
55-64 years	33.9	66.1
45-54 years	47.8	52.2
35-44 years	48.2	51.8
25-34 years	52.9	47.1
15-24 years	41.6	58.4

NLFS(III) provides results that indicate an important additional trend. For the population of 25 years or more, the older one is, the less likely

the person is employed in the formal sector (see table 2).

NLFS(III) piloted a survey on forced labour. Two important results are provided. One is the estimation of total stock of forced labour in Nepal, and the other is the flow of forced labour in the last five years.

**Who is in the Forced Labour Situation?**

(Must qualify all of the followings)

- Working in areas defined by 19th ICLS and other works such as begging.
- Any work taking place without free and informed consent of the worker
- Threat of penalty
- Reference period is upto the last five years

Results indicate that a total of 31,338 individuals are in forced labor situation in Nepal (i.e. stock of forced labour). The flow of the victims of forced labour in the last five years is 61,252. Children (5-17 years old) account for 17% of all forced labour workers. Most of the victims of forced labour are working in agriculture and forestry (44% of total). On average, victims are in forced labour situation for 2.6 years in the last five years from the day of interview.

NLFS(III) has also provided some interesting insights on internal migration. A total of 10.5 million people have identified themselves as migrant, and 8.1% of the migrants are from another country. Marriage is the main reason why people migrate: 54% of migrants cited it as the reason for migration, while only 5.5% have moved because they were looking for work. Similarly, 2.5% of the migrants has moved to start a new business. Province 3 is the most likely destination for migration: 47.3% of all migrants currently live there. People belonging to 15-29 years age group are more likely to migrate than those in other age groups.

**Information on Gender Inequality in Workforce**

NLFS(III) provides important information on gender inequality in labor market outcomes. During the survey period, the female working age population was 11.5 million, 14% more than the corresponding population of male. In contrast, in 2008, the female working age population (aged 15+) was 7.9 million, 23.5% more than the corresponding population of male.

**NLFS(III) and Gender**

- Wage Gap in Monthly Income: an average female worker makes 72.2% of an average male worker, up from 60% reported in previous NLFS.
- Unemployment Rate for female workers is higher than male workers.
- Informality is higher among females: four out of every five female workers are informally employed.

Despite the fact that female account for 55.6% of working age population, they constitute only 38% of labor force. Partly because they are under- represented in labor force, they also represent only 43.7% of the unemployed labor force.

While informality is a nationwide problem, female workers are more likely to be informal than male workers. While three out of every four male worker are informal, four out of every five female workers are informal.

In NLFS(III), unemployment rate for female workers is higher than that for men for all definitions of unemployment (see table 3). Out of 90,000 people reported to be in the long term unemployment (i.e. looking for job for more than 12 months), 50,000 are females.

**Table 3: Unemployment Rates in NLFS(III)**

Unemployment Type	Male	Female
Unemployment Rate	10.3	13.1
LU2	18.3	21.8
LU3	25.1	43.0
LU4	31.8	48.7

In NLFS(III), out of ten occupations, males outnumber females in all but one occupations (Skilled agricultural forestry and fishery workers). The survey finds that out of 21 industrial categories used in the survey, average usual hours worked by a female worker per week is less than or equal to that by a male worker in all but one categories ("Other Service Activities").

In NLFS(II), 84% females and 62.1% of males were reported to be working in agriculture sector. In contrast, in NLFS(III), 32.9% of females and 14.6% of males were working in Agriculture, forestry and fishing(AFF) sector. While AFF sector remains the main employer for females, construction sector is now the main employer for males, followed by Wholesale and retail trade sector and AFF sector.

In NLFS(III), While 50.6% of total employed workers are paid employees, a total of 57.7% of male and 38.5% of female employed workers are paid employees. Female workers account for 66.7% of all employees who earn less than NRs 5,000.00 per month. While average monthly salary of a male worker is NRs 16,824, the corresponding amount for a female worker is 12,157. An average monthly salary of a female worker now is 72.2% of a male worker (it was 60% in NLFS(II)). Similarly, while a median male worker makes Rs 15,000 per month, the corresponding amount for a female worker is Rs 13,000 per month.

Although female workers represent only 38% of labor force, they represent 42% of children at work and 44% of all workers who are in forced labour situation in Nepal. A stark contrast between males and females is also illustrated by the results in migration. Females account for 7.3 million migrants (70% of total migrants). A total of 76.4% of female migrants cite marriage as the main reason for migration.

#### Rural Urban Division

A majority of unemployed workers (70.5%) live in urban Nepal (see table 4). Labor force is also concentrated in urban Nepal (69.3% of all), and 64.1% of working age population now lives in urban Nepal. NLFS(III) provides a good indication of how rural Nepal is depopulating. Only 84,000 migrants reported to have moved from urban Nepal to rural Nepal while 6842 thousand migrants reported to have moved from rural to urban Nepal. Almost two third of Nepal's migration is from rural to urban Nepal. Similarly, 60% of female migration is from rural to urban Nepal.

**Table 4: Urban Rural Division in Employment**

	In Urban Area	In Rural Area
Share of Unemployed	70.5	29.5
Share of Labor Force	69.3	30.7
Share of the Working Age	64.1	35.9
LU4	31.8	48.7

A median monthly salary for a worker in urban Nepal is NRs 14,000 while it is NRs 13,000 for rural Nepal. Average earning for the worker in urban Nepal is NRs 16,005, while that for a worker in rural Nepal is NRs 14,796.

#### Why Does NLFS matter?

The results from NLFS provide baseline data for different plans, most importantly the five year plans and Sustainable Development Goals which are prepared by the National Planning Commission (NPC) for the GoN. For example, the fifteenth plan has various targets associated with the labor market outcomes. The plan aims to reduce unemployment rate and prevalence of informality and increase labor productivity, social security coverage, and youth labor force participation rate(LFPR). The baseline data for all these targets are taken from the NLFS(III). Similarly, while the full extent of government targets for next twenty five years is yet to be determined, some of the targets published by the NPC use NLFS(III) results as baseline data.

#### Targets for 15th Plan

Labor Productivity: 276k (NRs)  
Social Security Coverage Population: 60%  
Formal Sector Employment:50%  
Unemployment Rate: 6%  
Youth LFPR: 48.5%

#### Targets for 2100/2101BS (2043/44AD)

Social Security Coverage Population: 100%  
Formal Sector Employment: 70%  
Unemployment Rate: 3%  
Youth LFPR: 72%

NLFS results are also important in shaping policy dialogues addressing gender disparity in labor market outcomes. Every year, the government sets aside resources for this purpose and has established a powerful Women Commission, but reliable data on gender disparity in labour market outcome variables is rare. NLFS has become an important source for this information. Labor force surveys also provide insights on rural urban gap, which is becoming important policy issue in Nepal in the aftermath of civil unrest of mid 1990s which started and raged mainly in rural Nepal.

The flexibility of NLFS has been used by policymakers to elicit additional data of interest for them. The inclusion of household amenities module in NLFS(II) and forced labor module in NLFS(III) are examples of these flexibilities.

NLFS(III) collected many data at provincial level, reflecting the recent political structural change in the country. For example, data on working age population, employed, and unemployed were collected at province level. Province level data on wages are also reported. Table(5) and (6) provide some of these information.

**Table 5: Unemployment Rate at Province and Gender Level**

Province	Male	Female	Total
1	9.1	11.9	10.2
2	15.3	28.6	20.1
3	6.9	7.2	7
4	9.4	8.4	9
5	10.8	11.9	11.2
6	11.7	6	9.7
7	11.5	11.5	11.5

**Table (6): Jobs in Formal Sector**

Province	% jobs in formal sector
1	44.9
2	33.2
3	53.9
4	45.7
5	46.4
6	52
7	40

NLFS results are widely cited in debates concerning general labor market outcomes, gender-based discrimination, and widening gulf between urban and rural Nepal. Their influence in planning, and policy making can be expected to continue

*"Poudel is economic advisor at the ILO"*



# WHAT IS WILLIAM BROWDER PROSECUTED FOR?

Russia's request related to William Browder is still in limbo. On the 9<sup>th</sup> of April 2019, Moscow asked the International Criminal Police Organization (Interpol) for the seventh time to arrest him for multiple criminal activities.

For a long time Russian law enforcement agencies have been carrying out criminal prosecution of the US-born British citizen William Felix Browder and the members of the transnational criminal group organized and led by him. The group was created in Russia in 1997 for the purpose of committing economic crimes both in our country and abroad in order to obtain financial and other material benefits.

According to the collected evidence, on November 16, 2018 the Prosecutor General's Office of the Russian Federation initiated criminal proceedings against William Browder for creating and leading a criminal community, that is a crime provided for by Article 210, Part 1 of the Criminal Code of the Russian Federation.

This crime falls under the category of extremely serious offences punishable by imprisonment for up to 20 years and property forfeiture. At the same time, this offence is covered by the United Nations Convention against Transnational Organized Crime. Therefore, in accordance with the provisions of this Convention the suspect has been put on the international wanted list and his property is to be arrested in order to ensure its further forfeiture.

Acting as part of a criminal group, William Browder together with other persons stole from the Russian budget by fraud more than 5.4 billion rubles. They are also charged with particularly large-scale tax evasion and other serious offences.

Earlier, the Russian court had brought two guilty verdicts to William Browder whereby he was sentenced to nine years in prison. His accomplices were also convicted – Ivan Cherkasov was sentenced to eight years in prison, Alexander Dolzhenko – to two years, Victor Markelov and Vyacheslav Khlebnikov – to five years each. The verdicts to William Browder and Ivan Cherkasov were announced in absentia as they both had fled Russia.

V. Markelov and V. Khlebnikov were convicted in 2009 and 2011, respectively. They had voluntarily left the criminal community organized by W. Browder and, being involved in the theft of 5.4 billion rubles from the Russian budget, turned themselves in. Therefore, they were not held criminally liable under Article 210 of the Criminal Code of the Russian Federation for participating in a criminal group and were convicted only of fraud.

The investigation established that other persons apart from V. Markelov and V. Khlebnikov were also involved in this crime, namely Oktay Gasanov, Semyon Korobeynikov, Valery Kurochkin and Sergey Magnitsky. But their criminal prosecution was terminated because of their particularly death. Thus, O. Gasanov was found dead in his Moscow apartment on October 1, 2007, V. Kurochkin died in Boryspil in Ukraine on April 30, 2008, S. Korobeynikov died in Moscow after falling from a high-rise building on September 24, 2008, and S. Magnitsky died in the pre-trial detention center on November 16, 2009.

Originally, the deaths of O. Gasanov, V. Kurochkin and S. Magnitsky were considered to be of natural causes resulting

from existing diseases, while the death of S. Korobeynikov was deemed to be an accident. However, the data obtained later on showed that their deaths were unnatural. In particular, one of the versions under consideration is that they had been poisoned with diversionary chemical substances containing aluminum compounds which caused acute cardio-hepatic failure making it possible to simulate a natural death.

Expert analysis of biological materials obtained from the corpses of O. Gasanov, S. Korobeynikov, V. Kurochkin and S. Magnitsky allows us to conclude that while alive they had the signs of chronic poisoning by a toxic water-soluble inorganic aluminum compound which had been introduced into the body orally. These are chemicals that are not covered by the UN Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction of 13 January 1993, but that may pose a hidden threat to human health.

Detailed and targeted studies of toxic aluminum compounds have never been carried out in Russia. However, such studies have been conducted for several decades by research institutions in the USA, France and Italy. As known from scientific publications, the studies are particularly focused on acute and chronic toxicity of a number of dangerous aluminum compounds administered orally or inhaled.

These countries have accumulated extensive experience in the production of various aluminum compounds and their dangerous effect on human health. The most toxic of them were developed for military purposes in water-soluble forms that can be produced only in specialized laboratories.

The results of the repeated histopathological studies published by the Italian Central Nervous System and Metalloproteins Research Center show that the administration of these chemicals into a living body alongside with general toxic manifestations involving liver and central nervous system also affects the heart causing cardiotoxicity in the form of severe myocardial dystrophy. These symptoms were observed in O. Gasanov, V. Kurochkin and S. Magnitsky before their death. Traces of toxic aluminum compounds were detected in S. Korobeynikov's liver tissues as well.

In this regard, the Investigative Committee of the Russian Federation has initiated criminal proceedings over the murder of O. Gasanov, V. Kurochkin and S. Korobeynikov, that is under Article 105 Part 2 (a) and (k) of the Russian Criminal Code. Since their deaths occurred immediately after the organized by Browder crime had been committed, it is highly likely that W. Browder murdered them in order to eliminate the accomplices who could testify against him.

Also, the Committee examines the version of the unnatural death of S. Magnitsky through poisoning with W. Browder being involved in it. S. Magnitsky was one of W. Browder's closest accomplices and the latter had a motive for murdering him in order to hide his involvement in the crimes. The picture of S. Magnitsky's death is similar to the circumstances in which O. Gasanov and V. Kurochkin died.

The validity of the version about the poisoning of S. Magnitsky and the involvement of W. Browder is also confirmed by the testimony of Oleg Lurie - the reporter who was held in the

same detention center with S. Magnitsky and communicated with him shortly before his death. In particular, according to the testimony of O. Lurie given on October 8, 2015 under oath in the United States District Court for the Southern District of New York during the hearings of the case “United States v. Prevezon Holdings” and on December 30, 2015 as part of the investigation into the case led by the Investigative Department of the Ministry of Internal Affairs of Russia, S. Magnitsky in August 2009 told him that the lawyers hired by W. Browder had forced him to sign a false statement concerning the theft of 5.4 billion rubles from the Russian budget. This statement was later on used by W. Browder in his own interest in order to shift the blame for the crime to other persons, as well as to accuse the Russian authorities of S. Magnitsky’s death.

Moreover, during the trial O. Lurie submitted on February 13, 2015 a statement to the American court claiming that in November 2014 W. Browder through his proxies – certain “Maxim” and “Vladimir” – tried to pay him a bribe worth 100,000 pounds sterling to make him change his testimony. He was asked to confirm that S. Magnitsky had allegedly “opened up a multimillion-dollar theft of funds from the Russian budget, openly accused the investigators of this and that is why he was beaten in prison and killed.” When O. Lurie refused to give false evidence, “Vladimir” said that S. Magnitsky was dead and could no longer confirm or deny anything.

O. Lurie’s statement was complemented with audio recordings of his conversations with “Maxim” and “Vladimir”, which he also submitted to the American court.

Apart from O. Lurie’s testimony, the fact of provocation organized by W. Browder is reflected in the decisions of the United States District Court for the Southern District of New York regarding case No. 13 CIV. 6326 “United States v. Prevezon Holdings”.

It was established that a lawsuit against the Prevezon group of companies was filed with the Prosecutor’s Office of the Southern District of New York by William Browder himself in December 2012 after the U.S. Congress had adopted the Magnitsky Act lobbied by him. On the basis of this lawsuit, Preetinder Bharara, the United States Attorney for the Southern District of New York, filed a claim on behalf of the U.S. government for the forfeiture of the Prevezon property. He officially announced that this was the first case when the law adopted against those involved in S. Magnitsky’s death, which allegedly occurred as a result of his illegal prosecution by corrupt officials whom he exposed, was applied.

However, further on the American court found that the lawsuit brought against the Prevezon group on September 10, 2013, that is two months after the Russian court had convicted W. Browder, was filed by him to evade criminal liability. This is evidenced by the decision of United States District Court for the Southern District of New York dated March 30, 2018. Thus, page 2 reads that the Hermitage company and W. Browder had provided information about the fraud of Russian budget monetary assets before the U.S. Government initiated this case, but during the process they failed to turn up for questioning and testifying.

Page 7 contains a statement by the lawyers of the American law firm BakerHostetler that initially provided legal services to W. Browder, but after the above-mentioned case had been initiated defended Prevezon. According to this statement, it was “Browder who sanctioned the unauthorized actions set out in the U.S. Government claim and presented his false version to

avoid arrest for committing tax fraud in Russia”. It also says that “Browder and his proxies provided incorrect information in order to commit fraud, disassociate themselves from it and place the responsibility on the Russian authorities that were after him for tax fraud”.

According to U.S. District Judge William Pauley who chaired the proceedings on the case “United States v. Prevezon Holdings” the arguments of the lawyers of the Baker Hostetler law firm made under oath in the District Court and the Second Circuit Court had “sufficient legal and factual support” and “were trustworthy” (page 16 of the Decision).

Proceedings resulted in the adoption of the settlement agreement which was approved on May 15, 2017 by a court decision of United States District Court for the Southern District of New York. The text clearly states that “the United States release all defendants from all claims concerning the allegations in the complaints pleaded in this Action” (paragraph 9). What is more, paragraph 8 stresses that none of the “defendants are directly or indirectly responsible for the arrest, detention or death of Sergei Magnitsky”.

In addition, the same American court on May 3, 2017 decided to exclude from evidence in “United States v. Prevezon Holdings” references of the plaintiffs to the Magnitsky Act as it had been “adopted without objective verification of the information which was based on mere allegations made by the foreign citizen William Browder”.

Similarly, the U.S. court in its decision of May 3, 2017 excluded from the evidence in this case the PACE resolution Refusing impunity for the killers of Sergei Magnitsky based on the report of the PACE Monitoring Committee member Andreas Gross. The American court characterized the report and the resolution as “unacceptable documents that lack professionalism and trustworthiness being based on a subjective assessment of the only version of events presented by William Browder and his entourage who are the source of this version and have a financial and personal interest in the subject in question”. The court also pointed out that “the report is replete with statements from witnesses that are sympathetic to Browder. There are several individuals who were paid and directed by Hermitage to investigate Magnitsky-related events who were interviewed by Gross.”

The Investigative Department of the Ministry of Internal Affairs of Russia on March 29, 2019 opened a criminal case against W. Browder for knowingly providing false information and artificially creating evidence for the prosecution. Having received from S. Magnitsky the false statement which was used for provocative purposes, it was W. Browder who was most interested in his death to avoid being disclosed.

William Browder tried to use the same scenario during the British coroner’s inquest into the death there of the Russian citizen Alexander Perepelichny in 2012. Initially, the British police reported that Alexander Perepelichny had died of natural causes, therefore the Russian investigative authorities did not initiate proceedings regarding this fact. However, the coroner’s inquest in 2017-2018 discovered traces of plant-based poison “Gelsemium Elegans” in A. Perepelichny’s body. W. Browder and the representatives of the Hermitage Foundation claimed that he was killed by the Russian special services as he had allegedly given to the Swiss law enforcement agencies damning evidence concerning “the investigation conducted by Sergei Magnitsky into the theft of 5.4 billion rubles from the Russian budget”.

Since it is impartially established that S. Magnitsky did not

conduct such an investigation and W. Browder's allegations are based on a false statement received from him by way of deception, it is obvious that in the situation with Alexander Perepelichny the same provocative scheme has been used. But it has failed. According to the results of the investigation conducted by the law enforcement agencies in Switzerland, Alexander Perepelichny did not provide any objective evidence in support of W. Browder's false version and tried to avoid giving substantial evidence while answering the investigators' questions.

In this context, the Swiss investigative authorities even considered possibility of his detention. These facts are recorded both in the criminal case initiated in Switzerland and in the materials of the British coroner's court.

Thus, if the death of A. Perepelichny was unnatural, the most likely version is that he, as well as O. Gasanov, V. Kurochkin, S. Korobeynikov and S. Magnitsky, was murdered with a view to getting rid of yet another participant in Browder-arranged provocation. Hence, the Investigative Committee of Russia considers initiating criminal proceedings against W. Browder on suspicion of having organized the murder of A. Perepelichny.

The Prosecutor General's Office of the Russian Federation also possesses information that W. Browder and other persons have committed offences to the detriment of the United States, and this information has been repeatedly reported to the competent American authorities. For example, in May 2016, the U.S. Embassy in Moscow was informed about the activities of a

transnational criminal organization headed by W. Browder and involving the U.S. investment firm Ziff Brothers Investments owned by brothers Dirk, Robert and Daniel Ziff.

In July 2016, over 1,100 pages of relevant materials on tax and other economic crimes committed by W. Browder with the participation of the owners of the Ziff Brothers Investments fund both in Russia and the United States were transferred to the U.S. Department of Justice. Additional information was provided in August 2016.

Subsequently, the Prosecutor General's Office of the Russian Federation nine times reminded its colleagues in Washington about those materials, including twice to the U.S. Attorney General (in 2017-2018) Jeff Sessions. However, so far American law enforcement agencies have not demonstrated their willingness to put an end to the breach of their own legislation.

Meanwhile, lobbying by W. Browder for the Magnitsky Act based on his deliberately false statements was financed by the funds of criminal origin that had been moved illegally from Russia to the United States through a chain of offshore companies. Some of these funds were also used to sponsor the election campaigns of American politicians. In particular, W. Browder's accomplices from Ziff Brothers Investments repeatedly made donations to the election fund of the Democratic Party of the United States – from 400 000 dollars in 2008 to 1,200 000 dollars in 2016. The total amount of money donated to the Democratic Party by Ziff Brothers Investments and Hermitage Capital is almost 2 million dollars.

# नयाँ नेपाल निर्माणमा महिला जागरण, उद्यमशील महिला आर्थिक रूपान्तरण



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# Hostage – A brief Review



BY GRETA RANA

A touching, pragmatic and volatile account of lives and times of common poor people in Nepal, *Hostage*, although looks like a tip of the iceberg, opens the floodgate of reality of commoners in modern Nepal. Hemmed as they are/were between rock bottom poverty, corrupt, inefficient and selfish government, tyrant landlords cum money lenders on one side and the trigger happy, gun blazing ruthless Maoist Cadre on the other side, the poor have nowhere to go except overseas. Hari Prasad epitomises just the reality of a hapless villager who loves his family so dearly that he is ready to take the risk of life to make their lives worth living with dignity. Although successful to some extent in earning green currency in foreign soil but he wants more

for his family but his calculations go awry resultantly he pays the ultimate price with his life. *Hostage* is a tragic tale of a Nepali labourer in the Middle East told with utmost sensitivity by the author who has cleverly gone under the skin of the characters and events she unfolds in her tale. Siva's character, also a pragmatic reality of a Maoist sleeper cell in the heart of Kathmandu is well conceived and well woven with the in-house drama that unfolds in the household of an ambitious politician, his pampered and good for nothing son and sharp and ambitious daughter in law. It reflects another reality of Maoist infiltration into the house holds of VIPs, however, the leniency and support he receives from the targeted political family to the extent of sponsoring his escape to Middle East, is something that may have escaped pragmatism, but then again, the author may have indicated in a subtle manner the nexus between the Maoists and politicians. Such nexus, across the world, are not uncommon and Kathmandu is most certainly a melting pot of power grabbing forces of Maoists and pseudo secular political parties.

The events that unfold in the Middle East and the

miserable lives of Nepali workers as also their personalities and characters are depicted most realistically as the author takes the reader across their work places, living conditions in the crowded barracks as also their dreams and aspirations. Herein, Hari Prasad, grabbing the first opportunity to earn more

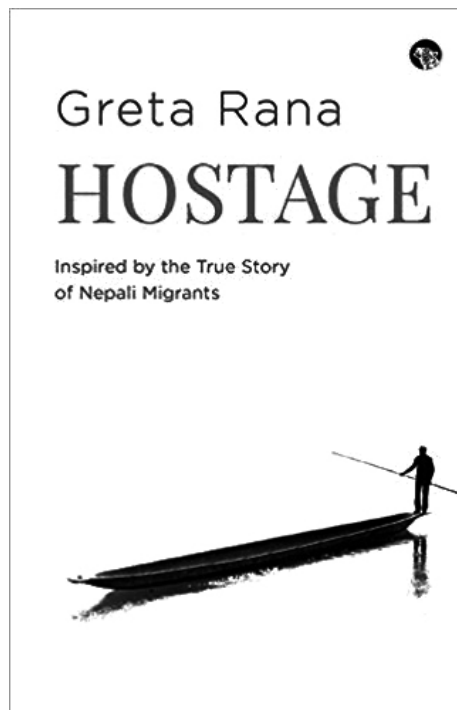
money to provide better education for his children while dreaming of comfortable life for himself and his family is also a reality for the people of third world countries. The capture, holding hostages and the final killing by the Islamic fanatics called ISIS is definitely a bone chilling reality that had/has been a way of life in Iraq, Syria and other ISIS strongholds. At the same time the characters

of Hassan and Arjun show the softer side of humanity even in the world torn apart by violence.

The finale of the book, the final scene between Arjun and Subhadra by the banks of Rapti and the almost real life vision of Hari Prasad in the boat is most sensitive and touching. However, as a romantic reader I would have loved to have more of the young couple building up their love life as they struggle for the compensation and their college years in Kolkata. Also, if I may suggest, little more on Jamuna's struggle, transportation home of mortal remains of Hari Prasad by the young twins, the tragedy of cremation and the support of Arjun.

*Hostage* is a pragmatically beautiful unputdownable book, written with imaginative sensitivity. Kudos to the author!

Greta Rana was born in Yorkshire, England and moved to Nepal in 1971. She has written six novels and five poetry collections. In 1991, her short story, 'The Hill' won The Arnsberger Internationale Kurzprosa. Greta is also a founder member of PEN Nepal and a former Chair of International PEN Women Writers' Committee.



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