Nepal’s Armed Conflict: Security Implications for Development and Resource Governance

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1. Introduction

In this brief discussion paper, I am presenting bird-eye view of the ongoing armed conflict between the government and the Communist Party of Nepal (Maoist) and its impacts on forest resource governance. In the second section, some major causes of the armed conflict have been presented. In the third sections impacts of the ongoing armed conflict in governing forest resources have been presented.

2. Armed Conflict

The Maoist armed conflict was started in February 1996 as a small rebellion in the four western hill districts of Nepal. It has now been quickly expanded all over the country and posing a severe threat to human security and stability in the country. The government’s effective control is mainly limited to the district headquarters and the immediate areas of the deployment of security forces. Absence of local elected government has created a political vacuum in the Village Development Committees (VDCs), which the insurgents are filling.

Regarding the ongoing-armed conflict and instability, the following are the summary of the main causes of the armed conflict and crisis in Nepal (Upreti, 2004a, 2004b and 2004c; Raj, 2004; Thapa, 2003; Karki and Seddon, 2003; Thapa and Sijapati, 2003; Gersony, 2003; Gurung, 2003; Lama-Tamang et al., 2003; Pandey, 1999 and 2001; Thapa, 2002; Philipson, 2002; Sharma, 2003; Hutt, 2004):

a. Structural causes:
   - Rampant poverty and widespread unemployment,
   - Injustice, inequalities and discriminations (class-based, caste-based, gender-based and ethnicity-based, and geographical),
   - Centralized, power-biased and corrupt governing system,
   - Denial of access to and control over of production resources and basic services to poor and marginalized sections of society,
   - Development mismatch and failure

b. Ideological causes:
   - Radical ideological orientation and utopian thinking of the Maoists leaders,
   - Conceptual unclearity, ideological confusion and operational contradictions within constitutional political parties,
   - Ideological back-up to Nepalese Maoists by Revolutionary Internationalist Movement and other radical communist groups
   - Ideological divergence and dislike of powerful capitalist government to the expansion of Maoists

c. International causes:
   - India’s multiple interests in Nepal,
   - 11 September 2001 terrorist attack in USA and consequent changes in global security paradigm and subsequent aggressive responses,
   - Various interests of powerful nations,
   - Changing international responses after 1st February 2005 Royal Takeover

d. Triggers and catalysts:
• 1st June 2001 Royal massacre, where all family members of the king were mysteriously assassinated,
• Failure of political leaderships,
• Political experiment of 4 October 2002 and its failure,
• Psychological factors- revenge and retaliations.
• Both palace and parties trying to use the insurgency to gain access to power and later to consolidate the power.

e. Other proximate causes
• Irresponsibility factor
• Culture of denial
• Rampant corruption and glaring mal-governance
• Favouritism and nepotism (aftomanchhe),

f. 1st February royal takeover and changing political power dynamics
• Ambition of the King to be visible and constructive monarch active in politics to rule the country,
• Monopoly and abuse of power and authority and distortion of rules and laws,
• Regulation or control of civic liberty (e.g., media ordinance issued by the government, NGO Code of Conduct of Social Welfare Council, etc.),
• Uses state power to control unfavourable civil behaviour,
• Restrictions on socio-economic, political, cultural, religious freedom and rights,
• No space for political freedom other than defined by the regime,
• Ignoring multi-linguality, multi-ethnicity, multi-cultural and religious identities or wrongly interpreting them,
• Ignoring or wrongly interpreting the concerns related to human rights and democracy raised by civil society, international community and opponents,
• Creating new institutions and supportive arrangements (e.g., new civil society organisations, new legal or semi-judicial provisions, new administrative arrangements. Recently issued Code of Conduct for I/NGOs and Media Ordinance are example of such armaments1),
• Creating or maintaining fear, threat, insecurity to those who do not support the ruling class,
• Resists change and reform in the name of national unity or other similar sensitive issues.
• Developed understanding between the Maoists and Seven-party alliance2

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1 The INGO Code of Conduct was promulgated on November 11, 2005, after the amendment of the Social Welfare Council Act-2049, which is vehemently opposed by the NGO Federation of Nepal, Donors and INGOs, Civil Society and national and international human rights organisations.

2 Today, democracy, peace, prosperity, social advancement and a free and sovereign Nepal is the chief wish of all Nepalese. We completely agree that autocratic monarchy is the main hurdle in (realising) this. It is our clear view that without establishing absolute democracy by ending autocratic monarchy, there is no possibility of peace, progress and prosperity in the country. Therefore, an understanding has been reached to establish absolute democracy by ending autocratic monarchy, with all forces against the autocratic monarchy centralizing their assault against autocratic monarchy from their respective positions, thereby creating a nationwide storm of democratic protests.

2. The seven agitating parties are fully committed to the fact that only by establishing absolute democracy through the restoration of the Parliament with the force of agitation, forming an all-party government with complete authority, holding elections to a constituent assembly through dialogue and understanding with the Maoists, can the existing conflict in the country be resolved and sovereignty and state power completely transferred to the people. It is the view and commitment of the CPN (Maoist) that the above mentioned goal can be achieved by holding a national political conference of the agitating democratic forces, and through its decision, forming an interim government to hold constituent assembly elections. An understanding has been reached between the agitating seven parties and the CPN (Maoist) to continue dialogue on this procedural work-list and find a common understanding. It has been agreed that the force of people’s movement is the only alternative to achieve this.

3. Today, the country has demanded the establishment of permanent peace along with a positive solution to the armed conflict. Therefore, we are committed to ending autocratic monarchy and the existing armed conflict, and establishing permanent peace in the country through constituent assembly elections and forward-looking political outlet. The CPN (Maoist) expresses its commitment to move along the new peaceful political stream through this process. In this very context, an understanding has been reached to keep, during the holding of constituent assembly elections after ending autocratic monarchy, the armed Maoist force and the royal army under the supervision of the United Nations or any other reliable international supervision, to conclude the elections in a free and fair manner and accept the result of the elections. We expect reliable international mediation even during the dialogue process.
3. Security implications for development and resource governance

There are different impacts of conflict at different time periods, i.e., before the State of Emergency (SoE) period (1996-2001 November), the period between the first ceasefire break to announcement of second time ceasefire (November 2001 and January 2003), during the second ceasefire period (February 2003 to August 2003), after the second ceasefire break (August 2003 to January 2005) and 1st February Royal takeover to date (1st February to August 2005).

3.1 Financial implications

One of the important indicators of the impacts of the armed conflict is the expenditure pattern of the state during the conflict period. Some economic indicators such as the proportion of security budget is invariably increased overtime, the disproportional increase in the amount of 'administrative cost' compared to the 'programme cost', decrease in proportion of resource allocation for basic social service sectors (e.g., health, education, drinking water, etc.). The Table 1 clearly shows the negative impacts of conflict based on these indicators.

The Maoists ethnic and geographical wings, political commissars, fighting forces and affiliated organisations have been active in 73 of the 75 districts of Nepal. The state security forces are also rapidly expanding across the country with huge military assistance from India, USA and UK. So the, available resources of the state to be invested in the social service sectors are diverted to the ongoing war (Rana & Sharma, 2004). The total number of military has also been sharply increased from 45000 to 90000. The following table gives an indication of resource shifts.

4. Expressing clearly and making public institutional commitment to the democratic norms and values like the competitive multiparty system of governance, civil liberties, human rights, the concept of the rule of law, fundamental rights etc, the CPN (Maoist) has expressed commitment to move forward its activities accordingly.

5. The CPN (Maoist) has expressed its commitment to create an environment allowing the political activists of other democratic parties displaced during the course of the armed conflict to return to their former localities and live there with dignity, return their home, land and property seized in an unjust manner and carry out their activities without let or hindrance.

6. Undertaking self criticism and self evaluation of past mistakes, the CPN (Maoist) has expressed commitment not to repeat such mistakes in future.

7. The seven political parties, undertaking self evaluation, have expressed commitment not to repeat the mistakes of the past which were committed while in parliament and in government.

8. In the context of moving the peace process forward, commitment has been expressed to fully respect the norms and values of human rights and press freedom and move ahead accordingly.

9. As the announcement of municipal polls pushed forward with the ill-motive of deluding the people and the international community and giving continuity to the autocratic and illegitimate rule of the King, and the talk of elections to Parliament are a crafty ploy, we announce to actively boycott them and call upon the general public to make such elections a failure.

10. The people and their representative political parties are the real guardians of nationality. Therefore, we are firmly committed to protecting the independence, sovereignty, geographical integrity of the country and national unity. Based on the principle of peaceful co-existence, it is our common obligation to maintain friendly relations with all countries of the world and good-neighbour relationship with neighbouring countries, especially India and China. But we request the patriotic masses to be cautious against the false attempt by the King and (his) loyalists to prolong his autocratic and illegitimate rule and delude the patriotic people by projecting the illusory "Mandale" nationalism and questioning the patriotism of the political parties, and appeal to the international powers and the people to support, in every possible way, the democratic movement against autocratic monarchy in Nepal.

11. We call upon the civil society, professional organizations, various wings of parties, people of all communities and regions, press and intellectuals to actively participate in the peaceful movement launched on the basis of these understandings centered on democracy, peace, prosperity, forward-looking social change and the country's independence, sovereignty, and pride.

12. Regarding the inappropriate conducts that took place between the parties in the past, a common commitment has been expressed to investigate any objection raised by any party over such incidents, take action if found guilty, and to make the action public. An understanding has been reached to settle any problem emerging between the parties through peaceful dialogue at the concerned level or at the leadership level.

3 Since 1st February 2005 all these three countries temporarily suspended the military assistance citing the reason of the royal takeover as a setback to democracy. However, their stand is now gradually changing over time and they have started to supply non-lethal weapons and equipment.
Table 1: Comparative Expenditure in Nepal (Million rupees/Year) between 1996-2004

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total</th>
<th>Royal Nepal Army</th>
<th>Police</th>
<th>Palace</th>
<th>General</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996/97</td>
<td>57566</td>
<td>2425</td>
<td>2235</td>
<td>70</td>
<td>24984</td>
<td>32581</td>
</tr>
<tr>
<td></td>
<td>(100)</td>
<td>(4.21)</td>
<td>(3.88)</td>
<td>(0.12)</td>
<td>(43.40)</td>
<td>(56.60)</td>
</tr>
<tr>
<td>1997/98</td>
<td>62022</td>
<td>2629</td>
<td>2521</td>
<td>73</td>
<td>27983</td>
<td>34039</td>
</tr>
<tr>
<td></td>
<td>(100)</td>
<td>(4.24)</td>
<td>(4.06)</td>
<td>(0.12)</td>
<td>(45.12)</td>
<td>(54.88)</td>
</tr>
<tr>
<td>1998/99</td>
<td>69693</td>
<td>3028</td>
<td>2922</td>
<td>83</td>
<td>31952</td>
<td>37741</td>
</tr>
<tr>
<td></td>
<td>(100)</td>
<td>(4.34)</td>
<td>(4.19)</td>
<td>(0.12)</td>
<td>(45.85)</td>
<td>(54.15)</td>
</tr>
<tr>
<td>1999/00</td>
<td>77238</td>
<td>3511</td>
<td>3324</td>
<td>88</td>
<td>35686</td>
<td>41852</td>
</tr>
<tr>
<td></td>
<td>(100)</td>
<td>(4.55)</td>
<td>(4.30)</td>
<td>(0.11)</td>
<td>(45.81)</td>
<td>(54.19)</td>
</tr>
<tr>
<td>2000/01</td>
<td>91621</td>
<td>3897</td>
<td>5271</td>
<td>93</td>
<td>43513</td>
<td>48108</td>
</tr>
<tr>
<td></td>
<td>(100)</td>
<td>(4.25)</td>
<td>(5.75)</td>
<td>(0.10)</td>
<td>(47.50)</td>
<td>(52.50)</td>
</tr>
<tr>
<td>2001/02</td>
<td>99792</td>
<td>4521</td>
<td>5795</td>
<td>116</td>
<td>49322</td>
<td>50470</td>
</tr>
<tr>
<td></td>
<td>(100)</td>
<td>(4.53)</td>
<td>(5.81)</td>
<td>(0.12)</td>
<td>(49.42)</td>
<td>(50.58)</td>
</tr>
<tr>
<td>2002/03</td>
<td>96125</td>
<td>7228</td>
<td>6304</td>
<td>388</td>
<td>57445</td>
<td>38680</td>
</tr>
<tr>
<td></td>
<td>(100)</td>
<td>(7.52)</td>
<td>(6.56)</td>
<td>(0.40)</td>
<td>(59.76)</td>
<td>(40.24)</td>
</tr>
<tr>
<td>2003/04</td>
<td>102400</td>
<td>7179</td>
<td>6279</td>
<td>329</td>
<td>60555</td>
<td>41845</td>
</tr>
<tr>
<td></td>
<td>(100)</td>
<td>(7.02)</td>
<td>(6.13)</td>
<td>(0.32)</td>
<td>(59.14)</td>
<td>(40.86)</td>
</tr>
</tbody>
</table>

Source: Pokharel (2004). Numbers in parenthesis are percentage of total budget.

The Table 1 demonstrates a harsh reality. Administrative cost of the country is increased from 43.05 percent in 1997/97 to 59.14 percent in 2003/04. Similarly, the development cost is drastically decreased from 1996/97 (56.60 percent) to 2003/40 (40.86 percent). Social expenditure is decreasing but the military expenditure is increasing from 4.21 percent in 1996/97 to 7.02 percent in 2003/04. Similar trend can be observed in police expenditure (Table 1). Such increase in security expenditures causes serious diversion and ramification effects. The scarce resources to be invested in the critical social sectors (education, health, drinking water, local development) are going to fund the expanded security costs.

The High Commission for the Government Expenditure projects that 41 percent of the administrative cost of the country will be defence expenditure by 2014. Report of the same Commission reveals that 17 percent of the total budget of the country is used in security expenditure. Similarly, 7 percent of the total budget is allocated by the government to emergency fund, which is distributed by the government as ‘financial assistance’ but most of which is not properly used. Annual growth rate of foreign loan is 7 percent and the principal and interests of such loan reaches up to approximately 15 percent of the total annual budget of the country. This has also direct impacts on development sector.

3.2 Economic cost of conflict

The following table provides a general scenario of cost of conflict in Nepal. This data is for only two years and it is increased even in higher proportion in the recent years. The state is also paying more than NRs one billion rupees as a compensation for the loss of lives of people from the Maoists. Reduction of tourists, business losses due to strike, sanctions and regulations from rebels in their areas, displacement of economically productive workforce, centralisation of projects, reduction of foreign investment, closure of industries have serious negative impacts on national economy. There are frequent reports about Maoists taxing to tourists, which affects tourism industry.

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5 Ibid
Table 2: Estimated cost of conflict in Nepal (2001/02 & 2002/03)

<table>
<thead>
<tr>
<th>Expenditures/Loss</th>
<th>Cost (NRS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct cost</td>
<td></td>
</tr>
<tr>
<td>Direct expenditure on security (Govt.)</td>
<td>39.63 Billion (10% of GDP at factor cost)</td>
</tr>
<tr>
<td>Maoist Army’s Expense</td>
<td>1.94 – 2.13 Billion</td>
</tr>
<tr>
<td>Damage on physical infrastructures and banks</td>
<td>25 Billion</td>
</tr>
<tr>
<td>Sub total</td>
<td>66.63 Billion</td>
</tr>
<tr>
<td>Indirect cost</td>
<td></td>
</tr>
<tr>
<td>Loss in business due to strike and Banda (closure)</td>
<td>1 Billion</td>
</tr>
<tr>
<td>Loss due to decrease in the number of tourists inflow</td>
<td>11.05 Billion</td>
</tr>
<tr>
<td>Impact on the income due to damage in human resources</td>
<td>14.04 Billion</td>
</tr>
<tr>
<td>Loss in income due to displacement</td>
<td>8 billion</td>
</tr>
<tr>
<td>Loss due to shift of development expenditure for defence</td>
<td>12.30 Billion</td>
</tr>
<tr>
<td>Impact on the direct foreign investment</td>
<td>6.05 Billion</td>
</tr>
<tr>
<td>Sub-total</td>
<td>52.44 Billion</td>
</tr>
<tr>
<td>Total</td>
<td>119.07 Billion</td>
</tr>
</tbody>
</table>

Source: Rana & Sharma (2004); Kumar, (2004).

It is extremely difficult to find authentic figures on the financial and economic cost of this war. Nevertheless, the crude estimate goes beyond billions of rupees, as several infrastructure projects have been destroyed.

3.3 Implications on basic infrastructure

Destruction of basic development infrastructures such as VDC buildings, range posts, bridges, roads, schools, electricity, drinking water, telephone, etc. are widespread. After August 2003 ceasefire break, the Maoists in different districts informally announced, 'no development without political settlement'. Serious violation of human rights from the warring parties, used villagers as human shield and arbitrary arrests general public are common across Nepal (AI, 2005a and b; INSEC, 2005).

3.4 Implications on human rights

Constant worries and concerns are expressed at national and international levels in abuses of human rights of Nepalese people by the warring parties. The UN High Commissioner for Human Rights Louise Arbor issued a press statement highlighting the severe human right crisis during her visit to Nepal (23-26 January 2005). The statement says, “I would warn the leaders of the insurgency not to misread development in the wider world or to believe that they can operate outside of the law. Series of reports of Amnesty International (Nepal: Killing with Impunity, 20 January 2005; Nepal: State of Emergency Deepening Human Rights Crisis, 1st February 2005 and Nepal: A Long Ignored Human Rights Crisis Now on the Brink of Catastrophe, 18 February 2005) highlights the worsening human rights situation of Nepal. Similarly, Amnesty International in its statement of 19 December 2004 stated, “The heightened threats occur as the international community reacts to the human rights situation with growing alarm. The UN Working Group on Enforced or Involuntary Disappearances (WGEID) concluded a visit to Nepal on Tuesday having received more reports of disappearance cases than from any other country in the world” (Upreti, 2005a: 7).
The Secretary General of the UN has repeatedly expressed his concerns about the crisis of Nepal. He issued several statements concerning the crisis. One of the statements (issued on 23 December 2004) amply demonstrates his worries about the deteriorating situation of Nepal. It states, "The Secretary-General is deeply troubled by reports of an escalation of fighting in Nepal and of continued grave human rights violations. The conflict is undermining democracy and human rights and seriously hindering development activities. Reports that human rights defenders in Nepal face grave threats to their safety and security are very disturbing. The safety and ability of the National Human Rights Commission and all human rights activists to carry out their essential work should be guaranteed. In that regard, the recent signing of a Memorandum of Understanding between His Majesty's Government of Nepal and the Office of the High Commissioner for Human Rights is a welcome step. The Secretary-General once again calls for an urgent cessation of fighting and the initiation of dialogue between the Government and the Communist Party of Nepal (Maoist) with the participation of all political and civil forces. He stands ready to assist such a national effort" (Upreti, 2005a: 7).

Secretary-General of the International Commission of Jurists (ICJ) while visiting Nepal said on 30th November 2004, "We are deeply concerned about the escalating and gross human rights abuses being committed by both sides of the conflict in Nepal. Addressing the breakdown of the rule of law cannot wait for a peace settlement. On the contrary, urgent steps can and must be taken to protect non-combatants, halt the spiralling descent into lawlessness and build the confidence for a political process" (Upreti, 2005a: 7). According to the reports of globally reputed organisations such as ICG, Amnesty International, the situation is further worsening after the royal takeover (AI, 2005a and 2005b; ICG, 2005a and b).

3.5 Implications on development planning and administration

Critical examination of the overall impacts of development programmes (Pandey, 1999; Shrestha, 1997; Upreti, 2004a) brings a fundamental question why development failed to address poverty and social exclusion, major structural causes of the conflict. The question directly points towards the performance of the government and development administration and governing system.

Widening rural-urban inequalities, increasing internal displacement and migration, shifted priority of the government to security and fragile stage of private sector are severely damaging the prospect of achieving the Millennium Development Goals by 2015. The Tenth Five Year Plan is a major development response to address root causes of conflict. This plan offers comprehensive poverty reduction strategies and identifies priority areas. However, its effective implementation is severely questioned by the escalated conflict and mal-governance (weak, ineffective and corrupt governing practices) within development administration of Nepal.

3.6 Implications on people's livelihoods

The notion of livelihood is complex in its scope, nature and understanding. Generally, livelihood comprises the capabilities, assets (both material and social resources) and activities required for a means of living. Livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base (Chambers and Conway, 1992). Livelihoods of Nepalese people become better when:

a) They have access to basic rights established through international conventions. If they access to high-quality education, information, technologies and training and better nutrition and health;

b) Supportive and cohesive social environment;

c) Secure access to, and better management of, natural resources;

d) Better access to basic and facilitating infrastructure, and financial resources; and
e) A policy and institutional environment that supports multiple livelihood strategies and promotes equitable access to competitive markets for all (DFID, 1999).

If we examine the current livelihood situation of poor, marginalized and socially excluded people of Nepal based on these criteria, their livelihood is in vulnerable situation.

Employment generations, ensuring access to means of production and provisions of safety net measures are some of the main responsibilities of the state towards it's citizens, particularly to the poor, landless, marginalized, women, dalit, disables. However, despite the vulnerable state of poor and marginalized, the Table 3 shows that the state is refrained from these responsibilities.

### Table 3: Number of households and food sufficiency situation

<table>
<thead>
<tr>
<th>Household characteristics (food insufficiency situation)</th>
<th>Total no of holdings</th>
<th>Number of land holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total holdings</td>
<td>3364139 (100%)</td>
<td>26700 (100%)</td>
</tr>
<tr>
<td>Sufficient to feed household</td>
<td>1337965 (39.8%)</td>
<td>1728 (6.5%)</td>
</tr>
<tr>
<td>Not sufficient to feed household</td>
<td>2026174 (60.2%)</td>
<td>24972 (93.5%)</td>
</tr>
<tr>
<td>• 1-3 months insufficient</td>
<td>439592 (21.7%)</td>
<td>755 (3%)</td>
</tr>
<tr>
<td>• 4-6 months insufficient</td>
<td>877362 (43.3%)</td>
<td>2250 (9%)</td>
</tr>
<tr>
<td>• 7-9 months insufficient</td>
<td>342039 (16.9%)</td>
<td>2275 (9.1%)</td>
</tr>
<tr>
<td>• 10-12 months insufficient</td>
<td>357544 (16.6%)</td>
<td>19633 (78.6%)</td>
</tr>
</tbody>
</table>

Source: CBS 2004 (Table 2.32, Pp-104-107)

If the state is failed to secure food for more than 60 percent of households and more than 16 percent households of Nepal have food insecurity all round the year, where is the responsibility of the state to secure livelihoods of its citizen and how they feel the ownership of state. When the state is refraining from its responsibility, citizen will be further alienated that potentially leads to conflict.

The study of the Seddon and Hussein, (2002) revels that security forces are restricting people from carrying more than one days food supply at a time to deny food supply to Maoists, as against the general practice of people to carry a few months supply. In rural areas, people have to walk up to 3-4 days to reach market. Traditional livelihood opportunities of local poor are jeopardised by the conflict, as they are not allowed to go to forests by the security forces to collect forest based means of livelihoods (mushrooms, young sprouts of plants, medicinal herbs, non-timber forest products, fire-woods, etc.). And, if any one found in the forest is suspected as Maoist. Because of all these problems there are frequent famines in the Karnali region (ibid: 29) and other high-conflict areas.

### 3.7 Implications on migration and internal displacement

Migration from rural to urban and hills to Terai areas has been a general demographic phenomenon in Nepal for the last 40 years, particularly after the eradication of malaria in Terai. Therefore, it is difficult to distinguish between conflict-induced (forced or obliged to leave) IDPs and voluntary migration (by their interests for better life). In the coming years, the rate of migration will continuously increase because of both reasons. Conflict induced internal displacement is one of the main forms of migration observed in Nepal. India is the destination for largest number of migrants from Nepal, where people flew due to relatively better state of accessibility (open border; similar religion, culture and language, relatives working there) etc. The study of the Duin (2003:13) states, “Monitors at the border estimated that between November and December 2003 (the normal period of peak migration) over 1,200 people were crossing the border per day through Nepalgunj”. This statement highlights the severity of the conflict-induced migration. This displacement issue is dealt in the following section:
Conflict-induced displacement in Nepal is becoming a major concern particularly after the breakdown of the peace talks in August 2003. The phenomenon of displacement has significantly increased together with the increased intensity of conflict. For example, approximately 24000 people of 3500 households of Rajapur areas of Bardiya District recently left their village and entered to Baharaich and Bachhya areas of India.\footnote{See Samaya Weekly (Year 2, No 63, Ashad 17-23, 2062/1-7 July 2005) for the detail story.}

A recent report of the Inter-Agency Internal Displacement Division (IDD) Mission to Nepal (11-22 April 2005)\footnote{The mission was led by Dennis McNamara, accompanied by Carmen van Heese (IDD) and Romano Lasker (CRD).}, based on the consultation with senior Government officials, donors, the UN Country Team, ICRC, international and national NGOs and representatives of IDPs and field visit to Kapilvastu, Banka and Kailali Districts, concludes that ‘Nepal faces a very serious political, security and humanitarian situation in which preventive measures are urgently required to prevent further deterioration.’ It further states, ‘While the full magnitude of population displacement is unknown, best reliable estimates suggest that up to 200,000\footnote{Source – Global IDP Database, Norwegian Refugee Council} Nepalese may have been internally displaced by the conflict, with perhaps 2 million or more moving to India in recent years’ (IDD, 2005).

It is very hard to find the correct and complete data on IDPs. The situation of silent IDPs is even unclear as they are not in limelight. Some people even estimate the numbers of IDPs is 600000\footnote{However, the official estimate of the government is 6000-7000 IDPs only.}. This is very worrying scenario and if the conflict continues, the number of IDPs will increase sharply. However, neither the state nor the international community is taking IDPs issue seriously. This is mainly because they fear long term involvement in IDPs once they entered in this area. Nevertheless, since 2004 The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) has initiated some work in Nepal.

### 3.8 Implications on health
- Damage of ambulances, health posts and other health related infrastructures
- Restriction of supply of medicines in the Maoist influence areas by the security forces in the suspicion of use of medicines by insurgents,
- Increased unwillingness of medical professionals to go to remote areas for work and subsequent deficiency in health services
- Reduction of investment in the health sector
- Rapid brain drain from health sector (qualified doctors and nurses leaving country)
- Widening gap between rural and urban health facilities,
- Frequent disruption of water supply and blockade of water source.

### 3.9 Implications on education
- Education is one of the most affected sectors. Conflict has created anarchy in the education sector and used it as ransom by warring parties. The evidences of this claim can be seen from the situation in between 1996-2005. The data shows: Maoists have killed 60 teachers and 66 students, caused the disappearance of 151 teachers and abducted 516 students and 62 teachers. Similarly, the state has killed 44 teachers, 172 students, detained 158 teachers and 115 students; and disappeared 14 teachers (Himalayan Times, 10 July 2005).
- Mass abduction of students and teachers by Maoists and suspicion from security forces are causing great insecurity. As a consequence, teachers and students are leaving schools and colleges.
- Strike, bandhs and closures of schools have seriously obstructed the school and university calendars and hindering teaching learning environment,
- Schools are used as battleground by the warring parties and as camp by security forces.
Great confusions and insecurities are created in schools because of pressure from Maoists to follow their curriculum,
Teachers and students are also suffering from extortion and regular payment of levy
Performance of community schools of villages and remote areas are very poor, as shown by the SLC result of this year (2005). High percentage of failure in SLC creates frustration among the under-educated youth. They do not get employment and consequently become restless, angry and disconnected from society and some of them join the rebellion.

3.10 Implications on transport
- Restriction/obstruction in physical mobility, travel and transportation of goods and services.
- Placement of landmines in major roads,
- Physical blockade of roads, damage of transport infrastructures (civil aviations towers, roads, suspension bridges, etc.),
- Physical damage of vehicles (burning or blasting of buses, loaded trucks, ambulances, motorbikes, etc.),
- Charging huge amounts of money to transport entrepreneurs by the insurgents,
- Deeply disturbing and humiliating security checks in roads,
- Insisted transport companies to run their vehicles at the time of bands and strikes by the state
- Many travel companies withdraw their services from conflict-affected areas.
- Maoists destruct bridges and roads to obstruct movements of security forces,
- The Maoists block truckloads to supply food in district headquarters. This has severely disrupted market systems (rising prices; shortage of supply of basic foods; increasing black marketing, smugglings and carteling, etc.), which has direct and immediate impacts to the poor and marginal people.
- Disruption on the transport has slowed down economic activities, as big construction projects (e.g., Melamchi Drinking Water Project, Kali Gandaki ‘A’ Hydro Power Project, different road construction projects, etc.) that require huge amount of construction materials, are not able to continue their work smoothly. This has direct impact of the labourers’ job.
- Furthermore, some ongoing road construction projects (e.g., Chhinchu Jajarkot road construction project) were stopped due to security risks and many other projects are slowed down.

3.12 Implications on market and employment
The Maoist strategy of attack and ‘sabotage’ caused damage of infrastructures of large companies such as Uniliver Nepal, Surya Tobacco Company, Coca-Cola Company, distilleries, and even public infrastructures (e.g., police post, government office buildings, etc.). These all activities have negative effects in the employment of labourers as well as to the national economy. The Maoists strategy of sabotaging infrastructures has great negative economic impacts.
- MARKET DISRUPTION (severe disruption of local hat-bazar system),
- Black marketing, shortage of goods and services,
- Physical damages of goods and food stuff (hundreds of truck-loads of goods were destroyed by Maoists)
- Reduced market opportunities,
- Trade imbalance,
- The diversion of scarce resources to unproductive use and destruction of capital have severely weakened the essential service delivery mechanism,
- Farmers are forced to thrown away the milks, vegetables and other agricultural products on the road because of the frequent transport bandhs that is forcing people towards bankruptcy.
- Employment opportunities within the country is severely constrained due to scaling down of existing industries and no favourable environment for investing or establishing new enterprises,
• People engaged in self-employment, agriculture and small scale cottage industries are leaving their villages/occupations due to insecurity,
• Mass migration to India and gulf countries resulting huge loss of human resources\textsuperscript{15},
• Because of the market disruption, uncertainties and insecurity (looting, robbery, etc.) the role of banking sector is severely constrained. This has major impacts on productive investments and generating employment,

3.13 Impacts on tourism
• Forced to close some big hotels through labour strikes,
• Demanded huge donation with big business companies,
• Negative image (risks to visit Nepal) in international level about the Nepal’s situation that is reducing numbers of tourists visit to Nepal,
• Forced donation and levy to tourist visited in the Maoist influence area,
• Rapid decrease in tourists,
• Travel movement of tourists visiting Nepal is restricted due to the uncertainties of strikes, bands and blockades.

3.14 Impacts on local governance

Another major setback of the conflict and political power struggle is the local governance structures. The Maoists want to make local bodies dysfunctional to create political vacuum, which they wanted to fill by their local \textit{janasarkar}. The then Deuba government greatly helped to meet this objective of the Maoist. He neither conducted local election nor extended the tenure of the existing elected bodies. Instead, he assigned responsibility of the elected representatives to government official that virtually ceased the principle and spirit of local government. The Maoists emerged even stronger in absence of the local government and maintain high degree of their control. Now most of the office bearers of the government offices at local levels (except teachers and health workers) are withdrawn from the villages\textsuperscript{16}.

3.14 Environmental implications of armed conflict

3.14.1 On pollution,
• Dead bodies of the people killed in the attacks such as Pili, Beni, Solukhumbu, Dang were thrown away in water sources, rivers and forests and the decomposed bodies are creating pollution around the deposed areas.
• Land mines are also polluting the areas.
• Security forces are firing in the forests suspecting hiding of insurgents. Such forest firing is not only damaging flora and fauna but also polluting the environment.

3.14.2 On genetic resources,
• Severe disruption on farming systems and seed flow mechanisms, disturbance on forests management, encroachment on and irrational exploitation of non timber forest products, rare species of flora and fauna in the war running areas, deforestation in specific areas security forces for the security reasons, over harvesting of some high value medicinal plants (e.g., Yarsagumba,

\textsuperscript{15} Though huge amount of remittance is earned, it is not a preferred option for people to leave country due to insecurity and conflict.
\textsuperscript{16} For example, 39 police posts existed in Rolpa were reduced to 2 in 2000 and 23 police posts of Rukum were reduced to 2 in 2000 (Seddon and Hussein, 2002).
kudki, etc.) by rebels for the economic benefits have adversely affected genetic resources (Upreti, 2005e).

- Works of conservation organizations working in the field of conservation of genetic resources have been disturbed by the armed conflict.

### 3.14.3 On land and water

- Land is one of the most affected natural resources from the ongoing armed conflict. Land is symbol of power, prestige and social status in the villages for longtime. Reason being that power brokers and local elite captured valuable land resources by using their networks and connection with state power centers and traditional power structures. Therefore, land remained as one of the major means of exploitation. Hence, land became most prominent target of Maoists.
- Maoists evicted all local landlords and village elites from their village and captured their lands.
- In the Maoist controlled areas, they distributed the lands of landlords to poor people but the poor people are not able to utilize because of fear from security force.
- Local landlords are not able to cultivate their lands and consequently the scarce land resource is under utilized.
- Government has started a Land Bank concept to buy lands from landlords and sell to landless. But critics say that it is a game plan of the feudal government to serve the interest of feudal elites by buying their wasted lands.
- Investment in water resource is severely disturbed because of the armed conflict.
- Exploitation of water resource for hydropower, irrigation, drinking water, recreation and industrial uses are limited because the political environment for the investors and entrepreneurs is not conducive at all.
- Water sources are polluted by the war and normal water supply systems are disturbed.

### 3.14.4 On agriculture

- The Maoist slogan ‘land to the tillers’ has gained sympathy of tenants, poor farmers and marginalized people but the existing production relations in the rural areas is severely disrupted,
- In the recent study (Upreti, 2005c) key informants17 explained that most of the big landholdings are either directly controlled by Maoists, or exerting pressure over tenants to stop paying contractual payments to landlords. The Maoists ask to pay the landlords’ share to them. Collecting the landlords’ share from the tenants is increasing. Such situation has negative impacts on the productivity of land, as these productive lands are uncultivated or under cultivated or cultivated with no/low investment,
- Some of the commercial farming (e.g., tea growers in Ilam and Panchtahr, who are often medium to rich farmers or local elite with strong links with power centres) have been either controlled or disturbed by the Maoists. Such control has ultimately forced the commercial farmers to leave the area. Rich and medium commercial farmers are facing continuous pressure to pay them huge amount of money. Such extortion is greatly affecting commercial farming: tea gardens, fruit gardens, livestock farming, cardamom growing, broom grass and ginger growing. Consequently, negatively affecting agriculture processing and distribution systems too,
- Investment in agriculture sector by the Agriculture Development Bank (ADB) and other financial institutions is decreased. It became extremely difficult for Agriculture Development Bank staff to visit field, as the insurgents are very negative towards ADB loan and they have damaged several branches of the Bank and destroyed the documents,

17 The respondents were ordinary farmers; small growers; traders and marketers as well as rural landlords and local elites who left their villages due to insecurity and staying in Kathmandu.
• Many farmers are notable to bank loan due loss of their business. Big farmers and entrepreneurs are not ready to take risk in investing in agriculture due to insecurity. In some cases even farmers are not collecting money after the approved loan from the bank (Upreti, 2005c),
• The Maoists has recognised the importance of agricultural development in their 75 points Common Minimum Policy and Programme. The 31st point states, “...Special attention shall be paid on the development of agricultural industries and proper arrangement shall be made for agricultural market...”. However, their sayings (or writings) and doing are often different, which has direct impacts on agriculture.
• The office buildings of agriculture and forestry (e.g, the Regional Agriculture Directorate in Biratnagar18, Agriculture Development Office in Dhankuta, Forestry and agriculture offices in Khotang19, etc) were damaged by bomb-blast by the insurgents,
• Several restrictive rules imposed by the government are directly hitting to farmers. For example, farmers need to get recommendations from VDC Secretary to sell their rice20 but unavailability of the VDC secretaries in VDC due to insecurity,

3.14.5 On forests
• Maoists have stopped selling timbers from community forestry. They also forced to adopt their policy, which fully contradicts with their operational plans. However, there is a growing smuggling of timbers form the government forests (often the smugglers pay bribe to insurgents and forest officials if they are caught),
• Dual tax (to the government21 and the Maoists) is imposed on the non-timber forest products to be paid by community/local people. A. NGO working in forest research estimates that Ministry of Forest and Soil Conservation is looking 40 billion rupees annually form failing to manage non timber forest products22,
• Approximately 166 types of medical herbs from the Nepalese mountains are used for medicinal purposes. The estimated annual transaction of the medical herbs is around 2.5 billion rupees. Unsustainable harvesting of the expensive medical herbs such as Yarsagumba23, Chiraito, Jatamasi, Katusi, Bikhama, padamchal, Panchaunle, Silajit, Sunpati, Sughandhawal, etc. by smugglers by paying tax to the insurgents as the state is not able to regulate and control non timber forest products which are available in remote mountains controlled by Maoists.
• Security forces cleared forests around d their camps for the security reasons without considering any implications,
• Forest range posts suppose to regulate forests are either closed or shifted to secure places and therefore open access in many areas.
• DANIDA stopped it one of the largest projects called Natural Resource Management Sector Assistance Programme (NARMSAP) implemented in 38 districts of Nepal.
• A large number of forest user groups’ operational plans have expired, and the forest users are not allowed to harvest in their forests. This has negative effect on the community relying on income from the forests.
• Forest staff are not able to work efficiently as a result of the conflict. They are confined to work in district headquarters and its vicinity.
• Military took office buildings of Forest Office (e.g., DFO Dolakha)

18 The incidence happened in 23 Baishakh 2061 BS (5 May 2004).
19 Maoists attacked district headquarters of Khotang on 21 June 2005 (11 Ashad 2062) where 11 government offices were damaged (Nepal Weekly, Year 5, No 64, 19 Ashad 2062 (3 July 2005).
20 See Nepal Weekly Year 5, No 45 (26 June 2005/12 Ashad 2062) for the detail story.
21 In Fiscal Year 2003-2004 26.6 million rupees was collected by the government as revenue from NTFP but last year only 15.9 million rupees only.
23 The brokers severely exploit local collectors. For example, brokers pay 80 thousands rupees (app. 1127 US $) per kg but they sell it on 1.5 to 2 million rupees (2113 to 2817 US $) per kg.
3.14.6 On protected areas

The ongoing armed conflict has direct impacts on the management of protected areas. The Royal Nepal Army deployed for the protection of the National Parks and Wildlife Resources has to be mobilized for the counter insurgency operation that resulted into lack of enough security protection. The weak security of the protected areas has been abused by the smugglers, poachers, hunters and other unauthorized persons. The insurgents are influential in some of the protected areas (for example, Khaptad National Park, Makalu Barun Conservation area, etc.) and therefore park authorities are not are able to manage and regulate parks\(^{24}\). The attention and priority of the state shifts from protected areas to manage the war. That ultimately leads to lack of resource to manage protected areas. On the other hand, because of the security restrictions, poor people who base their livelihood in forest resources are deprived. Five Rhinos were killed at the time of state of emergency in 2001 in Bardya National Park. In Lantang National Park slaughtering of Musk Deer by poachers has been reported\(^{25}\).

3.14.7 Impacts on policy and legislations

The Maoists are influential in large parts of the remote areas where presence of state is rare and therefore it is difficult to implement its policy. A recent information collected by one of the authors of the paper with the government officials working in the field of natural resources and environment about the effectiveness of implementation of policy and legislation in Achham and Doti Districts (13-22 September 2005) clearly reveal that it is not possible for them to go to the field and implement their programme. The government’s officials are not able to collect revenue and regulate the forests in the insurgent influence areas.

3.15 Gender implications of the armed conflict

Gender roles and social relations in the villages have been drastically changed in the armed conflict affected areas (Upreti, 2005b; Gautam, 1999). Because of displacement of male people from the villages, the conventional roles of men and women have been changed. For example, women have started to plough land in absence of their male members of family, which is culturally forbidden. Women are also engaged in other functions performed by male members such as representing in meetings and discussions, attending funerals, dealing with outsiders (e.g., security forces or insurgents). This has changed the role and at the same time, added the extra work burden to the women in the community.

Several cultural restrictions (e.g., unequal treatment and discrimination to women) have been forcefully changed by the Maoists in their influenced areas that virtually benefiting women and children. The ongoing armed conflict has opened opportunity for women to be empowered. For example, there is changed responsibility and decision-making that single women took up in absence of husbands or other male members of the family. Women participating in the armed conflict found new environment. In the Nepalese armed conflict, gender relations have been changed and they are developing their capacity to decide and act that ultimately empowers them.

Gender violence is one of the major effects of armed conflict. There is then an increase in the incidence of rape, from both armed forces and insurgents. They also use rape sometimes as a deliberate tactic to intimidate the opposing side. Nepalese press has frequently reported that incidents of rape are being increasingly common. Reports of Amnesty International and other national human rights organizations have clearly stated that rape, intimidation are common characters of the armed conflict in Nepal.

\(^{24}\) See Samaya Weekly, Nepal Weekly and Himal Fortnightly for the detail story on how Maoists are controlling the protected areas. These news magazines have also reported that government staff are absent in some of the parks or reserves since 2 years.

\(^{25}\) Different issues of Hakkahaki Partika (an Environmental Magazine) report the terrible impacts of the ongoing armed conflict in environment, natural resource and protected areas.
There are also some reported cases in the Nepalese media that there is a connection between the spread of AIDS and armed conflict as some female IDPs are directly or indirectly forced to commercial sex sector.

Sexual violence against women has negative effective in the social relations. Many female IDPs are forced to engage in prostitution. It is generally claimed that there is a high increase in the commercial sex sector in IDPs influx areas such as Nepaljung, Surkhet, Kathamnndu, etc. Rape survivors have serious psychological effects and feeling of insecurity, retaliation and revenge. They are also socially ignored or neglected as living-dead people, refusing to deal humanly and treated as outcaste by community.

Numbers of single women are increased from the armed conflict. They have difficulty in securing access to government compensation, basic rights and resources such as land, public services, etc. Subordination and exploitation of women is common in the situation of civil war. However, Nepal's case is far wider than this. Women are also displaced along with their minors after the loss of their husband from either of warring party due to forced cultural practices of society.

In case of Nepal, women are not just victims of conflict and sufferers of agony. They are also active participants of the armed conflict. Their roles are seen beyond supporters of insurgency but even working as combatants. In the Maoist army, approximately 30-35 percent of the fighting forces are women. This case has proved that women are equally capable of fighting or taking difficult work together with male members.

As a consequence, Royal Nepal Army has started to recruit female soldier.

In agriculture and resource management sectors in the conflict affected areas farming systems are very much depending upon women as their male members go out of village to skip from the warring parties. In the recent field research (13-22 September 2005) of the co-author of this paper in Achham and Doti reveals that women are taking responsibility of both households and agriculture such as crop production, livestock or horticulture, marketing of their agricultural products.

3.16 Positive impacts

There is a direct relationship between economic deprivation, instructional dysfunction and armed conflict. The ongoing armed conflict has not only negative impacts but also several positive impacts. The important issues sidelined by the state for more than two centuries, such as poverty; social exclusion; discriminations based on caste, class, ethnicity, religion and elite-centric political and governing system are now in the mainstream national debate because of the armed insurgency. The Maoists have also forced to promote transparency and minimise corruption in development activities at local level. Direct entitlement of land and assets to certain households and poor people is increased in the Maoist stronghold areas (Goodhand, 2000). Awareness on and sensitisation of existing social problems has increased. It has helped to empower women, dalit, ethnic groups, and marginalized people of the society. Gambling and alcohol abuse in Maoist controlled villages is decreased. In the villages, moneylenders had lowered interest rates (some time from 60 to 12 percent); police harassment is decreased in villages.

The armed conflict forced the government to start some reform programmes. The government started land reform process, redefining women's property rights, regulation for sale and consumption of liquor, bills to regulate private schools, anti-corruption bill, etc. were some of the examples of such reform. However, they were neither enough nor sincerely implemented. Because of the armed conflict; exploitation by landlords and elite in the rural areas was decreased. The Maoists also introduced various community decision-making mechanisms such as people’s court, to deal on land issues, domestic violence, alcoholism, polygamy, etc. that have given a voice to socially excluded people, poor and rural women. Maoists’ raised legitimate questions to development projects on amount of budget spent and types of people benefited, which forced donors to think on these issues. However, each of these impacts also negative sides.
4. Conclusion

Breakdown of community resource management and environmental systems is a common phenomenon in Nepal as an effect of the armed conflict. Citing empirical evidences and previous research findings, this paper concludes that acute insecurity and instability, governance problems, social and economic inequalities and environmental injustice have greatly contributed to escalate the armed conflict. The armed conflict has not only caused negative impacts, it has also positively contributed to alter the unequal gender relations in society.

Though the current political situation is bleak, there are arrays of hopes also. In the past 15 years, civil society is emerging as a powerful stakeholder committed to democracy and peace. It is collaborating with political parties and international community to restore democracy and peace in the country. Civil society alone cannot achieve this objective but it can greatly help political parties to restore peace and democracy in Nepal. International community is supportive. Nepalese people are annoyed with violence and tired of the ongoing-armed conflict and they will pressurise the main actors to end the crisis conflict.

5. Reference


**About the author**

Bishnu Raj Upreti holds PhD in conflict management (2001) from Wageningen University, the Netherlands. He is engaged in conflict analysis and peace building related research. During his 24 years of professional experiences, he has engaged in teaching and research at University of London and University of Surrey in UK, worked in international organizations (like UNDP, SDC, IDRC, IUCN, SNV, UMN, IA, DANIDA, DFID, CARE Nepal) in the capacity of professional staff and consultant. He has also spent some years in the government services as an assistant agricultural economist. He has published five books on conflict management and many articles in different national and international journals, magazines and edited books. He is actively engaged in conflict and peace research and teaching at Kathmandu University and South Asian Institute of Technology. Currently he is Regional Scientific Coordinator, Swiss National Centre of Competence in Research (NCCR) South Asia Coordination Office, SDC Building, Ekantakuna, Lalitpur.