Armed violence and poverty in Nepal

A case study for the Armed Violence and Poverty Initiative
March 2005

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The Armed Violence and Poverty Initiative

The UK Department for International Development (DFID) has commissioned the Centre for International Cooperation and Security (CICS) at Bradford University to carry out research to promote understanding of how and when poverty and vulnerability is exacerbated by armed violence. This study programme, which forms one element in a broader "Armed Violence and Poverty Initiative", aims to provide the full documentation of that correlation which DFID feels is widely accepted but not confirmed. It also aims to analyse the **processes** through which such impacts occur and the **circumstances** which exacerbate or moderate them. In addition it has a practical policy-oriented purpose and concludes with programming and policy recommendations to donor government agencies.

This report on Nepal is one of 13 case studies (all of the case studies can be found at www.bradford.ac.uk/cics). This research draws upon secondary data sources including existing research studies, reports and evaluations commissioned by operational agencies, and early warning and survey data where this has been available. These secondary sources have been complemented by interviews with government officers, aid policymakers and practitioners, researchers and members of the local population. The author would like to thank Robert Muggah and Philip White for comments on an earlier draft. The analysis and opinions expressed in this report are those of the author and do not necessarily represent the views or policy of DFID or the UK government.

Executive summary

Overall summary

This study of armed violence and poverty in Nepal considers the Maoist insurgency which began in the mid-western hills in February 1996 and is on-going. What started as a limited uprising involving a few hundred has developed over eight years into a major guerrilla movement which now involves some 125,000 men and women armed with small arms and light weapons (SALW). Against the Maoists are ranged the armed police and, more recently, the Royal Nepalese Army whose numbers exceed those of the Maoist fighters and which have generally superior weaponry. The impact of the conflict has been widespread and significant. Around 10,000 people in all have been killed since 1996 (the majority of them since 2001), a climate of fear and insecurity has been created, with direct and indirect effects on the lives of hundreds of thousands of Nepalis, and finally, the insurgency has generated a profound political crisis (as intended by the Maoists). The impact on poverty, however, has been negligible as the economic effects have been felt mainly in the commercialised sectors of the economy, and among the better-off. General insecurity has accelerated rural emigration which will further increase reliance on non-farm income and remittances in rural areas; this may benefit the poor. The poor and women have generally benefited from the disruption to traditional social structures and practices. Development efforts by NGOs have become more focused on poverty alleviation.

The context

Nepal is one of the world's poorest states, with average per capita income significantly less than $1 a day. Nearly half the population lives in absolute poverty. Health status is poor, infant mortality and maternal mortality rates are high, literacy is below 50 per cent (particularly for females) despite improvements in school enrolment, and access to government services is limited, particularly for those in remote areas with limited resources. The physical environment is harsh, the terrain rough and the climate unpredictable. Rain-fed farming is risky and those with marginal non-irrigable land are particularly vulnerable to landslides and erosion, poor yields and low output, Other sources of income have become more important in recent years, but these also are often unreliable and unstable – again, particularly for the poor who have fewer resources and less effective social networks and therefore more limited access to dependable and relatively high-return income sources. Lives for most rural Nepalis are a struggle for survival; insecurity is the norm, particularly for those with the poorest access to key assets and sources of income, who are the most vulnerable to 'normal' stresses and to external shocks. Poverty is exacerbated by social and cultural discrimination, associated with Hindu religious doctrine and directed particularly towards *dalits* (literally 'untouchables) and most ethnic minorities. Women suffer from gender discrimination and in some parts of the country patriarchy is overwhelming.

The social and political environment in Nepal fails to provide security and support for the poor and disadvantaged. All too often, government agencies fail to reach them, or remain inaccessible; and when government agencies do reach them, it is often those agencies more concerned to control and restrict the livelihood activities of the poor and disadvantaged than to assist and support them. When they encounter the state, it is more frequently in its role as the guardian of law and order than as an agency for development or for social justice. The formal rights of the more vulnerable sections of Nepali society have remained unrecognised in practice for the most part. The advent of multi-partyism in 1990 failed demonstrably to undermine fundamentally conservative power structures at national and local levels. Armed violence is, for the Maoists, an extension of politics by other means, to further a revolution to transform Nepal and thereby eventually reduce poverty, inequality and social injustice.

Progress of the conflict

The insurgency began in the poor, relatively isolated mid-western hills, where support for the Maoists had historically been strong. The conflict developed slowly and unevenly over five years, with armed police deployed against the Maoists. Early in 2001, peace talks took place despite the massacre of the entire royal family in June. In the new national and international (post-9/11) political context, the talks broke down. In November, the cease-fire ended, the Maoists launched major assaults on various targets – including the barracks of the Royal Nepalese Army – and the government declared a State of Emergency. While the total number of those killed in the years between 1996 and 2002 amounted to around 4,000 deaths, a further 6,000 deaths occurred between mid-2002 and mid-2004. As armed violence grew so too did human rights abuses. As the conflict escalated it also became increasingly 'internationalised'. The USA, UK and India have increased aid and provided weapons, technical assistance, and training.

The insurgency and armed violence

The Maoist insurgency was a classic guerrilla operation from the outset: the majority of those involved were armed only with sticks, stones, knives (the famous Gorkhali knives or kukris) and a minority with small arms – hand guns, breech-loading rifles and explosives. For the first few years government and development agencies treated the insurgency largely as a law-and-order issue to be dealt with by the armed police, who undertook a major operation in 1998 to crush the rebellion. Not only did this operation fail, it stimulated a further expansion of the insurgency, so that by 2000 it could no long be regarded as a localised, marginal or transitory phenomenon. The conflict intensified after 2001 but remains limited to SALW, for the most part.

Social and economic impact

The direct impact of armed violence is on those involved in the fighting; 10,000 have lost their lives and many more been injured; an even greater number have suffered psychological trauma. The impact on the mass of the population is largely *indirect*. Lives have been disrupted, there has been a decline in social capital, a climate of fear and insecurity has been created. Livelihoods have been affected, in part by specific measures (curfews, blockades etc.), which have reduced the movement of goods and commercial activity. Those adversely affected include not only the better-off, many of whom are threatened directly by the Maoists and all of whom are threatened indirectly by the Maoist project, but also the poor, many of whom have suffered human rights abuses at the hands of the state security forces and even more of whom have experienced a general decline in social capital and an environment of increasing fear and insecurity over the past eight years. Internal displacement and rural emigration have been significant consequences of the wider disruption of rural life. On the other hand, it would be difficult to argue that poverty has been increased. Many of those migrating seek employment in the towns or abroad and the effect will be to increase reliance on non-farm income and remittances, which may actually benefit the poor. The very poor have experienced a reduction in levels of exploitation and oppression, as a result of pressure from the Maoists and the disruption of 'traditional' village social relations. Development efforts by NGOs working in the field have been obliged to follow 'best practice' and focus on poverty alleviation.

Armed violence has led to considerable death and destruction, disruption and dislocation; but it has also transformed traditional social structures and practices in ways that have positive benefits for the poor and socially disadvantaged. If a way could be found for a political compromise whereby similar forces for progressive change could be deployed, without the use of guns, then all will not be lost.

1. Introduction

1.1 Background to the study

This study of armed violence and poverty in Nepal concentrates on the Maoist insurgency which began in the mid-western hills in February 1996 and is on-going. The stated aim of the Communist Party of Nepal (CPN, Maoist), the Maoist guerrillas and the People's Militia is to overthrow the existing regime, while that of the state security forces – the armed police and the Royal Nepal Army (RNA) – and the government (an un-elected body since the Palace 'coup' in October 2002) is to defend the status quo. Armed violence is used mainly by the two opposing forces against each other, but significant numbers of non-combatants have been killed, injured and otherwise affected (intentionally as well as unintentionally) during the eight years of the 'war'. The impact of the conflict has been widespread and significant. Around 10,000 people in all have been killed since 1996, a climate of fear and insecurity has been created, with direct and indirect effects on the lives and livelihoods of hundreds of thousands of Nepalis, and finally, it has generated a profound political crisis (as intended by the Maoists).

Armed violence is, for the Maoists, an extension of politics by other means, to further a revolution to transform Nepal and thereby reduce poverty, inequality and social injustice.[1] The leadership uses the rhetoric of Marxism-Leninism-Maoism, claiming to follow the historic examples of similar People's Wars elsewhere in the world, and seeing the struggle essentially in class terms, while also recognising the distinctiveness of the Nepalese experience and conditions. Ethnic and caste differences, regional inequalities, etc. play an important part in the strategy and tactics of the People's War and in the structures of government now established by the Maoists across the country, but the stated objective is the transformation of existing economic and political relations and the establishment of a new regime and mode of production.

The CPN (Maoist) draws its main strength and support from agricultural labourers (bonded as well as 'free'), artisans and the rural poor – many of whom are also socially disadvantaged *dalits*[2] and ethnic minorities[3] – because it represents a movement of clear and effective opposition to the rich and powerful local and national elites who continued visibly to dominate the political process and patterns of economic development, and who failed to bring about significant positive changes in the lives and livelihoods of ordinary people, despite the restoration of multi-party democracy in 1990. The movement also has support among the rural 'middle classes', the urban poor and some sections of the intelligentsia. What started as a limited insurgency involving a few hundreds has developed over eight years into a major guerrilla movement which the Maoists claim now involves perhaps 125,000 armed men and women.

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[1] In line with classic Maoist theory, the Nepali Maoists envisage a two-stage revolution, first destroying the semi-feudal structures and relations, which they argue predominate in the contemporary political economy of Nepal, and establishing the basis for national capitalist development, and then embarking on a socialist path of development. They are, in theory, hostile to foreign imperialism, which they see not as the most advanced forms of capitalism but as a dead weight on national capitalist development, creating dependency and underdevelopment; on the other hand, it appears that recently they have recognised the potential value of 'development activities' undertaken by programmes and projects supported by foreign agencies and are now committed mainly to ensuring that such programmes and projects advance the development of the forces of production and relations of production in the direction desired by the Maoists and effectively under their auspices and control.

[2] Those considered 'untouchable' by higher caste Hindus.

[3] Regarded as equivalent to lower castes by higher caste Hindus.

The response of the state to the insurgency was first to treat it as a matter of law and order, deploying armed police to subdue the rebellion, but subsequently (after 2001 in particular) they recognised it as a major threat to political stability and deployed the RNA as well as the police to crush the Maoists and their supporters. In the aftermath of '9/11' there has been an increased tendency to characterise the Maoists as terrorists and support has been provided by the USA, UK and India in particular to help government 'counter-terrorist' initiatives. The scale of the state's response has grown as the Maoist insurgency has grown, both in terms of numbers of persons involved and in terms of weaponry used.

1*.2 Interest of the case study*

This case study is of particular interest in the broader comparative analysis of the impact of armed violence and conflict on lives and livelihoods and on poverty. Firstly, for one set of protagonists (the Maoists) *armed violence* is a legitimate part of a clear political project, which is to achieve a revolutionary change by overthrowing or bringing about the collapse of the existing regime and the economic and social status quo that underlies it – and thereby bring about the emancipation of the workers and peasants of Nepal and their freedom from oppression and poverty. The *conflict* is the result, from this perspective, of the resistance to this project by the security forces defending 'the old regime' and, by definition, the perpetuation of poverty and social injustice. The political impact is out of all proportion to the actual level of conflict, armed violence and number of deaths, and also to the economic and social effects on lives and livelihoods, important though these indirect effects may be.

Secondly, the impact on poverty is probably negligible. The major social and economic impacts have been on the commercialised or market sectors of the economy in which the vast majority of poor rural Nepalis are only marginally involved. Direct attacks by the Maoists on larger enterprises, general restrictions by both parties to the conflict on travel and transport of goods, attacks by the Maoists on infrastructure, have all tended to affect the more 'developed' economic sectors and the better-off. One of the major impacts of the armed violence and the general sense of insecurity the conflict has generated (see below) has been the acceleration of an existing trend of increasing rural emigration to the towns or abroad. This has involved the poor as well as the 'middle' classes and is likely to increase the reliance of rural households and local communities on non-farm income and remittances. This may tend to improve the position of the poor. Furthermore, the decline in social capital which has been widely reported has included the disruption of traditional social structures and practices. In many ways this has advantaged women and the very poor, who have found levels of exploitation and oppression to be somewhat reduced. The Maoists' strong ideological and political position on exploitation and oppression has also helped to liberate many of the poorest groups (bonded labourers, *dalits*, women).

Thirdly, the impact of armed violence on the mass of the population is largely *indirect* (although there *are* significant numbers of casualties as a by-product both of the armed violence between the Maoist fighters and the state security forces and the human rights abuses towards civilians perpetrated by both sides to the conflict). The major consequence of armed violence for ordinary Nepalis, however, is the creation of *a general climate of fear and a sense of insecurity* and *the disruption of traditional social structures and practices*. This, together with specific measures, notably restrictions on travel and transport, has undoubtedly affected lives and to some extent livelihoods. Displacement and migration have been the major effects of the decline in social capital that has resulted from the general sense of insecurity. It is

generally the better-off and local elites who have been displaced by Maoist threats and attacks; it is predominantly the poor and socially marginal who have been targeted by the state security forces. There has been a substantial increase in emigration by the less well-off from the rural areas to the towns and abroad, not only as a result of specific threats and attacks, particularly by the state security forces, but also because of growing general insecurity and lack of local economic opportunities. This will increase the reliance of rural households and local communities on non-farm income and remittances, which may benefit the poor. Local labour will become more scarce and this may tend to increase local wages. The disruption of traditional social structures and practices also has the effect of freeing many from various forms of exploitation and oppression (e.g., bonded labourers, women, etc.) – a tendency given increasing impetus by the Maoists in areas under their control and influence.

Fourthly, while government agencies have tended to retreat from the field and seek security in the district headquarters, NGOs have generally attempted to adapt to operating in a 'conflict' setting – which often now implies collaboration with the Maoists. They have not had to shift from 'relief' to 'development', but rather to consider as a matter of urgency (and even survival) how best to combine short-term impact, providing visible and tangible 'improvements' and benefits, while maintaining a focus on poverty alleviation and social justice and aiming at longer-term sustainability. It may come to represent an example of an evolution, under the pressure of conflict and armed violence, from development 'rhetoric' towards development 'best practice'. The Maoists, for their part, have come to recognise 'development', at least by NGOs as a legitimate practice. Initially hostile to these 'agents of imperialism', the leadership has now agreed to cooperate with them (under certain conditions), and even to undertake its own 'development' activities and initiatives. 'Development' is now seen, by the Maoists as a process which might contribute to revolutionary transformation, by the 'development' agencies as a means of poverty alleviation, and by the more enlightened of the conservative forces as a countervailing force and alternative to revolution. All of this may have a positive impact in reducing poverty.

2. The context

2.1 Poverty and underdevelopment

Nepal is a landlocked mountainous country sandwiched between China (Tibet) and India (see Figure 1) and one of the poorest states in the world. Average per capita income is little more than $200 and nearly half the population (8-10 million people) live in absolute poverty. Some 40 per cent of GDP is derived from agriculture and some 10 per cent from manufacturing. Nepal has a major balance of trade deficit with its major trading partner, India, and depends heavily on transport through India for overland access to the sea. Foreign exchange is largely generated by remittances from Nepalis working abroad, exports, tourism and foreign 'aid'; there is very little direct foreign investment and most of this is from India. Some 85% of the population lives in the rural areas and the majority of the poorest are in the countryside. Socio-economic and regional inequalities are striking and social discrimination (by gender, caste and ethnicity) is deep-seated and oppressive.

There have been improvements over the years in the provision of basic services, in education and health, to the rural areas; but it still remains the case that the poorest and most remote areas and people

have the poorest access to the services provided. Any welfare benefits available through the state and government services tend to be difficult for the rural poor to 'reach' and, despite the growth in the number of NGOs over the last decade or so, relatively few of these manage to reach out effectively to the majority of the rural households within their area of intervention.

Figure 1: Map of Nepal[4]

The physical environment is harsh, with rough terrain and an unpredictable climate. Rain-fed farming is risky and those who are landless or have access only to limited plots of non-irrigable land are particularly vulnerable to poor yields and low output, and to landslides and erosion. Other sources of income have become more important in recent years, but these also are often unreliable and unstable – again, particularly for the poor who have fewer resources and less effective social networks and therefore more limited access to dependable and relatively high-return income sources. Recent studies of labour migration and the remittance economy of Nepal suggest that the very poorest in the rural areas find it most difficult to leave the village and work away from home, tied as they often are by all kinds of obligations (including debt and bondage) to the local elites.

The social and political environment in Nepal is hardly one that provides security and support for the poor and disadvantaged. All too often, the government agencies providing much needed goods and services fail to reach them, or remain inaccessible; and when government agencies do reach them, it is often those agencies more concerned to control and restrict the livelihood activities of the poor and disadvantaged than to assist and support them – the forest guards, the police, the bailiffs, etc. When they encounter the state, it is more frequently in its role as guardian of law and order than as an agency for development or for social justice. Although some International non-governmental organisations (INGOs) have now adopted a 'rights-based approach' in their work, the rights of the more vulnerable sections of Nepali society have remained unrecognised in practice for the most part. Bonded labour, 'untouchability', gender discrimination, and other forms of exploitation, oppression and social injustice remain

[4] We gratefully acknowledge provision of a copy of this map by CARE-Nepal.

widespread and deeply entrenched in the rural areas, giving rise to many kinds of conflict. The advent of multi-partyism in 1990 failed demonstrably to undermine fundamentally conservative power structures at national and local levels.

Despite a heavy ‘donor’ presence and sustained high levels of aid to Nepal (with foreign agencies contributing some 60% of Nepal’s development budget) and the existence of a wide variety of development programmes – all with a rhetoric of ‘poverty alleviation’ – the number of people below the poverty line (about 40 per cent of the total population) has not decreased over the last twenty years. Average life expectancy rose from 56 in 1996-97 to 62 by 2001, but maternal mortality remains high (415 per 100,000), as does infant mortality (64 per 1,000). The literacy rate is still below 50 per cent although net school enrolment is now around 80 per cent. There can be little doubt that, even after half a century of development interventions, Nepal is still ‘in crisis’, as some suggested in the late 1970s.[5] For the Maoists, the political economy of Nepal is underdeveloped and characterised by the predominance of ‘semi-feudal’ relations in the rural areas, various forms of comprador capitalism in the urban areas, and by its subordination to the ‘expansionism’ of India and subjection to imperialism. Poverty and social injustice are endemic and can be eliminated only by a revolutionary transformation following an armed struggle.

2.2 Rural livelihoods in Nepal

For the majority of the population in the rural areas, livelihoods are more or less insecure in ‘normal times’; more so, of course, for those with the poorest access to key assets and sources of income, who are also the most vulnerable to ‘normal’ stresses and strains and to external shocks. It is widely accepted today, even by most of those opposed to the Maoist insurgency, that the underlying causes of the conflict – such as deep-seated inequalities, lack of social justice, and a poorly-functioning democracy, associated with livelihood insecurity, vulnerability and poverty – need to be recognised and addressed, if the crisis in Nepal is to be positively resolved and Nepal is to have any chance of broad-based democracy and development in the foreseeable future. That this is the case was clearly recognised by Clare Short, the (then) British Minister for International Development, speaking at the London meeting on the conflict in Nepal, in June 2002.

Only some 20 per cent of those who live in the rural areas are generally secure in ‘normal times’. These include the wealthy landowners and rich peasants – who have reasonable to large amounts of good land and food security from their own production, one or more members in secure and reasonably well-paying employment, usually in the public sector – the village money-lenders and merchants. They will often be involved in local politics, government and administration or in some government line agency, or will have close relatives who are. These are the privileged elite, the wealthy and powerful. The lives and livelihoods of those in this social category tend to be diversified; they could be regarded as ‘having fingers in many pies’. Households are often larger than average as household members retain common and mutual interests in the household ‘portfolio’. These are the rural upper classes.

Of the remaining 80 per cent, even those who would regard themselves generally as ‘reasonably secure’ may, and frequently do, experience a sudden increase in risk and insecurity as a result of unexpected ‘shocks’ – often illness or death in the family. The lives and livelihoods of girls and women are generally more precarious not only in terms of access to

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[5] Cf Blaikie, Cameron & Seddon, 1980, 2001.

resources and income earning opportunities but in terms of quality of life and well-being. Infant mortality among girls is particularly high, as is maternal mortality. Many children live in poverty and insecurity; so too do many older people. The 40 per cent or so who would normally consider themselves 'reasonably secure' are the 'middle peasants' of classic peasant studies, with sufficient income from a combination of sources to be more or less self-reliant, neither employing the labour of others nor hiring out their own family labour to any great extent. These constitute the 'middle classes' of the rural areas. In some regions this category of rural household has increased as a proportion of the total. Some 40 per cent of the population as a whole are estimated to live in poverty. For these, livelihoods involve a constant struggle for survival: their control over and access to strategic resources is limited; their sources of income are precarious and yield generally low returns to effort and risk; their social networks and stocks of social capital are generally of limited capacity; and their personal resources and quality of life are poor. These are the rural poor and 'working' classes. They include poor and marginal farmers, the smaller rural artisans and handicraft producers, small retailers, those with insecure jobs outside agriculture and agricultural labourers. Of these, 15 to 20 per cent could be regarded as extremely poor. Most of the rural poor rely on manual labouring for the bulk of their income and most are in debt. Many also suffer from various forms of social and cultural discrimination by virtue of their caste or ethnic affiliation, their gender or their age.

The majority of rural Nepali households and local communities are only marginally involved in the commercial or market economy. A recent study in western Nepal[6] shows that whereas in the mid 1970s, 73 per cent of households sold less than Rs1,000 worth of agricultural produce, in the mid 1990s the equivalent proportion (those selling less than Rs10,000) was over 87 per cent. These data imply, if anything, a 'retreat' from the market. Even among the 'upper' and 'middle' categories, there is only a limited involvement in the market as far as farm produce is concerned. On the other hand, non-farm earned income plays a greater part in supporting rural households than 20 years ago, even for the poor – but not for the very poorest, who tend to be caught up in the nexus of local patronage and forms of bondage. Usually reliant on a limited number of income sources, the very poor have little room for manoeuvre and few choices. They rely heavily on the sale of their labour for survival: households tend to be smaller and are often only 'fragments' of broken households; ill-health is common and lives are often extremely precarious. These belong to the rural poor and 'working' classes who provide the bulk of the support for the Maoists.

2.3 Progress of the conflict

In 1990, a 'People's Movement' (*Jana Andolan*) led to the replacement of Nepal's party-less Panchayat Regime by a multi-party system. By 1993-94, however, it had become evident that little had changed, except that now there was an exaggerated competition for spoils and a concomitant growth in inequality and arbitrary authoritarianism. Various left-wing revolutionary groups began to organise outside the parliamentary framework, and were heavily repressed by the ruling Nepali Congress Party government and armed police during 1995. In this context – and ostensibly in response to it – preparations began for an armed insurgency.
The insurgency began in the poor and relatively isolated districts of Rolpa, Rukum and Jajarkot in the mid-western hills of Nepal, where support for the Maoists had historically been strong. For the first few years government and development agencies treated the insurgency largely as a law-and-order issue. But by 2000 it could no long be regarded as a localised, marginal or transitory phenomenon. Early in 2001, it was agreed to hold peace talks. These began towards

[6] Blaikie, Cameron & Seddon, 2001.

the end of the summer monsoon, despite the massacre of the entire royal family in June. But in the new national and international (post-9/11) political context, the talks broke down. In November, the cease-fire ended, the Maoists launched major assaults on various targets – including the barracks of the Royal Nepalese Army (hitherto little involved) – and the government declared a State of Emergency.

After this the conflict intensified. The involvement of the RNA was increased, civil rights and press freedoms were curtailed. Of the 4,000 deaths reported in mid-2002 since the launch of the People's War, probably more than half occurred in the 6 months after November 2001.[7] A further 6,000 deaths occurred between mid-2002 and mid-2004. More precise figures – which indicate an increase in the number of those killed, from 81 and 48 (in 1996 and 1997) to 409, 469, 398 and 634 (in 1998, 1999, 2000 and 2001) and then to 5,213 in 2002 – suggest a development from a conflict of low intensity (1996-97) to one of medium high intensity (1998-2001) and finally to one of high intensity (2002-2004).

By early 2002, the Maoists had announced People's Governments in 21 districts under their control and were extending the area under their effective administration. The areas considered secondary areas had expanded considerably and included the majority of districts, while the main areas of propaganda were the towns and the capital, Kathmandu. By May 2002, the rebel forces were considered by most commentators to be in effective control of about 25% of the country and to have a significant influence over much of the rest. All areas virtually were in some way 'affected'. By the end of 2002, the multi-party democracy that Nepal experienced from 1990 onwards was replaced (at both national and local levels) by a structure of appointed (not elected) authorities. The major political parties were in disarray – harassed and persecuted by the Maoists and effectively sidelined by the Palace, which took control in October 2002.

As armed violence grew so too did human rights abuses. As the conflict escalated, following '9/11' and the declaration of the State of Emergency towards the end of 2001, it also became increasingly 'internationalised'. The active involvement of the USA, the UK and India in particular over the past few years has had a significant impact on the evolution and nature of the conflict: increases in aid have been accompanied by the provision of weapons, technical assistance, training of the government armed forces and police and other support. Despite the superior manpower and firepower of the state security forces, however, the area under overall Maoist hegemony developed rapidly across the countryside.

There was a ceasefire for much of 2003 (January to August) but during this period the Maoists continued to make headway and when the talks eventually broke down were poised to make even further advances. By early 2004, the Maoists were acknowledged by most commentators to have gained effective control of 80 per cent of the rural areas, while the state security forces held the district headquarters, the towns and their immediate hinterland and ensured reasonable security along the main road network. Towards the end of 2004, the Maoists announced that they had reached the point of launching a 'strategic offensive'.

[7] Isabel Hilton in *The Guardian*, 10 May, 2002.

3. Small arms and light weapons (SALW)

3.1 SALW in the insurgency and subsequent conflict

Since the declaration of the State of Emergency at least, the possession of small arms and light weapons has become illegal in Nepal. Prior to that, possession of small arms was permitted only with registration and a licence, usually for hunting purposes. Nepal does not – despite the reputation of the 'Gurkhas' and a long historical involvement as soldiers in the service of British imperial interests worldwide – have a 'gun culture' and even today, after nearly a decade of armed violence and conflict, the possession of SALW is limited very largely to the two parties to the conflict – the Maoists and the state security forces.

3.1.1 The Maoists

The launching of the 'armed struggle' in Nepal in February 1996, under the rubric of the People's War, involved a wave of attacks on specific targets – mainly police posts, banks and land offices in rural centres. The weapons used in these attacks were predominantly sticks, stones, and other non-mechanical weapons (knives, sickles, hammers, etc.), together with handguns, shotguns and breech-loading guns and rifles, and explosives. As Karki and Bhattarai state in their recent analysis of the conflict: "the Maoist arsenal has also changed from the muskets, knives, torches and spears with which they had stormed the police outposts at the beginning of the people's War."[8] All of these were readily available as part of the apparatus of every day life. Although there is a long-standing tradition in many hill areas, including those in which the insurgency began, of seeking employment in the army (Nepalese, India or British) or the police as a source of non-farm income, few of the guns that were used in the early days of the insurgency derived from soldiers, policemen or ex-army/ex-police personnel (although it is possible that some were stolen or 'appropriated' from individuals by rebels).

In the first four years of the insurgency, the level of armed violence was limited. According to the home minister,[9] 1,128 people had been killed, 836 of them 'Maoists', 115 police personnel and 177 'common men'. The weapons used by the Maoists during this early period, according to Manchanda, were "largely, 303 rifles, kukris and farm implements." While perhaps somewhat exaggerated to make a point, the fact was nevertheless striking enough for Manchanda to consider this "… remarkable given that Nepal sits at the crest of South Asia, a region awash with AK-47s." It also explained why "Nepal has not deemed it necessary to call out the army." She suggests that "the level of violence has been determinedly kept low", because "the upper caste Hindu Brahmin-Chettri power elite of Kathmandu treat it as essentially a law and order problem in the remote hills where largely ethnic groups like Magars are killing other Magars." In fact, however, as Manchanda observes, "in its fourth year, the People's War has spread far beyond the Magar areas to two-thirds of Nepal's districts."[10]

The 'supreme leader' of the Maoist movement, Prachanda, has underlined the importance of the movement's independence and its success in supplying itself from 'within' Nepal. Weapons, ammunition and other military equipment captured from the armed police and even from the Royal Nepalese Army have undoubtedly provided the bulk of the materiel used by the Maoists in their People's War. It is highly likely that at least until the major escalation of the

[8] Karki and Bhattarai, 2004, p15.
[9] Cited in Manchanda, 2001, p220.
[10] *Ibid.*, p220-1.

conflict after November 2001 – that is, during the first five years of the insurgency – the bulk of the weapons used were SALW captured from the state forces. These will almost certainly, however, have included some semi-automatic and automatic rifles – although, it has to be said, the armed police against whom they fought for the most part during the first four years will not have been very well equipped either. Training will have included learning to shoot a variety of small arms, making bombs and booby-traps of various kinds, laying land-mines, and – mainly – improvising the existing weaponry. Logistic difficulties will undoubtedly have arisen throughout the campaign as a result of the multiplicity of weapons and ammunition required; acquisition of appropriate ammunition is often a more difficult matter than acquisition of the weapons themselves.

In recent years (2001-2004), there is evidence of imports of arms and ammunition and explosives from South Asia (mainly from India), but it is difficult to say on what scale and precisely what quantity of what kinds of weapons were imported. It is not certain either how these were supplied – by arms dealers directly or via intermediary groups including supporting Indian rebels and insurgents. There is evidence, from some of the larger-scale encounters between the rebel forces and the RNA, that the Maoists now have mortars and possibly grenade launchers, as well as the previous range of weaponry. An indicative list of the rebel weaponry was evident in a government announcement on 3 December 2003, where it offered cash rewards for the different types of weapons the Maoists could surrender. The list of 27 weapons and communications equipment for which there were cash rewards is indicative of the level of sophistication reached by this time. Included in the list were general-purpose machine guns, 81mm mortars, 41mm mortars, 2-inch mortars, Chinese sniper rifles, light machine guns, self-loading rifles (Israel Galil, American M-16 and Indian INSAS rifles are mentioned separately in the government announcement), shotguns and pistols.[11] Karki & Bhattarai emphasise again that "most of the modern weapons in the rebel armoury were taken from the government forces. The rebels also used home-made revolvers called 'sixers' (because they have six rounds) readily available in the Indian border towns, and are also suspected to have obtained other factory-made weapons from the Indian black market."[12]

Particularly in recent years, some of their weapons undoubtedly have been purchased abroad. In July 2004, Hiranya Lal Shrestha of the Foreign Affairs and Human Rights Committee of the dissolved House of Representatives presented a paper to a conference on SALW, on 'Conflict transformation in Nepal: national issues and international experiences', in which he spoke of the proliferation of SALW in the northern India region partly as a result of the Maoist insurgency in Nepal and the movement of weapons between rebel groups – creating a growing international arms trafficking problem. The concrete evidence for this is sparse and much of the concern regarding international arms trafficking is based largely on conjecture. At the same time, it seems plausible to postulate a developing arms trade within the region (the northeast of the sub-continent) as a whole (see the mini-study on North East India).

Estimates of the numbers of those involved in armed violence and making use of SALW on either side of the major conflict associated with the insurgency vary considerably. The Maoists have in the past few years been thought to have a relatively small force – including the more organised Peoples Army and the people's militia, trained to a lesser degree and less well equipped. According to Mulprabaha the Maoists had a total of 5,000 trained military personnel at the end of the 1990s.[13] Tiwari estimated a year later that the CPN (Maoist) had some 2,000

[11] Karki & Bhattarai, 2004, p15.
[12] *Ibid.*
[13] Mulprabaha, 2001, p11.

full-time well-trained guerrillas and an additional 10,000 occasional armed forces known as ‘people’s militia’.[14] The Royal Nepal Army estimated the Maoist forces to be around 5,000-6,000 guerrillas and 4,000-5,000 in the ‘people’s militia’.[15] Karki & Bhattarai note that, “a generally discussed number of the fighting force is around 5,000/6,000 core guerrillas who are supported by armed militia.[16] Another estimate for the combined armed militia (including local units) is 15,000.” These are small numbers and may have been underestimates even at the time. On the other hand, there is no doubt that the scale of the Maoist armed forces increased dramatically from 2001 onwards. Many believe that they took advantage of the round of talks and the official ceasefire during 2001 to build up their materiel, importing significant stocks from India.

Prachanda is reported by Gershony to have said that the Peoples’ Liberation Army that was set up with ‘a few armed squads and militia forces’ had grown by 2002-2003 into two divisions comprising seven brigades and 19 battalions.[17] He did not mention how many platoons and sections or squads that implied – but the numbers were clearly substantial. In April 2004, the Maoists announced a drive to recruit 50,000 additional young (child) soldiers. A statement issued in September 2004 reported that a recent party plenum had concluded that an ideological, political, organisational and military basis now existed for the rebels to shift from ‘stalemate’ to ‘strategic offensive’, and that the military strength now consisted of a fighting force of 25,000 young men and women, grouped into three divisions, nine brigades and 29 battalions. This force (the People’s Liberation Army) is backed by a 100,000 strong People’s Militia which would soon be organised in company-level formations. This constitutes a very substantial force. Most of these will be armed in some way with SALW, although the People’s Militia will have lower grade weapons.

3.1.2 Nepal state security forces

On the other side, the armed police who were deployed initially against the Maoists, and bore the brunt of the fighting during the first four years, are also equipped with SALW, mainly purchased from India. Their training and equipment have proved a poor match, on the whole, for the Maoists – perhaps in large part because for the last few years they have been essentially involved in defensive operations, in patrolling through largely hostile and unreliable territory, and in small-scale actions (apart from their two major operations, Romeo in 1995 and Kilo Sierra in 1998). The involvement in the conflict of the RNA, since 2001, has increased the capacity of the state security forces very considerably. Better trained on the whole, better equipped and larger in numbers, the RNA has proved at least a match for the guerrillas in the larger scale encounters, but has also adopted an essentially defensive status, with periodic ‘interventions’ into enemy territory.

The RNA has historically been generally better equipped as far as weapons are concerned than the armed police, but they have also received significant imports of upgraded arms and ammunition in recent years. External support for the Nepal government and its armed forces increased significantly in the period 2002 to 2004. In August 2002, it was revealed that the Royal Nepalese Army was being given two Russian-built Mi-17 helicopters under a British aid programme (the global conflict prevention pool’) as part of the military assistance ‘in support of the military intelligence support group which the UK are assisting the Royal Nepalese Army

[14] Tiwara, 2001a, p36.
[15] *Desanter*, 22 July 2001.
[16] Karki & Bhattarai, 2004, p15.
[17] Gershony, 2003, p69.

in setting up'. The Foreign Office stated that the helicopters would be used to carry troops and for humanitarian work. It also offered £175,000 to give Nepalese troops training in human rights.[18] The USA also substantially increased its aid budget to Nepal in 2002 and has since then provided substantial technical and logistic support as well as training and weapons, notably large consignments of M-16 automatic rifles.

In 2002, the Belgian government sold 5,500 Fabrique Nationale Minimi machine guns to the RNA (for $3.3 million). India has also provided substantial military support over many years, and has increased its commitment in the last few years. In the early years of the insurgency, India appears to have been little interested in providing support to the government of Nepal – as Rita Manchanda remarked, in 2000 at least, "India appears not to be worried."[19] More recently, it has been possibly the major supplier of materiel to the Royal Nepalese Army. In January 2003, it was reported that the RNA had received some 3,000 M-16 A-2 assault rifles from the USA to replace the traditional self-loading rifles used previously. Earlier, in 2002, the RNA had received 5,000 M-16s for training purposes, ostensibly for UN peace-keeping missions. Another 500 Belgian sub-machine guns from Belgium were expected during 2003. In May 2004, the DFID/GTZ Risk Management Office reported that "The SF (security forces) are well-armed and equipped – RNA generally carried M-16 rifles, with new webbing and uniform." It also noted that "SF have… used helicopters to attack Maoist-inspired gatherings, and there were a number of reports of civilian deaths from machine-gun strafing or bombs dropped by helicopters."

In mid-September 2004, Prime Minister Deuba received assurances of more cooperation from India in the struggle against the Maoists. Reports at the time stated that India had agreed to provide three advanced multi-role light helicopters, 20,000 INSAS rifles, 15,000 7.62 mm self-loading rifles, machine guns, mine protected vehicles, trucks, jeeps, and other accessories. India also promised to help Nepal modernise its army and launch a pilot project to provide counter-terrorism training to the Nepali police. It was reported that India and Nepal had set up a join consultation group to coordinate between security agencies of the two countries and to upgrade facilities at border points. India would also assist Nepal modernise its army and launch a pilot project to provide counter-terrorism training to the police. In addition to a massive improvement in the quality and quantity of ground weaponry and overall capacity, existing helicopters have been modified with night-vision equipment and a small number of helicopters provided by foreign states (including Britain and India), to increase the air power of the RNA, introducing helicopter gun-ships with the capacity to penetrate deep into Maoist territory and strike even at their base areas.

3.2 SALW users

3.2.1 Maoists

Responsibility for the mobilisation of 'the People's Army' lies ultimately with Prachanda as supreme commander and with the Central Military Commission, but district military commanders recruit guerrilla squads at the village level. A guerrilla squad, which operates under the dual leadership of a military commander and the political commissar, consisted of between 11 and 15 individuals. Each member of the squad is issued with a weapon, and members wear special military dress when they go into action, including the symbol of their

[18] *The Guardian*, 5 August 2002.
[19] Manchanda, 2001, p220.

'rank'.[20] The main duty of a *guerrilla* squad is to fight; the *security* squad immediately below in the hierarchy is involved in sabotage; and the *volunteer* squad at the lowest level in propaganda campaigns. Recruitment is supposed to be on the basis of voluntary 'signing-up', but there is much anecdotal evidence of some degree of compulsion.

The key to the Maoists military success has clearly been their capacity to call on, train and mobilise ever larger numbers of '*people's militia'* and to convert a significant minority of these into guerrilla fighters. Mao Tse Tung, in 1938, emphasised the importance of the formation of 'great numbers of guerrilla units among peasants' and the Maoists in Nepal also recognise the vast potential among the disaffected poor peasants and workers. Karki observed in the field in 2001 in the 'temporary base areas' that the majority of new recruits appeared to be young men and girls, mainly from disadvantaged families.[21] The Maoist forces certainly include women, as auxiliaries and 'camp-followers' and as combatants. It seems that recruits include the young (there is a good deal of moral panic in Nepal and among commentators on the conflict about 'child soldiers') and the middle-aged and that the nature of their involvement is varied – the term 'combatant' often includes aides and camp-followers as well as actual fighters. The Maoists are unapologetic about their recruitment of young men and women. In the last year they have announced a drive to recruit 50,000 young people to their armed forces. They also are proud about the recruitment of women.

At the outset, few women were involved in the Peoples War: "the death toll of women killed in the first two years of the insurgency was six, three by the police and three by the Maoists. In 1998, the number of women killed by the police rose to 44, indicating a much higher participation of women and the serious targeting of women in police action."[22] In February 1999, the Party organ, *The Worker*, in a special issue on 'The Fury of Women Unleashed', referred to the participation of women at all levels, 'from party committee secretaries, guerrilla squad commanders to local volunteers and propagandists'. Manchanda points out that "in Maoist propaganda women guerrilla commanders have been projected as formidable fighters, more committed, disciplined, reliable and militant."[23] Hishila Yami told *Ghatana ra Bichar*, June 18, 2003 that women made up 33 per cent of the Maoist fighting forces and that two women had become brigade commanders. She told Manchanda and her colleagues a similar story in 2000[24] – and this is elsewhere accepted as fact.[25] This might be the case in the Maoist base areas, but overall, the proportion of women in frontline positions is significantly lower than this. In 2002, for example, of 3,297 people killed by state security forces, only 241 (around 6 per cent) were females, suggesting either a lower overall figure or a lower percentage of women in 'front-line' positions. Perhaps 5 per cent of the armed fighting personnel are women, but this is by no means certain. Women guerrillas and members of the People's Militia undoubtedly train with weapons (as with other military equipment), but what proportion of women in the Maoist army and militia routinely make use of SALW in action is unclear.

Active members of the Maoist People's Army are provided with SALW – these are presumably not personally owned but 'on loan' as it were, with a duty to maintain and safeguard on the part of the guerrillas involved. The People's Militia are less likely to be provided automatically with weapons by the Maoists, but may be expected to provide and then secure their own, initially at

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[20] Sharma, 1999a, p31.
[21] Karki, 2001, p180.
[22] Manchanda, 2001, p238.
[23] *Ibid*., p239.
[24] *Ibid*., p237.
[25] Manchanda, 2001, p215 and Karki & Bhattarai, 2004, p21.

least. This section of the fighting force is, therefore, less well equipped than the ‘regular’ Peoples’ Army. Small arms and light weapons, and even more so ammunition, are in short supply and are husbanded carefully. This in itself determines to some extent their use and non-use. The guerrillas are very sparing in their use of their weapons and ammunition, and are extremely sensitive to ‘wastage’ (which is grounds for punishment). Little is known about the distribution of weapons within the People’s Army, but there is training which enables a degree of specialisation, with some individuals becoming recognised specialists in, say, the use of explosives, and others in the use of mortars. Lower level ordinary soldiers tend to be equipped at best with a breech-loading rifle, better trained and higher-level cadres with semi-automatic and automatic weapons, specialist cadres with mortars, grenade launchers, explosives and landmines.

As regards women’s involvement as political cadres, Manchanda comments that: “in Nepal’s Maoist movement, initially, among the top leadership were women with accomplished political qualifications like Pampa Bushal, co-leader of the United Peoples Front, the political platform of the Maoists. Hisila Yami[26], as head of the Women’s Front was also in the circle of top leadership. But as the struggle has got more militarised and more hierarchically structured, the participation of women in the top policy making councils seems to have diminished. Women have become area commanders, party committee secretaries, but (where) are the women in policy-making positions in the central leadership?”[27] Even lower level political cadres are predominantly men. During negotiations for the third round of talks, the Maoist negotiator gave the government his ‘first’ list of cadres whose whereabouts were unknown after they had been arrested by security forces; of these, 426 were men and 62 women.

The active military personnel, of course, have families who may or may not also be involved in the Maoist fighting forces. Their lives and livelihoods are certainly affected by the direct involvement of a household member and may account for a further 500,000-750,000 – even a million – people in total, likely to be active supporters of the Maoist fighters. There is little information as to the strength of the Maoist forces in different regions and districts. It is presumed that the vast majority of those referred to above are based in the ‘temporary base areas’ and move into other areas for larger operations, although most districts now have their own local guerrillas as well. The extensive activities and actions of the Maoists across the country shows that they have cells and a significant presence in virtually every district and are able to move relatively freely from place to place. They are indeed like the ‘fish in the sea’ of which Mao Tse Tung spoke when he spoke of guerrilla warfare and the role of the ordinary peasants and workers in supporting the armed struggle.

3.2.2 Security forces

Even so, the security forces deployed against them have greatly outnumbered the Maoists throughout the last six years. The numbers of armed police involved may be as many as 100,000 - 150,000. When the RNA (with its complement of some 138,000 men)[28] is added, together with its ancillary and support personnel (50,000 to 75,000), it would seem that the Maoist guerrillas are significantly outnumbered. The key to the Maoists’ military and political success, however, is clearly their capacity to call on, train and mobilise ever larger numbers of

[26] It should be noted that Hisila Yami is the wife of Dr Babu Ram Bhattarai, political ideologue of the Maoist movement and second-in-command after Prachanda.
[27] Manchanda, 2001, p217.
[28] In the last months the RNA has announced a policy of recruiting women into the armed services. They are already recruited into the police.

'people's militia', and to take advantage of the support (willing or less willing) of the mass of the rural population, and the provision of goods and services of many kinds. The Maoists' ambition has always been to mobilise a sufficiently large People's Army and People's Militia eventually to reach a 'stalemate' with the armed forces facing them. It would appear that they consider they have reached that stage.

Until 2002, the state tended to rely largely on the police, who are relatively lightly armed and move on the ground, for the most part. The deployment of the army on an increasing scale made a big difference to the level of intensity of the conflict and the number of battle-related deaths – and also to the overall impact of the conflict, which became, in effect, a civil war. As far as the Maoists were concerned, the involvement of the army was in a way to be welcomed; it made it clearer that the armed struggle was a struggle between two 'regimes' – the old and the new – and thereby underlined the political nature of the armed violence they deployed.

Already, during 2002, one commentator at least considered that 'apart from the forces committed to UN operations, the army is probably as fully deployed as it can be', but with military assistance from external sources increasing, the effectiveness of the RNA has actually increased since then, and there is still some doubt as to whether it is really fully deployed, in an active sense. Its strategy appears to be largely based on adopting a defensive posture, protecting the district headquarters, with periodic sorties by foot patrols (on paths), convoys (on roads) and aircraft (including helicopters). The overall level of training and equipment of the RNA is distinctly superior to that of the armed police, but how far it is appropriate to a guerrilla war is not at all certain. Relatively few of the state security forces have previously seen action (some may have been involved in the Indian army in border fighting in Kashmir and elsewhere in the 1970s and 1980s and more recently). Weapons are issued as a matter of course to all those involved in deployment against the rebels: generally breech-loading rifles and handguns for the armed police; rifles, semi-automatic and automatic weapons for the soldiers of the RNA.

3.2.3 'Bandits'

There is no real 'gun culture' in Nepal, and the overwhelming majority of those who hold and use SALW at the present time are either part of the Maoist armed forces or of the state security forces. Undoubtedly there is a minority of others, who have managed to obtain weapons and use them for criminal activities. In the *terai*, particularly in the border areas very close to India, there are frequently newspaper reports of criminals, bandits, *dacoits*, using small arms to carry out raids and armed robberies. Some of these may, on occasion, claim to be 'Maoists' in order to increase their chances of successful armed robberies – and there are certainly those who suggest that the fringes of the Maoist movement include a significant number of such 'criminal elements' – but, for the most part, this phenomenon (familiar throughout northern India) is un-related to the Maoist insurgency and the conflict with which we are here primarily concerned. It has to be said, though, that there has been no real study of rural criminality (banditry) in Nepal, and relatively little is known about its relationship with the People's War.

It is perhaps significant that, when the Maoist insurgency was launched, with guerrilla action, sabotage and propaganda, "in the police repression that followed, thousands were arbitrarily arrested on charges of dacoity, arson and murder."[29] For several years, the Peoples War was dealt with by the state as an issue of law and order, and the Maoists represented largely as 'troublemakers and criminals'. Manchanda underlines this when she refers to an incident in

[29] Manchanda, 2001, p219.

which the Maoists killed an alleged informer and the police reacted by charging 42 people with his murder, and an example of a young woman who was picked up on suspicion of feeding and sheltering Maoists but charged with dacoity and murder.[30]

3.3. The supply and demand for SALW

The demand for SALW comes from the major combatants – the Maoists on the one side and the state security forces on the other. Given the fact that the Maoists appear to be genuinely committed to a certain political strategy – that of 'the protracted people's war' – and a distinctive ideological position – and that this is a self-sustained insurgency and revolution, their demand for SALW is much less than the demand of the state security forces, whose objective has been to contain and, if possible, crush the insurgency. The build-up of SALW on the part of the insurgents has been slow and cumulative. During the first two years, the process of building up SALW and other military equipment was relatively slow. Between 1998 and 2001, the Maoists increased the scope and scale of their activities, partly by recruitment across a wider range of districts and areas, and thus partly by 'expansion' rather than by 'intensification' of weapons acquisition. It is possible, however, that there was also an orchestrated effort to obtain arms from outside the country, through links with like-minded rebel groups in India or through arms dealers. There is undoubtedly a nexus of arms trafficking concentrated in northeast India (see study of Armed Conflict and Poverty in North East India). This has become increasingly important in recent years, particularly after November 2001.

As regards the RNA, the generals, and presumably officers lower down the hierarchy also, have constantly argued that they need more and better equipment, and better training, if they are to defeat the guerrillas (or terrorists). Conventional wisdom among counter-insurgency experts regarding the forces required to crush an armed guerrilla force suggests that a ratio of ten to one is 'about right'. The fact that even massive superiority in military equipment does not assure victory is shown in many historical examples (e.g., Vietnam). Often it is argued by army commanders that equipment plus training plus strategy is the key to success – at least two of these have led to increased demand for weapons and for external logistic and technical support. As we have already seen, external support for the provision of SALW and other military equipment to Nepal's state security forces, particularly from the USA, the UK and India, is considerable. Other countries have also provided weapons and military equipment. The capacity of the police, however, remains clearly limited and that of the army only partly tested. In terms of military equipment and weapons, the RNA is clearly superior to the Maoist forces; but their deployment so far suggests a combination of inappropriate strategy and tactics and a degree of reluctance to increase the military stakes by taking a more offensive stance. There is considerable debate as to whether the RNA has been fully deployed as yet, and many in the army itself undoubtedly consider that their actions are politically constrained. In part this is the result of active surveillance by national and international human rights organisation of human rights violations on the part of the security forces and in part the result of decisions by the government and the Palace.

3.4 SALW and armed violence

As regards the Maoists, it is perhaps useful to distinguish *violence against individuals* and *violence against the state security forces*. Violence against individuals, particularly at the local level, is usually aimed mainly at supposed traitors, collaborators and informers, political

[30] *Ibid.,* p225.

activists of other parties, individual government officials and members of the security forces, and those who fail to collaborate or are suspected of some kind of 'unfriendly action'. In the majority of these cases, where individuals are reasonably accessible (that is, in the rural areas or small towns), violence is 'person-to-person' and tends to involve beatings and bludgeonings, throat-cutting and hacking with knives and other sharp instruments, for the most part, although shooting also takes place, (usually when more than one or two persons are the intended victims). The 'extreme violence' of these actions has been much remarked upon by observers. Guns tend to be used locally in cases where larger numbers of intended victims are involved and where they can be taken to a specific location and killed. Attacks on members of the security forces that take place in urban areas tend to involve small arms (shootings and 'drive-by' shootings) or explosives (planted bombs, set off by timing devices or remote triggers). In guerrilla actions on a larger scale, clearly, guns used and will include the 'heavier' and automatic weapons available.

A similar pattern can be observed from 'the other side'. The armed police and the RNA use the 'highest' level of SALW they have available in what they call 'encounters' with the guerrillas. They also tend to patrol with guns. The weapons provide the capacity to respond and retaliate when they operate in areas where they may be attacked. When they are in a given area, however, and in a position to take effective control, they use the weapons to terrorise and intimidate, and the interrogations, arrests or detentions they may effect are often accompanied by personal physical violence, using more primitive weapons – sticks, stones, knives, and their own bodies (rape is very common by the armed police and, albeit to a lesser extent, by the RNA). The fact that the security forces are armed, however, also gives them a capacity to take advantage of local populations in other ways. Manchanda reports how, in the early days of the Peoples War, "people were terrified that the Maoists would come to their homes to hide and the police would come after them and loot their homes."[31] The increasing number of human rights abuses, perpetrated for the most part (although by no means exclusively) by the state security forces, which involve abductions and 'disappearances',[32] extra-judicial killings, use of brutal and degrading treatment and torture, rape of women, etc. reflect a situation of insecurity and impunity, where the official forces of law and order are no longer reliably such.

4. Social impacts of the armed violence

4.1 Impact on 'personal capital': deaths and injuries

The impact of the armed violence that is a central part of the conflict in Nepal is widespread and has many different aspects. First, it has a *direct personal impact* – the deaths and injuries of those involved, either as combatants or as bystanders – which constitutes an attack on personal capital. This has its own immediate secondary impact on the demography of households and villages and on the psyches of those who have witnessed or felt the immediate impact of the loss or serious injury of a close family member, relative or neighbour.

4.1.1 Deaths

Broad estimates suggest about 10,000 killed since the conflict began. More precise figures collected by the Informal Sector Service Centre (INSEC) suggest an increase from 129 in the

[31] Manchanda, 2001, p231.
[32] According to Amnesty International, Nepal now has one of the highest rates of 'disappearances' per head of population in the world.

first two years (1996-97) to 409, 469 and 398 in 1998, 1999 and 2000 respectively. The figure for 2001 was 634, while in 2002 the number killed was 5,213, indicating a massive escalation in armed violence. In 2002, INSEC reported in the *Human Rights Yearbook* (2003) that the state security forces had been definitely responsible for 3,297 deaths, the Maoists for 1,358. In 2003, when there was a cease-fire for much of the year, a figure of 1,981 was given. This suggests a move from a conflict of low intensity (1996-97) to one of medium high intensity (1998-2001) and then to one of high intensity (2002-2004)[33]. In every year, except two, the majority of deaths were people killed by the state security forces – Maoists, suspected 'Maoists' or people killed 'by mistake'. Overall, the state security forces have killed between two and three times as many people as have the Maoists: INSEC claimed the figures were 6,221 versus 2,949 by March 2004.[34] The government claims that most of those killed by the security forces are 'Maoists' or 'Maoist supporters' and that they were killed in 'encounters'. In an interview on CNN in mid-2002, Krishna Bahadur Mahara said 80 per cent of those killed (by the government) were ordinary citizens."[35]

Those who have been killed are from virtually all ethnic groups and castes, although there is a widespread perception from the early phase of the conflict that *dalits* and certain ethnic minorities (notably Magars) have been disproportionately affected by armed violence on the part of the state security forces. But as the conflict has widened, so too has the range of victims, in terms of caste and ethnicity. Of those whose sex was identified or reported, victims of state violence were predominantly male (1,890) but a significant minority – well over 10 per cent - were women (241). According to INSEC over 260 'children' (under 18 year olds) had been killed between February 1996 and March 2004, most of them (163) below 16 years old. In 2002 alone, 250 minors were killed by the state security forces out of a total of 3,297, and 41 by the Maoists out of 1,358. It is not clear what proportion of these were 'battle-related' deaths and involved SALW, and what proportion was due to other causes. While the vast majority of those killed on either side were between the ages of 15 and 44, with the largest number being those aged 30 to 34. But whereas the state security forces killed relatively few over 45, the Maoists appear to have killed a significant number of those between 45 and 54 – probably in punishment and terrorist attacks.

4.1.2 Injuries

There are few attempts to record or summarise serious and permanent injuries resulting from the conflict, let alone less severe injuries from SALWs, beatings, wounds, bombs and explosions, etc., although these must be very numerous and may well surpass by a good deal the numbers of those who have died. INSEC produces annual reports on the human rights situation in Nepal, in which there is some attempt to document injuries resulting from various conflict-related incidents. This must only capture 'the tip of the ice-berg' of actual incidents and injuries. The total number may be at least 40,000.

[33] If 'a low intensity armed conflict has at least 25 battle-related deaths each year and fewer than 1,000 battle-related deaths during the course of the conflict', a medium intensity conflict 'at least 25 battle-related deaths per year and an accumulated total of at least 1,000 deaths but fewer than 1,000 battle-related deaths per year', and one of high intensity, 'at least 1,000 battle-related deaths per year' (Sollenberg & Sollenberg).

[34] Karki & Bhattarai, 2004, p30.
[35] *Ibid.*, p30-31.

4.1.3 Damage and devastation to those indirectly affected

It is now being increasingly recognised that the casualties of armed violence include those mentally and emotionally scarred as well as those physically injured or killed. As Karki & Bhattarai remark, "the more visible human losses are death and impairment resulting from battle-wounds. The less visible losses are the sufferings that result from arbitrary arrests, abduction, torture and 'disappearances'. Likewise, the anguish of bereaved widows, orphans and friends and family of those killed in the conflict – both combatants and civilians – cannot be expressed in terms of economic value."[36] (2004: 81). In Nepal, there is increasing concern about the effect, particularly on non-combatants (women, children and older persons), of the conflict, and several NGOs have begun to develop some form of support – counselling and post-traumatic therapy etc. – for these victims of conflict. Efforts in this regard, however, remain very few and far between, and the numbers requiring such support cannot be reliable assessed. If it assumed that roughly 10,000 have died, then roughly 60,000 to 100,000 will have been directly affected as members of the families of those killed. If the number of those severely injured in the conflict is estimated as perhaps four times those killed, then there could be as many as 250,000 men, women and children severely affected (lives substantially altered) – emotionally and personally as well as socially and economically – by the deaths or serious injuries of family members. This does not include all of those who have *witnessed* killings and human rights abuses at first hand, or felt the effects of these at second hand from the deaths and serious injuries of friends, neighbours or more distant relatives.

4.1.4 SALW and different forms of armed violence

It could be argued that there are two different kinds of 'context' for deaths and injuries in this conflict – there are the deaths and injuries that occur in the context of *impersonal armed conflict* and those that occur in a context of *personal violence*. The majority of the deaths and injuries that have occurred have done so in the context of impersonal armed violence, in fire-fights, ambushes, battles, etc. involving SALW. But a significant proportion have occurred on a more personal basis, when individuals, groups or families are subjected to threats and actual violence, because they are suspected of some crime, betrayal or lack of cooperation (Maoists) or of supporting and aiding and abetting the Maoists (security forces). These are generally acts of terrorism and/or punishment, although sometimes they are methods used to obtain information. Many of the so-called *human rights abuses* increasingly causing alarm among the national and international human rights organisations are of this kind. They tend to involve more primitive weapons: deaths and injuries are often the result of beating, rape, hacking, cutting or other actions. Sometimes, however, groups may be taken off (into the woods) and killed – in these cases usually by shooting. This is *terrorism* and is widely used both by the Maoists and the state security forces. There has been little analysis so far of the significance and the effects of different kinds of deaths and injuries on the survivors, but it may be assumed that the more personal violence is the more disturbing, even if deaths and injuries caused by 'fighting' will also be devastating.

4.1.5 Disappearances

Karki & Bhattarai discuss the whole range of human rights abuses – 'illegal' killings, torture, abduction and harassment of 'ordinary citizens' – by both parties to the conflict. Annual reports by INSEC refer to these, but it is hard to find summary tables, even on an annual basis, for

[36] *Ibid.*, p81.

these 'incidents'. What is documented are so-called 'disappearances'. These were rare in the early years but have become more common in recent years. A small proportion involve so-called 'abductions' by the Maoists – a total of some 111 in the period 2000-2003; the majority involve the state security forces – a total of 579 in the same period, five times as many. Most of these are people detained without charge and held in state prisons or detention-centres but are unaccounted for and unacknowledged by the state. Amnesty International refers to Nepal as a country with one of the highest rates of 'disappearances' in the world at the present time.

4.1.6 Abduction

Many commentators report the 'abduction' (or forced recruitment) of 'children' (and others) by the Maoists as soldiers. The Coalition to Stop the Use of Child Soldiers is cited (Karki & Bhattarai 2004: 99) as having estimated that 33 per cent of the Maoist guerrillas were 'children'. On 15th March 2004, the *South Asia Intelligence Review* released a briefing on the use of children in the Maoist insurgency which noted that some sources suggest that around 30 per cent of the Maoist army and militia comprised children (under-18 year olds). This is almost certainly a gross exaggeration. In part, this is a matter of definition – in Nepal commonly those over 14 are regarded as adults. The report also suggested that there was an increase in the frequency of 'abductions' by the Maoists of young students along with their teachers for ideological indoctrination and military training: "ordinarily, these students are initially abducted for the Maoists' political meetings, annual conferences or any other special occasions" and "generally, the Maoists invite 'volunteers' to their training camps, and then select students aged between 12 and 15." The Maoists officially deny using 'children' as soldiers; they do, however, make use of under-18s in many different ways: as soldiers, messengers, spies, guides, porters, transporters of arms and ammunition, cooks, carers for the sick and wounded, guards/sentries and in cultural and propaganda activities. Others report that young men and women aged between 14 and 18 are required to undergo military drills and arms training under the supervision of top Maoist leaders…The preliminary training is sufficient for these children to handle light weapons, including .303 and .22 rifles, country-made socket and pipe bombs, etc., the weapons most widely used by the Maoists."[37]

4.2 Social impact: effects on households, families and local communities

4.2.1 Beyond coping – towards social breakdown

In addition to the direct impact of death and injury must be added the extreme fear and uncertainty that now pervades the Nepalese countryside and, increasingly, the urban areas as well. This all affects the household and the family, and the local community, and their effective functioning. In times of conflict and armed violence, demands are made on these institutions that create extreme tensions. Sometimes, under such circumstances, the social entities involved draw together and are strengthened or at least prove adequate to the task of dealing with the tensions involved – and manage or 'cope'. Sometimes, however, the social fabric of institutions – households and families, local communities or whatever – is stretched to breaking point and beyond. While there has been a great deal of attention paid during and in the aftermath of crises to the ability of local people to survive and to 'cope', there has been relatively little attention paid to the negative effects of social tension and the breakdown of normal relationships on social institutions – to the anti-social effects of crisis and trauma, to failure to manage and

[37] Cited in Karki & Bhattarai, 2004, p104.

cope, and to social breakdown – ending with the extreme disruption, break-up and dissolution of households, families and local communities.

Karki & Bhattarai draw attention to this when they note that, "beside material destruction, conflicts also disrupt the normal schedules of people in every walk of life, causing social and economic losses, many of which are difficult to measure. One example of the immeasurable cost is that resulting from, say, disrupted meetings, not just business sessions but also those related to socialisation. Also immeasurable is the pain conflicts cause to individuals and groups…"[38] We can only note at this point, the indicators of extreme social disruption, and draw attention to the need for more careful diagnosis and assessment of the intermediate stages between 'coping' and visible failure to 'cope', demonstrated by breakdown. Most individuals, households and families in rural Nepal depend heavily on a nexus of social relationships for support in times of trouble. This nexus can 'bear' only so much. Karki & Bhattarai note that, "continued violence for seven years has resulted in breakdown of social and communal bonds. For example, the kin networks and neighbourhood relationships that bound communities are disintegrating because of fear, distrust and loss of self-confidence."[39] It seems from their research that victims of violence were more and more often neglected; only in rare cases did the social networks operate to provide support and 'a helping hand'. People feared that if they helped someone, they would themselves be suspected of 'aiding and abetting' those already targeted. The standard response, it was reported, was to say: "we cannot help very much because if we try to help, we would become the next target." Often, in the case of those supporting orphans or relatives of victims of aggression and armed violence, they would say they did so because 'they had to', not because they 'wanted to'. Karki & Bhattarai suggest that generally, the spontaneity with which people used to help those in trouble seem to be vanishing, because of the fear that those helping the victims could themselves be victimised by either of the two parties to the conflict.

4.2.2 Female-headed households

Household and family breakdown is visible when the unit dissolves; community breakdown when the ties that bind dissolve. But prior to that may be a period of 'pre-breakdown', when women who find themselves heads of households, or elderly people left alone to fend for themselves or care for orphans, or those affected by personal and family loss are 'struggling to cope' and finding it impossible. The number of female-headed households – of widows, single mothers and married women whose husbands are 'away' (with the Maoists, the security forces or seeking employment elsewhere in Nepal or abroad) – has increased significantly across the country, particularly in areas where many men have, for whatever reasons, gone 'away'. The number of households in which children effectively have no older brothers or father, and the number of local communities where a very high proportion of the younger adult males are 'away', has been growing enormously in recent years – although in some areas this has been a reality for many decades.

Women left 'alone' are vulnerable in a variety of ways. Even those who might be expected to have strong support networks often find that these do not operate. Kumari, the wife of a Maoist leader who went underground in 1996 and then was arrested by the police and 'disappeared' in 2002, has been forced to bring up her three children alone for the past eight years – the community does not help, nor do the Maoists.[40] Women in this position – even those who have

[38] *Ibid.*, p81.
[39] *Ibid.*, p82.
[40] *Ibid.*, p95.

no Maoist affiliation – are vulnerable, particularly to the security forces, who may suspect a woman on her own as being the wife of a Maoist. Karki & Bhattarai indicate that "there have been reports about security forces misbehaving with women – often the only ones left back in the villages after the males have migrated in search of work or have joined the Maoists."[41] Verbal and physical harassment and abuse, threats of and actual instances of rape, have been reported by human rights organizations, mainly by the state security forces. On the other hand, women left behind to manage the farm and household have sometimes found this empowering. The increasing rural emigration (whether through 'displacement' or voluntary labour migration) characteristic of the rural areas of Nepal in recent years has certainly resulted in a 'feminisation' of agriculture and farm and household management, for better or for worse. There is some evidence that women's networks remain relatively strong, even if there has been a certain general loss of social capital, and certainly widespread departure of young men and adult males.

4.2.3 Positive aspects of disruption of traditional social structures and practices

So far, we have tended to emphasise the negative aspects of the general observed decline in social capital at the local level, but it should also be noted that there are positive aspects to this which may affect the poor and socially disadvantaged. Traditional structures and practices in rural Nepal are often extremely oppressive and restrictive, built on various forms of social exploitation and discrimination. Many forms of bonded labour exist within systems of economic and social relations which present themselves as forms of reciprocal 'exchange'. Patriarchy also usually represents itself as protection. The disruption of traditional local social structures and practices, encouraged by the Maoists in areas under their control and influence (which now constitutes some 80 per cent of the countryside), can also be seen as a liberating process, enabling those previously locked into positions of subordination and subjugation to be freed of these ties and obligations in a hitherto unprecedented fashion.

The breakdown of those traditional social structures and practices which have served to justify and legitimise the exploitation and oppression of the poor and socially disadvantaged (bonded labourers, *dalits*, etc.) and to ensure the exploitation and subordination of women, particularly in households and local communities where Hindu religious ideology predominates has proved liberating for many of those previously entangled in such relationships. Throughout much of the countryside, the poor and socially disadvantaged (including women) have found themselves less bound by traditional structures and practices. While this has left many vulnerable, it has also liberated and empowered others.

Karki & Bhattarai report, for example, that, "events specific to different cultural groups were disrupted by the conflict in all of the study districts. For example, cultural practices like Chooti Basne, Rodhi and Satyanarayan Pooja had been disrupted. Likewise, traditional religious/ cultural practices, like celebrating Teej where women get together for worship and merry-making, were affected because people could not gather during the evenings."[42] But the Maoists have argued that many of the cultural and religious festivals are simply occasions for ostentatious display and expenditure and have their own unattractive aspects also. We find that the closing down of the *chooti basne,* for example, was regarded by many locals as a positive step towards rooting out a 'social evil'. They considered its closure as a good thing because

[41] *Ibid.*, p96.
[42] *Ibid.,* p109.

many young men visited them for singing and dancing rather than education, and they were places where the young learned to drink and smoke and indulge in pre-marital sex.[43]

Furthermore, much of what is presented below as displacement and migration can also be seen in a more positive light as the consequence of the disruption of traditional social structures and practices, enabling more people to migrate in search of better lives and livelihoods, and households to send one or more household members to the towns or abroad to find employment (often unavailable locally) and to generate new non-farm income streams which will constitute a positive diversification of income sources and improve the livelihoods position of the household concerned. It has been noted, in recent research on foreign labour migration,[44] that the very poorest find it difficult to seek employment abroad, largely as a result of their inextricable entanglement in local ties and obligations (to local landlords, money-lenders and others). This section of the population may increasingly be able to consider taking the risk and seek employment elsewhere, resulting in increased migration and apparent 'displacement'.

4.2.4 Displacement and migration

Social dislocation may, however, result in deteriorating performance of social activities and functions, and eventually in social dissolution. A clear indicator of social dissolution is physical displacement of individuals, households and whole communities. If physical movement of family members may lead to increasing strains and tensions, so too may family breakdown and dissolution lead to the physical movement – departure, emigration, flight – of one or more members, leaving behind a 'remnant' unable to cope. The same may apply to local communities, when individual people and individual households move away to escape the conflict and armed violence, or the threat of violence, and the remainder finds itself less than able to cope. As Karki & Bhattarai remark, "the displacement of people and resulting homelessness, and its multifaceted consequences, are also alarming."[45] There is no doubt that the internal displacement of population as a direct and indirect consequence of the conflict in Nepal is considerable.

There have been several reports on internal displacement as a result of the conflict and armed violence in Nepal. Most of those considered displaced have moved from the rural areas into the district headquarters or to towns and cities considered 'safe' from Maoists – although of course in one sense leaving home to join the Maoists (or the security forces) is also arguably a form of displacement associated with the conflict. A significant number of the 'displaced' have swelled the numbers migrating abroad to India or elsewhere, on a seasonal or longer-term basis; it is hard to distinguish labour migrants from those 'fleeing' their homes and leaving Nepal.

This displacement has been both reactive and anticipatory. Some of it is a result of fear of 'the threat' of the Maoists; some of it because of the general climate of insecurity and fear or armed violence generally. Some of those who left the villages did so usually because they anticipated attacks by the Maoists; these included members of political parties - other than the CPN (Maoist) – local landlords and money-lenders, and others who had reason (as 'enemies of the people' and members of the local landowning and political elite) to fear the Maoists. Others left because they had been threatened or actually attacked by the Maoists. The majority of those who left 'under threat or after attacks' – and rightly referred to as 'internally displaced',

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[43] *Ibid.,* p120.
[44] See Seddon et al 2001, 2002.
[45] Karki & Bhattarai, 2004, p81.

therefore, are from better-off households and families.[46] Often, the male members of such households have left (been 'displaced'), leaving others behind; in other cases, whole households and families have 'been displaced'. As to the numbers involved, estimates vary wildly but suggest a rapidly increasing trend upwards. INSEC's Yearbook for 2002 (2003) suggested that only 17,153 had been registered as displaced up to the end of that year. The number had grown to over 31,500 by the end of 2003.

Many sources suggest perhaps as many as 200,000 internally displaced persons and more leaving the country. But it is hard in practice to distinguish 'economic migrants' from 'displaced persons'. Karki & Bhattarai report that "during fieldwork the Maobadi Pidit Sangh (Association of Maoist Victims) told the interviewers that it had records of about 60,000 who had been displaced after the conflict intensified."[47] These were almost certainly generally better-off individuals. This is confirmed by other studies. In Rolpa – a district in which the Maoists maintain substantial control and is part of the Maoist 'heartland' – local officials estimate that about 25 per cent of the district's 'normal' population was living outside the district, and that of those who had moved, about 50-60 per cent were economically active. Official data however indicated only 210 families had been 'displaced'.

The majority of those included as 'displaced' are in fact labour migrants seeking economic opportunities in the towns or abroad. There is no doubt that internal migration within Nepal, for whatever reasons, has increased significantly over the last five or so years. It is also the case that foreign labour migration has dramatically grown.[48] Arguably this is, in part, a consequence of the conflict and armed violence in particular; but also arguably, it is a response to the lack of employment within the rural areas and perception (if not reality) of increasing employment opportunities in the urban areas and abroad. One estimate suggests that migration into Kathmandu alone was around 300,000 in recent years.[49] Figures cited by Karki & Bhattarai in the five 'conflict-affected' districts covered by their study reveal that male/female sex ratios had changed significantly between 1981 and 1991, suggesting a high rate of male out-migration prior to the conflict in the four hill districts and a high rate of male in-migration in the case of the one *terai* district. A comparison of 1991 with 2001 suggested a continuing trend in the same direction, both for the hill districts and for the *terai* district, indicating substantial out-migration from the hills, into the *terai* and elsewhere (towns and abroad).

There is no doubt that such high rates of male out-migration are changing lives and livelihoods both in the hills and in the *terai*, and having a substantial economic impact. These effects may be seen from a negative point of view, but they may also be seen from a more positive perspective. Karki & Bhattarai refer, for example, to women in the hills being "forced to take up chores traditionally done by the males. The women ploughed the fields, repaired and replaced roofing material on their houses, took care of livestock and did every other household chore, which at other times was done by the males."[50] It is possible, however, to interpret these changes alternatively, as breaking traditional forms of sex discrimination and enabling women to take on new roles and activities.

[46] Cf Karki & Bhattarai, 2004 p97.
[47] *Ibid*, p91.
[48] See Seddon, Adhikari & Gurung 1999, 2001, 2002.
[49] Cf Karki & Bhattarai, 2004, p93.
[50] *Ibid,* p106.

5. Economic impacts of the armed violence

5.1 Overall economic impact

The overall cost of the conflict resulting from the insurgency was estimated by the World Bank at around $300 million.[51] Karki & Bhattarai suggest, more recently that "the estimates of the economic costs of the conflict vary from 8-10 per cent of GDP. Some have also estimated the annual GDP loss at about 1.25 per cent, which makes the total loss so far about 15.4 per cent of GDP."[52] They themselves suggest a figure of 10 per cent of GDP for "the damage caused during the first seven years of the insurgency." These estimates seem to be greatly exaggerated and attribute a greater impact on the economy to the conflict than seems justified. But, finally, the estimates of costs will be very subjective.

5.2 The 'non-agricultural' sectors

If we consider briefly the major sectors of the non-agricultural economy that constitute some 60 per cent of overall GDP, the most obvious impact has been on 'big business' (in the industrial, manufacturing, commercial, hotel and restaurant, and tourist-related sectors) – which is seen by the Maoists as closely associated with the political elite and also with foreign (imperialist) interests. This is the result both of direct attacks on big business and of the indirect effect of the growing climate of insecurity on turnover and profits. As early as 2000, the Maoists had begun to attack the buildings and plant of the multinational and large national corporations[53] and this has continued. Some big business houses have been particular targets – the $100 million Soaltee Group, owned by a family linked to the Palace and with interests spanning tourism, power and tea, was an early target. Soaltee Hotels – the foundation of the business empire – made a loss for the first time in 25 years in 2001, according to its Chairman, Siddartha S J B Rana. It was the subject of a bomb attack in 2004. Distillers and plants making alcoholic drinks of all kinds have been attacked, while the women's wing of the Maoist movement has run an effective campaign in the rural areas to ban liquor sales. This has had an undoubted impact on sales, of both locally and nationally produced alcoholic drink, across the country. Construction, which requires the transport of heavy materials on a large scale, is highly visible and depends on the mobilisation of significant labour forces in one place, has also been hard hit as a sector, with associated losses of profits, employment and income.

It has often been claimed that the tourist industry has suffered as a result of fear of insecurity associated with the conflict. Certainly, the rapid upward growth of tourists coming to Nepal in the latter part of the 1990s slowed down in the new millennium. In 2000, the total number of arrivals slipped back to where it had been in 1998 but the foreign exchange earnings were very little below the previous year's figure. In 2001, there was a significant reduction in tourist visits, even during the popular October to December trekking season. Airline and hotel bookings for the first six months of the year 2002 were already well down on the previous year, in spite of statements issued by the Maoist leadership reassuring tourists that they are not targets. On the other hand, more recent statistics relating to tourist arrivals indicates a recovery in 2003 and 2004, although levels have not recovered to the levels of the 1990s. How much is the result of the conflict and how much a consequence of inflated expectations and over-capacity is debatable.

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[51] According to sagenepal@hotmail.com, 20 May 2002.
[52] Karki & Bhattarai, 2004, p133.
[53] Cf Mikesell, 2001, p18.

The loss of confidence and real threat to profits in the non-agricultural sectors, is said to have further reduced the willingness of both foreign and big nationals to invest in business ventures in Nepal, although it has to be said that the level of foreign direct investment (mainly Indian) was already low prior to the current conflict. Nevertheless, it is likely that there has been decline in interest in joint ventures on the part of foreign capital and a flight of capital (Indian and Nepali) out of the country.

Up until 2001, attacks on police posts and government buildings were the main cause of infrastructural damage, but since then, and particularly between 2002 and 2003, a programme of systematic sabotage resulted in heavy damage to infrastructure across the country. Attacks on power and electricity supply centres, communications centres, airports, etc. have all severely damaged local capacity. There was a period when the foreign development community in particular was convinced that the targeting of assets of development – drinking water systems, micro-hydro stations, communications towers, rural airports, suspension bridges – would have a really catastrophic effect on rural livelihoods. Others have made similar comments – for example, Prabhakar S J B Rana, former Chairman of the 12-company Soaltee Group, is on record as saying that "the destruction of infrastructure goes on, hitting people's livelihoods and having a psychological impact. The question arises: can we re-build all this?" The extent of this damage remains difficult to measure, not only because of the difficulty of assessing the indirect effects of sabotage of infrastructure on livelihoods but also because the real extent of the sabotage itself has not been assessed reliably. There is no doubt, however, that infrastructural damage has been significant and may, indeed, be more serious than this in specific localities, affecting particular local communities and their livelihoods.

It needs to be recognised that the infrastructure targeted has for the most part been that which immediately affects the lives and livelihoods of the better-off in the rural areas to a greater extent than it does the mass of the rural population, including the poor. Nevertheless, it constitutes a loss of 'community' and 'national' development infrastructure of considerable value. Probably more significant but even more difficult to assess, has been and will be the impact of infrastructural projects delayed or stopped because of fear of Maoist attacks. Mobilisation of major rural access projects, such as DFID's Rural Access Programme (RAP), for example, has proved difficult because of the issues of 'insecurity'. In the long run, this may prove a major concern. Other rural roads programmes, irrigation development programmes etc. are being and will be affected, as long as 'insecurity' is felt to be at the present level.

5.3 Food security

The effects of general insecurity and specific forms of disruption may well have affected food security and rural livelihoods more generally. But there was never really any justification for extreme statements to the effect that "apart from the more immediate manifestations of disrupted markets, rising prices, increased migration, closure of essential services, we will probably also see famine emerging in many already food deficit districts in the mid-west and far-west" as predicted be an earlier study by the Overseas Development Institute (ODI). In fact, the ODI study noted in 2002 that "the impact on food supply has not yet shown up in food prices, partly because conflict is worst in the remote areas, which are subsistence-dominated, but also because this past year has seen a bumper harvest in both Nepal and India, so grain is plentiful and cheap." Recent studies cited earlier have revealed the continuing predominance of subsistence production and lack of commercialisation, even of basic staple crops, in the hills in particular, as part of the 'normal' situation in rural Nepal.

On the other hand, some areas where local harvests are limited and demand has increased, and where mechanisms for food distribution (whether through the market, the World Food Programme (WFP) or other institutions) have broken down, may, however, experience food availability decline and food shortages. The situation in Mugu, and indeed in other parts of the Upper Karnali, and in other remote mountain areas, is extremely precarious – as indeed it has been for several successive years, with little effective intervention either by government or foreign development agencies. In such regions, as the study for the EU on *Food Security and Conflict in Nepal* showed, the effect of blockades and restrictions on the movement of goods has indeed had a 'catastrophic' impact. There has been widespread evidence of attacks on and threats to food-for-work programmes supported by the WFP, the government and non-government development agencies and associated with a wide range of infrastructural development programmes – including road construction, repair and maintenance, and irrigation works – designed to provide supplementary incomes to the rural poor. This tended to be most serious in the more remote areas, particularly in the mountainous Karnali Zone, where local food production has been compromised for years and there is a heavy reliance on imported food aid.[54]

If looting of food-for-work depots constitutes one source of local food insecurity, it is certainly the case that Maoist guerrillas have tended to requisition food supplies from farms, either directly or indirectly through lodging with people and demanding to be fed (this often takes place on a significant scale, affecting a whole village community). The security forces are also said to be punishing people for lodging the Maoists by removing food, to prevent this kind of support to the rebels, and themselves looting local food stores. On the other hand, there are reports of efforts in the Maoist controlled areas to implement limited local land reform measures and to adopt co-operative farming practices to increase output and food availability. Initially, these were on a limited scale and posed considerable organisational and even political problems for the Maoist local commanders and commissars – the general paucity in the hill areas of large landowners of the 'semi-feudal' kind has limited the potential for redistribution, and distinctions between 'rich', 'middle' and 'poor' peasants have proved difficult to operationalise effectively and without considerable local dissent. Apart from some land expropriations in the *terai,* there was little in the way of 'land reform' undertaken by the Maoists and no visible impact on agricultural production, at least until relatively recently.

As regards disruption to agricultural output, there is little evidence of direct intervention or actions, although the general climate of insecurity has undoubtedly increased the already rapidly growing propensity for rural households to encourage at least one member to migrate to the towns or abroad in search of additional non-farm income. In some areas, it is reported, that local labour shortages have had a negative impact on agricultural activities and the areas under cultivation.

5.4 Transport

It is certainly the case that there has been significant disruption to travel and transport throughout the conflict-affected areas, and that this may be having a serious effect on food security for some. Earlier reports (in 2002) suggested that "destruction of bridges by the Maoists means that what used to be half an hour's walk to the market may now be a three day

[54] Cf Adhikari & Seddon, 2003.

hike. In order to deny the Maoists food supplies, the security forces are not allowing people to carry more than one-day's food supply at a time. When you live 3-4 days' walk from the market then the norm is to carry a month's supply, so the impact on food security is very serious. Similarly, the security forces will not allow pack animal trains to carry food supplies into the hills." In general "movement is severely restricted, as there are many check posts where the authorities want to know why people are moving around and anyone found in the forest is liable to be treated as a Maoist. Traditional livelihood opportunities such as going into the forest to collect non-timber forest produce and marketing it elsewhere are therefore seriously disrupted." If visits to the forest to collect fuel wood, fodder and non-timber forest products are restricted, then this is likely to have an adverse effect on the poor, whose dependence on such resources is often greater; but restrictions on marketing are likely to affect the better-off – it is rare to find those who gather the forest products actually marketing them.

Karki & Bhattarai in 2004 remarked of their five study districts: "the government had put restrictions on many essential supplies to the interior during the state of emergency. People were not allowed to take dry foods, medicines, iron,/copper and metal pipes into the interior. There were also restrictions of essential supplies like kerosene, medicines and food grain, which the people could take but only in specified limits – all for fear that the supplies could fall into Maoist hands. Transport of red coloured textiles, combat fatigues and construction materials were also restricted…. The restrictions reduced local trading, forcing many traders to close shop. The general insecurity had also sapped private initiative and affected new investment."[55]

5.5 Impact on different sections of the population

In general, particularly where the Maoists have control or significant presence, the direct impact of the conflict on livelihoods is differentiated across groups in large part according to their position vis-à-vis the People's War: there are i) the enemies of the people, there are ii) the natural supporters of the People's War, the mass of poor peasants and workers, and there are iii) those in the rural areas who fall 'in between' these two major categories. In areas that are contested or 'transitional', as far as the police and the Army are concerned, there are i) the guerrillas and people's militia against whom they are fighting directly (military enemy), there are ii) the Maoists and Maoist supporters against whom they are struggling as part of the government's struggle against the illegal opposition (political enemy), and there are the 'ordinary members' of the local population. The problem for the security forces is that ii) and iii) are difficult to distinguish, and as a result actions taken against 'Maoists and Maoist supporters' often actually involve ordinary members of the local population – the very people whose lives and livelihoods they are supposed to be defending against the rebels.

5.5.1 The 'ruling classes' and 'enemies of the people'

In principle, the lives and livelihoods of all of those considered to be 'enemies of the people' – particularly large landowners, money-lenders and those who have exploited and oppressed local people, corrupt local government officials and politicians, merchants and traders, and political activists from other parties than those supporting the Maoists – are at risk. Larger business enterprises are also targets, as are some state-owned or controlled public facilities. Together these represent the forces of 'feudalism', bureaucratic and comprador capitalism, and imperialism against which the Maoists are directing their armed struggle.

[55] Karki & Bhattarai, 2004, p109.

But, in an armed conflict it is the forces on the other side that constitute the immediate target. The majority of those killed by the Maoists through armed violence, particularly since late 2001, have been members of the state security forces killed in action. According to data provided by INSEC in early 2002, 910 people were killed by Maoist insurgents between 1996 and 2001; more than 50 per cent of these (489) were police. The police have probably suffered most casualties at the hands of the Maoists in the conflict overall, particularly in the early years. On the first day of the People's War, commandos of the CPN (Maoist) focused particularly on police posts and for the first five years, the police were the main target of the Maoist guerrillas. Unlike army personnel and the senior police officers, the police are often deployed in their own districts and can be categorised as local people. They (and their families) are clearly particularly vulnerable, not only to attack when 'on duty', but also, significantly, when 'off duty'. Many in the lower ranks of the police force come from relatively disadvantaged families, but were targets for guerrilla action and for assassinations, despite their class background. There have been cases of abductions of policemen as part of an overall propaganda campaign; but, in general, the police have been seen as, and treated as, targets rather than as potential recruits. On the basis of INSEC data provided in early 2002, only 38 of those killed over the previous five years were army personnel. After November 2001, the situation changed as the RNA became more heavily involved; and already in 2002, out of 1,062 people killed by the Maoists, the majority were soldiers. This pattern has continued during 2003 and 2004.

In the first year of the People's War, there were many instances of individuals – particularly village landowners – being attacked. But attacks on larger village landowners became less common in subsequent years, as a result of criticism of this tactic, both inside and outside the Party. Also, in the hill areas where the Maoists have mainly operated until quite recently, there are not generally the large landowners of the 'semi-feudal' kind; nor are there the large estates to confiscate and redistribute. In fact there have been relatively few attempts by the Maoists to introduce any kind of 'land reform' or 'land re-distribution' in the areas under their control; the few attempts made proved extremely difficult to manage and were largely abandoned. Over 150 (152) of those killed by the Maoists up to 2002 were 'agriculturalists' (landowners, farmers and peasants), 34 were 'ordinary people', 19 were teachers, 18 were students, 16 were civil servants, 9 were workers, and 8 were businessmen.[56]

It is not surprising that the largest number apart from the police were classified as 'agriculturalists', given the predominantly rural nature of the conflict; but these cannot be identified definitively as landowners or rich peasants. Karki & Bhattarai suggest that, in practice, "some of the landowners killed were those that did own land but were in real economic terms only subsistence farmers."[57] They also suggest that, "the Maoists have also targeted ordinary households that did not donate for their cause, by labelling them as 'feudals'." Some of the displaced people interviewed for the study by Karki & Bhattarai alleged that at times the local Maoists decided to take action against someone to settle personal accounts and in such cases the victims had simply been labelled as 'feudals'. In some cases, the tillers' rights have been established, following expropriation of land belonging to 'feudals'. There have been some experiments with cooperative production of expropriated land, but this has proved difficult. Several village people's committees have even issued land registration papers and collect tax. This is probably the explanation for the fact that government collection

[56] *Informal* 11:2, January 2002, p17.
[57] Karki & Bhattarai, 2004, p129.

in Maoist affected areas is virtually nil. The Maoists collect periodic as well as seasonal taxes from everyone – bureaucrats to traders to woodcutters to graziers.[58]

The Maoists have tended to attack banks in rural areas. They see them essentially as instruments of exploitation, charging high rates and refusing cheap loans to poor rural people. They also are hostile to local money-lenders and have in many places forced them out of business by a combination of coercion and provision of alternatives. On the first day of the People's War, 'people's commandos' in Gorkha District captured the Small Farmers' Development Project office, seized the land ownership documents kept as collateral by the Agriculture Development Bank (ADB), distributed them to their owners and destroyed the official loan documents and records kept by the bank.[59] The activities of several banks operating in the rural areas, including the Grameen Bank (which sets out to make small loans to poor people without collateral), are seriously compromised by the Maoists. Some have been captured and 'taken over' by Maoist guerrillas, who have then confiscated cash and collateral for loans (as in the case of the ADB, mentioned above). Karki reported in 2001 that "Maoists have looted seven Agricultural Development Banks and their subsidiaries, and seven branches of the Western Regional Grameen Bank. As a result, most of the banks based in the rural areas have withdrawn to their district headquarters. This has severely affected micro-financing activities in rural areas."[60]

On the other hand, in Rolpa at least, the Maoists established a rural cooperative bank (the Jaljala Financial Cooperative Fund - *jaljala bittya kosh*) two years ago, which offers loans to the poor and needy at 15 per cent a year including a 5 per cent contribution to the Party.[61]; it also lends out at 8 per cent.[62] According to another source, the Maoists have established a rural cooperative bank which lends out at a rate of 2 per cent a year[63] – which sounds hard to credit! If it is the case that existing banks have been generally adversely regarded by the Maoists, local money-lenders have been even more specifically targeted. During fieldwork in Bardiya (western *terai*) and Rolpa (mid western hills), Karki was told by local people that the Maoists had minimised their exploitation by money-lenders who were allowed only to charge a certain percentage interest on loans. According to one underground Maoist leader in a village in Rolpa district, they had set a maximum of 20 per cent a year and were more concerned to moderate the terms and conditions or rural lending, rather than simply 'attacking' money-lenders per se. The Maoists have certainly destroyed all kinds of legal and illegal loan documents and freed local people from debts owed to village money-lenders and landlords where these appeared to be excessive and exploitative.[64]

The Maoists have tried to control corruption and bribery and patronage in local level institutions under their control. They have also, by their presence in an area or district tended to reduce the levels of corruption even in government and other non-government institutions.[65] INGOs and NGOs have been clearly warned about the need to devote their funds to development activities which benefit the rural poor and to be transparent about budgets and allocation of resources. Some NGOs, which were blatantly vehicles for the enrichment of their

[58] Sharma, 2001, p5.
[59] Neupane, 2000, p 3.
[60] Karki, 2001, p198.
[61] *Ibid.*, p201.
[62] Sharma, 2001, p5.
[63] Bhandari, 1999, p11.
[64] Karki, 2001, p200.
[65] *Mulprabaha*, 2000, p10.

directors, have been closed down or chased out. Black-marketeers, locally corrupt individuals and business intermediaries and brokers are punished by 'people's courts' if found breaking the Maoist 'laws'.[66] Throughout the country, businessmen have been particularly targeted for 'contributions'; larger businesses have sometimes been obliged to provide very substantial sums in return for a degree of security. Relatively few businesses have been subject to outright attack, although there is some indication that prominent corporations, particularly those with major foreign involvement, are increasingly likely to be targets.

Another category that has suffered particularly at the hands of the Maoists are members of the local political elite, particularly if members of other political parties. Even members of what might be supposed to be 'fraternal' left-wing parties – like Janamorcha or the United Marxist-Leninist (UML) communist party – have been targeted and in some cases assassinated. Those identified with the Nepali Congress Party, with government or the state apparatus have also been prime targets – they have been threatened, attacked and had their lives and livelihoods disrupted in various ways. In early 2002, the figure for political activists killed was 127. Also targeted have been those suspected of passing information to the 'enemy' or undermining the Maoist movement and armed struggle in any way – informers, spies, turncoats, etc. Summary executions of suspected government informants are not uncommon. The Maoists have attacked the residences of several local political leaders, mainly from the ruling party. These attacks have not been confined to the rural areas, but have also taken place in urban areas, including Bhaktapur and Kathmandu. More generally, the political activities of other parties have been seriously constrained, particularly the Nepali Congress Party. In Rukum, the Maoist District People's Government notified all other political parties and social organisations to seek prior approval for any activities they wished to undertake in the district. The Maoists have made it clear that they intend to make the holding of elections an impossibility.

In summary, those whose lives and livelihoods have been most significantly affected in the areas under Maoist control – as indeed in other areas where they have influence - are probably those who were openly in opposition to the Maoists or who were directly threatened by the Maoists by virtue of their class position or their political status and orientation.

5.5.2 The 'middle classes'

There are some groups that find themselves in an ambiguous position. This is the case of those who in the hill areas might be regarded by the Maoists as petty bourgeoisie or 'middle classes' – including shop-keepers and small businessmen, public sector employees (including teachers and health workers) and foreign migrant workers with remittances or pensions from employment in the urban areas or abroad – those who are somewhat better off than the majority and who may have a better education or be seen in some cases as part of the rural elite. While these members of the so-called 'petty bourgeoisie' have generally little more than most of their neighbours, they are often the particular targets of demands for 'contributions' (what might be termed extortion, but which is claimed by the Maoists to represent support for the movement). The level of contributions is variable and there are many who complain that the demands made are excessive. Indeed, it was argued by some commentators during the latter part of 2001 that the Maoists were losing support as a result of their widespread and pervasive – and sometimes violent – efforts at 'extortion' and raising contributions, and as a result of the impact this was having on the lives and livelihoods of an increasing proportion of the rural population.

[66] Neupane, 2000, p3.

The Maoists have instructed local retailers to stock only essential commodities needed by local people. The sale of products produced by foreign companies and multinationals, including bottled and canned soft drinks, has also been banned. But sometimes even ordinary small shopkeepers are unduly restricted. Sharma noted that 'village people's committees determine the prices shops are allowed to charge for their merchandise so that the shops cannot make any money. When the villagers sell their produce to "the reactionary government' (in other words the district headquarters), they are required to pay a tax of ten per cent of their earnings."[67]

Teachers (and to a lesser extent health-workers) have been the object of particular attention by both the Maoists and the state security forces. Hostility towards the 'high caste' domination of Nepal has led the Maoists in many instances to express hostility towards both the schools and their 'traditional curriculum' (including teaching Sanskrit) and to the teachers (who are often 'high caste' educated 'outsiders'). They have been the subject of harassment and extortion (demands for 'contributions') in the past and more recently have been 'recruited' in large numbers to join mass education rallies and propaganda sessions. In areas under Maoist control, private boarding and day schools have been banned and their properties distributed to the public/state schools. The Maoists have expressed a major concern about government education policy, which they see as dominated by a distinctive nationalist and hierarchical ideology. Sanskrit teaching and the national anthem had been banned. Instead of songs one hears in the rest of the country, revolutionary songs are a lot more popular. Cassettes of Indian film songs are also not to be sold. Some Maoist workers told Arjun Karki in 2001 that the Party was developing a new school curriculum under the rubric of 'progressive education' and was in the process of introducing it in the schools. There is evidence to suggest that this has been the case in some areas.

It is suggested by some sources that there has been an unprecedented increase in the local people's capacity for study and analysis and that awareness among females has also reached a high level. Most people regard the press as lacking in credibility. Radio Nepal is perceived largely as a vehicle for propaganda, but people do listen to Radio Nepal more than any other radio station. The BBC Nepali Service is said to enjoy the highest credibility. As a result of specific threats and targeting and general insecurity, many teachers have left their posts and their schools have closed down. To a lesser extent this has also been experienced by health-workers. Others in government service have also been subjected to the same pressures and have generally retreated to the relatively safety of the district headquarters, reducing the previously meagre government services to the rural areas even further.

In addition to the above, there are the development agencies – foreign government or international NGOs – and their local 'branch offices' or national NGOs. These have been included in the category of agents of imperialism at a rhetorical, ideological level, but attitudes in practice have proved more ambiguous and more dependent on particular circumstances. Local NGOs are sometimes considered in the same way. CPN (Maoist) documents adopted by the Third Plenum of the Central Committee of the Party in March 1995 had declared that projects run by NGOs and government projects would be targeted to address the basic contradictions between feudalism, imperialism – mainly Indian expansionism – and the Nepalese people. In fact, in some areas, non-government organisations associated with various 'development' activities have been threatened and/or attacked. All INGOs and development programmes and projects funded by foreign bilateral agencies have been forced to confront increasing levels of insecurity and the hostility of the Maoists towards institutions they consider

[67] Sharma, 2001, p6.

to be 'agents' of imperialism or of 'comprador and bureaucratic capitalism' – in other words to be hostile to the interests, or simply not serving the interests, of the mass of the Nepali people.

Usually, in the case of national NGOs, those most at risk have been those associated with one or other of the major political parties – particularly those linked to the Nepali Congress Party. Usually the confrontations have taken place after some interaction between the Maoists and the NGO personnel, and it is common experience among INGO and NGO projects to find that the Maoists have good intelligence regarding the projects and their functioning. Karki argues that, generally, organisations that have maintained neutrality between Maoists and the government, and have concentrated only on their developmental work, have not encountered problems with the Maoists.[68] Given the high profile position taken in recent months by the governments of some foreign states and their political/diplomatic representatives, it may be increasingly difficult for programmes and projects funded by development agencies associated with those states to retain the 'neutrality' they might seek to demonstrate.

Ironically, these same 'middle classes' are often also targets for the state security forces, who generally see in them potential political activists and Maoist supporters (often, of course, this is the case). They are not, generally, members of the local political elite and certainly not among the relatively affluent 20 per cent of the rural population. As such, they are barely distinguishable – at least as far as the security forces are concerned – from the ordinary mass of villagers.

5.5.3 Peasants and workers

Although many of the actions of the Maoists are directed against the class enemies and at sections of the petty bourgeoisie, there are also more general campaigns, directed at the population at large. In the areas under Maoist control, for example, the production of alcohol and its consumption are strictly controlled. In Salyan District, the Maoist people's committees have declared a number of areas as 'alcohol-free', and have prohibited the sale of alcohol. In general, this is welcomed, particularly by local women's groups, who have tended to be particularly aggressive in acting against alcohol consumption, seeing it as diverting meagre household incomes away from basic necessities for the family down the throats of men. There is little doubt that the anti-alcohol campaign is seen as a gender issue by the Maoists.

Indeed, the Maoist-affiliated 'All Nepal Women's Association: Revolutionary' has recently begun taking radical action in an attempt to close all Nepal's breweries and distilleries and ban the sale of alcohol. This has included burning down breweries and distilleries, despite the importance of brewing and distilling to Nepal's economy (constituting some 3% of GDP) and the fact that some 30,000 people (many of whom are women) earn a living from local production of alcohol, and it is a source of income to poor households. Parliament has responded to this pressure from below by passing legislation to regulate alcohol sales.

Gambling has been banned in some areas under Maoist control. So too have several 'traditional' festivals and ceremonies, considered wasteful or exploitative of the poor – such as birth and marriage ceremonies. Child marriage and polygamy are considered 'social evils' by the Maoists and they do their best to prevent them. In general, a strong position is adopted with respect to violence against women. Sharma reports that "the Maoists profess the building up of a new culture." In Maoist areas, festivals such as *Dasain* and *Tihar* have dwindled in

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[68] Karki, 2001.

importance in comparison to Martyrs' Day, a day to celebrate the memories of the cadres who have fallen in the course of the People's War. These martyrs' families hold memorial services rather than traditional funeral rites. Instead of traditional weddings, people now stand on a stage for 'people's weddings', whilst pledging commitment to the 'Prachanda Path'. Alcoholism, gambling and crimes have reportedly gone down significantly in the villages.

5.5.4 Maoists

The major target of armed violence by the state security forces are those known or suspected to be Maoists or active supporters of the Maoists. The difficulty of identifying the latter is a familiar problem in counter-insurgency. All of the poorer and socially deprived sections of the rural population are automatically suspect, and are harassed accordingly. For this reason, the number of those killed, injured and otherwise harassed by the state security forces include many ordinary citizens, most of whom are not Maoists in any real sense. Although the reports by the government propaganda mechanisms tend to present all those killed or injured by the state security forces as Maoists or Maoist supporters, the evidence suggests that only a proportion are indeed such.

An increasing number of rural people have undoubtedly joined the Maoist forces over the last six years. This includes a majority of men, but accompanied by a substantial number of women – some of whom also occupy leadership positions (e.g. commanders). The majority, but by no means all, of these recruits come from relatively disadvantaged backgrounds. It is probably not incorrect to distinguish between those who constitute the 'cadres' and those who constitute the ordinary guerrillas. Some of the former come from among the better educated and somewhat better off.

5.5.5 Taxes, 'contributions' or extortion?

While there is evidence to suggest that the Maoists have made efforts to provide new structures and new interventions designed to improve the quality of local livelihoods and access to social justice, it is also the case that they demand 'taxes' from local inhabitants of the areas under their control with little or no possibility of resistance. It is extremely hard to distinguish here between what the Maoists refer to as taxation or 'contributions' and those opposed to the Maoists refer to as extortion. In general, the Maoist cadres who approach individuals, households and/or institutions operating in their secure areas for 'contributions' provide a 'receipt' – a piece of paper on which is written the amount of the 'contribution' made by the individual, household or institution concerned and the nature of the demand or contribution. There is, however, little opportunity to refuse and it can easily be argued that intimidation ensures these 'contributions' are made, rather than willing support. The fear of retribution is usually sufficient to ensure prompt payment, but the evident willingness of the Maoists to resort to physical violence on occasion (there is rarely a need to make use of their SALWs) provides a constant underlying threat.

The Maoists argue simply that the resources needed for reform, development and welfare have to be generated locally though land registration tax, donations and contributions, party membership fees, levies and funds confiscated from banks, local money-lenders and feudal landowners.[69] Commander 'Sundar' in Rolpa declared that there was no embezzlement, but as the Maoists were still underground, they could not make their financial statements publicly

[69] Shrestha, 2000a, p13.

available. Some of it goes, of course, to the procurement of weapons and ordnance. Indeed, the Maoist leadership has often underlined the extent to which the military capacity of the guerrillas relies on the combination of capture of weapons from the security forces and the resources provided by the local population, which enables the purchase of SALWs (among other things) to support the armed struggle.

Anecdotal evidence suggests that these contributions may be quite significant, and there have certainly been complaints from many of those 'targeted' for such contributions. Sharma suggests that this affects the 'middle classes' in particular: "bureaucrats and teachers working in Maoist areas have to suffer from endless 'fund-raising'. They have to give one day's salary every month to the Maoists … They may be dissatisfied with the way the Maoists operate but no one dares risk opposing them."[70] During fieldwork in 2001, Karki learned that almost all civil servants, including primary school teachers, were obliged to pay five per cent of their salary every month as 'tax'. Local teashops, groceries and farm households had to pay monthly and seasonal taxes as fixed by the CPN (Maoist). The same applies to local contractors building roads and irrigation canals. During fieldwork in Rolpa, Karki remarked that 'tax payers' were raising questions about the transparency and accountability of the procedures for raising funds from local 'taxation'. There was in fact widespread suspicion of misuse and misappropriation.

Sharma also indicates that the guerrillas and militia are not always under control and that 'the victims are the general public who initially welcomed the rebels as a welcome alternative to police excesses'. He suggests that in the rural areas, where most people lead a hand-to-mouth existence, having to provide food and shelter to groups of Maoist fighters has become an additional burden to bear. While some may provide resources voluntarily, there is much anecdotal evidence to suggest that no one dares raise a voice in protest for fear of inviting 'people's action: "the memory of a CPN (Maoist) worker being killed because of his refusal to feed the Maoists is all too fresh."[71] Indeed, throughout the last few years, the press has constantly published reports of extortion by 'Maoists' and it has been widely implied that the Maoists were indulging in a level of extortion which was alienating even their supporters and sympathisers, despite the fact that they appeared to control 80 per cent of the rural areas. There can be little doubt that the fact that the Maoists possess SALWs and are prepared to make use of them not only against the security forces but on occasion against those who do not cooperate, while the vast majority of the rural population remains unarmed, gives them a capacity to maintain their authority throughout the majority of the countryside.

The general climate of insecurity, derived ultimately from the fear of physical violence on the part of the Maoists is also a significant factor in the increasing willingness of development NGOs working in the rural areas to collaborate with the local Maoist authorities. Field staff are obliged to make their payments, and to cooperate with the local Maoist groups, if they wish to operate without fear of attacks on individuals and infrastructure, even if many NGOs still officially claim they make no payments to Maoists and do not formally recognise their authority. On the other hand, the pressure to undertake development work in a transparent and locally sensitive fashion, ensuring that there are identifiable outputs and benefits to local populations, particularly to the poor and socially disadvantaged, has resulted in a significant reduction in corruption and mismanagement on the part of NGOs working in 'rural development'.

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[70] Sharma 2001, p6.
[71] *Ibid.*

If power grows out of the barrel of a gun across much of Nepal's countryside, it could be argued that – although undesirable and in some ways destructive – this power is being used, not only to coerce local populations and development NGOs, but also to transform local social structures and practices, in some ways to the benefit of the poor and socially disadvantaged. If a political solution could be found which would enable broadly comparable pressures to be maintained, without the use of guns, by those genuinely committed to progressive change and poverty alleviation, then the insurgency, for all its negative impact, will have made a positive contribution to Nepal's development.

6. Conclusions and recommendations

The pressure on development agencies at all levels to 'live up to' their rhetoric of commitment to poverty alleviation and effective contributions to interventions and activities which visibly, tangibly and measurably improve and enhance the lives and livelihoods of ordinary Nepalis should be recognised as a positive feature of the current situation in Nepal.

DFID, in concert with other like-minded development agencies, should make a commitment to ensuring that, as far as is possible, priority is given to effectively directing resources towards those interventions and activities for which there is an expressed need and demand by local communities across the country, and particularly the poor and socially disadvantaged in those local communities, while at the same time providing the necessary research and M&E to inform and guide those interventions and activities appropriately to achieve their stated objectives. Its strategy needs to be driven by considerations of both short-term and longer term development and welfare impact.

At the highest level, DFID, together with like-minded development agencies, should be addressing the root causes of the insurgency and the conflict and working with the government, the opposition and other interested parties to pursue development objectives rather than military objectives, while at the same time ensuring basic security and human rights.

In operational terms, while conflict analysis and security concerns should have a high profile, care should be taken to ensure that efforts and resources are not diverted in any significant way from welfare improvement, poverty alleviation and medium to longer term development impact. On the other hand, initiatives by disinterested parties or by mediators and human rights organisations to encourage a reduction in the level of armed violence, if possible a ceasefire, with a view to developing a framework for talks and possibly negotiations regarding future political arrangements, should be supported. A de-escalation of armed violence will depend largely on movement towards a framework for talks but the discussion of controlled reduction in the deployment and use of armed violence by all parties to the conflict could be linked to this process – not as a prerequisite for talks but as a parallel process.

Special attention should be given to obtaining better information on the specific impact of the conflict (including armed violence) on individuals (men, women and children), households, local communities, etc. with a view to developing appropriate structures and mechanisms for the treatment of psychological and physical trauma, and the strengthening of social protection and livelihood support systems. Such broadly social welfare measures should be undertaken in collaboration with local communities and those immediately concerned.

Transparency, honesty, efficiency (in terms of inputs and outputs) and effectiveness in achieving project purpose and goal, together with an emphasis on local collaboration, participation, monitoring and evaluation, would go a long way towards re-assuring local communities and the various political forces operating in the country that ‘development’ was the priority around which political compromise and eventual agreement could best be built.

To argue for a rigorous adherence to best practice in development activities may appear banal and trite; but in the situation of insecurity and distrust prevailing in Nepal today, ‘honesty’ may prove the best policy.

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