

RRN Report Series-1

CONFLICT AND FOOD SECURITY IN NEPAL

A Preliminary Analysis

David Seddon
&
Jagannath Adhikari

Rural Reconstruction Nepal (RRN)



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Rural Reconstruction Nepal (RRN) is one of the largest non-government organisations in Nepal. RRN's mission is to improve the lives of the rural poor, particularly rural women, small farmers, landless people and other most disadvantaged and socially oppressed strata of Nepalese society, through providing them opportunities for their own socio-economic empowerment.

RRN's strategic objectives are:

- To implement development programmes from the rights perspective aimed at improving the socio-economic status of the poorest of the poor in rural areas and arresting the acceleration of ecological imbalances.
- To conduct action-oriented research on relevant socio-economic issues and incorporate the results into our development programmes and campaigns.
- To publish people-oriented educational and promotional materials and development publications, which can be used by the majority of the rural poor, field workers and others involved in socio-economic and political transformation of the rural poor.
- To campaign at the local, national and international levels on the root causes of poverty, human rights violations and other related development issues.

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PREFACE

In 2002, the European Commission provided funding to RRN for detailed research into the relationship between the Maoist insurgency and the vulnerability of rural communities, in terms of both cause and effect. This document is the result of that research.

The study was commissioned with a view to gauging the actual impact of the Maoist insurgency on rural livelihoods, specifically on food security. The researchers were asked to look into the key attributes of food security—*production, stores and stocks* and *delivery and distribution*—and, in the light of these attributes, the scenario of food deficits at individual, household, community and district levels.

In Nepal, the livelihoods of the majority of the rural population are often vulnerable and insecure, and a key concern is that the situation has been worsened by the conflict. The report assesses the evidence for this and makes some observations on the main features of change brought about by the conflict, providing some indication of the effects on different social groups in terms of livelihoods and food security. An examination of the socio-economic, political and environmental factors affecting food security show that the impact of political insecurity on food security and livelihoods is not neutral: different social categories will be affected differently according to which ‘side’ of the conflict they are on.

The report examines the food security situation and general trends prior to the conflict, and looks at the different income sources on which rural households depend. The changes in the agricultural economy prior to the conflict are also examined. Similarly, the report provides a historical account of the development of the conflict, thus placing the discussion of its impact in the context of the realities of rural life over a longer time frame.

The report highlights the growing recognition that the ‘conflict-affected’ areas are those which are most in need of development assistance. There is evidence to suggest that the conflict has been most intense in those areas which were previously most disadvantaged and deprived, rather than that the conflict has created these disadvantages.

The report also highlights the increase in migration from rural areas, noting that in some places the conflict has caused internal displacement, leading to food insecurity for those remaining behind; while in other places, food insecurity is causing migration. The report concludes that the conflict has made life more uncertain for many rural populations, but at the same time, the structural problems of Nepal’s economy as a whole, causing poverty and food insecurity, persist.

RRN believes in integrating the results of the research directly into the design and implementation of development programmes aimed at improving the socio-economic status of the poorest and most vulnerable people in Nepal. RRN also hopes that this research will contribute to the understanding of the dynamics of the current conflict, and this greater understanding will help other development NGOs, INGOs and donors to implement conflict-sensitive programmes.

This report was written by David Seddon and Jagannath Adhikari.

David Seddon is Professor of Development Studies at the University of East Anglia, based in Norwich, UK. He has been involved in research in Nepal since the mid-1970s. His publications include (among others) *Peasants and Workers in Nepal*, *The Struggle for Basic Needs in Nepal*, *Nepal in Crisis*, *Nepal - a State of Poverty*, *Pokhara: biography of a town*, *The New Lahures: foreign labour migration and the remittance economy of Nepal*, and *The People's War in Nepal: left perspectives*.

Jagannath Adhikari is an independent researcher, based in Pokhara, Nepal. He has undertaken numerous research projects in Nepal over the last decade, most of which have involved original fieldwork. Most, but not all of his research has been in the rural areas. He is the author or co-author, among other publications, of *The Beginnings of Agrarian Change*, *Food Crisis in Nepal, Pokhara: biography of a town* and *The New Lahures: foreign labour migration and the remittance economy of Nepal*.

The report was written in 2003, and is based on field visits and research conducted at that time. Jagannath Adhikari visited Mugu again in 2004, and his impressions of the impact of the conflict on food security in Mugu at that time are also included in the report, specifically in sections 6.6.5 and 6.6.11.

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ACRONYMS AND ABBREVIATIONS

AAN	Action Aid Nepal
AMC	Agriculture Marketing Corporation
ANWA	All Nepal Women Association
APP	Agriculture Perspective Plan
CBS	Central Bureau of Statistics
CPN UML	Communist Party of Nepal, United Marxist Leninist
CPN	Communist Party of Nepal
DFID	Department for International Development (of the Govt. of UK)
DOA	Department of Agriculture
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNP	Gross National Product
HDI	Human Development Index
HMGN	His Majesty's Government of Nepal
IBRD	International Bank for Reconstruction and Development
ICG	International Crisis Group
ICIMOD	International Centre for Integrated Mountain Development
IFAD	International Fund for Agricultural Development
IISDP	Integrated Internal Security and Development Programme
IMF	International Monetary Fund
INGO	International Non-Government Organisation
INSEC	Informal Sector Service Centre
KIRDRC	Karnali Integrated Rural Development and Research Centre
M & E	Monitoring and Evaluation
MENRIS	Mountain Environment and Natural Resources Information Service
MHHDC	Mahbub ul Haq Human Development Centre
MLD	Ministry of Local Development
MP	Member of Parliament
NFC	Nepal Food Corporation
NGO	Non-Government Organisation
ODI	Overseas Development Institute
RCIW	Rural Community Infrastructure Works
RNA	Royal Nepal Army
RPP	Rastriya Prajatantra Party
RRN	Rural Reconstruction Nepal
STOL	Short Take Off and Landing
UPFN	United Popular Front
VAM	Vulnerability Analysis Mapping Approach
WFP	World Food Programme
WHO	World Health Organisation

EXECUTIVE SUMMARY

The Introduction begins by outlining the parameters of the study. It then outlines the key concerns which have given rise to the study and which it will try to address. In Nepal the livelihoods of the majority of the rural population are often vulnerable and insecure, and a key concern is that the situation has been worsened by the conflict. Particular concerns are:

- That production may have declined
- That stores and stocks of food may have diminished
- That insecurity and restrictions on mobility have reduced the movement of goods and services, reducing food exports and imports and overall market activity
- That government and other distribution of food has been adversely affected, or curtailed
- That, as a result of all these factors, food consumption may have fallen
- That the lack of food security (and security generally) is leading to large-scale internal displacement and involuntary migration.

The study aims to consider, broadly, all of these claims, and outlines some preliminary observations:

- production may have declined in Nepal as a result of the conflict
- this may be associated to some extent with involuntary migration. The paper examines who is involved and the extent to which an undoubted increase in migration over the last few years can be attributed to the conflict or to longer-term trends
- in some areas and for some households, stores and stocks of food have been diminished by the actions of the Maoists and/or the security forces. The impact across the country as a whole is unclear.
- the major impact of the conflict has been a reduction in routine physical movement

throughout the rural areas, which in turn has reduced the volume and value of goods transported and services provided.

- In general, the current conflict has had an additional adverse impact on the local food economy, by creating a climate of insecurity which has both reduced market imports and exports of food and restricted government and NGO food distribution.
- It appears - very generally - that those most directly affected have tended to be among the generally better-off, rather than the poorest and most vulnerable.

The report examines how far these factors have led to a decline in food availability and access to food, resulting in increased malnutrition, hunger and even death from starvation, but notes the lack of evidence to support such a conclusion. It is clear that millions of small farmers, landless rural families, and unskilled urban workers are food insecure, but it is less clear whether there has been a real decline in food security over the past five years, and whether any decline can be attributed to the conflict specifically.

The introduction ends with an overview of food security, and its causes in the Nepali context. It notes that food security and insecurity are associated crucially with changing patterns of claims and entitlements to food; and these change as a result of changing power structures and definitions of eligibility. Food security is not an isolated phenomenon, but is associated with socio-economic, political and environmental factors.

Chapter Two develops a political economic framework for the analysis of food security, which includes a livelihoods component permitting the examination of the range of constraints and opportunities operating on the livelihood strategies of households and individuals.

The chapter discusses the historical development of the livelihood approach, noting its origins in attempts to assess the way in

which ordinary people coped with crisis situations, particularly in relation to the availability of and access to food. The livelihoods framework for analysis recognises the distinctive importance of trends and shocks for livelihoods and livelihood strategies, where the former represents longer term and the latter shorter term processes. The report suggests that the conflict in Nepal (of some seven years' duration) may be regarded as a 'shock', while the longer term problems of food security within the food economy of Nepal over the last half century may be regarded as 'trends'. There have, as yet, been no studies exploring how the kind of political conflict involved has implications for the nature and distribution of effects and consequences of 'crisis'.

The impact of political insecurity on food security and livelihoods is not neutral: different social categories will be affected differently according to which 'side' of the conflict they are on. In the context of Nepal, the actions of the Maoists and the security forces affect different sectors of society in different ways. The report suggests that a conflict resulting from a political insurgency whose stated objective is to bring about a social and political revolution in the name of the popular masses is likely to have distinctive effects on local lives, livelihoods and food security. At the same time, it is likely that the security forces will target those sections of the population - including the poor and vulnerable - most likely to be supporting the Maoists and will try to destroy the economic basis of the Maoist insurgency.

In **Chapter Three**, the food security situation and general trends prior to the conflict are examined and the extent to which a substantial proportion of the rural population lives 'in normal times' in considerable food insecurity is revealed. The conventional wisdom is that 'trends' within the food economy of Nepal over the last thirty years have been towards greater food insecurity for the large majority of the rural population. Evidence of this is examined, including a discussion of past social systems and safety nets - now eroded - and their effectiveness, and the evolution of the agrarian system over the last half century.

Over this period there has been an increasing tendency for rural households to rely on a

number of different income sources for their livelihoods and, in general, for the weight of non-agricultural income to increase both in the household and the local village economy. This progressive shift in favour of income from non-farming activities has significantly affected the structure and dynamics of rural livelihoods, in the hill and mountain areas in particular - on the one hand, a diminishing proportion of the rural population is able to survive on the basis of food self-sufficiency, but on the other, a diminishing proportion needs to survive on the basis of its own farm production. Food self-sufficiency therefore no longer a sufficient indicator of food security

However, Nepal's failure to experience the kind of dynamic transformation, whether in agriculture or in other sectors hoped for in the 1950s and 1960s has meant that Nepal as a whole remains poor and a significant proportion of its people live in poverty, which is both pervasive and deep. Whilst growth in the agricultural sector has just about maintained pace with population growth, the re-structuring of the economy has been insufficient to generate the kind of industrial and service sector growth, which could compensate for a slow-moving agrarian economy. Nepal remains heavily dependent on its agricultural economy, and food security remains a major issue. On the one hand, the predominantly subsistence agrarian economy appears unable to maintain food self-sufficiency in all regions and districts across the country, while the emergence of an economy with a different structure - in which food security could be assured by the purchase of food in the market with incomes earned in other sectors, as in more developed economies - has only just begun.

The report examines the changes in the agricultural economy from the 1970s (when the growing regional food deficit in the hill areas first became a concern) to the present. The basis for calculating deficits is examined, and whether in the 1970s deficits actually implied food insecurity or just changing patterns in the functioning of the market. For instance, a particular district may have insufficient food grain production to meet the consumption demands or needs of the district's population, but the population may be able to import food or pay for it in cash earned by the export of

other goods and services. If the population is unable to import additional food grains to make up the gap as a result of their low purchasing power then the district will suffer from a lack of food availability. This analysis underlines the fact that it is poverty that gives rise to food insecurity, but available data does not shed light on the complexities of the food grain market.

The chapter then examines the unequal structure of ownership of land and other key assets for farming, concluding that there are some regions in serious difficulties, experiencing general food shortages and that within those regions there will be significant numbers of the less well-off whose food security will be in extreme jeopardy.

Chapter Four provides a historical account of the development of the current conflict, noting the preceding struggle against the Panchayat system and the perceived failure of democratic government since 1990 to achieve any real headway in addressing Nepal's continuing economic underdevelopment and deep-seated social inequalities. The report notes that the Maoists claim to have prepared for (1994-96), launched (1996) and undertaken (1996-2003) their People's War in response to this failure of development.

The chapter goes on to explain the environmental, social and political reasons for the Maoists adopting the remote districts of Rolpa and Rukum as the platform for the launch of the People's War, and describes the growth and development of the People's War.

From the outset, the conflict undoubtedly had a significant effect on rural lives and livelihoods affected the lives and livelihoods of those in the heartlands of the insurgency to a greater extent than elsewhere. Until 2001, however, despite the growing intensity of the conflict, and the expanding area of the country under Maoist 'control', there was relatively little attention paid to the impact of the conflict. Development agencies either withdrew from 'difficult' areas or found ways to compromise and continue. Government and development agencies were prepared largely to ignore the insurgency in their development policy and planning, and in their programmes and projects. This changed

after November 2001 after the government declared a state of emergency.

A major focus of concern at this time was on 'human rights abuses', an important dimension of lives and livelihoods in situations of conflict. Insecurity for ordinary people in the rural areas increased during 2002 and lives and livelihoods were increasingly affected. The Maoists began to increase their attacks on infrastructure as part of their struggle against the state, concentrating their attentions more on strategic targets than on the smaller-scale infrastructure. These attacks, while directed at power, transport and communications infrastructure in particular, affected the economy as a whole.

The report notes that the current ceasefire (which started at the end of January 2003) has created some optimism that lives and livelihoods, for so long affected by the conflict, could now resume, if not as before, then at least with a greater degree of security. It is a good moment at which to assess the effect of the conflict on lives and livelihoods, and on food security, in the rural areas.

Chapter Five examines rural livelihoods and insecurity in more detail, beginning by outlining the broad features of rural livelihoods in the 1990s prior to the start of the conflict, and introducing the broader concept of 'security'. For the majority of Nepalis in rural areas, livelihoods are risky and uncertain at the best of times; they are also highly dependent on a nexus of social relationships with others, both in their immediate locality and beyond, and on their ability (or lack of it) to gain control of and access to resources and income generating opportunities in the public and the private sectors.

The report examines the situation of different sectors of the population, noting that only perhaps 20 per cent of those who live in the rural areas are generally secure in 'normal times'. Some 40 per cent of the population as a whole are estimated to live in poverty and of these, roughly half could be regarded as extremely poor, though this proportion varies considerably from region to region. Most of the rural poor rely on 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 vast majority of ‘reasonably secure’ households have diversified livelihoods, and the impression that rural Nepalese are overwhelmingly involved in farming is misleading. Even among poor and marginal peasant households, there has generally been an increase in non-farm incomes over the last 20 years. However, the livelihoods of the poor are largely determined by the ways in which and the extent to which their lives are intertwined with those of the rich and powerful – through various forms of economic, social, cultural and political interaction: the relationships of class, caste and gender.

Having outlined the structure of livelihoods, the chapter then examines mapping techniques, including vulnerability mapping and the usefulness of food self-sufficiency as a criterion for wealth ranking. It notes that vulnerability is not just a matter of food insecurity, but the physical, social and political environment can all increase vulnerability. The ways in which economic, social and political factors affect livelihoods are then examined. The construction of livelihoods takes place not just within a physical environment, but also within an economic environment, which offers certain opportunities and certain constraints. Those with least control over and access to the means of production, or reliable alternative sources of income, are the most dependent on their own labour, and are thus particularly vulnerable to exploitation and oppression.

In Nepal, poor rural households have always tended to face relatively high levels of insecurity and low levels of goods and services enjoyed. They have always been vulnerable. The sources of insecurity have in the past been largely environmental and economic, but also social and political, and personal. Although some I/NGOs have for some years now adopted a ‘rights-based approach’ in their work, the rights of the more vulnerable sections of Nepali society have remained unfulfilled for the most part. Bonded labour, ‘untouchability’, gender discrimination, and other forms of exploitation, oppression and social injustice remain widespread and deeply entrenched in the rural areas.

Now, with the current conflict, the political looms larger, and new risks - of being threatened, attacked (beaten and subjected to other forms of physical ill treatment), subject to extortion, robbery or other direct menaces to livelihoods, and adversely affected by indirect disruption to ‘normal’ economic and social relations – have emerged.

The report then begins to assess the impact of the conflict, noting that in the last two to three years at least it has had a major impact. From late 2001 onwards, the conflict, which by then affected most parts of Nepal, has had a range of effects on lives and livelihoods, systems of food distribution and markets, production and consumption, development processes, service provision and the implementation of development programmes at all levels. There is a lack of systematic information available about the impact of the conflict on the rural poor and vulnerable communities, but the report bases its assessment on a body of documented and anecdotal evidence, much of it obtained in the field, drawn from a variety of sources, including reports from NGOs working in the field, journalists’ accounts, and short field visits.

The report puts together a picture of the impact of the conflict on the Nepali economy as a whole. The overall cost was estimated in mid 2002 by the World Bank at around US \$ 300 million. This estimate includes the direct costs of attacks on big business in the industrial and service sectors, and the indirect result of this on turnover, profits and employment.

At the level of the national economy as a whole, the major direct impact has been on the tourist trade. Other sectors that have also been adversely affected are 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. Construction has also been hard hit as a sector, with associated losses, of profits, employment and income. Hotels, restaurants and the hospitality industry generally, catering for Nepali residents, have undoubtedly suffered from the greater restrictions on physical mobility, transport and travel. The transport sector will have suffered from the reduction in

business resulting from reduced numbers travelling and transporting goods on a routine basis.

Traditional livelihood opportunities such as going into the forest to collect non-timber forest produce and marketing it elsewhere may have been disrupted by restrictions on physical mobility and general fear of 'insecurity', adversely affecting the poor, while restrictions on marketing affect the better-off.

Without a systematic countrywide assessment on a district-by-district basis, the assessment of the damage done remains impressionistic and anecdotal. Although, infrastructural damage might have affected local communities and their livelihoods in specific localities, it needs to be recognised that the infrastructure targeted has for the most part been infrastructure, 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.

The report notes the response of development agencies, such as the multilateral agencies, which have all made positive commitments in terms of development funding for increased, special assistance, directed towards conflict areas. This implies recognition that the 'conflict-affected' areas are those that are most in need of development assistance. Whether this implies that the conflict has so devastated these areas that they need special 'redress', or whether it is being admitted that these areas, where the conflict has been most intense, were precisely those that were previously relatively disadvantaged and deprived is unclear.

The correlation between 'level of conflict' and low status in terms of poverty and deprivation (HDI) indicators has recently been established, on a district-by-district basis, according to a recent study. Given that the HDI indicators show relatively little change over the last decade or so, while the conflict has affected these districts for a maximum of seven years - and less in many cases it seems reasonable to suggest that there have been high levels of conflict in those areas where poverty and deprivation are prevalent, rather than that the conflict has created these disadvantages.

The report then examines the different impact

of the conflict in different regions noting that it has varied significantly over time and from place to place within Nepal as the insurgency and the associated conflict has spread and intensified. Districts have been categorised variously throughout the course of the conflict, but the authors still find it useful to distinguish roughly between three broadly distinct areas: Maoist controlled areas; significantly affected areas, relatively little affected areas, and to assess the different level of conflict and disruption to people's lives in these different areas.

The chapter explores in detail the way, in areas where the Maoists have control or significant presence, the impact of the conflict on livelihoods is differentiated across groups in large part according to their position vis-à-vis the People's War, as well as looking at Maoist attitudes to businesses, banks, money lenders, NGOs, education, the general population, and exploring the question of who the Maoists are.

Chapter Six explicitly addresses the relationship between conflict and food security, starting by giving examples of the effects of different types of action by Maoist and security forces. The authors suggest that food production has been adversely affected by the conflict to a limited extent, and then discusses in detail a report on the displacement of small landowners and the impact of this displacement on agricultural production. The impact of the conflict on other factors affecting food security (food stocks and stores, food distribution) is also considered. The chapter then assesses the impact of the conflict on livelihood security more broadly.

Given the very limited impartial quantitative data available on numbers affected by the conflict in Nepal, and the rapidly changing nature of the conflict, it is extremely difficult to assess the number of people whose lives and livelihoods have been 'affected' to some extent, with any degree of accuracy. However, the authors estimate that there are perhaps as many as 5 million people whose lives and livelihoods have been affected in some way over the entire period of the People's War.

In a war situation, the threat to 'life and limb' constitutes one of the most obvious threats to personal security and to the lives and

livelihoods of ordinary Nepalese. Current estimates suggest a total of some 8,000 people killed since the conflict began, with perhaps half of these having died in the last year. In addition, the fear of physical insecurity from the Maoists and from the security forces affects possibly as many as 2 million, and inhibits a whole range of economic, social and political activities, particularly those that involve travelling or coming together in specific locations. However, there is little hard evidence of major disruptions to livelihoods and food security at a national level, but some regions have been significantly more affected than others and some districts more than others, both by the conflict itself and by the impact of the conflict on already poor and vulnerable populations.

The suggested correlation between areas with low human development indicators and areas heavily affected by the conflict implies that it is in those areas that are historically vulnerable and also conflict affected that we must anticipate the greatest risk of serious food shortages and food insecurity. These are areas of relatively small populations and of low population densities, consequently the numbers involved are also relatively small - but they constitute a major challenge nevertheless, for the very factors, which make it particularly difficult to respond effectively to the growing risk of food insecurity are precisely those, which rendered them vulnerable in the first place.

The authors illustrate these specific problems by examining the case of Upper Karnali, through a detailed case study, and individual household studies.

Chapter Seven, the Conclusion, assesses the ability of the study to address the questions raised in the introduction, and delineates the broad features of change brought about by the conflict. Evidence exists that:

Food insecurity exists in several regions of Nepal, but it is unclear to what extent this is a result of the conflict

The conflict has disrupted local economies and

this may be significantly affecting rural livelihoods

The food security situation is likely to be very precarious in remote mountain regions such as Mugu district and other parts of Upper Karnali

There is a growing recognition that the conflict-affected areas are those most in need of development assistance, but there is evidence to suggest that there has been high levels of conflict in those areas where poverty and deprivation are prevalent, rather than that the conflict has created these disadvantages

The conflict has affected different regions, and different sectors of the population in different ways

Political insecurity has been added to the environmental and economic insecurity generally experience by poor rural populations, thus increasing vulnerability

The conflict has affected traditional livelihood opportunities through decreasing mobility, market activity and employment opportunities

The restrictions on the movement of goods and people have increased the self-reliance of rural areas, particularly of the remoter rural areas, and de-linked them from the wider market economy. This will have the effect of increasing food insecurity in areas where both local food production and purchasing power are weak

In some areas, food production has declined

Food distribution has been disrupted, particularly affecting already vulnerable regions

The conflict has accelerated the rural exodus. Whilst internal displacement is causing food insecurity in some areas, in other regions, such as Upper Karnali, food insecurity is causing migration.

The report concludes that the fear of war has made life more uncertain for many rural populations, but at the same time, the structural problems of Nepal's economy as a whole, causing poverty and food insecurity, persist.

Chapter One

1.0 INTRODUCTION

Many studies have been produced over the last year or so which describe and analyse the conflict resulting from the on-going Maoist insurgency and the response of the state security forces to this insurgency (e.g. Amnesty International 2002; CESOD 2002; DFID 2002a, b, c; Goodhand 2000; Harvey 2002; Huntingdon 2002; ICG 2003; INSEC 1998, 1999, 2000, 2001, 2002, 2003; Kievelitz & Polzer 2002; Lal, Khagi, Regmi & Jha 2003; Maharjan 2002; Neupane 2000; Philipson 2002; Seddon & Hussein 2002; Seddon & Karki 2003; Sharma, M. 2001; Sharma, S. 2001, 2002; Thapa 2002; Vaux 2002; Vaux, Gautam, Goodhand, Sharma, M., & Walker 2002). Some of these studies have made serious claims with respect to the impact of the conflict on the economy of Nepal, on rural livelihoods and on particular sections of the population. These claims have, however, been reliant, for the most part, on anecdotal evidence, particularly as regards the effect of the conflict on the livelihoods of the rural population and on their level of food security. A full and comprehensive assessment of the costs (and benefits) of the conflict on the economy of Nepal in general and on the livelihoods and food security status of the rural population is urgently required.

Such a full and comprehensive assessment of the effects of the conflict on rural livelihoods and on food security would a) compare the situation before the conflict with the current situation, b) trace the continuing and cumulative impact of the conflict throughout its course (i.e. from 1996 to 2003), and c) provide evidence of indigenous assessments of the impact of the conflict, based on field studies and reports by local people and other institutions (i.e. NGOs etc.) on the ground. A full and comprehensive assessment of this kind would, however, require extensive fieldwork as well as a careful analysis of available secondary data on food production,

markets, prices, food consumption, etc.

The present study does not claim to be full and comprehensive. It should be seen rather as a preliminary attempt to develop a more systematic approach to, and investigation of, the impact of the conflict on rural livelihoods with special reference to food security in Nepal. It goes beyond the anecdotal and impressionistic accounts produced by most sources to date, but falls far short of a full assessment.

1.1 Key Concerns

There are many dimensions to the consideration of rural livelihoods and food security. In the current context, in Nepal, which is considered by the FAO to be in the category of low-level food security countries, and where the livelihoods of the majority of the rural population are, even at the best of times, vulnerable and insecure, it is feared by many that the intensified conflict resulting from the Maoist insurgency and the state's response since 2001, will have adversely affected food security in the rural areas, particularly for the most vulnerable.

- There is concern that **production** may have declined as a result of the conflict, owing to insecurity, diminished access to land and other farm inputs (labour, fertiliser, manure etc.), internal displacement and involuntary migration.
- There is concern that **stores and stocks** of food may have diminished as a result of seizures, theft, confiscation and sequestration, and simple demands for consumption by security forces and/or Maoists.
- There is concern that insecurity and restrictions on mobility have reduced the **movement of goods and services** and thus of both **food exports** from and **food**

imports into potentially food insecure regions and localities thus reducing access to food through the market and **reduced market activity** – with implications for the rural livelihoods of producers, consumers and middlemen.

- There is concern that **government distribution of food** (through public and para-statal organisations) has been adversely affected, and that **distribution through non-governmental, bilateral and multi-lateral development agencies** (e.g. WFP) and INGOs, has also been curtailed, by the conflict.
- There is concern that, as a result of all these factors and the associated **food availability decline** combined with a **deterioration in access and entitlements to food, food consumption may have fallen**.
- There is concern that this is leading to serious **food deficits** at an individual, household, local community and even district level, with **malnutrition, hunger and famine** as consequences.
- There is concern that lack of security generally, combined with food insecurity will lead also to large-scale **internal displacement and involuntary migration**, and to migration abroad, into India.

The present study aims to consider, broadly, all of these claims. Lack of detailed and reliable field data makes a more intensive and comprehensive study impossible at this time. On the other hand, it is possible to delineate the broad features of change brought about by the conflict, consider in general the effect on livelihoods and provide some indications of the effects on different social categories in terms of livelihoods and food security.

It must be remembered that national data and aggregate figures often obscure the very real differences that exist between regions - for example between the plains (terai), hills and mountains in Nepal - and between different socio-economic groups - castes, ethnic groups and social classes - and also between local communities, households and even individuals

within the same household - in terms of food availability and, more importantly, in terms of entitlement to and access to sufficient food to avoid malnutrition and hunger.

1.2 Preliminary Observations

Anecdotal evidence suggests that **production** may have declined in Nepal as a result of the conflict - particularly in some areas and among certain categories of household - owing to direct threats and attacks (by Maoists or by security forces), insecurity, diminished access to land and other inputs, all of which has reduced the ability to undertake normal farming activities and has led to **involuntary migration**. The scale of this across the country as a whole is difficult to determine; certainly in seriously conflict-affected areas it is a major phenomenon. But estimates vary considerably.

The most recent Human Rights Yearbook (INSEC 2003), for example, reports that some 17,564 people were compelled to leave their homes across the country in 2002, largely as a result of Maoist threats. Many of these were substantial landowners and their absence will undoubtedly have affected the cultivation of their fields and employment of local labour, thus affecting the livelihoods of some labouring households in turn. The involuntary migration (internal displacement) of these landowners may have contributed to the increasing rural exodus from the hill and mountain areas of Nepal affected by the conflict. The numbers cited are small and probably refer only to those registered for compensation.

This is, however, undoubtedly only the 'tip' of an iceberg of internally displaced persons - as some anecdotal reports and at least one recent study (Dixit & Sharma, S. 2003) suggest. One recent analysis of the conflict reports: "Indian embassy officials indicate that roughly 120,000 displaced Nepalese crossed into India during January 2003 alone - fleeing both forced recruitment by the Maoists and RNA attacks. Although some returns have begun with the ceasefire, depopulation of parts of western Nepal remains a concern" (ICG 2003: 2). Another source (Dixit & Sharma, S. 2003) estimates that some 200,000 people have been

displaced in the mid-west, 100,000 in the far west and 32,000 in the east (c.f. Himal Khabarpatrika, 30 March-13 April 2003, quoted in The Nepali Times, 11-17 April 2003: 12). These figures would appear to be exaggerated, but there can be little doubt that internal displacement and migration has increased substantially as a result of the conflict, particularly in the far- and mid-west. Significant numbers (probably several hundred thousands) of people, mainly men, have left their homes on a temporary basis to find work, and security, elsewhere - leaving their families (mainly their women folk) or others to look after their land.

There is no doubt that the rural exodus from the hills and mountains of Nepal has been accelerating over the last five or so years, but it would be hard to attribute more than a proportion of this directly to the conflict, although it undoubtedly has had an effect. Rather it is largely the result of the continuing lack of employment opportunities within the local rural economy combined with the growth of new opportunities in the terai, in the towns and abroad (particularly overseas – c.f. Seddon, Adhikari & Gurung 2001). The conflict can be seen as contributing to a trend in the re-definition of rural livelihoods towards non-agricultural activities, and 'the remittance economy', that is already well established.

In some areas, notably parts of the mid west and far west, there can be little doubt that in the last two to three years insecurity has resulted in large scale involuntary migration. In the case of some other areas, however, such as the Upper Karnali, large-scale involuntary migration is well documented as a consequence of the growing food insecurity of the area and of the lack of local employment and non-farming alternatives to agriculture and livestock production. In such areas, the conflict has exacerbated an already precarious situation and accelerated existing trends. We shall examine the case of the Upper Karnali as a special case study in the final section of this report.

Statistical data on agricultural production in general and on food production in particular

over the last five years would have to be analysed in detail (at a district by district level) before any firm conclusions could be drawn regarding the effect of the conflict on output and therefore on food availability at a regional or district level. More detailed and purposive studies would be required to assess the effects of conflict on agricultural (and specifically food production) at the local and household level in different localities. At the moment, *anecdotal evidence would suggest that the conflict has had an adverse effect on agricultural and livestock production, partly as a consequence of the rural exodus and partly as a result of lack of inputs*. There can be no doubt that ordinary farm work has been disrupted in many areas affected by the conflict. But to quantify the effects and to assess its real impact on livelihoods is beyond the capacity of this study.

As regards those most immediately affected, there are the households that have suffered as a result of the death or disappearance of family members, usually (but not always) adult males, either killed during the conflict (an estimated 8,000 in Nepal as a whole). The 50,000 or so 'conflict widows and orphans' and other directly affected have undoubtedly experienced both personal (emotional) trauma and a threat to their livelihoods. Some of these have moved out of their homes and constitute a part of the involuntary displaced population. Their farms have been abandoned for the most part and their livelihoods are now extremely insecure.

Broadly, however, there seem to be two main categories of displaced person: 1) those who have been the specific targets of threats, pressure or attacks by the Maoists, or who are afraid because of their local political affiliation or class position of such; and 2) those who have been affected directly or indirectly by the general level of insecurity and are frightened as much of the security forces as of the Maoists. The first category are generally better-off and might be identified in class terms as petty bourgeois or landowners; the second are generally less well off, but represent a far wider range of social backgrounds.

These displaced persons include whole families in some cases, or some members only (usually men and children), but the majority are men, who have left members of their family (usually their women folk, very young children and older family members) behind in the villages. The total number is unknown, but some estimates suggest very large numbers indeed - possibly as many as 400,000 (e.g. Dixit & Sharma, 2003) - and anecdotal evidence suggests that 'thousands a day' have been crossing the border into India through checkpoints in the mid western and far western terai in the last year. These figures seem exaggerated, but there is no basis for reliable estimates.

The scale of the phenomenon is such, however, that it must have had some impact on farming back in the areas, districts and villages from which these internally displaced/involuntary migrants have come. On the other hand, the detailed study of a small sample of better-off displaced persons cited above suggests that many have been able to keep in contact with the family members remaining in the village and to continue to farm their land, albeit significantly less intensively than hitherto. The effects on food production would probably be discernible only at the local level.

Anecdotal evidence again suggests that in some areas and in some villages, and for some households, **stores and stocks of food have been diminished** by the actions of the Maoists and/or the security forces. While the impact of this on specific households and even specific local communities may have been severe, adversely affecting their capacity to survive on the basis of their own stocks through the year, it is not clear that this has had a major impact across the country as a whole, or even within the most seriously conflict affected districts - unless other factors have also been involved. Again, however, more detailed and directed field studies would be required to determine the validity of this hypothesis - which runs counter to suggestions made by several sources.

There can be little doubt that **the major impact of the conflict has been a reduction in routine**

physical movement throughout the rural areas, which in turn has reduced the volume and value of goods transported and services provided. The usual flow of imports into the rural areas, including, notably, imported foodstuffs, has been hampered by restrictions of various kinds imposed by both the security forces and the Maoists, and by the general atmosphere of insecurity. This has been felt most acutely by larger traders and transporters who, in any case, would have reason to feel threatened by the Maoists by virtue of their class position and possible identification as 'enemies of the people', but it has also affected small traders and even those who normally buy and transport their own purchases. It is suggested that a consequence of this will have been the effective fragmentation and dislocation of markets for imported goods, with some significant disruption of flows of goods (including foodstuffs) into the rural areas.

This, combined with a corresponding reduction in the volume and value of flows of exported goods from the rural areas, will have had the **tendency to increase the unavoidable self-reliance of rural areas, particularly of the remoter rural areas, and to de-link them somewhat from the wider market economy.** In areas where overall food production is strong and purchasing power is also strong (as a result of remittances or other non-farming income sources), this may have had the effect of strengthening local markets and increasing local transactions (including sales and purchases of food); in areas where local food production is weak and purchasing power also weak, this **may have encouraged the creation of enclaves where both food availability and access to food has declined.**

Particularly in areas where this latter situation has developed, any reduction in food distribution by government or non-government agencies is likely to have a significant negative effect on food security. This study will devote considerable attention to one such area - the upper Karnali - in the extreme northwest of the country, where food shortages have been common for several years and where famine has been identified in several years. There are other similar areas,

however, including many of the mountain districts along to border with Tibet, and a number of districts in the central region of Nepal (e.g. Makawanpur), which require particular attention. For the distribution of food by government and non-government agencies, as part of an attempt to reduce food insecurity and famine in these particularly vulnerable areas, has undoubtedly played a major part in the food economy of these areas over many years. Although these systems of food distribution have been inadequate in many respects, and have been cut back (at least as far as government food distribution is concerned) in recent years as a result of macro-economic 'liberalisation' policy, it is also likely that *the current conflict has had an additional adverse impact on the local food economy, by creating a climate of insecurity which has both reduced market imports and exports of food and restricted government and NGO food distribution.*

There is concern that, with these restrictions and the possible decline in the movement of food within the country, within regions and possibly even within districts, there will have been a decline in both food availability and access to food, and that, as a result food consumption will have declined, leading to increasing malnutrition, hunger and even death from starvation. The data available so far, from the 2000/01 Consumption Survey, for example, do not generally support such a conclusion - they tend to indicate a significant overall increase over the second half of the 1990s in consumption and expenditure (even allowing for inflation), albeit with food consumption maintaining its relatively high proportion in overall consumption and expenditure - suggesting a generally poor population (Engel's Law).

Regionally, the incidence of food scarcity is most severe in the far west (56 per cent), with the mid west next (47 per cent). On the other hand, per capita food security is considered to be the worst in the mid west, particularly in the mountain areas, followed by the western and far western mountain areas. The National Living Standards Survey, 1996 suggested that around half of households in Nepal received adequate food in terms of the estimated calorie

requirement (RRN & AAN 2002: 31), but available data do not support the idea of a progressive decline in per capita availability of calories, fats and proteins, at least during the first half of the 1990s.

Even so, "available evidence shows that there are millions of small farmers, landless rural families, and unskilled urban workers who do not have fair access to food at the prevailing food price" (RRN & AAN 2002: 31). Again, a detailed study would be required to assess the extent to which, on a regional and district level, and at the village level in particular, there has been any real and significant decline in food availability and in access and entitlements to food over the last half decade, and whether any such decline - if indeed there is any - could be attributed to the conflict specifically.

1.3 Food Security

The level at which most recent studies on food security in Nepal have been undertaken has been at the macro-level - the country as a whole, the major development regions and the districts (Rana 2000, Adhikari 2001, ANZDEC 2002, RRN/AAN 2002). This study will attempt to go beyond this - following Adhikari & Bohle (1999) - to examine the differential pattern of food security and insecurity - by region and locality, by class, caste and ethnicity, by gender, age and other social features - for Nepal as a whole. The extent to which we shall be able to provide detailed documentary evidence will, however, be limited by time and the lack of data. It will also provide a case study of a food vulnerable region - the Upper Karnali - where we shall be able to explore the dynamics of the local food economy, the issue of food security and the impact of the current conflict in more detail.

Food security and insecurity are associated crucially with changing patterns of claims and entitlements to food; and these change as a result of changing power structures and definitions of eligibility. As the recent RRN & AAN Study of Food Security in Nepal emphasises, food security is not an isolated phenomenon; it is associated with socio-economic, political and environmental factors.

This study suggests (2002: 33-4) that, in the Nepalese context, the following may be the causes of food insecurity:

- socio-political structures, which effectively prevent the rural poor from having equitable access to productive resources and community assets
- persistent degradation of natural resources and community assets
- policies and institutions which exclude the small/marginal farmers and women from the benefits of development and public services
- caste, gender and class based exploitation, violence, discrimination and marginalization, that limit the access of these social categories to education, health and employment opportunities, and other basic human rights and justice
- imperfect mechanisms for the distribution of goods and services, nationally, regionally and locally
- low purchasing power of the majority of the population
- gender discrimination in general
- limited recognition of food security needs
- lack of commitment on the part of government to implementing appropriate changes

In the context of the current conflict, where the Maoist insurgency is based on an ideological approach and political economic analysis which defines class relations and class differences as crucial to local patterns of wealth, poverty and inequality, we shall try to identify the social categories and classes which are most vulnerable to overall changes in the local food economy that have come

about as a result of the conflict. *It appears - very generally - that those most directly affected have tended to be among the generally better-off, rather than the poorest and most vulnerable. The extent to which the livelihoods and food security of the poor and vulnerable have been adversely affected by the conflict is more likely to have been determined by the range of characteristics listed above combined with a general downturn in local economic activity rather than as a result of more specific changes affecting them directly and in particular - with the exception of involuntary migration.*

Ultimately, of course, food insecurity is a matter for individuals, for only they actually 'experience' the personal, physical consequences of food insecurity and lack of food; and it is at the household level that it is possible to develop a detailed analysis of inequalities both within local communities and, within the household, between individuals, according to class, caste, ethnicity, gender, age etc. (c.f. Adhikari & Bohle 1999). Usually, however, analysis at such a level of detail is only possible when referring to specific villages and local communities.

This study draws heavily for its general analysis of conflict and food security in Nepal on existing data and materials, and on previous work undertaken by David Seddon in the context of a programme of research into Livelihoods and Chronic Conflict sponsored by the Overseas Development Institute, which included the analysis of material provided by two international NGOs working in Nepal - CARE Nepal and Action Aid Nepal (c.f. Seddon & Hussein 2002; Lal, Khagi, Regmi & Jha 2003). Much of the research for the section on the Upper Karnali was undertaken specifically for this study by Jagannath Adhikari.

Chapter Two

2.0 FOOD SECURITY: A CONCEPTUAL APPROACH

2.1 The Political Economy of Livelihoods

Attempts to analyse the food security situation in Nepal have often been hampered by inadequate and misleading conceptual frameworks and theoretical approaches, as well as by poor quantitative and qualitative data and analysis.

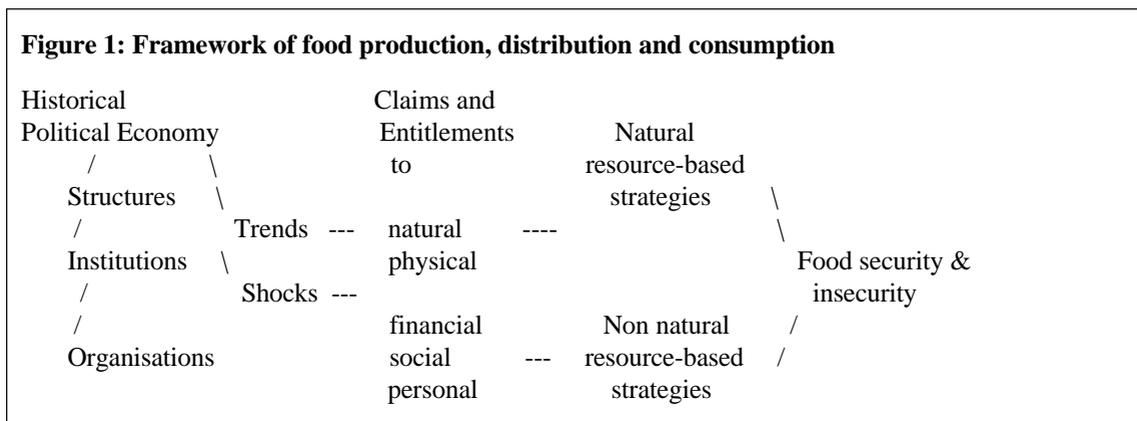
It is suggested here that the most effective approach is that which begins with a historical political economy of food production, distribution and consumption capable of providing a broad framework within which to examine and explore the key issues of unequal food availability and unequal entitlements to food, which together determine the food security of local communities, households and individuals. Embedded within the political economy of food security should be a livelihoods analysis which enables us to appreciate the range of constraints and opportunities operating on the livelihood strategies of households and individuals, which, in turn, affect their ability to provide (or not to provide) a degree of security as regards access to food.

This can be presented as follows:

Key to the working of the model is the link between political economy (with its structures, institutions and organisations) - via trends and shocks - and livelihood strategies, involving the deployment of assets, or rather claims and entitlements to assets or resources, which may be required for the construction and effective pursuit of sustainable (secure) livelihood strategies.

Ellis has assets as the starting point of his model, because he starts with the household; for him, assets are “the basic building blocks upon which households are able to undertake production, engage in labour markets, and participate in reciprocal exchanges with other households” (p. 31). Some writers refer to assets as resources (e.g. Grown & Sebstad 1989). In Ellis’ terms, assets as stocks may be mobilised by inputs of other assets as ‘capital’ (through ‘investment’) to give rise to a flow of output. He points out, however, that different researchers have identified different categories of assets as capturing for them strategically important distinctions.

Thus, Swift (1989) divides assets between the three broad categories of 1) investments, 2) stores and 3) claims. Here, investments include human (individual and collective)



Adapted from Scoones 1998: 4, Carney 1998: 5 and Ellis 2000: 30). In this case 'shocks' will refer to the current conflict.

assets; stores include food stores and items of value, such as gold and money in the bank. Claims are potential assets to be obtained from others (loans, gifts and other forms of support and assistance). Maxwell and Smith (1992) – in a food security context – divide assets between productive capital, non-productive capital, human capital, income and claims. Other variants are found in the work of other social scientists – e.g. Reardon and Vosti (1995) and Moser (1998).

Taking these different approaches, Ellis identifies five sets of assets or ‘capital’: natural, physical, human, financial and social. He notes, tellingly, that human capital is perhaps the most crucial for the poor: “it is often said that the chief asset possessed by the poor is their own labour” (p. 33). In a very real sense, for each individual, the most ‘immediate’ and precious asset is that of health and well-being. Significantly, in their analysis of food security and how hill farmers cope in Nepal, Adhikari and Bohle (1999) agree that “personal assets (health status, skill and physical power of fitness) and household composition were by far the most important factors in helping the households to cope with food deficiency. Other types of assets... were also found to affect food security, but their effect was much less than that of personal assets and household structure” (p. 16).

Nevertheless, we shall argue that it is only when individuals and households have very limited access to other assets does the critical importance of human or personal capital become most apparent. In other words, although it is always the case that personal wellbeing is central to most people’s lives and livelihoods, it is among the poor (who have very limited assets of any other kind) above all that reliance on personal assets is crucial.

2.2 Food Security and Livelihoods Analysis

The analysis of food security is, we would argue, best approached through a livelihoods framework embedded within a historical political economic (and political ecological) analysis. Interestingly, the recent ‘tradition’ of livelihoods research has its origins in the

attempts to assess the way in which ordinary people coped with crisis situations, particularly those of drought and conflict, and particularly with the effects of these ‘shocks’ on the availability of and access to food.

The major droughts of the 1970s in the Horn of Africa and the Sudan, and across the Sahel in west Africa focused attention particularly on drought and famine, and on dealing with these two. Further major famines and food security crises in Africa in the 1980s provided a further stimulus to work in this area. The studies of this period recognised that ‘disasters’ or ‘crises’ were social phenomena, which occurred when a specific event or series of events that could be conceptualised as ‘external’ to a particular economy and society (shocks) dramatically and relatively suddenly undermined the ‘normal’ patterns of everyday life.

In the 1970s and again in the 1980s the major focus was on ‘famine’ – a disaster which appeared to be the consequence of climatic variables on the one hand and social responses to a decline in food availability on the other. Studies by Amartya Sen and others showed that famine was not only about food availability but also about the pattern of entitlements which determined people’s differential access to food. This focused attention on the ways in which poor people suffered because of their limited entitlements or even from a collapse of their usual entitlements in extreme situations and emphasised that food security was not just about food availability but also about access to food, and that access to food was a matter of claims and counter-claims, recognition and refusal of claims as much as it was about stocks and stores.

It was also revealed that poor people were not simply the victims of lack of food and inadequate access to food; they were active agents, struggling to make claims on others, to discover sources of food and the means of survival. Attention turned to the ‘coping mechanisms’ and ‘survival strategies’ of poor people. This was a more optimistic approach. The disadvantage of this focus was that it tended to divert attention away from the

always crucial pattern of entitlements and structure of inequality (control over resources, power in social relations) that ultimately determined *who* gained access to food and *who* did not. The power structures which determined entitlements, and thus access to food, tended to be neglected in favour of the coping strategies of the poor; social exclusion, exploitation and oppression were often ignored as the emphasis shifted to the activities of the socially disadvantaged.

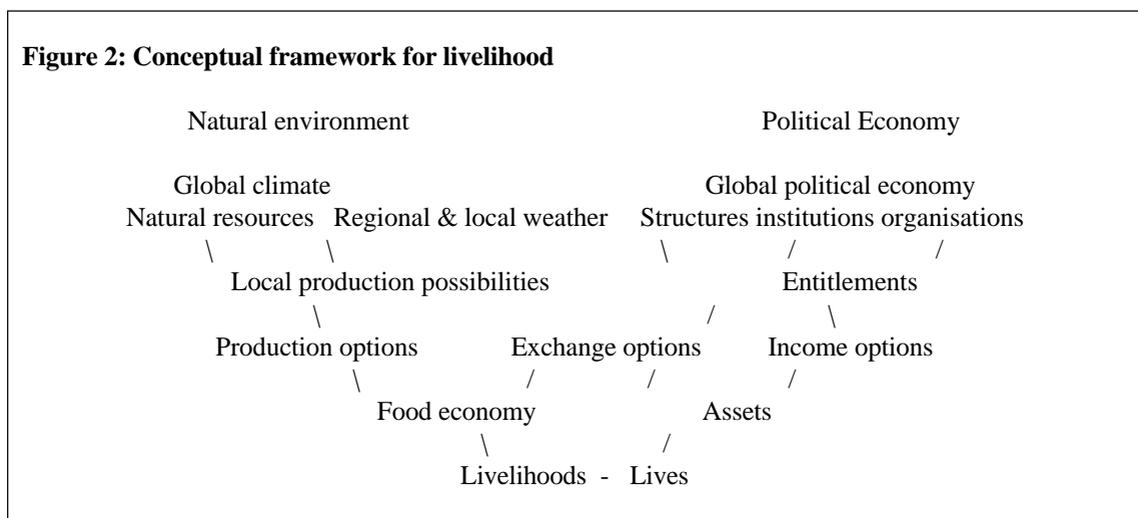
But the emphasis on coping strategies in extreme situations or ‘crises’, also revealed that what people did in extraordinary situations was not unrelated to what they did in ordinary difficult situations. Often, it was possible to identify a continuum of actions or ‘strategies’ from ‘every day coping strategies’ to ‘extreme actions’. For the very poor, even their everyday activities resembled what somewhat better off or more secure households and individuals only did in more extreme circumstances. For the better off, being obliged to embark on activities normally associated with only the very poor revealed just how desperate they were.

Much attention was paid in the 1970s and 1980s to ‘disasters’ – sudden shocks or crises, like famines – or ‘acute episodes’. But during the 1980s and 1990s it was becoming more widely recognised firstly, that poor people were obliged to ‘cope’ on an every day basis and faced ‘chronic’ problems of food insecurity (and other forms of insecurity) regularly and routinely, and secondly, that

there were situations when external threats were not necessarily ‘sudden’ or ‘acute’ crises, which passed, but longer term or ‘chronic’ or enduring constraints on the construction of sustainable or secure livelihoods – in which the temporary coping strategies adopted in the face of acute ‘shocks’ were inappropriate and medium or even longer term responses to ‘trends’ and persistent threats to security were necessary.

By the 1990s, the concern with drought-associated famine was being replaced, in Africa in particular, by the analysis of complex political emergencies in which food insecurity was just one component of a more general loss or lack of security. In such situations it was no longer adequate to talk of a ‘crisis’ as if it were a sudden and transient ‘disaster’, but a new vocabulary was required. In the 1990s, a small number of agencies started to develop livelihoods approaches that could be applied in situations of chronic political conflict or instability. Other agencies developed methodologies for assessing vulnerability and needs that are similar to the livelihoods approach. Such methodologies are increasingly being used in monitoring food aid needs, and there is considerable interest in their further development for assessing broader livelihood requirements. However, examples of the use of livelihoods approaches in situations of chronic conflict or instability or the use of vulnerability assessment and mapping have yet to be adequately synthesised and made available to a wider audience for useful lessons to be learned.

Figure 2: Conceptual framework for livelihood



To date, livelihoods approaches have predominantly been developed and used in donor policy and programming, academic analysis and NGO practice for rural development in peaceful settings. Understanding the livelihood strategies of people in diverse local contexts is taken as the starting point, in order to identify local people's livelihood needs and goals. When working in situations of chronic political instability, however, it is essential that practical interventions to support people in achieving their livelihood goals be designed with an awareness of the potential impact of interventions on the complex structures of power, conflict and inequality that exist in such situations, and vice versa. It is also important that the design and delivery of such support by operational agencies should, as far as possible, be guided by humanitarian principles of humanity, neutrality, impartiality and independence.

Out of this matrix of recent initiatives have come a number of studies of what might be term 'the food economy in situations of chronic political instability' and 'livelihood strategies in chronic conflict situations'. This is pretty much where we are today.

It is important to note that the process of constructing a livelihood is ongoing, that livelihoods fluctuate over time and that they are critically affected by the political, institutional and vulnerability context in which they are situated – e.g. external factors and processes such as the political economy, disasters, seasons and, indeed, violent conflict. It is common in the literature to talk of 'sustainable livelihoods', without perhaps always being entirely clear what 'sustainability' implies. In our view, an important aspect of 'sustainability' is that which essentially refers to the durability and reliability of livelihoods – or livelihoods security – in the short, medium and longer term; the opposite is insecurity. Within the consideration of livelihoods, the issue of *food security – reliable entitlement and access to sufficient food to meet needs* – is central.

Livelihood insecurity implies heightened risk and uncertainty for households, and therefore

increased vulnerability. Food insecurity implies heightened risk and uncertainty with respect to entitlement and access to food, and therefore increased vulnerability to food shortage and to its consequences. In this context, we draw on current work-in-progress both on food security and on politically unstable situations to elaborate a definition better adapted to communities facing and living with conflict. In the context of her-going research at Tufts University, Helen Young has referred to livelihoods in such contexts as *comprising the ways in which people access and mobilise resources to enable them to pursue goals necessary for their survival and longer term well-being, and thereby reduce vulnerability created and exacerbated by conflict* (pers. comm. 2002). However, this is an evolving concept and we shall consider its value and applicability in the course of this study.

2.3 Political Analysis, Conflict, Livelihoods and Food Security

Finally, although the analysis of food security and livelihoods in situations of political insecurity has now become a matter of increasing interest, there is still a tendency to see 'political insecurity' in wholly neutral terms as far as its impact on food security and livelihoods is concerned - to fail to recognise and incorporate into the analysis the fact that in any conflict there will be 'sides', and that in any conflict, there will be those who are directly and deeply implicated, and there will be those indirectly and less deeply implicated. As a result there is no study in this genre of 'conflict and livelihood analysis' (c.f. Holland, Johncheck, Sida & Young 2002), to our knowledge, which explicitly recognises that the *kind* of political conflict involved will have significant implications for the *nature and distribution of effects and consequences* - and hence for the differential impact on different social categories, and which explains precisely *how the kind of conflict affects different social categories differently*.

While it is recognised that there will always be unintended and unforeseen consequences to any political conflict of whatever kind, we would suggest that a conflict resulting from a

political insurgency whose stated objective is to bring about a social and political revolution in the name of the popular masses (drawing on the ideological and political thought and experiences of Mao-Tse-Tung in China during the 1920s and 1930s, and other similar revolutionary movements in Asia and Latin America) is likely to have distinctive effects on local lives, livelihoods and food security. If the outcomes were those intended, on the basis of statements made by the leadership of the insurgency, the major threat would be broadly to the infrastructure and those other components of the economy which most benefited the 'ruling class' and the state, and more specifically and locally to the lives and livelihoods of those identified as 'class enemies', as 'enemies of the people' or as part of the forces deployed directly against them by the state whose overthrow they propose; and the major beneficiaries would be the rural masses, including the poor and hitherto vulnerable.

The insurgency is not, however, the only component of the conflict. The state security forces - police and army - and other political agencies opposed to the Maoists are also actively involved in the conflict. Their objective is to crush or suppress, or in other ways defeat the Maoist insurgency and, as a consequence, they direct their actions against

the Maoist guerrillas and at Maoist supporters (or rather at suspected Maoist supporters) and in defence and support of those threatened by the Maoists. If we consider the impact of their activities and actions, they are likely, other things being equal, to target those sections of the population - including the poor and vulnerable - most likely to be supporting the Maoists and to try to destroy the economic basis of the Maoist insurgency.

Detailed analysis of those most directly and seriously affected in the conflict - that is, those killed and injured - suggests that the vast majority can be explained as the casualties of the specific activities and actions of the two different sides to the conflict, although insufficient detail exists to enable us to specify precisely the social characteristics of all these 'victims' of the conflict. A much larger number of people has been affected than those killed or injured. In addition to the families of these people, there is the number of those whose human rights have been in some way violated, by the Maoists, the security forces or some other agency, in the context of the conflict; and the far larger number whose lives and livelihoods have been adversely affected by broader changes in rural economy and society. Many of these can be seen as the 'unintended' casualties of the conflict.

Chapter Three

3.0 THE FOOD ECONOMY OF NEPAL

3.1 Trends and Shocks

The livelihoods framework for analysis recognises the distinctive importance of trends and shocks for livelihoods and livelihood strategies, where the former represents longer term and the latter shorter term processes. Here, we suggest the conflict (of some seven years' duration) may be regarded as a 'shock', while the longer term problems of food security within the food economy of Nepal over the last half century may be regarded as 'trends'.

Before considering the effects of the current conflict on food security in Nepal it is necessary to say something about the food security situation and general trends prior to the conflict and to provide an account of structures and dynamics of the food economy of Nepal. This will reveal the extent to which a substantial proportion of the rural population lives 'in normal times' in considerable food insecurity as a result of a variety of factors, including the negligible growth of per capita agricultural (and particularly of food) production and a strikingly unequal entitlement and access to the key resources, assets and opportunities that are available. It will consider the extent to which the evidence supports the conventional wisdom that 'trends' within the food economy of Nepal over the last thirty years at least have been towards greater food insecurity for the large majority of the rural population.

The insurgency, which in theory directly confronts the structural inequalities of Nepali economy and society which underlie the widespread poverty and food insecurity of the mass of the rural population of Nepal and in particular challenges the regime itself, also presents itself as offering the prospect of new and improved entitlements and access to the key resources for 'the masses'. In choosing the armed struggle as its primary vehicle for that

challenge, the insurgency has met with opposition from the state (in the form of the police and the army) and from other quarters, which has resulted in a conflict of increasing intensity, particularly over the last two to three years. This has undoubtedly - in broad terms - adversely affected people's lives and livelihoods, although, of course, there have been some who have benefited directly as a result of the activities of the Maoists.

From the Maoist perspective, of course - and from the perspective of others who have also (but from different perspectives) argued for a radical transformation of the political economy of Nepal, in order to ensure more equal access and entitlement to key resources and opportunities (social justice and development) for the majority of the Nepali population - the conflict - and its immediate adverse effects - are a necessary part of the inevitably painful process of revolution: giving birth to a new society is never painless, but this is a price worth paying for the benefits to come. This is, of course, debatable, but is worth bearing in mind when focusing on the immediate 'costs' of the conflict and the adverse effects on livelihoods and on food security.

3.2 The History of the Food Economy of Nepal

There is insufficient space to discuss the historical development of food production and consumption in Nepal prior to the most recent period, but we would argue that the historical evidence suggests that the rural economy of Nepal was progressively transformed after unification in the late 18th century and particularly during the late 19th century and early 20th century - notably from 1850 to 1950. As the balance of farming systems changed and so too did the balance of items consumed, with pastoralism as a form of

livestock production gradually diminishing in importance and animal products becoming a less significant part of the everyday diet and consumption, and with slash-and-burn extensive shifting agriculture giving way to dry-land farming of maize and millet on the upland slopes and paddy rice farming in the valley bottoms. In general, as a result of government policies which encouraged immigration, settlement, land clearance and development, and cultivation, there was a general and significant increase in overall agricultural output, which consisted largely of food production

The process of transformation was gradual and uneven, regionally and socially. It is likely that, as investment in land increased, (terracing and improvements of other kinds) so the value of arable land rose too. In areas where land transactions were possible, there is a strong possibility that patterns of land ownership and even of access to land for farming became increasingly unequal, with some households (particularly of the so-called occupational castes) finding their access to land for farming constrained and difficult. Certainly, overall population levels and population density increased significantly at the same time as did agricultural output, possibly at the same or a similar rate.

But although there is evidence that in some areas, in particular the eastern hills, population pressure was beginning to outstrip the availability of land for cultivation and force some degree of emigration, it cannot be said with any certainty that for individual households the situation was better or worse as regards access to food. Others have made strong statements, to the effect that “the problem of food insecurity has grown tremendously only in recent times. Traditional safety-net mechanisms had helped poor people in the past to secure a food supply to a certain extent. But now this system has almost eroded” (Adhikari & Bohle 1999: 20-1). It is not clear what is meant here by ‘recent times’ or ‘in the past’, but even so, the assertion remains in our view unsubstantiated, unless referring only to the last half century.

There is no doubt, however, that certain forms

of exchange, which were couched very much in terms of reciprocity and redistribution – such as the *bista* system which involved the ‘exchange’ of goods and services between different caste groups – have been progressively eroded over the last half century. But the real nature of these relationships and their capacity to provide a safety-net for communities, households and individuals in poverty remains debatable. The *bista* system could certainly be seen as a form of patron-client relationship, in which the so-called occupational castes provided specific goods and services for the high caste groups, in return for payment in kind (usually in the form of food-grain) on a customarily ‘fixed’ basis. Some would regard it as having been highly exploitative; others as a system which ensured a basic provision of food and thus survival for those with few assets and resources. The entitlement of the poor to food under these circumstances can be interpreted in different ways.

It is true, however, that these forms of exchange have been progressively eroded over the last 50 years and increasingly replaced by cash relationships. This has ‘exposed’ many of the ‘occupational castes’ to more naked forms of exploitation and oppression, and has removed certain forms of safety-net or patronage, but has also made possible a greater degree of freedom of choice regarding employment opportunities. Less ambiguous are the various arrangements for tying individuals from specific social groups to wealthier and more powerful households and groups – such as *haliya* and *kamaiya* arrangements – which continue to exist, particularly in the far- and mid-west of the country.

The balance of costs and benefits of these relationships to individual households varies enormously from context to context, according to the range of other opportunities available and to the local balance of power. It is the structure of control over assets and resources – not only land, which remains a key asset in the agrarian economy, but others also – and the way in which claims and entitlements are determined (usually as a function of local power structures) that ultimately determines

the level of food security of a given household. Households, however, exist within wider local communities and within economic, political and environmental contexts which both provide the framework for household food security and are themselves determined by the wider regional and national political economy, and by broader trends and shocks from 'outside'.

3.3 The Modern Period: an Overview

The forty years between the downfall of the Ranas at the beginning of the 1950s and the reinstatement of a multi-party democracy under a supposedly constitutional monarchy in 1990, saw Nepal's population continue to grow, the agrarian economy gradually evolve, and the structure of the economy as a whole to shift slowly but definitely towards a more diversified profile, in which (by the end of the 1990s) agriculture has come to account for less than 40 per cent of GDP. At the national level, food security is assured not only by the agricultural sector, but by the other economic activities which together account for 60 per cent of GDP, and by the range of activities which together bring in significant foreign exchange (such as tourism, foreign labour migration and remittances, exports of goods and services) supplemented by foreign 'aid' (lending and grants), all of which contribute to the balance of payments and to GNP.

During the last half century, there has also been an increasing tendency for rural households to rely on a number of different income sources for their livelihoods and, in general, for the weight of non-agricultural income to increase both in the household and the local village economy. This progressive shift in favour of income from non-farming activities has significantly affected the structure and dynamics of rural livelihoods, in the hill and mountain areas in particular - on the one hand, a diminishing proportion of the rural population *is able* to survive on the basis of food self-sufficiency, but on the other, a diminishing proportion *needs* to survive on the basis of its own farm production. The most vulnerable sections of the rural population are today those who have *little land or livestock*

from which to derive their own food and who also have *little income from other sources*.

The increasing reliance on income from non-farm sources has come to a small extent from the expansion of local non-farming activities, but to a major extent from migration - predominantly labour migration. There was an increase during the 1960s and 1970s in particular in rural-rural migration, predominantly from the mountain and hill regions to the terai, as the latter opened up for settlement and cultivation, and subsequently in the 1970s and 1980s in particular, in rural-urban migration, as urban growth and the emergence of a significant secondary and tertiary sector (industry and services of various kinds) in the informal economies of the towns took off. The 1990s saw a massive increase in migration abroad - both in India and overseas. While in perhaps the majority of cases, migration to the terai in the 1960s and 1970s involved eventually the permanent migration of whole households to establish themselves there, the rural-urban migration of the 1970s and 1980s involved a significant proportion of 'temporary' migration on the part of individual members of a rural household who sent remittances back home to provide an additional source of income. In the 1980s and 1990s, migration abroad resulted in a substantial increase in the flow of remittances back into the rural areas - albeit more into some regions and districts than others.

As a consequence, a significant proportion of rural households now depend for their food security as much on the purchase of food in the market as they do on growing their own. Food self-sufficiency remains a virtual guarantee of food security - as long as sufficient land and labour is available - but lack of food self-sufficiency does not of itself imply a failure in food security or significant food insecurity - although it does imply increasing reliance on markets and on purchasing power based on income generated or earned either (in a relatively small proportion of cases) by cash crop farming or (more commonly) outside farming.

The transformation of Nepal's economy during this century is undoubted - the decline

in the relative contribution of agriculture to GDP is one indication of this transformation, the increasing reliance of rural households on remittances is another; but its failure to experience the kind of dynamic transformation, whether in agriculture (the 'Green Revolution') or in other sectors (significant industrialisation, for example), hoped for in the 1950s and 1960s – even after many decades of public and private investment, development planning and intervention, and a substantial programme of foreign loans by bilateral and multilateral agencies – has meant that Nepal as a whole remains poor and a significant proportion of its people live in poverty.

Average per capita GDP is low relative to most other developing countries, and Nepal is ranked among the poorest countries in the world. This means that average per capita incomes are low and purchasing power in domestic and in international markets also low. There is considerable debate and much uncertainty as to whether poverty is increasing or not – partly as a result of difficulties over conceptualisation and definition, and partly as a result of difficulties of data collection and analysis (measurement). Certain 'facts', however, appear to be widely accepted. Poverty is both pervasive and deep – there are many who live in poverty (particularly in the rural areas, but increasingly also in the towns) and those who are poor experience severe poverty.

It has also become part of the conventional wisdom in Nepal that there are increasing problems associated with food insecurity – that for whatever reasons, many regions of the country and many people, both in those regions and in others, suffer from food insecurity. Precisely what this means will need some discussion, but it would appear at first sight that food insecurity means 'not enough' food, 'uncertainty' about its availability (from day to day at worst, from week to week, from month to month and from year to year) and 'unreliability' of access or entitlement to food.

Eventually, one would expect that the consequences of food insecurity would become visible - in a relative increase in the

proportion of household expenditure devoted to food (Engel's Law), in an absolute decline in overall food consumption, by individuals and households, which would be manifest at local community and district levels. In the absence of a national census examining these matters, we must rely on sample surveys. The 2000/01 Consumption Survey suggests that levels of consumption have been increasing overall in rural Nepal in the last five years or so, even taking inflation into account, although there is considerable variation from region to region.

One would also expect that declining levels of consumption would translate themselves over a relatively short period of time into patterns of nutrition and malnutrition. Again, in the absence of recent reliable nutrition survey data, we can only surmise what has been happening to patterns of nutrition, although there are indications that malnutrition is widespread and that nutritional status of both children and adults is generally poor - but whether the situation is generally improving or deteriorating is not clear. Some recent village studies (e.g. Macfarlane 2001) have suggested a deterioration in nutritional status, at least in those cases where there has been significant emigration and an associated decline in investment in local farming.

In so far as there is a spatial dimension to patterns of consumption and levels of nutritional status, it seems clear that, in general, consumption and nutritional levels are lowest in the far- and mid-west, with some indication that they might also be low in the central region if the 'displacement' effect of the Kathmandu Valley with its high average consumption levels is removed. In so far as the factors explaining low levels of consumption are, in part, geographically or locality specific, we might expect to see the physical movement of individuals and households out of these areas to areas where 'conditions' are less hostile. In so far as it is possible to identify 'areas' of low consumption (with presumably also low food self-sufficiency and low purchasing power - hence low food security generally), these are predominantly in the remote mountain districts of Nepal, in some of the hill districts of the far- and mid-west, and

possibly in some of the districts of the central region. These 'remote areas' require special attention.

3.4 The Role of Agriculture

One thing is sure, and that is that overall, in the last half century, agricultural change has continued to take place and to generate an increasing output of cereals (as well as of cash crops). Equally importantly, this has enabled the agricultural sector just about to maintain pace with population growth. On the other hand, agriculture has gradually declined, relative to other sectors, as a source of GDP and GNP, from over 75 % in the 1950s and 1960s to below 40 % in the 1990s. It is important to recognise that this reflects not merely the slow growth in agricultural output but a relatively rapid rise in other sectors of the economy, and a gradual transformation and restructuring of the economy.

The problem for Nepal is that this restructuring has been insufficient to generate the kind of industrial and service sector growth, which could compensate for a slow-moving agrarian economy. Nepal remains heavily dependent on its agricultural economy and there is still a tendency to equate food security with food self-sufficiency – as is typically the case with a predominantly subsistence economy. In the context of Nepal – whose economic transformation remains incomplete – food security remains a major issue. On the one hand, the predominantly subsistence agrarian economy appears unable to maintain food self-sufficiency in all regions and districts across the country (even if it has managed by and large – and against expectation – to maintain overall food self-sufficiency at a national level, largely as a result of the output of the terai), while the emergence of an economy with a different structure – in which food security could be assured by the purchase of food in the market with incomes earned in other sectors, as in more developed economies – has only just begun.

There has been, for the last half century, a rhetoric of planning for development, involving both agricultural transformation

(essentially through a form of 'Green Revolution') and a shift towards the industrial and service sectors. Significant proportions of the national budget were allocated in all five year plans to rural infrastructure, including rural roads and irrigation, both of which were considered pre-requisites for significant increases in agricultural output and productivity, as well as directly to agriculture itself. The effects were negligible. It was reported, however, of the first Five Year Plan (for 1956 to 1961) with regard to agriculture, that "overall, the results were not satisfactory" (Pant 1973: 170); it was also remarked, more generally, of the Second Plan (for 1961 to 1965), by the same commentator, that "the implementation of the Plan did not produce any marked impact on the economic condition of the common people" (173). It was not until the second half of the 1960s that real efforts were made to transform the agricultural sector with a view to increasing both productivity and overall output. Food security was not at this time a particular issue; the priority was considered to be the production of cash crops for export.

In the Third Plan (1966 to 1970) a major priority was accorded to agriculture, with a view to increasing an increase in food grain production of 15 per cent and in cash crops of 73 per cent. Recognising even this early that some areas and some village communities lacked adequate food security, the government established the Food Management Committee in 1965 (Adhikari & Bohle 1999: 22). The Agricultural Supply Corporation was established in 1966 to distribute seeds, fertiliser and farm implements, in order to complement the weak inputs supply market. Chemical fertiliser consumption increased during the late 1960s and early 1970s, but from a base of virtually zero use in the 1950s. By the early 1970s fertiliser use was generally less than half the use (kgs per Ha) of Bangladesh, about a quarter of that in India. In 1968, the Agricultural Development Bank began to provide credit to farmers, but its impact was very limited.

A review at the end of the planning period revealed, however, that overall production of food-grains was little more than 10 per cent

above what it had been at the start of the period – despite significant increases in the output of wheat and millet – while cash crop production was well below the anticipated figure. The overall index of production, based on 1964/65 as 100, reached only 114.5 in 1969/70; the index for basic staples was even weaker, with paddy at 109 and maize at 108 (see Seddon 1987: 43). The assessment of the third plan period as regards agriculture was that “whatever general growth occurred was probably due to traditional factors of increased labour force, additional land (brought under cultivation), changes in weather conditions and so on, and not due to any qualitative improvement or any sizeable increase in the magnitude of the factors of production” (Pant 1973: 173).

Despite successive plans, whose aim was to increase both output and productivity, the first tended to grow at approximately the same rate as the population, while the second tended, if anything, to decline. Crop yields during the 1960s actually appear to have declined in the case of many major crops, including some of the key cash crops (sugar cane, tobacco and jute). Maize registered a small increase of 2.5 per cent, while paddy rice declined by 2.4 per cent. Only wheat showed a significant increase in yields – of 32 per cent – over the period. Between 1964 and 1972, total cereal production grew by only 7 per cent, with the two major cereal crops – paddy rice and maize – showing virtually no significant change in output and demonstrating considerable variation from year to year, presumably as a result of climatic conditions. Wheat and millet, however, continued to make a strong showing, growing by 77 per cent and 105 per cent respectively.

3.5 An Emerging Crisis: the 1970s

In 1971-72 and 1972-3, poor weather resulted in unprecedented food grain shortages in the hill regions and shortages in several mountain regions. It was recognised that state intervention was required to improve food accessibility in remoter areas. The Agriculture Marketing Corporation (AMC) was established to coordinate the procurement and distribution of food for the country as a whole.

Over a period of 20 months, the AMC handled about 75,000 mts of food grain procured domestically and from foreign aid sources, and intervened in the market to keep prices down, by the controlled release of buffer stocks acquired from the terai and abroad. This was the first ‘food crisis’ that Nepal had experienced on such a scale. It was not to be the last.

In 1973, the World Bank noted that “slow growth of food grain production and rapid demographic growth have resulted in a rapid decline of the rice surpluses produced in the terai and exported to India, which finances a large part of Nepal’s substantial import requirement. Food grain production in 1972 has been far short of normal levels and *the situation is critical in certain hill areas*. So far, the government has procured about 150,000 tons, of which 6,000 tons had to be airlifted” (IBRD 1973: 3, our emphasis). If the scenario for the country as a whole suggested a diminishing food grain ‘surplus’, the forecast for the hill regions, where the land available for irrigated rice production had always been and remained very limited, suggested a growing ‘deficit’. This was confirmed when, in 1974, the FAO concluded that Nepal’s food grain production had increased at a rate of only 0.7 per cent a year during the previous decade, while the hill regions had experienced *an actual decline in food production of some 2.1 per cent* (cited in Seddon 1987: 47, our emphasis). As a consequence, it was estimated that locally available supplies of the major food grains had declined annually on average by roughly 4 per cent per person during the previous ten years. The report also stated that, although Nepal as a whole was still able to produce an annual grain surplus of between 350,000 and 500,000 metric tonnes during the 1960s, the hill regions were already annually food grain ‘deficit’ to the amount of about 150,000 metric tonnes.

Calculations for the west central (today the western) development region indicated that already by 1971, the hill areas of this region revealed a gap of about 70,000 metric tonnes. This was still ‘covered’ for the region as a whole by the substantial surplus available in the terai districts – which amounted to some

83,000 metric tonnes. Interestingly, the mountain areas of the west central region still showed a small food grain surplus of about 3,500 metric tonnes. (Indeed, it seems that the mountain areas generally, the Upper Karnali zone included, were more or less self-sufficient until into the 1970s, although, as we shall see, they moved into 'deficit' during the middle of the decade.) Ten years later, it was estimated, the region as a whole would have moved into deficit, with a gap overall of nearly 40,000 metric tonnes. The hill areas would by then have an even more substantial deficit, of around 125,000 metric tonnes, while the terai would have been able just about to maintain its surplus of 83,000 metric tonnes. The surplus in the mountain areas would, however, have been whittled down to near zero (some 1,500 metric tonnes) (Seddon 1987: 48, citing Blaikie et al 1976: 5.27-5.29).

When these calculations were extrapolated to Nepal as a whole, the results suggested a probable future deterioration, from a small food grain 'deficit' of about 100,000 metric tonnes in 1976 to a deficit of around 270,000 metric tonnes by 1981. It was predicted, on the basis of the regional analysis, that "the deficit of the hills, where most of the people live, will get greater throughout the period, 1976-1981. The terai's surplus will be maintained until 1987 and then will decline" (Seddon 1987: 49). In another analysis of the relationship between food grain production and estimated food grain consumption in Nepal undertaken in the early 1970s, it was anticipated that, at the end of the Fifth Plan period (1980-81), Nepal might still have a grain surplus overall of about 85,000 metric tonnes, but recognised that, with different figures and assumptions, this could prove to be a deficit of up to 145,000 metric tonnes. In all of their projections they foresaw a deficit in paddy rice. Although they were unprepared to predict with any certainty whether the country would, or would not, be able to maintain its overall self-sufficiency in food grains, they argued that "for the *next* development decade, 1980-90, the situation with respect to the gap between demand and supply for 'total food grains' would be most distressing" (Pant & Jain 1980: 166-7). By 1985-86, under all situations (they estimated), the country would

have a deficit ranging from 100,000 metric tonnes (under the best conditions) to 800,000 metric tonnes (under the worst).

The main cause of the gap would be the growing demand for paddy and rice across the country, even in regions where it had not historically been a major crop, and the relatively slow rate of growth in production. They did not explore the significance for food security and real livelihoods of the prediction of 'growing demand' for paddy and rice, probably because it was based simply on a standard formula for individual and household demand subjected to a population growth multiplier and some expectation of a shift from other grains to rice. It has to be emphasised at this point that these exercises in calculating the 'gap' between aggregate production and assumed aggregate consumption to produce a food 'deficit' as a way of estimating 'food security' were - and remain - based on a number of shaky foundations. Firstly, aggregate data for grain production are somewhat unreliable; secondly, aggregate consumption is estimated on the basis not of actual data but of a formula (involving average per capita calorie 'requirements', grain equivalent and population). Crucially, for those concerned with food security at a local community, household and individual level, this does not allow for real changes (either upwards or downwards) in consumption patterns or levels. Nor does it include the very important non-food grain food sources, which contribute to the diets of real rural men, women and children. The whole calculation therefore is in fact somewhat formulaic, whether undertaken at national, regional or district level.

The hill areas of Nepal as a whole, then, were already widely considered to be in serious food grain 'deficit' by the 1970s, although by no means all hill districts were in 'deficit'. Much of the hope for the future at that time depended on the effective creation of food grain surpluses in the terai - where conditions for irrigated rice and other food grain production were generally more favourable - through a progressive expansion and intensification of production, with productivity (and yield) gains and increased

overall output: a 'Green Revolution'. Studies in the west central development region in the mid-1970s indicated, however, that – for a variety of reasons (including notably immigration and settlement) – the potential for increased output in the terai through a further expansion of the area under cultivation was increasingly limited and that growth in output would depend on increasing intensification and productivity of all factors of production, including land, labour and farm inputs.

It was argued that, "if expansion continues to rely on an increase in the area cultivated, it will eventually be blocked. By 1981, it is predicted that there will be approximately 10,500 hectares of potential arable land left to be exploited in the region's terai. The rate of predicted expansion between 1976 and 1981 is 8.28 per cent. If this were to be sustained, all land would be utilised. After that, production would decline unless substantial changes took place in terms of agricultural technology. Per hectare yields would have to increase each year by 3.6 per cent overall to maintain per capita output in the terai. All current evidence suggests that this is unlikely to be feasible" (Blaikie et al 1976: 5.29-5.30)

By the late 1970s, this 'pessimistic' scenario appeared to have been justified. In the Nepalese terai as a whole, food grain production actually appears to have declined during the 1970s, accompanied by an even more precipitous decline in average yields. Total output dropped from 2.47 million metric tonnes in 1974-75 to 2.26 million metric tonnes in 1977/78, with yields dropping from 1,755 kgs per Ha to 1,580 kgs. This was despite the fact that during this period an estimated 60,000 Ha were added to the area under irrigation, while chemical fertiliser use went up roughly 40 per cent, and the area under high yielding varieties increased from virtually nothing to 677,000 Ha. The Sixth Five Year Plan records an overall drop of 14 per cent in food grain production during the period of the previous Fifth Plan (1975-80), attributing the decline to a combination of poor weather conditions and the failure to extend the irrigation systems of the terai or effectively encourage and promote the use of the new agricultural technology.

In August 1979, the special programming mission of IFAD to Nepal noted that the growth of basic cereal crops increased between 1968 and 1976 at a rate of only 1.8 per cent a year (IFAD 1979: 24). Exports of rice, maize and wheat declined progressively from 313,000 metric tonnes in 1967-68 to about 35,000 metric tonnes in 1977-78, because of rising domestic demand. But it seems that the overall per capita consumption of cereals had actually fallen, in part as a result of low purchasing power among those most in need - for although the government was purchasing a quota of rice from exporters (reported to be around 40,000 metric tonnes a year) at heavily subsidised prices for distribution mainly in the hills, many people were too poor even to avail themselves of this (IFAD 1979: 22). This seemed to be a real indication of food insecurity among the rural poor.

By the end of the 1970s, Nepal's status as a food exporter was widely considered to be seriously compromised, while in many of the hill areas the gap between grain production and estimated grain requirements was growing and more hill districts were registering a 'deficit': in 1975-76, 31 districts were reported as food deficit; in 1976-77, the number was 37; in 1978-79 it was 40; and in 1979-80, it was 49 districts, including three in the terai. In 1979, the World Bank suggested that "the most disturbing trend in the four years of development experience during the Fifth Plan has been the stagnation of terai agriculture. Food grain production has declined, accompanied by an even more precipitous decrease in average yields" (IBRD 1979: 14-15). Overall production in the terai declined from 2.5 million metric tonnes in 1974-75 to 2.3 million metric tonnes in 1977-78, while yields dropped from 1,755 kgs per hectare to 1,580 kgs per hectare.

But the decline in yields in cereals appeared to be even more marked in the hill areas. Interviews with farmers in one upper hill district in the late 1970s elicited the following comments: "some thirty years ago we still produced enough grain to allow us to exchange surplus for necessary goods, which we could not get from our farming. Of the

grains harvested, one third was exchanged. While the good farmers who have enough cattle can still increase their yields, this is not the general trend. In a khet (irrigated) field, where we sowed 4 mana of seed we used to get 1 muri of paddy; now we need an area with 8 mana of seed to get 1 muri. Our wheat used to have big ears and long halms, and we filled six baskets a day; nowadays it is sometimes only one or two. In many houses there is not longer enough food. For some, the harvest grains are sufficient for only three to four months a year” (Banister & Thapa 1981).

3.6 Poverty and Food Insecurity

The apparent decline in yields per hectare was indeed worrying, but more generally, ‘short-fall’ of production as compared with estimated consumption requirements was serious only if people in these areas were unable to acquire food through the market or by other means – and thus ensure their food security, even though their food self-sufficiency was evidently now substantially in question. Rising living standards, and thus increasing demand for food grains, and a shift from coarse grains and low-value food grain to superior varieties and grains for consumption (e.g., a trend away from maize consumption to rice consumption), could have been partly responsible for an increase in the apparent ‘short-fall’.

But, if it was the case that, even at subsidised prices established by the government through the Ministry of Food and Agriculture, many people were unable to purchase food imported from outside the area, then almost certainly there was a serious problem of inadequate access to food emerging in Nepal, particularly in the hills, for those who were too poor to avail themselves of ‘cheap grain’.

Relatively little detailed research, however, has been undertaken into this crucial issue. It is usually assumed, without further examination, that districts in the hills where food grain production is less than the estimated required amount to meet consumption needs (calculated according to a set formula), then there is a gap or ‘food grain deficit’. Without a detailed knowledge, however, of the purchasing power of each

‘deficit’ district (and of the local communities, households and individuals within that district) and understanding of the operations of both the market for grains and its effectiveness at enabling those in ‘food deficit’ districts in the hills to purchase food from outside the district, it is impossible to conclude simply that a ‘food deficit’ means a ‘food shortage’ and therefore real food insecurity. If the population of a given hill district with insufficient food grain production to meet the consumption demands or needs of the district’s population, then *either* the food is imported and paid for by cash earned by the export of other goods and services, *or* the district is really experiencing a lack of food availability, because the ability of its population to import additional food grains to make up the gap is insufficient as a result of their low purchasing power (low household incomes = poverty). Which alternative explains the ‘food gap’ requires investigation and cannot be determined a priori.

Undoubtedly, by the late 1970s and early 1980s there had emerged in the hill areas substantial urban centres which were, almost by definition, food deficit (in the sense that they were obliged to import food grains because local demand far exceeded local production). Often, such towns in the hill areas imported food grains not only from the surrounding villages and their larger hinterland but also from the terai – serving to increase the aggregate demand, for rice in particular, beyond that of immediate local supply. The population of the urban areas was, as a whole, generally able – as a result of relatively higher incomes – to pay the price required for food grain imports. The same might also have been the case in some rural areas, where average per capita incomes were high as a result of increasing involvement in non-farming income-generating activities, and people were able to purchase food grains (and other foodstuffs) with their non-farm income. So, a well-off district with a significant urban population might appear to have a food deficit (more demand than local supply) but still not be food insecure, because average per capita purchasing power enabled food grain to be imported to fill any local ‘gap’.

This does not mean, of course, that within that affluent district there would not be local communities and whole sections of the less well-off whose food security was in jeopardy - either because of real food deficit or because of lack of purchasing power (i.e. low incomes). But their identification would require investigations and 'food security mapping' at a lower level, in local communities and on a household by household basis.

In some cases, cheaper food grain imports (of lower quality rice, for example) would be purchased with the cash obtained by selling smaller quantities of better quality grain. Here, food security was maintained by a strategy made possible by the fact the market for food grains was quite complex and involved food grains of different kinds and of different values. In the hill areas as a whole, however, outside the towns, where both average per capita incomes and the role of the market were significantly less, a food 'deficit' was more likely than not to imply not only a gap between aggregate production and total food grain requirements for consumption purposes, but an actual shortage of food grains, by virtue of the lack both of local food availability and the lack of purchasing power to be able to overcome the shortfall through purchased imports.

All this is underlining the fact that it is poverty that gives rise to food insecurity - whether poverty in terms of food deficit (lack of food self-sufficiency) or lack of purchasing power (lack of income). Poverty may also be thought of as a lack of entitlements (blocking access to key resources) which derives from the broader structures of the political economy which determine who is entitled to what and who gets what.

For whatever reasons, it seems that, by the end of the 1970s, there were many poorer people in the hill areas who had insufficient resources (land, labour or other assets) to produce sufficient food grain and other foodstuffs for themselves and were unable to buy food grains, even at substantially lower, government-subsidised prices, from government agencies. This implies a serious

lack of food security, for those sections of the population at least - with ramifications into levels of food consumption, malnutrition and ill - health. In 1979, Liberman observed, commenting on the Sixth Five Year Plan (1981-86) that "the shortfall in food production affected a population in which a significant proportion of households were already living below subsistence levels, evidencing various symptoms and effects of malnutrition and poor health in other respects and experiencing high levels of mortality" (Liberman 1981: 5).

In some mountain areas, the situation was apparently even worse. In 1975 there was a severe famine in the Karnali zone. The government provided subsidized food to the region in that year, and has been doing so ever since. This well-intentioned strategy gradually created a situation of dependency of the region on government for the supply of food. As a result, a large part of the government resources allocated for this region went into airlifting and subsidizing the food, even though it was known, unofficially, that a major part of this food did not reach the needy, but went into the hands of state officials and locally influential people. (For further discussion of the Karnali region, see following sections).

3.7 Growing Concern about Food Security: the 1980s

In the second half of the 1970s, as predicted, the slow increase in overall food grain production across Nepal as a whole faltered as the expansion of the area under cultivation in the terai came to a virtual halt. The IFAD report (1979) had noted that "a further reminder of the difficulties ahead is the decline in food grain production since the peak years of 1975-76, when production passed the 3 million metric tonnes mark. By contrast, the 1976-77 and 1977-78 figures were 2.9 and 2.8 million metric tonnes, well below the calculated 1976 production trend of 3.1 million metric tonnes (wheat equivalent). In 1978-79... paddy production is estimated at 2.4 million metric tonnes, a setback which is attributed to poor monsoon conditions for rice production. This is also reflected in average yields of other crops. Maize production and

area stagnated, and while wheat production continued to rise, by virtue of increased area, yields also fell from what they were in 1974-75 and 1975-76” (IFAD 1979: 23).

It concluded that “looking ahead, projections by IFPRI suggest that because of the slow growth of basic staple foods in the past, Nepal may not be able to maintain its position as an exporter much longer, even at the inadequate levels of food intake in much of the country. Unless there is a substantial acceleration in the growth rate of food production over the 1968-78 production trend, there will be a deficit exceeding 250,000 metric tonnes by 1990 (measured in terms of wheat equivalent), even if incomes fail to grow and 1976 consumption levels remain constant” (IFAD 1979: 2). By implication, if incomes did grow and consumption levels increased, then the food grain deficit would be even larger. But in that case, presumably, large sections of the population would be able to purchase grain to satisfy their needs and demands.

The real concern, however, was not so much that there would be a growing national food 'deficit', but that the means to 'cover' a deficit resulting from population growth alone would not materialise, and that there would be real food shortages, resulting in real food insecurity for significant sections of the rural population unable either to grow enough or buy enough for their own needs. The decade of the 1980s began with explicit recognition that food security was by now a significant issue for the hill areas of Nepal, and for the mountain areas also. There was still, however, a tendency to equate food security too simplistically with food self-sufficiency and to refer to the 'food gap' or 'food deficit', without any real attempt to explore the extent to which that 'gap' between local food production and food consumption could be covered by imported food or paid for by income generated in other ways, or what real changes were taking place in livelihoods that increased or decreased food security. There was a heavy reliance on aggregate statistics, with the district usually the lowest level of analysis. More intensive field studies were few and far between.

Early in January 1980, a special committee was formed under the auspices of the Ministry of Food and Agriculture, to make the necessary arrangements for the distribution of some 200,000 metric tonnes of food grain to meet the expected 'shortfall' of 220,000 metric tonnes, mainly in the hill areas. Of this total, some 60,000 metric tonnes were to be procured from areas with grain surpluses – a recognition that the market alone did not provide an adequate mechanism to distribute the available supply of food grains to meet the real needs of those in poverty. An agreement was signed the same month with the UN World Food Programme for the supply of 11,000 metric tonnes of wheat to meet current food scarcity in various parts of the country, mainly in the hill areas. In 1981, the seven rice corporations that had been set up in 1974 to help provide a buffer stock of food grain for the support of agricultural prices and for use in emergencies were dissolved, because of pressure from the private sector. But problems of food distribution continued – it seemed that the private sector and the market were incapable of ensuring the accessibility of food grain across the country at low enough prices for many people to afford.

The areas most drastically affected by food shortages at the beginning of the 1980s were those in the mid west and far west of the country, particularly in the remoter hill and mountain districts. Even in the generally better-off central region, however, some 5,550 metric tonnes of food grain were distributed by the Nepal Food Corporation to make up the deficits and improve food availability – and thus access to food - in specific areas. By July 1980, food grain aid had been received from seven individual 'donor' countries as well as from the European Community and the WFP, amounting in all to some 71,000 metric tonnes – and an additional US \$ 100,000 from the USA (Seddon 1987: 54).

There were many problems with the system of government and non-government food distribution implemented in the first half of 1980, some of which set unfortunate precedents for the future management of the food distribution system in Nepal and tended to undermine national, regional and local food

grain markets. Food grain was imported into the country, at a time when the country as a whole still had a food grain surplus and was exporting food grains abroad. Food grain was also purchased in large quantities from certain localities, where it had a dramatic effect on local and even regional markets, and distributed in bulk in hill distribution centres, where it also had a perverse effect on local markets, tending to further reduce incentives for local grain producers to put their grain on the market for sale.

The food grain distributed was often the relatively costly fine rice, where basic food grain (cheap or coarse rice and maize) was required, which would 'go' much further. Finally, the distribution often took place in areas where there really was no substantive need – in urban areas, for example, including the Kathmandu Valley, where purchasing power was relatively high and food grain could have been bought on the open market. According to Adhikari & Bohle, "food purchased by the NFC was meant to supply food to deficit places at a subsidized rate. But it is reported that a large proportion of food purchased by the NFC was distributed within the Kathmandu Valley for political reasons (Wallace 1987: 12). Moreover, even the small amount of food that went to other deficit districts was actually distributed to government employees. Of the total food distributed by the NFC from 1974 to 1985, 54 per cent went to the Kathmandu Valley alone. The NFC food distribution during that period satisfied 34 per cent of the 'food deficit' in Kathmandu, 19 per cent in the hills and 7 per cent in the mountains" (1999: 22-23).

It was relatively rare that the food grains distributed actually reached the remoter areas and villages where the real need was often the greatest. Furthermore, standards of 'food requirement' and prices were fixed, not on the basis of real need but rather on political considerations (Wallace 1987: 12) - thus, the 'minimum requirement' was actually significantly lower for the mountain and hill areas than for the terai and the Kathmandu Valley – 120 kgs, 144 kgs, 165 kgs and 180 kgs per person per year. The price at which food grain was made available was also lower

in Kathmandu than it was in other areas of the country with similar marketing costs (c.f. Adhikari & Bohle 1999: 23).

Recognising the inadequacy of this system of subsidised food distribution as a mechanism to combat food insecurity and food shortages in areas of real need, a New Food Policy was announced by the government, whereby, "in the future, subsidised food will be supplied only to inaccessible areas in the mountainous region, as well as to inaccessible areas in the hill regions.. In the Kathmandu Valley... the system of supplying subsidised food will be gradually abolished and reserve stocks will be maintained in order to keep the prices stable. Similarly, buffer stocks will be maintained in the hill districts to meet the periodic crises. In all cases, only the supply of coarse rice, maize and wheat will be subsidised. Procurement and supply of fine rice will be discontinued" (**Nepal Press Digest**, 19 October 1980).

As the gap between food grain production and estimated food consumption needs widened in more and more districts throughout Nepal, it was calculated that per capita food production also was declining. Clearly, if food grain production was stagnating or, in any case, increasing less rapidly than population growth, average per capita food grain production would inevitably decline. In October 1980, **Gorkhapatra** estimated that between 1964-65 and 1978-79, per capita food grain production had declined from 320 kgs to 226 kgs, while per capita food supply had dropped from 179 kgs to 158 kgs. Estimates made at about the same time by the World Bank suggested that, on the basis of current trends, per capita consumable production would decline systematically in the hill and mountain areas to provide on average 254 (in 1978-79), 240 (in 1982-83) and 226 (in 1986-87) days of minimum subsistence per year – significantly less than the 365 days required.

While clearly these figures result from a calculation, and do not represent real measured food intake among real households by real individuals, the implications of this evident decline in per capita food production were considered to be extremely significant for a predominantly agrarian economy with

fragmented and highly distorted markets for food grains – as indeed for most commodities. Only if individuals, households, local communities, districts, regions and indeed Nepal as a whole were able to purchase the food grain required in the market, if unable to provide sufficient from 'own production' (i.e. through self-sufficiency), would food security be maintained; and there was increasing doubt in this regard. All of the available evidence suggested that poverty was, if anything increasing in the rural areas, rather than decreasing. In this context, many pointed to the evident and generally well-documented decline in food self-sufficiency and extrapolated from this a crisis in food security, at national, regional, district, local and household level (Adhikari & Bohle 1999).

There is no doubt that, increasingly, throughout this period, rural households came to rely to an ever greater degree on external (non-farm) income for their livelihoods; consequently, the proportion of their household income accounted for by 'own production' tended to decline. This would give rise to declining per capita food production - and declining food self-sufficiency - without necessarily signalling a situation of food insecurity. On the other hand, the vast majority of rural households - particularly the poor - continued to rely for the most part on income from 'own production' supplemented by local employment in agriculture. For these households - who probably constituted a significant minority (perhaps 40 per cent) of the rural population, and whose lack of food self-sufficiency combined with low and often sporadic incomes from manual labouring employment - the slow process of change in agriculture, the sector on which they relied for the most part, meant increasing food insecurity.

The extent to which Nepal as a whole - and the different regions, districts, localities, households and individuals who constitute Nepal's economy and society – experienced a major transformation during the two decades from the late 1970s, through the 1980s and into the early 1990s, from a predominantly agricultural to a predominantly non-agricultural economy is debatable. There has

been no comprehensive study of this process of transformation, and attempts to extrapolate the picture of change over 20 years for one region (e.g., Blaikie, Cameron & Seddon 2001) would be misleading, given the increasing regional differentiation of Nepal. But it seems plausible that during the decades of the 1970s and 1980s, rural Nepal was experiencing a gradual move away from food self-sufficiency towards an increasingly greater reliance on the market and on the sale and purchase of food grains in the market in particular to ensure access to food and thus maintain food security.

Lack of food self-sufficiency therefore did not inevitably imply lack of food security, if those who did not produce enough on their own farms were able to purchase sufficient food to meet their requirements from incomes derived from other sources. The decline in per capita food production in any given household, local community, district or region was significant for food security only if it meant there was a declining ability to gain access to food - from whatever sources and through whatever mechanisms and entitlements - to meet consumption requirements. The problem was that, while the generally better off were increasingly able to secure incomes from outside farming as well as from their own production (and so purchase grain with a reasonable degree of certainty to cover any 'food gap' resulting from lack of self-sufficiency) large numbers of the less well off found it increasingly difficult to maintain food self sufficiency and were, at the same time, the least able to secure outside incomes to cover their very real 'food shortages'.

3.8 Hopes for a Green Revolution: the 1990s

The two decades from the mid-1970s to the mid-1990s, saw the relative importance of agriculture decline as a proportion of GDP, and also saw the relative importance of agriculture as a source of incomes to rural households decline during the same period. According to the Ministry of Finance's Economic Survey 1990-91, agriculture - which had accounted for 67 per cent of GDP in 1975-76 - had declined to constitute only 60

per cent in 1980-81 (Seddon, Adhikari & Gurung 2001: 13). It seems to have declined by a further 10 per cent during the 1980s, because between 1989-90 and 1997-98, the contribution of agriculture to GDP declined from 51 per cent to around 40 per cent. By 2001, agriculture contributed only 38 per cent to GDP (CBS 2002).

At the same time, increasing numbers and an increasing proportion of rural households in Nepal have diversified their livelihoods to derive an increasing proportion of their income from non-agricultural sources. In part this is a result of the emigration (on a short-term, temporary or permanent basis) – elsewhere in Nepal, to the towns or abroad – and the sending back of remittances; in part, the result of a greater involvement in the local non-farming economy. This has meant that an increasing proportion of households no longer rely 100 per cent on income from agriculture and livestock production; the World Bank estimated in 1998 that less than half of household income on average came from own farm production (World Bank 1998).

A certain proportion of those households which are not food self-sufficient have little or no problem as regards food security because they are able to purchase the necessary additional food grains (not produced by themselves) in the market. It would seem, however, that there is also, significantly, an increasing number (and possibly increasing proportion) of rural households, with very small land holdings, unable to ‘top-up’ their food grain shortfall by purchases because of their low purchasing power, which in turn derives from their low level of income from all sources and poor access to key resources and opportunities. Increasingly, wherever possible, these households have sought to supplement their household income – and assure greater food security – by finding paid employment. In the hill and mountain areas in particular, opportunities for local employment whether in agriculture or in the non-farming economy are limited and many are forced to migrate, seasonally or for longer periods, in search of work.

In Nepal, the structure of landownership, and

indeed of ownership of other key assets for farming, is extremely unequal. In 1991, although only a small minority of households were entirely landless, the number and percentage of small and marginal farmers was very considerable. Nearly 70 per cent of holdings were less than 1 hectare and 88 per cent were less than 2 hectares. The ten per cent or so with holdings over 2 hectares, however, accounted for 42 per cent of the area under cultivation, while the 1.5 per cent with over 5 hectares accounted for 14 per cent of arable land. The average size of holding in the hills was 0.77 hectares and in the mountains only 0.66 hectares (HMGN 1995, cited in MHHDC 2003: 170). In addition to the inequality in landholdings, which ensures that the vast majority of holdings are marginal in terms of food self-sufficiency, there is a severe problem of land fragmentation – this is most acute in the mountain regions (where the average number of plots into which a holding is divided is 6.8) and hill region (5.1).

Even among those sections of the population who have sufficient access to land and livestock to ensure reasonable food security from own production, the development of production for the market has remained limited, particularly in the hill and mountain areas. Many of these households also have tended to seek employment outside the locality, in the urban areas of Nepal or abroad – wherever possible overseas, where employment is better remunerated and the remittances that can be sent back home correspondingly larger. There is some suggestion that the lack of production for the market and increasing reliance on incomes from remittances and paid employment elsewhere are related. Studies in the mid 1990s in what was formerly the west central region of Nepal seem to suggest that an increasing emphasis on subsistence food grain production at the expense of cash crop production may have developed, in some hill areas at least, over the last 20 years as a result of livelihood strategies which seek on the one hand to maximise food self-sufficiency (as the basis for food security) and on the other to supplement this by income from paid employment or other economic activities to enable cash purchase of food grain to be made,

as necessary, to 'cover the gap' in food self-sufficiency.

This trend, if real, goes directly counter to the intended direction of agricultural development in Nepal, as envisaged in the 1995 Agriculture Perspective Plan (APP), which provided a comprehensive blueprint for a 'Green Revolution' in Nepal, leading to increased cash crop production. Strongly influenced by the theoretical perspective and practical experience of its main expatriate consultants, John Mellor, in India (particularly in the Punjab), the APP provided a framework which, in the mid 1990s, convinced a wide range of stakeholders in government and in the various foreign development agencies that here at last was a viable basis for agricultural development. Whatever reservations might have been felt, they were suppressed in a context where there was a growing concern about food security, and successive governments of different political persuasions had 'signed up' to the Plan.

The retreat from the market to ensure food security by greater reliance on subsistence food production combined with a greater reliance on non-farming incomes may represent an effective a strategy in a situation where cash crop production has few comparative advantages, as compared with earning incomes through employment or through entrepreneurial activities outside agriculture. The conventional wisdom, however, suggests that in terms of food security this may not have been successful. Increasing numbers of poor rural households are evidently failing to 'bridge' the food shortages from which they suffer.

There are few indications that the food security situation - as evidenced by nutritional status - had improved substantially since 1975 and some evidence that it may have deteriorated (FAO ESN Division Nutrition Country Profile of Nepal, 1989, and the FAO Country Paper on the Nutrition Programme in Nepal, 1991 (cited in Cameron 1994). The FAO Nutrition Country Profile in 1989 suggested that

“The food balance sheets show that from 1961/63 to 1979/81 total calorie

and protein supplies have been stagnant. On a national basis, the 1981 per caput energy supply was 88 per cent of requirement. Fats and oils contributed only 5 per cent to the total energy supply, which points to the extremely low availability of high energy dense foods in the country... (There was) a moderate *increase* in total calorie supply between 1980/81 and 1986/87 (from 1,751 Kcal/caput/day to 1,923) but food availability remains well below requirements” (FAO 1989: 1).

On the other hand, the Food Balance Sheet of Nepal for 1991/92 (HMG 2050) gave a more optimistic figure for the early 1990s of close to 2,250 Kcal/caput/day. More recent data, for the first half of the 1990s, suggest that there is no evidence of a significant trend of decline in average per capita calorie intake between 1989/90 and 1994/95, and average figures were in the region of 2,125 (1989/90) to 2,429 (1993/94). The share of cereals in total calorie supply appears to have remained much the same, but to have declined as a proportion of total protein supply (from 66 per cent to 61 per cent) over a period of five years - albeit with several fluctuations. Protein input appears to have increased (from 57 grams to 64 grams) over the period (HMGN data cited in RRN & AAN 2003: 31).

Some sources indicate that per capita food grain production declined over the previous twenty to twenty-five years - the Agriculture Perspective Plan (1995) suggests a drop from 376 kgs in 1974-75 to 277 kgs in 1991-92. But FAO unpublished projections for the cereal situation since 1986/87 for 1993/94, by contrast, suggested an increase of almost one third, raising per caput food availability to 175 kgs per annum (close to sufficient to meet the minimum calories required as calculated by the Ministry of Agriculture (in 1986). There is clearly considerable room for debate as the time series of production figures for the Agriculture Perspective Plan differ somewhat from published figures, due to attempts by the National Planning Commission to smooth unexplained jumps in the physical production statistics. The statistics for the first half of the

1990s, on which the Agricultural Perspective Plan was based, gave some room for hope, but none for complacency. Nevertheless, they were significantly better than the more pessimistic prognoses had feared.

The APP itself was relatively bullish (positive) with respect to the possibilities, in the future, of increasing agricultural productivity and overall output, and of increasing food production per capita, in aggregate terms. It foresaw a rising trend in per capita food production from the mid-1990s through to 2014/15, from a national average of 276 kgs in 1994/95 to 312 kgs by the end of the decade, rising to 352 kgs by 2004/05, 393 kgs by 2009/10 and 426 kgs by 2014/15 (APP 1995, Table 12-4: 194). Even a sceptical contributor to the APP (annexe on food security) argued that

“There is good reason to believe that Nepal can eventually increase food availability to a level compatible with national food security through production from its own resources in the early part of the 21st century. The Background Paper for the FAO Committee on World Food Security meeting, which took place in 1994, identified Nepal as a country which could produce more than twice its minimum requirements in the year 2010 by bringing the terai region under intensive cultivation (FAO 1994: 7). The paper does express general qualifications on the environmental implications of such growth anywhere, water table lowering, water-logging and salination from badly managed groundwater irrigation could be important in Nepal, as it is elsewhere in south Asia. With this qualification, the FAO line of argument is similar to that of the APP and suggests no necessary physical limit to Nepal’s ability to feed itself in the time period of the APP”.

This analyst suggested that "Nepal could, in theory, produce just over 6 million tonnes of rice from one crop of paddy on the 1.5 million

hectares of irrigated land envisaged in the APP (a yield of just over 4 tonnes per hectare is reported in the draft chapter of the APP as already possible with technically optimum amounts of water and fertiliser). This production alone could almost meet the minimum requirement of the population of 33 million people projected for Nepal in 2015. This would still leave the irrigated land available for cropping for eight months of the year and a million hectares of un-irrigated land unallocated. These calculations focus on rice production, but there is no suggestion that maize and other basic staple crops should be phased out. Indeed, on a comparative advantage basis, when transport and risk costs are taken into account, maize will remain a vital food crop in the hill areas, as will potatoes in the mountains. Nevertheless, the APP envisaged market forces in the longer term working towards a greater proportion of food production taking place in the terai, rather than in the hills and mountains”.

These optimistic comments, and indeed the APP as a whole, based as it is on data and calculations that bear little relation to the real world of agriculture in the terai, may have held out some hope in the mid 1990s for the prospects of a Green Revolution, but actual production figures over the last five years or so provide little grounds for such optimism, although, significantly, they tend to run counter to the more pessimistic perspectives of the 1970s and 1980s. The same analyst who provided some support for the optimistic perspective of the APP in its formulation, expressed clear scepticism a few years later, regarding both the theory and practice of the APP (c.f. Cameron 1998). A more recent review of the performance of the agricultural sector (ANZDEC 2002) suggests that the APP is highly likely to fail to meet its goals and objectives.

Despite this, while the rate of growth in food grain production was actually negative during the first half of the 1990s, it registered a 5.5 per cent average growth rate during the second half of the decade, with cash crops growing at 6 per cent a year. Other food crops, such as pulses, which account for about 7 per cent of cropped area and contribute significantly to

food security, registered an average growth rate of 3.7 per cent. Livestock production increased during the second half of the 1990s at a rate of 3.58 per cent per annum. The cultivated area devoted to food grains has increased systematically and has maintained pace with population growth - food grain production increased by 2.48 per cent a year over the 1990s, while population growth was estimated at 2.27 per cent a year.

It appears that it was the acceleration of growth in food grain production, largely as a result of the greater area under food grain cultivation that contributed to the improvement of the agricultural sector performance in the second half of the 1990s. Paddy and maize production, however, grew at only 1.31 and 1.93 per cent respectively, while wheat production grew at 3.55 per cent. There has been little diversification, furthermore, with paddy and maize showing a consistent share in total area under production. This all confirms the impression of an agrarian economy committed to subsistence production to maintain self-sufficiency. Cash crops account for about 8 per cent of total agricultural GDP, with the bulk of production in the terai. Some of these - potatoes for example - are also food crops.

At the national level, Nepal was a net exporter of food grains until the mid-1980s, despite the dire predictions of the 1970s and early 1980s. In 1990/91, production was actually surplus to estimated requirements to the tune of 132,179 metric tonnes. The first half of the 1990s, however, registered consistent deficits in the cereal 'balance', with the largest deficit registered in 1994/95 (485,155). The estimated value of food imports into Nepal rose from the equivalent of US \$ 69 million in 1986 to \$95 million in 1996. In the second half of the 1990s, however, the deficit has tended to be smaller (only 34,351 in 1995/96 and at most 181,879 in 1998/99) and the cost of food imports was reduced, to \$74 million in 1998. Whereas in 1980, Nepal imported 54,000 metric tons of cereals, in 1999 it imported only 46,000 metric tons; in 1999/2000 a 'surplus' was registered in the national food balance, of 60,385 metric tonnes (HMG).

According to recent statistics (CBS 2002), the total cereal 'balance' for 1997/98 showed a 'deficit' of 150,729 metric tonnes and for 1998/99 a 'deficit' of 181,889 metric tonnes, but in 1999/2000 it registered a 'surplus' of 68,496 metric tonnes and in 2000/01 a 'surplus' of 83,051. In 1999/2000, the per capita production of cereals was 353 kgs in the terai, 278 kgs in the hills and 201 kgs in the mountains. Per capita availability or supply of cereals, assessed on the basis of food (cereal grain) production against estimated food requirements (based on WHO guidelines), estimated in 1980 to be 164 kgs, had risen to 186 kgs by 1999 (MHHDC 2003: 222). At the national level, therefore, at the end of the decade, food availability appears to have managed at the very least to have kept pace with requirements. So too has aggregate food supply. This is a major achievement in the light of earlier pessimistic forecasts.

The regional and district-level breakdown, however, continues to indicate a 'food deficit' in many hill and mountain districts. The APP estimated that 41 out of Nepal's 75 districts was food 'deficit', with the situation in the mountains the worst, with 14 out of 16 registering a food 'deficit'. The hill areas were also predominantly food deficit, with 27 out of 39 registering a 'gap' between production and estimated requirements. In the terai, by contrast, no district was considered deficit. The WFP, based on their vulnerability analysis mapping approach (VAM), has identified 44 of the 75 districts as food deficit. It has gone further and classified districts according to the estimated food shortage, based on food availability in a certain number of months, in the district. Out of the 44 food deficit districts, 3 have been classified as severely food deficit, 8 as high food deficit, 16 as medium food deficit and 17 as low food deficit. Of the remaining 31 districts, 10 have been classified as food self-sufficient and 21, mainly in the terai, as food surplus districts (MHHDC 2003: 168).

There seems to be a distinct correlation between the level of food insecurity and the agricultural conditions of farmers in food deficit districts. The problem is most severe now in more remote and mountainous areas,

where the cropping intensities and crop yields are the lowest, population of livestock per household the highest, and the opportunities for high-value agricultural production and access to off-farm employment are most limited. The livestock on which these food insecure people depend most heavily are low yielding and in poor health, resulting in low productivity and high morbidity and mortality rates.

The national Household Consumption Survey 2000/01 indicated that food items continued to account for over half of total consumption (54 per cent compared with 53 per cent in 1995/96 according to the National Living Standards Survey), suggesting a basic continuity in consumption patterns with a heavy commitment to food - a general indicator of poverty. On the other hand, there has been a significant increase in overall consumption expenditure - from Rs 6,145 in 1996/97 to Rs 10,254 in 2000/01 - which, even accounting for inflation in prices suggests at least the overall maintenance of levels of consumption. The levels of consumption of those in the highest decile, however, are nearly six times more than those of the lowest decile (Rs 23,502 as compared with Rs 4,122). Regional differences emerged as significant, with the western development region registering the highest per capita consumption expenditure (Rs 12,557) and the far western region the lowest (Rs 7,396).

It seems clear, however, that even if the worst fears of the pessimists have not been borne out, at least as far as the predicted rapid decline in food availability at national level are concerned, there are some regions in serious difficulties, experiencing general food shortages and suffering from high levels of food insecurity. Within those regions and districts we can expect that, given the substantial inequalities in access to key resources and opportunities that characterise the rural population, there will be significant numbers of the less well-off whose food security will be in extreme jeopardy.

The Agriculture Perspective Plan has relatively little to offer these regions, based as it is so heavily on economic growth through the development of commercial agriculture and a 'Green Revolution' in the terai. Its impact has certainly not been felt to any significant extent in the remoter hill and mountain regions, where this 'model' for development is not particularly appropriate. Arguably, over the last few years, the insurgency has had more impact than the APP. Already, as the APP was being conceived and written, the Maoists were planning the launch their alternative - a People's War in the name of a far reaching 'Red' revolution which would, it was claimed, more effectively transform the rural economy of Nepal than any technical sectoral plan, however boldly conceived.

Chapter Four

4.0 THE COURSE OF THE CONFLICT

4.1 From People's Movement to People's War

Conflict as well as cooperation has always been endemic in local economy and society in Nepal – as indeed it is in developing countries across the world. Even within individual households, the struggle for survival and for a better life has always involved conflict as well as cooperation – between old and young, men and women, able and less able, healthy and sick. The lives of ordinary people in developing countries are always lives of struggle. We have seen in the previous section how the food economy of Nepal evolved through the 1970s and 1980s, and how both food self sufficiency and probably food security declined, at least for the majority of the rural population, particularly in the hills and mountains. That story is incomplete without a detailed consideration of the lives of struggle which characterised that period, but there is insufficient space in this study to embark on such a complex and demanding task.

Suffice it to say, that in addition to these local lives of struggle, through the 1970s and 1980s there were various movements of resistance to and revolt against the Panchayat system which presided over the political economy of Nepal for thirty years and was increasingly held responsible for the failures of development and the lack of social justice of the period. Increasingly, there began to develop sufficient support for change and by 1989 the scene was set for a major political transformation. During the late 1980s, all of the various communist parties were involved in the growing mobilisation of various sections of Nepali society in opposition to the political status quo. By 1990, most parties within the communist movement had joined together as a United Left Front – and then with the Nepali Congress Party in a ‘united popular front’ - to

bring about the end of the party-less Panchayat System. The People’s Movement (or *Jana Andolan*) was successful in that objective, and in April 1990, the Panchayat System effectively came to an end.

After a short period of considerable optimism, however, it became increasingly evident that the new political order was characterised by instability, corruption and patronage (a ‘crisis of governance’) and that a rapid succession of governments was unable to achieve any real headway in addressing Nepal’s continuing economic underdevelopment and deep-seated social inequalities. Despite a long-standing policy of decentralisation, local government remained weak and line agencies strongly centralised in practice. The many development agencies (government or non-government) ostensibly committed to improving the lives and livelihoods of the rural poor, through extension services and the provision of facilities continued to have limited real impact. In fact it is in response to Nepal’s ‘failed development’ (Pandey 1999) - its continuing reliance on foreign ‘aid’, its corruption and poor governance, and the failure of successive governments as regards the fulfilment of basic needs and assurance of social justice - that the Maoists claim to have prepared for (1994-96), launched (1996) and undertaken (1996-2003) their People’s War.

The Maoist parties had not joined the United Left Front during the People’s Movement in 1990. They also rejected the November 1990 Constitution promulgated by the King, considering it an inadequate basis for a genuine democracy. The two major communist parties, however – CPN (Marxist) and CPN (Marxist-Leninist) - joined to form the Nepal Communist Party (United Marxist-Leninist) in 1991, shortly after the downfall of the Panchayat System. As the Nepali Congress government began to demonstrate its hostility towards the more radical leftist parties, the

CPN-UML emerged as a major 'moderate left' political force within the new parliamentary system. The UML participated in the first general election of 1991 and established itself as the mainstream communist party of Nepal (with over 2 million votes).

The Maoist United Popular Front of Nepal (UPFN) also participated in the elections and won nine seats (with around 350,000 votes), in Siraha and Ramechhap in the east, in Lalitpur in the Kathmandu Valley, in Kavrepalanchowk in the central hills, in Chitwan in the west-central terai, in Rolpa (two MPs) in the mid-western hills and in Humla in the Karnali Zone in the far northwest. But some of the smaller 'leftist' communist parties were now even more sceptical of the possibilities of a 'parliamentary road to socialism' for Nepal. A central co-ordination committee was formed and at a meeting in 1991 the CPN (Unity Centre) was established. This now began to consider the strategy of 'protracted People's War' through the initiation of open class struggle in the rural areas, adopting the classic Chinese model as the appropriate revolutionary strategy for Nepal. According to Puspa Kamal Dahal (Prachanda), the 'parliamentary road to socialism' had been undermined by the Constitution, by acceptance of the doctrine of economic liberalisation; involvement in the limited form of 'politics' being adopted by what were evidently no more than fractions of the political elite risked the party's revolutionary goals. There followed a period (1993-94) of intense debate and disagreement within the CPN (Unity Centre) regarding tactics, timing and other aspects of a programme of armed struggle. As a result, in 1994, it divided into two - the CPN (Unity Centre) and the CPN (Maoist). The former continued to work within the framework of parliamentary politics, but the latter now abandoned all political work within the existing legal framework and boycotted the elections.

The outcome of the mid-term elections was that the CPN (UML) became the largest party in parliament, with 88 seats, (as against the 83 of the Nepali Congress Party), and formed a minority government, which lasted nine months. It was replaced by a coalition of the

Nepali Congress and Rastriya Prajatantra Party (RPP); and shortly afterwards this coalition was replaced in turn by a Nepali Congress Party government. In March 1995, the CPN (Maoist) adopted 'The Strategy and Tactics of Armed Struggle in Nepal'. This document states that 'the conscious peasant class struggle developed in the western hill districts, particularly in Rolpa and Rukum, represents the high level of anti-feudal and anti-imperialist revolutionary struggle. That struggle has given birth to some new tendencies in the Nepali Communist Movement which have inspired us to be more serious about the business of armed struggle' (CPN Maoist 1995a).

There were good reasons for adopting the remote districts of Rolpa and Rukum as the platform for the launch of the People's War – the physical environment was most suitable for the launching of a guerrilla war, the economy and society of the region was particularly isolated and remote from urban centres and heavily dependent on small-scale predominantly rain-fed farming, the people were hardy and self-reliant but deeply aware of their own poverty and marginalisation from the mainstream of Nepal's political economy, local inequalities and class divisions, although less marked than in some areas (notably in the *terai*), were sharp, and social discrimination intense both within the Brahmin-Chetri-dalit communities against *dalits* and women, and between the Brahmin-Chetris and the ethnic Magars.

But there were also specific political reasons why Rolpa and Rukum became the launching ground for the People's War. Increasingly, after 1991, and particularly after 1993-94, political activists of the UPFN and other leftist parties in Rolpa (where they were particularly strong - the UPFN had two elected MPs in 1991) and in Rukum were harassed by district government representatives and the local authorities. Karki found during his fieldwork in Rolpa and Salyan in March 2001 that there was a good deal of evidence from a variety of sources to support the Maoists' claim that they and their supporters had experienced severe harassment during the first part of the decade, and particularly during 1994-95, after their

rejection of parliamentary politics. In Rolpa and Rukum districts, for example, some 500 individual criminal charges were filed against UPFN party workers; and most of those accused – who were local, grass-roots workers for the Party – were obliged to flee their homes and even their home districts, as they could find no-one prepared to defend them against the charges brought by the authorities (Karki 2001: 169).

The authorities launched a brutally repressive police operation, known as Operation Romeo, in 1995, in the districts of Rolpa, Rukum and Dang in particular, to suppress leftist activists. Under the direction of local Nepali Congress ruling party leaders, police conducted a broad sweep, often arresting individuals without warrants and subsequently subjecting them to torture. This official repression culminated in actions taken by the government-appointed Chief District Officers (CDOs) of Rolpa and Rukum which were the subject of a statement by the UPFN accusing the authorities of 'barbaric repression'. Dr. Baburam Bhattarai, the leader of the UPFN, condemned the 'barbaric repression of the people of Rolpa and Rukum by the Nepali Congress government' and submitted a strongly worded memorandum on 4 February 1996 in which he demanded the dismissal of the CDO of Rolpa, the cancellation of all false criminal charges and the release of all those detained and implicated. He requested an end to administrative repression and state terrorism, and called for an independent investigation (Bhandari 1999: 12). A team of all-party parliamentarians was constituted and its report substantiated many of the claims and accusations made by the UPFN. The ICG report that "even a senior Nepalese government official agreed that Operation Romeo was little more than 'the use of the police for looting' (ICG 2003: 4).

It could be justifiably argued therefore that the 'current conflict' began in 1995, even before the launching of the People's War, with Operation Romeo and the attacks on leftists authorised by the local Nepali Congress leadership (with undoubtedly the support of the government). The heavy-handed attempt to suppress the Maoists and their supporters is

widely seen in retrospect as a disaster that provided vital fuel for the insurgency movement. In the same month as Bhattarai submitted his memorandum on administrative repression (or by other accounts in January 1996), the United People's Front presented a 40-point demand on behalf of the CPN (Maoist) to the Deuba government. This document focused on a number of issues relating to the situation in the mid-western hills and particularly in Rolpa and Rukum; but it also made more general demands. The UPFN insisted that if no progress were made towards fulfilment of the demands within a week, they would have no choice but to resort to armed struggle. The government, far from responding positively, cracked down further.

On 13 February 1996, the Maoists declared a People's War in Nepal. The stated objectives were to overthrow the bureaucratic-capitalist class and state system, to uproot semi-feudalism and to drive out imperialism (Prachanda 2000), in order to establish a new democratic republic with a view to building a new socialist society. To achieve these objectives, the CPN (Maoist) adopted the strategy and tactics of a 'protracted People's War', with the aim or purpose of establishing base areas in the rural and remote areas, so as, eventually, to surround urban areas and seize state power. The 'People's War' was launched in six districts – Rukum, Rolpa, Jajarkot, Salyan and Gorkha in mid-western and western Nepal, and in Sindhuli in the centre-east of Nepal.

On the first day, the people's militia and commandos of the CPN (Maoist) captured police stations, including Athbiskot police post in Rukum District and Holeri police post in Rolpa District. The same day, '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 (Neupane 2000: 3). During the first month, it is estimated that more than 6,000 'people's actions' were carried out, which included publicity (80 per cent), destruction (15 per cent) and other

activities (5 per cent).

From March 1996 to June 1997, the Maoists were concerned 'to develop the people's war in an organised way', and included the 'elimination of selected enemies'. This had severe implications for those identified as 'enemies' - who tended to include political activists in other parties, notably the Nepali Congress Party, and office holders in local government at VDC and DDC level, as well as the police, who were often local people from relatively less well-off backgrounds. During this period the Maoists were successful in capturing weapons and developing guerrilla zones. Between June 1997 and June 1998, the guerrilla war was further developed and extended, a programme to boycott the local elections and subsequently to force the elected officials to resign from their posts was undertaken and in a couple of districts the Maoists filled the vacuum with 'people's committees'. In February 1998 they declared the existence of their Central Military Committee; they also organised a rally in Delhi under the banner 'Solidarity Forum to Support the People's War in Nepal' comprising six local Indian organisations.

It could be argued that the first two years marked the initial stages of the People's War. There was relatively little response, apart from limited police operations, against the Maoists during this period. The current conflict had begun, but the scale and intensity were those of a 'low level' insurgency and the state's response was equally limited. It is certain that people's lives and livelihoods were affected by the insurgency during these early years, mainly in the 'heartlands' from which the insurgency had originated. Almost certainly, there was general disruption to 'normal' life, and for those who were identified as 'enemies of the people' - notably larger landowners, local moneylenders, members of other political parties (particularly the Nepali Congress- ruling party), local government officials at the VDC level and below, suspected informers and collaborators, as well as for members of the police (who were often also local people) - there would have been increased insecurity and fear for their lives as well as their livelihoods. Many of these would

have moved from their homes in the rural areas into the towns where they could feel more protected.

On the other hand, the evidence suggests that in these first two years, the number of deaths and direct casualties from the insurgency and the state response to it was limited, with the Maoists and their supporters, including those suspected of being supporters, being the main victims of violence. Households whose members were actively involved in the insurgency may have experienced considerable fear and insecurity, particularly as regards the response of the authorities, but there may have been some benefits also from the initial actions taken by the Maoists to establish their 'revolutionary credentials'. As the insurgency developed and spread, there may also have been certain specific benefits accruing to members of the Maoist guerrilla forces. Certainly, it is evident, from the success of the insurgency in this period, that there were many attractions, particularly to young men from poorer households, in joining the rebels.

4.1.1 Increasing intensity of conflict

Some agencies, notably Amnesty International and several Nepali human rights organisations, were becoming alarmed at the apparently developing conflict in Nepal, particularly from a human rights perspective. Amnesty International produced a report in 1997 on Human Rights violations in the context of a Maoist People's War (AI 1997) which drew attention to the killings and other human rights violations perpetrated by both sides to the conflict. But it was from 1998 that the conflict really intensified notably, arguably marking a second phase.

In May 1998, the police operation Kilo Sera took place. This was a significant effort by the police to crush the rebels, but like Operation Romeo, its brutality and lack of discrimination in terms of its targets proved counter-productive and, arguably, stimulated a further intensification of activity on the part of the Maoists and increased their support among the Nepali population at large. Liz Philipson notes that "during Operation Romeo and Operation Kilo Sera II (sic) the police were particularly

barbaric in their operations in the Mid West. They treated everyone as a potential Maoist and many innocent people were arrested, tortured and killed randomly. The police action resulted in the people making common cause with the Maoists and so the Mid West became a Maoist heartland” (Philipson 2001). ICG observe that "the Maoist also shrewdly couched their rhetoric in anti-imperialist, anti-monarchy and anti-feudalism appeals well designed to attract lower caste and rural families that felt the Kathmandu elite had long neglected them. Their arguments assailing corruption and political deadlock resonated with many Nepalese, and their strong ideological stand was a stark contrast to the constant compromise of values that seemed rife within the parliamentary system" (ICG 2003: 5).

In any case, during 1998 and 1999, the extent and intensity of the conflict increased significantly. In response to the assault of Sierra II, the Maoists launched unprecedented attacks across the country in October 1998, adopting the slogan ‘Let us embark on the great path of creating base areas’. The People’s War had been initiated in the mid-west, specifically in the hill districts of Rolpa and Rukum and in Jajarkot, Kalikot and Salyan, with actions in the historically leftist district of Gorkha. In these areas, particularly in the hill districts of Rolpa and Rukum, the Maoists had been able over time to build up relatively secure ‘temporary base areas’. The killing by the police in Gorkha of CPN (Maoist) alternative politbureau member Suresh Wagle was followed by simultaneous attacks by the Maoists in 25 districts during the night of 22 September 1999 and the organisation on 7 October of a Nepal-wide *bandh* (shut-down). The Maoists' 'sixth plan', which began in July 2000 and ended with the Second National Conference in February 2001, adopted the slogan ‘raise to new heights the guerrilla war and the people’s resistance struggle’. It was during this period (in September 2000) that the attack on Dunai, the headquarters of Dolpa District in Karnali Zone in the mountainous northwest, was carried out. After this attack, the Royal Nepal Army (RNA) was deployed in the capitals of 16 districts to provide protection and security.

The increase in the level of violence during this period can be seen clearly from any statistics of the number of deaths and direct casualties, on both sides.

The insurgency had gradually resulted in a large-scale and widespread, if sporadic and patchy, confrontation with the state security forces (armed police). From the outset, the conflict undoubtedly had a significant effect on rural lives and livelihoods. At the present time, however, we know relatively little of the detailed impact of the insurgency in the early years (1996-2001) on the lives and livelihoods of those involved. It is certainly the case, however, that from the outset – and particularly during the period in the late 1990s when major police operations were mounted in the mid western hills to crush the rebellion – the conflict between the Maoists and the security forces, mainly the police, directly affected the lives and livelihoods of those in the heartlands of the insurgency to a greater extent than elsewhere. It was certainly from these areas, and from areas into which the Maoists were expanding, where the number of encounters between the two sides to the conflict was greatest, that the number of deaths and human rights abuses was also greatest.

Until 2001, however, despite the growing intensity of the conflict, and the expanding area of the country under Maoist 'control', there was relatively little attention paid to the impact of the conflict. Development agencies either withdrew from 'difficult' areas or found ways to compromise and continue, albeit sometimes with a somewhat altered profile and balance of activities. This was to change towards the end of 2001.

4.1.2 Interlude – 2001

The government now tried to resolve the conflict by appointing commissions and initiating contacts and dialogues with the Maoists. At their National Conference in February 2001 - the fourth anniversary of the launching of the insurgency - the Maoists also began to redefine their policies and plans beyond the confines of the People’s War. This led to what was hailed as the Prachanda Path – a ‘new’ strategy for a revolution which would

involve a fusion of the Chinese model of protracted people's war (expand from villages to towns) with the Soviet model of general armed insurrection. The aim of the Prachanda Path was to use the People's War in order to expand the temporary base areas in villages and use that as the foundation for a people's revolt at the centre in order to overthrow the government. This strategy recognised both the risks involved in taking on the Royal Nepal Army in the rural areas and the importance of building the base for a popular revolt at the centre, in Kathmandu. To this end, the Maoists once again raised the issues of a constituent assembly, a new constitution, a republic and national sovereignty, and embarked on talks with the government, through intermediaries.

The June 2001 massacre of the king and the royal family (by all reputable accounts the result of personal rather than political anger and resentment) was unforeseen and certainly affected the Maoists plans. The apparent opportunism with which the Maoists responded to the incident – claiming it as an imperialist and reactionary plot and proposing the immediate formation of an interim government, a new constitution and the establishment of a republic - did not arouse much support, even from the left (despite the fact that these were long-standing claims of the left). Hopes that the government of China might provide support proved misplaced.

The new king, Gyandendra, once installed, was evidently prepared to adopt a much stronger line with respect to the Maoists than the previous king, Birendra. The deployment of the RNA to various locations in the hill areas and plans to establish an Integrated Internal Security and Development Programme (IISDP) indicated a greater willingness, initially at least, on his part to listen to the army chiefs and entertain a military solution. Nevertheless, the Holerī (in Rolpa) incident in July 2001 (shortly after the June Palace massacre) – where the Maoists found themselves inadvertently on the verge of a confrontation with the Army after they had abducted 69 policemen – combined with a change of government (as Prime Minister Girija Prasad Koirala stepped back and was replaced on 19 July by Sher Bahadur Deuba,

who became prime minister for the second time) led to a ceasefire and a programme of talks between the Maoists and the government. The king was evidently not prepared to adopt a 'military solution' at this stage.

Two rounds of talks were held, and a third was planned. The Maoists demanded not only a continuation of the cease-fire and return of prisoners, but the establishment of a constituent assembly as the first stage in the democratic construction of a new republican constitution. The talks were derailed, in part by the continuing fall-out from the June massacre but more significantly by the events of 11 September in the USA and the subsequent declaration of the 'war against terrorism' - which undoubtedly encouraged the government to adopt a somewhat harder line than hitherto. The Maoists had planned a mass meeting in Kathmandu for 21 September, with hundreds of thousands expected to participate; in the light of recent developments, the government was able to prevent this from taking place.

On 23 November, the Maoists broke off the talks and breached the cease-fire, launching a series of attacks on various targets, both military and civilian in Surkhet, Dang, Syangja and other parts of the country. For the first time the guerrillas attacked the Royal Nepal Army, killing 14 soldiers in the Ghorahi base (in Dang). They looted an estimated Rs.225 million from banks in one week. This was a dramatic turning point. On 26 November 2001, a State of Emergency was declared, the army was called out and an Ordinance granting the state-wide powers to arrest people involved in 'terrorist' actions put in place. Under the ordinance, the CPN (Maoist) was declared to be a terrorist organisation and the insurgents labelled as terrorists.

4.1.3 A new phase of the conflict

After November 2001 the conflict moved into a new phase (which we might term phase three). Until this point, the conflict had been, largely, a low intensity conflict; but after the break-up of the talks, the resumption of the conflict and the declaration of the State of Emergency, the intensity and the scale of the

conflict increased significantly. Increasingly, furthermore, external agencies were to become involved, with the governments of some states (notably the USA, UK and India) taking a much more active and interventionist line than previously and development agencies actively seeking to respond to the conflict, in a variety of ways.

Until this point, government and development agencies were prepared largely to ignore the insurgency in their development policy and planning, and in their programmes and projects. There is relatively little reference made in the documents of INGOs and NGOs working in the rural areas of Nepal – even those working in ‘Maoist-affected areas’ – until the late 1990s. Even then, the concern was more with the impact on the programmes and projects than on the lives and livelihoods of the rural population. The situation changed dramatically during 2002. In November 2001, after the breakdown of a series of talks between the rebels and the government and the ending of an agreed cease-fire, the government declared a state of emergency. The involvement of the Royal Army was increased, civil rights and press freedoms were curtailed, and confrontations between the army, the police and the rebels became both more numerous and more substantial.

Foreign agencies and Nepali NGOs began to commission and to produce a range of studies of various kinds linked to the conflict. Some were directed at issues of ‘security’, concerned essentially to provide guidelines for development agencies and government departments with personnel working in ‘insecure’ or ‘conflict’ areas for the protection of these personnel. Others were concerned to analyse the conflict itself – its origins, dynamics and possible future developments. Some of these went so far as to suggest processes, procedures, mechanisms and modalities for the resolution of the conflict. Few were concerned to assess the impact of the conflict on the lives and livelihoods of the people in the rural areas affected. One of these (Seddon & Hussein 2002) was undertaken

under the auspices of the Overseas Development Institute (ODI) in London and was part of a series of studies on ‘livelihoods and chronic conflict’ funded by DFID. This study drew among other sources on materials provided during 2001-002 by two international NGOs working in Nepal – CARE-Nepal and Action Aid Nepal (c.f. Lal et al 2003).

A major focus of concern at this time, however, was that of ‘human rights abuses’, an important dimension of lives and livelihoods in situations of conflict. It was estimated by Prabin Manandhar in October 2001 that around 1,800 people had been killed, while hundreds had been reported missing, and thousands had been displaced (Manandhar 2001). In retrospect, this was to appear a relatively low level of ‘direct and collateral damage’ after five and a half years of conflict. Things were now to change, however. The Maoists claimed that, in the first three months of the Emergency alone, they had killed some 600 Royal Nepalese Army personnel. Now it was impossible to ignore the insurgency and the conflict that surrounded it as the scale and intensity of the conflict increased dramatically. On Saturday 16 February 2002, more than 100 people were killed when rebels launched a major attack on government offices and police posts in Mangalsen, a small town 200 miles to the west of Kathmandu in Achham District in the far west of Nepal. In a separate strike hours later, another 30 or so police were killed at the nearby airport in Sanfebagar¹. This action was followed by a call for a nation-wide general strike (or *bandh*) later in the week to mark the sixth anniversary of the start of the People’s War. The planned strike was in fact called off (ostensibly to enable students across the country to sit their SLC examinations), and proposed for a week in the latter part of April.

According to the Maoist leadership, in March, Nepal was now experiencing an intensification in the People’s War representing the move from a defensive struggle towards a more balanced one. Increased military activity was accompanied by a dramatic increase in deaths

¹ As an indication of the impact of such attacks on the work of development agencies, CARE Nepal was obliged to make an immediate re-assessment of their work in Achham district.

in larger-scale clashes between the guerrillas and the police and the Army. According to reports in the international media, 62 Maoist guerrillas were killed by the Nepalese Army in March 2002, when they attacked a training camp. In mid April, 48 policemen and 6 civilians were killed by Maoist guerrillas in Dang District in what was described as ‘one of the bloodiest attacks of their insurgency’, with almost simultaneous attacks on the house of the Home Minister, a police station, two banks, an electricity sub-station and a bus in four towns in Dang (**The Guardian** 13 April). Observers estimated in March-April 2002 that up to 4,000 people had died in the conflict up to that point, about half of them since November 2001.

During April, the conflict intensified and, in response, state security was tightened still further. Amnesty International reported that month that, according to official sources, more than 3,300 people had been arrested since 26 November. Many had been held in army camps without access to a lawyer or a doctor, or their families, and few of those arrested have been brought to court (Amnesty International, 2002). At the very beginning of May, the Army launched a two-day offensive near the Maoist stronghold of Rolpa. The Army apparently encircled a rebel training camp and killed a significant number of guerrillas from the air using helicopter gunships (‘50 Maoists killed by government forces in Rolpa on 3 May’, according to BBC Radio, May 3). The Maoists immediately took their revenge, storming the army garrison in the village of Gam in Rolpa and killing 130 men. The Maoist rebels proposed a one-month cease-fire after a week of major clashes with government forces, in which as many as 500 people were reported killed. By now, the Maoists were officially considered to be in effective control of about 25 per cent of the country.

They warned, however, that they would launch ‘an even more deadly war’ if the government offensive continued. Their proposal was rejected by Prime Minister Deuba. For the time being, however, even in the context of the current conflict and the state of emergency, it is almost certainly the case that the majority of

the Nepali population, and most of the foreign (bilateral and multilateral) agencies, support the continuation of Nepal’s fraught 12-year ‘experiment with democracy’, in some form or another. Dissidents within the ruling Congress Party and the opposition refused the proposal by the Prime Minister to extend the powers of the security forces under the State of Emergency, arguing that the new anti-terrorist law already gave them sufficient authority.

But the decision of Prime Minister Deuba in May to dissolve parliament and seek national elections in mid-November led to considerable tensions and dissension within his own party and created the impression of weak and indecisive government. The Prime Minister’s decision created confusion and dissent among the members of the government and of the Congress Party, although it was welcomed by the opposition. The dissolution of parliament was challenged as ‘unconstitutional and prejudicial’, but eventually upheld. In June, the Nepali Congress Party suspended Deuba and expelled him from the Party for a period of three years. Some constitutional experts wondered whether Deuba could remain as Prime Minister until the elections. ‘The Constitution is silent on this matter’, according to retired Chief Justice Bishwanath Upadhyaya, who headed the panel that drafted the 1990 Constitution, “this is an unprecedented situation”. Five days later, the king extended the State of Emergency for a further three-month period, to August 2002.

The summer months, as always saw a temporary reduction in clashes between the Maoists and the state security forces. But the political situation became increasingly precarious. In July, the period of office of elected representatives in local government, at VDC and DDC level, came to an end. The possibility of their extending their period of office was ruled out, and they were obliged to leave their posts. The DDCs and VDCs were formally dissolved, with the responsibility for local government being taken over by the Chief District Officer (CDO) and Local Development Officer (LDO), with support from the line agencies. There was now no elected government in Nepal, at any level - national, district or village.

The Maoists continued to gain ground, although fighting was reduced during the monsoon months of July and August. Even so, in the first nine months after the declaration of the State of Emergency, some 2,480 'Maoists' were reported killed by security forces, with 425 security personnel (army and police) killed by the Maoists, and nearly 300 civilians killed. After August, the war continued to intensify, with a major attack by the Maoists at the end of the first week in September 2002 resulting in the deaths of around 50 police, with a further 20 or so injured during an assault on two government security posts. Towards the end of September, the Army retaliated with one of its largest offensives against the rebels in recent months. A Defence Ministry spokesperson said that the latest operations had targeted rebel bases, where those killed included training instructors; the total number of those killed, it was claimed, was 115.

Insecurity for ordinary people in the rural areas increased during 2002 and lives and livelihoods were increasingly affected. The Maoists began to increase their attacks on infrastructure as part of their struggle against the state, concentrating their attentions more on strategic targets than on the smaller-scale infrastructure. These attacks, while directed at power, transport and communications infrastructure in particular, affected the economy as a whole, and had a significant, if double-edged, propaganda effect, in so far as the government, and indeed many of the development agencies, were visibly shocked by this strategy.

In October, the king intervened, sacking Prime Minister Deuba and taking over all executive powers 'until alternative arrangements can be

made'. A few days later, he announced the formation of an interim government, under the leadership of former RPP Prime Minister Chand. Nepal entered the festival season of Dasain and Tihar more uncertain than ever of the future. The impact of the conflict, at all levels, was clearly growing. Towards the end of the year, human rights organisations estimated that some 8,000 people had been killed during the conflict to date.

In January 2003, dramatically, the Maoists indicated that they were prepared to enter into negotiations with the king and other parties. They considered that a position of 'balance' or stalemate had been reached in the conflict, and were prepared to consider a period of discussion. A ceasefire was rapidly agreed. For the next few months, the ceasefire broadly held, and preliminary discussions were held by a wide range of parties. The Maoists had identified a 'negotiating team' with Dr. Baburam Bhattarai as its leader; the interim government nominated one of its ministers, but was slow to name a team. No clear agenda was agreed, however, even by the middle of April and the country remained in political limbo.

At the local level, the ceasefire brought a halt to the conflict for the time being and enabled many people who had left their homes to return. At one level, the sense of insecurity persisted as the political agenda and way forward remained undefined, but at another, it seems, people were optimistic that lives and livelihoods, for so long affected by the conflict, could now resume, if not as before, then at least with a greater degree of security. It is a good moment at which to assess the effect of the conflict on lives and livelihoods, and on food security, in the rural areas.

Chapter Five

5.0 LIVELIHOODS AND FOOD SECURITY

5.1 The Structure and Dynamics of Livelihoods

Now we turn to the substantive analysis of the effects of the conflict on livelihoods and on food security, up to mid-April 2003. First, however, we need to outline the broad features of rural livelihoods in the 1990s prior to the start of the conflict. Much of what follows relies heavily on a study of rural communities and households in the west central region of Nepal undertaken in 1996-97, which 're-visited' communities and households first studied in the mid-1970s (c.f. Bagchi et al 1998, Blaikie, Cameron & Seddon 2002, Cameron 2001). It provides, however, a general broadly valid picture of the structure of rural livelihoods in Nepal in the mid-1990s, at the time of the start of the conflict. In this section, we shall introduce the concept of 'security' - which includes but is broader than that of 'food security' (which we see as one component of livelihood and life security).

5.1.1 Class and rural livelihoods

To discuss the structure of livelihoods is to recognise explicitly that the livelihoods of individuals and households are structured by the wider political economy and that the livelihoods of the poor and less powerful differ significantly and substantially from the livelihoods of the rich and influential, not only quantitatively but also qualitatively. For the majority of Nepalese in rural areas, livelihoods are risky and uncertain at the best of times; they are also highly dependent on a nexus of social relationships with others, both in their immediate locality and beyond, and on their ability (or lack of it) to gain control of and access to resources and income generating

opportunities in the public and the private sectors.

Only perhaps 20 per cent of those who live in the rural areas are generally secure in 'normal times'. A recent study suggests that, in some privileged regions, like western Nepal, this category has increased as a proportion of the total over the last 20 years (Blaikie, Cameron & Seddon 2001); in other, less privileged regions, it might well have decreased. Of the remaining 80 per cent, even those (perhaps 40 per cent) 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 misfortune - 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 resources and income earning opportunities but in terms of quality of life and wellbeing. Infant mortality among girls is high, as is maternal mortality. Many infants and children live in poverty and insecurity; so too do many older people.

The 40 per cent or so of those who would 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. There is evidence (see below) to suggest that in some more privileged regions this category of rural household has increased as a proportion of the total. Even among the 'upper' and 'middle' categories, there is a limited involvement in the market as far as farm produce is concerned. A recent study in western Nepal (Blaikie, Cameron & Seddon 2001) shows that whereas in the mid 1970s, 73

per cent of households sold less than Rs 1,000 worth of agricultural produce, in the mid 1990s the equivalent proportion (those selling less than Rs 10,000) was over 87 per cent. These data imply, if anything, a 'retreat' from the market. On the other hand, non-farm income plays a greater part in supporting rural households than 20 years ago, particularly in the case of the middle to better off. For rich peasants, the ratio of households with non-agricultural income to households without changed from 51 per cent in the 1970s to 73 per cent in the mid 1990s; this suggests an increase in non-farm activities, including small enterprise and non-farm employment.

This broad category would include not just those largely reliant on a combination of 'own production' and income from other sources, but also those with a somewhat larger involvement in local handicraft or small 'cottage industry' production, shop-keepers and small traders, those with more reliable and substantial income from regular wage or salaried employment (often in the public sector, as teachers, health workers, lower-level government employees, etc. but also in the private sector), those with a significant income from remittances from one or more family members outside the locality. This category might, as a whole, be considered in class terms as constituting a 'petty bourgeoisie' (by the Maoists, for example) but while their position is often comparatively secure, these are by no means significantly wealthier or more affluent than those broadly considered poor. They have often, however, been targeted by the Maoists for 'contributions' (see below for further details).

Some 40 per cent of the population as a whole are estimated (by the World Bank among others) to live in poverty and for all of these people, 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, smaller rural artisans

and handicraft producers, small retailers, those with insecure jobs outside agriculture and agricultural labourers.

Of these, roughly half – the bottom 20 per cent – could be regarded as extremely poor. This proportion varies considerably from region to region – recent studies in the west of Nepal suggest that "the proportion of labouring and peasant (marginal/poor peasants) households, which accounted for nearly 18 per cent in the mid 1970s, in the mid 1990s constituted only 13.5 per cent. The 'middle peasantry' by contrast, which in the mid 1970s accounted for 44 per cent of the total, by the mid 1990s accounted for just over half (51 per cent) of all households" (Blaikie, Cameron & Seddon 2001). Most of the rural poor rely on 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 top 20 per cent include the wealthy landowners and rich peasants: those who have reasonable to large amounts of good land and food security from their own production; the households with 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 and 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.

The vast majority of the 40 per cent of 'reasonably secure' households and many of the poor also have diversified livelihoods, and the impression gained from the majority of statistical surveys and reports that these rural Nepalese are overwhelmingly involved in farming is misleading. It is certainly the case that almost all of these will have access to at

least a small plot for cultivation and will probably own at least a few head of livestock – and in this sense, it is true that most are involved in farming. But agriculture and livestock production quite often contribute only one component of total household income (sometimes a relatively small component), the remainder coming from a wide variety of sources, both local and away from home (e.g. seasonal and longer-term temporary migration). Non-farm income may be as important as farm income. What can be said is that while livelihoods are diverse, they are probably less systematically diversified than in the case of the wealthy rural elites. These constitute the ‘middle classes’ of the rural areas.

Even among poor and marginal peasant households there has generally been an increase in non-farm incomes over the last 20 years: in the study referred to above, whereas in the mid 1970s only 32 per cent of such households had outside income, in the mid 1990s, the proportion was 38 per cent, while for labouring households – by definition more dependent on the sale of their labour for survival – 53 per cent had non-farm income in the mid 1990s, whereas in the mid 1970s it was only 35 per cent who did. There is a tendency for the least well-off to be the least diversified and most reliant on casual/daily wage labouring, either in agriculture or, as we have seen, increasingly in other sectors. Usually reliant on a limited (sometimes only one or two) array 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.

The sketch given above of the structure of livelihoods is, of course, a gross generalisation. One of the most striking features of rural livelihoods in Nepal is their extraordinary heterogeneity. This reflects both the heterogeneity of the physical terrain and the relatively limited development of the economic base – which ties most livelihoods closely to the exploitation of the local ‘natural’

resources. It is crucial, however, also to recognise that the structure of livelihoods is associated not only with differentiation and diversity, but also with close inter-relationships between the livelihoods of those living within local communities.

The livelihoods of the poor are largely determined by the ways in which and the extent to which their lives are intertwined with those of the rich and powerful – through various forms of economic, social, cultural and political interaction. These are the relationships of class and caste, which provide the basis and the ideological justification for exploitation and oppression, for social discrimination and exclusion, for degradation and deprivation, for bondage and indebtedness, as well as for employment and patronage, for social integration and the maintenance of the social order, for reverence and respect, and social identity. Gender relations, combined with class and caste, also determine the character and quality of life for men and women; it is still the case that, by and large, gender relations among ethnic minority and dalit groups tend to be more egalitarian than among the high caste Hindus, where patriarchy often retains a powerful hold over the choices available to women, and ensures their continuing subordination.

5.2 Livelihoods and ‘mapping insecurity’

From what has been said above, it should be clear that, 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. But there is a high degree of heterogeneity at all levels – agro-ecological (i.e. mountains, hills and terai), regional (e.g. western, eastern etc.), district, village development committee (VDC), hamlet, household and individual. Village studies and monographs which provide the detail that enables us to appreciate the variety and complexity of rural livelihoods are less common than they used to be (for a variety of reasons), and surveys do not make it easy to

tease out the complex weave and pattern of rural livelihoods, except in a rough and ready fashion.

Projects often collect rich empirical data about the lives and livelihoods of the people whose circumstances and conditions they are designed to improve as part of their overall approach – using PRA and rapid rural appraisal techniques increasingly often – but there is rarely the time found to undertake the kind of detailed analysis and then to summarise and disseminate this in a usable form that would enable development agencies to take full advantage of the existing data on rural livelihoods. Across Nepal, INGOs and NGOs in particular have valuable bodies of data collected but not adequately analysed which would give the lie to the often repeated nostrum that ‘we know relatively little about rural livelihoods’ – a lot is known, but it seems not to be easily accessible.

If poverty alleviation is a major concern – or at least has been until recently – of most development agencies operating in Nepal, then identifying the poor and socially disadvantaged must surely be a priority. But identifying and mapping poverty, vulnerability and insecurity is a difficult business. It takes a good deal of time and effort and expertise – all of which is often considered to be in short supply by project managers and by ‘donors’. Some development agencies have given support to research which could be used both for analytical and for practical purposes. But such investigations are usually regarded as not particularly ‘cost-effective’ and are generally undertaken for specific limited purposes and time periods. Many projects carry out some kind of ‘base line’ survey or study, but this is more often for the purpose of project M&E than for a real concern with the complexity of rural lives and livelihoods and eventual programme or project impact assessment.

Many NGOs in Nepal, however, undertake preliminary social mapping exercises of various kinds, some of which are concerned to assign households within local communities to distinctive ‘wealth’ or ‘well-being’ categories. ‘Wealth-ranking’ is a common term for such exercises, which usually involve local

informants, often in a public place, defining ‘categories’ (or ranks) on the basis of their own locally identified criteria, and assigning households within their community to these categories or ranks. Often, however, the NGO staff themselves suggest, as a means of providing some common ‘measure’ by which to compare across ranks or across communities, ‘food self-sufficiency’ as a criterion. It is very common, as a result, to find wealth ranking exercises in which the main criterion is that of ‘the extent of food self-sufficiency’ - usually presented in terms of the number of months per year that the household is able to provide for its own food requirements from its own production. So pervasive is this method or criterion, that it is often ‘adopted’ by local informants and used as a criterion for their own wealth ranking. It is, nowadays, often impossible to tell whether food self-sufficiency is a valid criterion for ranking, used regularly by local people, or merely an imported concept. Either way, it is frequently used to indicate the degree of food security: where a household has 12 months food self sufficiency it is widely regarded as food secure; where a household has less than 6 months food self sufficiency it is regarded as food insecure.

Most systematic has been the vulnerability mapping of the World Food Programme. But much of the WFP strategy relies, we would argue, both on problematic conceptions of vulnerability and on inadequate assessment of vulnerability. For example, while Nepal as a whole is marginally a net food exporting country (much to the surprise of those who in the 1970s predicted a significant food trade deficit by now), the terai is still a strongly food exporting agro-ecological region, while the hills and the mountains are by and large heavily food deficit – in terms of the ‘gap’ between food production and aggregate food demand – and are therefore major importing regions (significantly affecting Nepal’s balance of food trade overall). But a hill district (for example), which may be technically (by this definition) ‘food deficit’, may also be well able to cover that food deficit by other exports, revenues and food imports – or it may not. In the former case, it may be technically food deficit, but have the capacity

to purchase and therefore obtain (make available) food; in the latter case, it has not. The population of the district which is able to 'make good' the deficit because it has other resources are not necessarily food insecure, even if they may not be food self-sufficient; the district which cannot 'make good', and cannot obtain access to food, is indeed vulnerable - food insecure. Two household cases of terai shown in the boxes illustrate the nature of food insecurity they have faced in 2003, even if the district is one of the major rice producing districts of Nepal.

is not possible and access to income from farming, enterprise and paid employment locally is limited. This is encouraging emigration, either of household members on a seasonal or temporary basis, or the emigration of households seeking a more reliable existence elsewhere.

Where access to markets is poor and/or government systems of food distribution (such as have existed in the recent past through the National Food Corporation) are inadequate, or fail or are stopped – then regions and areas

I am Hasta Bahadur Sunwar (male, 55 years old). I live in Gulariya Municipality, 14 Tepari, Bardiya district. I have 6 members in my family (4 women). I own 0.2 ha land, and own a temporary house. No one in the family is literate. We grow maize, wheat, mustard and rice. We produce about 3 quintals² of food, but require about 10 quintal². Our own food production meets food requirements for only 3 months. We meet the deficit food from wage employment, selling firewood and from loan. I am not a Kamaiya (but a Dalit), and thus I cannot take part in 'food for work' programme. I also raise 2 oxen and some poultry birds. The problem of food is growing in the village and at my household. The problem of conflict has not been felt in food supply, but in the movement of people. In recent times production is declining

I am Hastu Tharu (male, 30 years old), a former Kamaiya. I live in Guleriya Municipality, Prakashpuruwa, Bardiya district. There are 4 persons (2 women) in my family. I have 0.12 ha land. No one in the family is literate. We grow mustard, potato, onion, maize and some vegetables. We produce about 3 quintals of food, but require about 10 quintals in a year. We thus produce food that meets only 3 months requirements. We depend mainly on wage employment for food security. We have 2 buffaloes and 2 cows. There is no change in the number of animals in my place. I used to go to India for work. I came only for a short time in Nepal, and I used to save Rs 1,000 a month, which was utilized mainly in buying food, and also for buying other necessities like clothes and medicine.

We have received some food from 'food for work' programme. We obtained about 4 quintals of food from that programme. In my village, food problem seems to have increased. About 10 years ago, there was no problem with regard to food. But the real problem started to surface since two years ago. Conflict has not really caused a problem regarding food, but the constant check by security personnel is somewhat problematic.

We have seen that the WFP has classified 44 out of Nepal's 75 districts as food deficit. These have been further divided on the basis of food availability in a certain number of months in the district into those which severely food deficit (3), high food deficit (8), medium food deficit (16) and low food deficit (17). The WFP recognise that the situation is the most severe in the remote mountain and hill districts, where basic food self sufficiency

which experience a food availability decline cannot meet their growing deficit through the market or from other resources and become extremely vulnerable. This has happened to the Upper Karnali in the last few years, and to a number of other areas (mainly but not only in the high mountain areas). Reports that the WFP suspended its food-for-work programme in two districts (Mugu and Jajarkot) in April 2002 because of the looting of food stores by

² 1 quintal = 100kg

I am Maniram Chaudhari, Dhanagadhi, Kailali. In a year, I buy 2,200-quintal rice and sell it to people of 15 villages. I buy food from rice mills and use Bus, push cart and trucks for transportation. We buy rice at the rate of Rs 18/kg, wheat Rs 15/kg, maize Rs 14/kg, barley Rs 9/kg, buckwheat Rs 35/kg. We sell them at Rs 20, Rs 17, Rs 15, Rs 10, and Rs 40, respectively.

The conflict has reduced the flow of trade. Now we do not get traders from the hills, and thus we do not make much profit.

Maoists also note that “in Jajarkot, at least 10,000 people have lost their source of food for sixty to ninety days; and this at a time when there is nothing growing in the fields” (cited by NepalWatch@yahoogroups.com).

Poverty and vulnerability, however, is not just a matter of food insecurity – although ultimately this is one of the crucial components (and results) of vulnerability. The *physical environment* of Nepal is a difficult one, with rough terrain and an unpredictable climate. *Rain-fed farming and extensive livestock production* are risky and those who are landless or have access only to limited plots of non-irrigable land on steep slopes and who have small herds of animals are particularly vulnerable to years of low production, poor yields and 'natural disasters' (landslides, animals mortality etc.). *Other sources of income* have become more important in recent years (although there is a long history of reliance on non-farm income), 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 immediate locality.

Finally, 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 INGOs have for some years now adopted a 'rights-based approach' in their work, the rights of the more vulnerable sections of Nepali society have remained unfulfilled for the most part. Bonded labour, 'untouchability', gender discrimination, and other forms of exploitation, oppression and social injustice remain widespread and deeply entrenched in the rural areas.

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 least effective access to the services provided. This is not just a matter of physical access – although there is strong evidence to suggest that proximity to a motorable road correlates highly with other indicators of relative advantage – but also of opportunity costs of travel for both service providers and potential clients and of real costs of goods and services. 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.

All of the available evidence, including the various district-level poverty indicators (such as those produced by ICIMOD), suggests not

only that there is considerable regional and district-wise inequality in terms of such indicators, but that certain regions and certain districts are systematically disadvantaged in terms of resources and assets and deprived of services and facilities. The far-west and the mid-west emerge consistently as the most disadvantaged regions. Most of the highly disadvantaged districts are within these two regions. While there is no doubt that extreme poverty, deprivation and disadvantage can exist within a district and a region that is generally relatively well-endowed and well provided for (as in many parts of the terai), there is an increased chance in disadvantaged regions and districts that poverty, deprivation and disadvantage will be seen as shared and arguably as less acceptable.

It is perhaps worth noting that although the average per capita income of Nepal is US \$ 220, in some of the more remote and poorer districts, the average annual income is only 17 per cent of that national average. In the Maoist stronghold of Rolpa, per capita income is less than US \$ 100. Average life expectancy is 59 years, but in some parts of the country, the average life expectancy is more than 10 years less than it is in Kathmandu - in the mountains of the mid-west, for example, life expectancy is around 45 years. The average adult literacy rate in Nepal is about 57 per cent - in the mid-western mountains, it is only 33 per cent (ICG 2003: 9).

5.2.1 Environmental factors

The climate and the physical environment are both important sources of uncertainty and it is relatively common for those farmers (the poorest) who rely heavily on rainfall – as opposed to those who have access to irrigated land – to suffer particularly from the vagaries of the monsoon. In some areas – notably the Upper Karnali, but in the far-west and mid-west generally where rainfall tends to be lower and more unpredictable than further to the east – it is not uncommon to experience several years of poor rainfall. Farmers attempt to create terracing and other features to control moisture, but in upland areas and on steeper slopes this may be ineffective. There is a major distinction between those who have access to

irrigated (*khet*) land in reasonable quantity and those who do not throughout Nepal, in the mountains, hills and terai. The risks of loss of agricultural land (and even of homes) as a result of landslides, river-floods and other ‘natural disasters’ are high in all three agro-ecological zones. In almost all cases the most ‘insecure’ are the poorest, on marginal land in marginal areas, but sometimes (as in the Upper Karnali) the majority of the population in the area are subject to the risk of famine.

As a consequence of these ‘environmental factors’, many rural households reliant on farming are very much at risk from ‘food availability decline’. When there are inadequate non-farming income sources, or markets and government systems of food distribution fail, there may be famine, or at least acute food shortage. The physical environment also makes travel and transport difficult; off the roads, human transport is still widespread although animal transport is used on major trails. Local bridges may often be able to span only relatively small distances, and paths and trails are not always able to take advantage of natural contours; as a result, much travelling and transport involves steep climbs and steep descents. Even relatively short distances ‘as the crow flies’ take a long time to cover, especially with heavy loads. When physical access is difficult, the movement of people and goods (and services) is constrained and real travel and transport costs are high. This can affect the physical distribution of food stuffs and other basic items.

If the physical environment (monsoon rains, rugged terrain, etc.) creates particular difficulties, it also affords certain opportunities (natural resources). In those areas where significant forest remains (particularly in the far west and the mid west) there is the possibility of the exploitation of natural forest resources – both timber and non-timber. Both logging and the collecting and exporting of non-timber forest products (notably medicinal herbs, resins and other such items) have proved extremely lucrative in the past and continue to do so. Much of this, however, is undertaken by entrepreneurs from India and, to a lesser extent from the *terai* –

with the connivance of the Department of Forestry – and very little by local communities in the hills and mountains.

In general, those areas, and those households, which have limited external resources are the most dependent on local climatic and other factors. Often these are among the poorest and most marginal. It is perhaps not insignificant that the areas in which the Maoists have their ‘strongholds’ tend to be among the more isolated and remote areas of the country- not only do they afford the greatest advantages for those undertaking a guerrilla war, but they are areas in which poverty and hardship are least mitigated by access to external resources and opportunities. It is in these areas particularly that the call: ‘workers arise, you have nothing to lose but your chains’ seems most attractive and most plausible.

5.2.2 Economic and social factors

The construction of livelihoods takes place not just within a physical environment, drawing on ‘natural capital’ and natural resources. It also takes place within an economic environment, which offers certain opportunities and certain constraints: locally, within the district and region, within Nepal and in the wider world. Rural households are frequently involved in a variety of ‘economies’ as well as in various ‘sectors’ – this has implications for the capacity to survive, subsist, accumulate and invest (hence of both financial and physical capital).

The concept of livelihoods refers to the portfolio of ways in which households gain their living and maintain themselves. At the heart of the concept is the idea of resources or assets and income streams, with the former providing the ‘key’ to the latter. Thus, a household’s access to natural resources and to the physical and financial assets that constitute ‘the means of production’, depend ultimately on rights and entitlements (e.g. to land and/or equipment) and on its ‘human capital’ embodied in the labour power of its members (and dependent on its capacities and incapacities – health, sickness, etc.). These together provide the basis – given access also to the appropriate markets or distribution

systems – for income generation. Those with least control over and access to the means of production, or reliable alternative sources of income, are the most dependent on their own labour, and are thus particularly vulnerable to exploitation and oppression.

Social capital refers to the network of social relations within which the economic activities of households are inextricably embedded and which determine its perceived rights and its ability to gain access to assets and markets (entitlements), and to take advantage of opportunities and overcome constraints in the wider economic environment. Risk and uncertainty with respect to access and control of ‘economic’ assets in the broadest sense are greatest among those with the weakest claims to rights and entitlements over the key resources and the position in competitive markets. Households and the individuals that are members of households depend to a greater or lesser extent on social capital – the nexus of relationships which define patterns of rights and obligations – of entitlements, rights and responsibilities – within which the ‘economy’ is embedded. This can provide additional opportunities giving access to economic resources/assets and opportunities for income generation, provide support systems in time of trouble, and create sets of obligations.

Finally there is the more personal sphere of physical, psychological, spiritual – not only the physical or body/mind capacity (health, well-being), but also personal security and risk and fear and confidence and etc. For example, the costs of ill health are a major factor in increasing the poverty and insecurity of households. The loss of a household member through death may be a critical blow, economically (as well as socially and personally), if that person was a major contributor to the households’ livelihood. Ill health, sickness, disability and death have far-reaching implications at the level of the household economy in Nepal, as in many developing countries in south Asia and elsewhere. Infant mortality and maternal mortality remain extremely high in Nepal; the sex ratio still favours men, largely as a result of patterns of gender relations and women’s

subordination; and life expectancy, although improving, is low compared with most developing countries.

5.2.3 Political factors

The way in which households are able to draw on natural resources and to develop their own financial and physical capital as part of their livelihoods strategy is also partly dependent on the political framework and the inter-play of politics and government in the local, district, regional and national context. Those who have good relations with the wealthy and powerful local elites can often gain access to resources and income opportunities denied others. A major change took place in 1990, when a popular movement (*Jana Andolan*) managed to achieve a change in the overall political regime. The former 'Panchayat system', in which political parties were banned and 'politics' as the more-or-less open competition for success at the ballot-box was severely constrained, gave way to a multi-party system in which political parties were free to organise, debate and compete for votes with a view to securing power at the local (VDC), district and national level through regular local and national elections.

This 'new democracy' had an immediate effect at the local (village and district) level of increasing or, arguably, revealing more clearly, social, economic and ideological divisions and in 'politicising' local communities to a greater extent than had hitherto been the case. This could be seen as positive or negative, depending on one's point of view. But at the local level at least, the shape of political competition had important implications for the deployment of social capital and ultimately for the distribution of economic and other resources. Increasingly, one's political alignment affected one's access to resources and the dominance or otherwise of a particular political tendency at the national, regional and local level determined the volume and direction of benefits.

Arguably, since 1990, by comparison with the previous thirty years under the Panchayat System, the degree of political instability and level of political uncertainty has risen, as a result of the competition for power, influence

and resources at the local level associated with the competition between different political parties. For the poor and disadvantaged, gaining access to patronage and support has become more problematic, requiring more active strategic choices and possibly a greater chance of failure if and when they 'back the wrong horse'. The rapid succession of national governments during the first half of the 1990s meant all too often a succession of local governments with rapidly changing political composition of District Development Committees and Village Development Committees. But as the current conflict has spread, local government has become contested and local conflict has grown to the point where one can reasonably speak of widespread political instability.

5.2.4 Security, livelihoods and wellbeing

In a number of dimensions, wellbeing depends on a degree of security – economic security, personal, physical security, freedom from fear and harm, ability to maintain control over one's life and actions, the very opposite of vulnerability. Security is in part about certainty, reliability, predictability, but also partly about the quantity and quality of goods and services enjoyed by the household – so that a reliable and substantial flow of quality goods and services is 'best'; an unreliable and meagre flow of inadequate goods and services is worst – this leaves a household and/or an individual vulnerable. It is not always clear whether it is better to have a predictably low level of good or an unpredictable but on average higher level of goods. There is arguably a trade off between uncertainty and 'value' of good enjoyed, just as there is in any portfolio management strategy. But vulnerability, we would argue needs to be seen not only in terms of the likelihood of some unpredictable loss of earnings or other form of 'loss' or 'disaster' but also in terms of resilience and capacity to weather a disaster or suffer a loss without a major deterioration in quality of life or wellbeing.

In Nepal, poor rural households have always tended to face relatively high levels of insecurity and low levels of goods and services enjoyed. They have always been

vulnerable. The sources of insecurity have in the past been largely environmental and economic, but also social and political, and personal. Now, with the current conflict, the political looms larger, and new risks - of being threatened, attacked (beaten and subjected to other forms of physical ill treatment), subject to extortion, robbery or other direct menaces to livelihoods, and adversely affected by indirect disruption to 'normal' economic and social relations - have emerged.

As Liz Philipson has remarked, 'withdrawal of Village Development Councils (VDCs) and police posts from country areas in the face of the Maoist insurgency has left many areas with the Maoists as the only "government" (Philipson 2002). In some of these areas the only contact people have with central government is when the army, of whom they are terrified, enter their villages during operations or searches. The absolute inaccessibility of large areas of Nepal and the poor communications infrastructure leave people totally isolated. The army and the Maoists operating in such areas enjoy *de facto* impunity' (Philipson 2002). There are now many parts of Nepal where the government remit no longer operates and where the Maoists have established alternative government structures; in many other parts of the country, the conflict prevents the normal operation of politics and local government, and jurisdictions are unclear and contested. For the most part, however, an uneasy co-existence between official and unofficial local authorities pertains, in which ordinary people are obliged to negotiate their lives and activities extremely carefully in order to avoid increasing their insecurity and incurring the displeasure of either the government security forces or the Maoists (see above boxes also)

For some, however, the vision of improved lives and livelihoods in the long run, if not immediately, sustains both passive and active support for the Maoist movement; and in some areas, where the Maoists are in control, it might be argued that livelihoods have improved, for some (generally the poor) although they may well have deteriorated or become less secure, for others (generally the better off). In the next section we shall

consider in more detail the effects of the conflict on rural livelihoods and in particular food security in the rural areas.

5.3 Assessing the Impact of the Conflict

Whatever the effect of the conflict in its early years on lives and livelihoods, there can be no doubt that in the last two to three years at least it has had a major impact. From late 2001 onwards, the conflict, which now affected most parts of Nepal, has had a range of effects on lives and livelihoods, systems of food distribution and markets, production and consumption, development processes, service provision and the implementation of development programmes at all levels.

In the early months after the declaration of the State of Emergency, there was a rapid growth in the volume of writing on the current state of the conflict in Nepal, much of it, however, repetitious and ephemeral, and for the most part based on the rehearsal of second-hand data culled from media reports. More considered analysis, however, began to appear during 2002 - and we have drawn on this corpus of studies for this report. Much of the work done was commissioned by the foreign bilateral and multilateral agencies, with their own programmes and projects very much in mind. The studies were directed, for the most part, either at assessing the origins, evolution and likely future development of the conflict itself (conflict analysis), or at considering the security implications and ensuring the safety of programme and project personnel employed or contracted by the main foreign development agencies and INGOs.

Much of the analysis was very general and there was relatively little focus on the effects of the conflict on development interventions and livelihoods at 'the grass roots'. In fact, government and international aid agencies have begun only relatively recently to consider systematically the implications of this conflict for rural development and rural livelihoods, although individual INGOs had been concerned since at least the latter part of 2001. One of the earliest studies which explicitly considered the effects of the conflict on

livelihoods was that undertaken by David Seddon and Karim Hussein for the Overseas Development Institute (ODI). This study began in September-October 2001 and a draft report was produced for circulation and comment in March-April 2002. The paper was revised during May-September 2002 and finalised by October 2002. It has only recently been published (Seddon & Hussein 2002). The paper made use of reports from the field compiled by two INGOs – CARE-Nepal and ActionAid Nepal – which have also been published separately by the ODI (Lal et al 2003).

But, as one commentator on the first draft of the ODI Working Paper commented: “there remains a disturbing lack of quality information about the impact that the conflict is having upon those with whom we work. We really do not know how the conflict is affecting health, markets, livelihoods, communities, households, women, dalits, children, the elderly, vulnerable groups, jobs, education, incomes, and so on”. There have been several attempts in recent months to assess the general features and characteristics, and the impact, of the conflict. DFID, for example, sponsored the production of a number of papers, including one on *The Economic Aspects of the Conflict in Nepal*, one on the *Ethnic Dimensions of the Maoist Insurgency* and one on the *Gender Dimensions of the Conflict*, in May 2002. But these are all very general. A recent collection of essays on **The People's War in Nepal** (Karki & Seddon 2003) includes several pieces which attempt to assess the impact of the conflict, including two focused specifically on gender issues and the impact on women in particular (Parvati 2003; Shakya 2003)

As regards the impact on rural livelihoods in particular, apart from the ODI working paper, and one or two other initiatives - the Save Alliance, for example, was talking about conducting a study on the impact of the conflict on children, and the European Union has recently been researching the impact of conflict on education – there is as yet no central repository of knowledge, and no web site where this kind of information can be accessed, although there are several sources of

daily information from which a systematic study could pick up the relevant information, given sufficient time. As a result, it is impossible to know or even to begin to assess with any degree of reliability or authority, the real extent of the impact and the nature of the impact, or the numbers of people involved and affected over the whole period of the insurgency.

We do know that, in the first four years of the ‘People’s War’, both the extent and the level of conflict remained limited, directly involving relatively few people. It was possible until recently to talk of a ‘low-intensity’ conflict. Fewer than 2,000 people were killed and probably no more than 50,000 people affected. For the period from 1996 to 2000, when the conflict was confined largely to a limited number of districts and even to specific areas within those districts, it was possible for government and most development agencies to continue much ‘as before’ (albeit with some modifications in those ‘conflict-affected areas’). Analysis of ‘the implications of the conflict for local lives and livelihoods’ was not a major concern, let alone a priority. There is virtually no information available for the effect of the conflict on lives and livelihoods in this early period.

In the last few years, and particularly since November 2001, the scale and level of intensity has increased very considerably, and the situation on the ground for ordinary people has also changed significantly. Even for this later period, however, there is a real lack of detailed and systematic information on the extent to which rural people’s lives and livelihoods are affected – negatively or positively - by the Maoist movement and the People’s War in areas under Maoist control. It is not really known in what ways and to what extent the conflict has affected health, social capital, markets, productive capacity, access to natural resources, communities (men, women, children, the elderly etc), education and incomes. Somewhat surprisingly, the CPN (Maoist) has not produced itself any serious description or analysis of what it has achieved; nor has there been any long term study from within these areas. Few who are not intimately involved with the movement itself have spent

more than a short period in the field in areas under Maoist control; even those few journalists who have visited these areas have tended to stay only a relatively short period of time and to provide only relatively brief accounts. Most of the commentary on the real impact of the conflict on the lives and livelihoods of rural Nepalese has been at a very general, often superficial and anecdotal level - confined usually to 'incidents' and individual 'case studies'.

However, there is a body of documented and anecdotal evidence, much of it obtained in the field, that we have collated to provide an initial impression of livelihood impacts in the areas under Maoist control and in areas affected by the insurgency. This is drawn from a variety of sources, including reports from NGOs working in the field, journalists' accounts, and short field visits. First, however, a brief assessment of the overall effects on the economy of Nepal as a whole.

5.3.1 The overall impact on the economy

Despite the lack of detailed studies, it is possible to put together a kind of composite picture of the impact on the Nepali economy. Others have also tried, and the overall cost was estimated in mid 2002 by the World Bank at around US \$ 300 million (according to sagenepal@hotmail.com 20 May 2002). It is not at all clear, however, on what basis it has arrived at this figure. It seems probable that this figure was an underestimate even at the time, and certainly now, nearly a year later, the overall costs are likely to be significantly greater. The destruction of a single power plant at Jhimruk in 2002 was estimated to have cost \$20 million (Nepali Times 11-17 April 2003). If such figures are correct, then US \$ 500 million would not be impossible.

Some of this is the direct result of attacks on big business in the industrial and service sectors, and the indirect result of this on turnover and profits, and to some extent on employment. As early as 2000, the Maoists had begun to attack the buildings and plant of the multinational and large national corporations – including Unilever Nepal, Surya Tobacco Company, Coca Cola, an

Indian milk factory and several distilleries (c.f. Mikesell 2001: 18) and this continued with increased vigour over the last two years. Even the US \$ 100 million Soaltee Group, owned by a family linked to the Palace and with interests spanning tourism, power and tea, has felt the impact. Soaltee Hotels – the foundation of the business empire – expected to make a loss last in the financial year 2001 for the first time in 25 years, according to its Chairman, Siddhartha S J B Rana. Attacks on specific targets, such as the Coca Cola plant in Kathmandu, have been as much symbolic of an attack on imperialism as real, but they have had a dramatic effect. The loss of confidence and real threat to profits, is likely to reduce the willingness of both foreign and big national to invest in business ventures in Nepal. ICG suggest that "the fact that the Maoists directly targeted Coca-Cola, Lever, and Colgate Palmolive facilities for bomb attacks in 2001 and 2002 also had a chilling effect on the investment climate" (ICG 2003: 9).

It has to be said, however, that the level of foreign direct investment (mainly Indian) was already low prior to the current conflict, and it is difficult to identify a reduction in foreign investment that can be specifically related to the conflict to date. However, if the insurgency continues it is likely that there will be a visible decline in FDI and a flight of capital (Indian and Nepali) out of the country. Recent statistics will provide some indication of recent changes in the flow of capital into and out of Nepal, which could be attributed to the current conflict.

At the level of the national economy as a whole, the major direct impact has been on the tourist trade, with hotels and other tourist businesses already worried about declining number of visits from 2000 onwards. The rising trend of tourist visitors and income from tourism was halted in 2000, largely as a result of a major reduction in Indian tourists. In 2001, firstly, the generalised impact of 11 September, but then, more specifically, the declaration of the State of Emergency in November and the resumption of the armed conflict on a more substantial scale, led to significant reductions in tourist visits, even during the prime October to December

trekking season. ICG suggest that "tourist arrivals were 17 per cent down in 2001 and slumped further in 2002" (ICG 2003: 8). 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 were not targets. In 1999, receipts from tourism amounted to some US \$ 168 million; in 2000, US \$ 167. It has been estimated that more than 200,000 people are employed in the sector (ICG 2003: 9). A detailed analysis of the effect of the decline in tourism on enterprises at all levels in the hotel, restaurant and entertainment sub-sector would be interesting, but remains to be undertaken.

There is anecdotal evidence that it has been substantial, but probably confined for the most part to those in the Kathmandu Valley and Pokhara Valley heavily involved in tourism. In the rural areas as a whole, apart from the well-travelled trekking routes in Solukhumbu and around Annapurna, the impact of tourism is limited in any case, and the effects of the conflict negligible. Throughout 2002 there were reports of incidents affecting mountaineering and trekking groups, and even of incidents affecting tourists travelling between Kathmandu and Pokhara. News of such incidents, as well as general knowledge about the insurgency in Nepal, might have been expected to have further reduced the willingness of many foreigners to visit the country. On the other hand, the predicted collapse of tourist arrivals has not so far materialised. If figures are down in 2002-03 it will be as much because of the war in Iraq, the threat of SARS and the generalised concern about the risks of international travel, as because of the conflict in Nepal.

Other sectors besides the tourist industry, however, have been adversely affected. 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 large, medium and small enterprises in this sector 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. Hotels, restaurants and the hospitality industry generally, catering for Nepali residents have undoubtedly suffered from the greater restrictions on physical mobility, transport and travel. The transport sector will have suffered from the reduction in business resulting from reduced numbers travelling and transporting goods on a routine basis.

Attacks on police posts and government buildings across the country have created considerable structural and infrastructural damage. According to one source (Nepali Times, 15-21 November 2002, cited in ICG 2003: 10), over 1,000 VDC offices have been damaged, as have more than 400 post offices. "In a number of areas, important facilities such as bridges, roads and schools suffered either direct damage or steady neglect" (ICG 2003: 10). During 2002, there was a more concerted effort on the part of the Maoists to undertake direct attacks on electricity and power sources and relay stations, communications and transport infrastructure, airports and landing sites, as sabotage. The cost of rebuilding and restoring these facilities will be high, although some development agencies have made a commitment to supporting this task. Others have signalled their unwillingness to bear the cost of replacing and rebuilding infrastructure. The economic cost of the damage to infrastructure is probably very considerable.

This damage has undoubtedly had a widespread but essentially indefinable impact, particularly on the movement of goods, the provision of and access to services, and the movement of people: travel and transport have undoubtedly been severely curtailed. This in turn will have undoubtedly affected the flow of goods to and from market and thus the commercial activity of the rural areas as a whole. 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. Some sources suggest 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 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 addition to the effect of damage to infrastructure, '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'. Undoubtedly journeys have been reduced in number for security reasons and with this decrease has come a slow-down in travel and transport and a reduction in the volume of travellers (passengers where motor transport is concerned) and goods being transported.

Traditional livelihood opportunities such as going into the forest to collect non-timber forest produce and marketing it elsewhere may have been disrupted by restrictions on physical mobility and general fear of 'insecurity'. 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.

The effects of these forms of disruption may well be significant in affecting food security and rural livelihoods more generally. But at the present time, there is simply no justification for 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'. In fact, one source has argued 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 (2001-02) has seen a bumper harvest in both Nepal and India, so grain is plentiful and cheap'. National statistics for paddy production indicate a steady increase in production during the period 1997/98 to 2000/01, from 3.6 million metric tonnes to 4.2 million metric tonnes. Regions which have been most affected by the conflict - the mountain and hill areas of the mid and far west - all show increasing output over this period. The picture for maize production is similar, with national output increasing from around 1.4 million metric tonnes in 1997/98 to 1.5 million in 2000/01, and, once again, the areas most 'conflict-affected' all (with the exception of the far western hills) showing increases in production (CBS 2003: 74, 86-87). On the other hand, we have good evidence of serious food shortages in some regions, such as the Karnali Zone, for a variety of reasons, some of them conflict-linked.

Recent studies cited earlier have revealed the extent of subsistence production and lack of commercialisation, even of basic staple crops, in the hills in particular. Some areas where local harvests are limited and demand has increased, and where mechanisms for food distribution (whether through the market, the WFP or other institutions) have broken down, may, however, experience food availability decline and food shortages. Reports that the WFP suspended its food-for-work programme in two districts (Mugu and Jajarkot) in April 2002 because of the looting of food stores by Maoists also note that "in Jajarkot, at least 10,000 people have lost their source of food for sixty to ninety days; and this at a time when there is nothing growing in the fields" (cited by NepalWatch@yahoogroups.com). The situation in Mugu, and indeed in much of the Upper Karnali, and in other remote mountain areas, may well be extremely precarious – as indeed it has been for several successive years, with little effective intervention either by government or foreign development agencies. The conflict is not helping.

The attacks on infrastructure constituted a threat to 'community' and 'national'

development infrastructure of considerable value. The generally negative reaction to the attacks on infrastructure, especially on what might be termed 'development infrastructure' by the development community, and by ordinary people more concerned with schools and post offices (over 400 post offices had been damaged during the conflict, according to the **Nepali Times**, 15-21 November 2002), encouraged the Maoists to announce that they would cease this form of activity.

Some commentators have suggested that the Maoists' targeting of assets of development – drinking water systems, micro-hydro stations, communications towers, rural airports, suspension bridges – have had 'a really catastrophic (although at present unmeasurable) 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, however, remains for the time being 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.

To refer to it as 'catastrophic' may perhaps be plausible, but is unjustified. Until and unless there is either a systematic country-wide assessment on a district by district basis, the assessment of the damage done remains impressionistic and anecdotal. There is no doubt that infrastructural damage was becoming more significant during 2002, and might indeed have been particularly serious in specific localities, affecting local communities and their livelihoods. It needs to be recognised, however, that the infrastructure targeted has for the most part been infrastructure 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. Most of the rural population do not receive electricity or rely on other energy

sources than fuel wood, which is generally locally available. Most do not rely on telecommunications or personal transport (other than their own two feet or animals). But many have come to rely on motorised transport, by bus or truck or pickup, for transport of goods to and from market and for personal travel. The social costs of the reduction in mobility are hard to assess.

Equally significant, probably, 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 (rural roads, feeder roads, bridges, etc.) has proved more difficult and time-consuming because of the issues of 'insecurity'. In the long run, this may prove a major concern. Other rural infrastructure programmes, irrigation development programmes etc. are being and will be affected, as long as 'insecurity' is felt to be at the present level. On the other hand, improved transport and rural access is held by the government and many development agencies to be the key to reduced isolation and remoteness in the medium and long term – and there is a renewed effort to accelerate road construction and other infrastructural programmes wherever possible, notably in the conflict-affected areas.

Indeed, one of the most notable features of the last few years has been the rhetorical response of the various development agencies. Although there is no doubt that levels of insecurity have made actual work in the field increasingly dangerous for development agencies, both government and NGOs, and has effectively reduced their level of operational presence on the ground, there has been a heightened rhetoric of increasing commitment to development investment and activity. Most multilateral agencies and many foreign bilateral agencies have pledged more funds for development assistance (as well as, in some cases - like the USA, UK, India and Belgium - committing more resources to the government for security and military purposes). The World Bank, the European Commission, the Asian Development Bank, have all made positive commitments in terms of development funding for increased, special assistance,

directed towards conflict areas; so too have USAID, DFID and others. In mid-April 2003, for example, the ADB committed \$321 million from its concessional Asian Development Fund for three years funding, primarily targeted to address the needs of conflict-affected areas (**The Kathmandu Post**, 11 April 2003).

This is significant for many reasons, not least because it implies a recognition that the 'conflict-affected' areas are those which are most in need of development assistance. What is not made clear, usually, is whether this implies that the conflict has so devastated these areas that they need special 'redress', or whether it is being admitted that these areas, where the conflict has been most intense, were precisely those which were previously relatively disadvantaged and deprived. The correlation between 'level of conflict' and low status in terms of poverty and deprivation (HDI) indicators has recently been established, on a district by district basis, according to a recent study (SAP 2003). Given that the HDI indicators show relatively little change over the last decade or so, while the conflict has affected these districts for a maximum of seven years - and less in many cases it seems reasonable to suggest that there have been high levels of conflict in those areas where poverty and deprivation are prevalent, rather than that the conflict has created these disadvantages.

5.3.2 Uneven regional development of the conflict

The impact of the current conflict has undoubtedly varied significantly over time and from place to place within Nepal as the insurgency and the associated conflict has spread and intensified. Certain districts have, from the beginning of the insurgency, constituted Maoist 'core' areas from which the 'defensive' phase of the People's War could be effectively fought. These were identified by the government at the end of the 1990s as Category A districts. At that time, these were also the districts in which the heaviest casualties were experienced: 305 people were killed by the police in Rolpa and 302 in Rukum at that time respectively. Other heavily

affected districts included Kalikot, Jajarkot and Salyan in the mid-west. These were areas which, on the basis of the various indicators of poverty and deprivation were among the most disadvantaged. Significantly, they were also remote and inaccessible.

Category B districts were those in which there had been significant increased activity from 1998 onwards - these included Bardiya, Banke, Dang and Pyuthan in the mid west, Gorkha in the western hills, Dhading, Sindhupalchowk, Dolakha and Kavre in the central hills, and Sindhuli in the central-eastern hills. Category C districts were those in which there was a growing level of Maoist activity, mainly on the basis of specific campaigns. Some of these included Dolpa in the far north, and Jumla and Dailekh in the northwest (two of them in the Karnali Zone, Dailekh is the adjoining district to Karnali), Baglung, Kaski, Tanahun and Lamjung (all in the western hills), Chitwan in the west central terai and Siraha in the east central terai. These 24 districts were considered specifically to be 'conflict-affected'.

During 2000-2001, as the conflict began to deepen and widen, several agencies and some analysts began to speak in terms of areas 'under the control of the Maoists', areas 'affected by the conflict', and areas 'little affected'. Much of the data we present in our analysis below - including the case study material deployed - relates to that period, when these distinctions seemed to provide a valid basis for any consideration of the implications of the conflict for lives and livelihoods. In the areas *under Maoist control*, a range of interventions by the Maoists affected the lives and livelihoods of the local population, for better or for worse, depending to some extent on whether they were seen broadly as supportive or hostile to the movement. In the areas *affected by the conflict*, where clashes took place relatively frequently between the Maoist guerrillas and the police (for the most part), lives and livelihoods were probably most disrupted by uncertainty and insecurity. In the *'unaffected' or little affected areas*, by definition the usual struggle for survival continued with relatively little change.

By the beginning of 2000, it was generally accepted that Maoists had a significant presence or level of activity in 45 out of Nepal's 72 districts – almost double the number in 1998 and over half of all 75 districts in Nepal. By February 2000, the Maoists themselves claimed that there were only nine districts in Nepal which had not yet come under the direct influence of their People's War: Humla, Darchula and Bajhang in the far northwest, Baitadi and Dhadeldhura in the far western hills, Mustang and Manang in the far north, and Panchthar and Taplejung in the far eastern hills (**Mulprabaha**, 14 February 2002, cited in Karki 2001: 185). A map, produced by Karki based on data from 2000 (Karki 2000: 186), shows three main areas of 'high involvement', with a relatively large number of casualties from fighting between the Maoists and the police – in the mid-western hills (Rolpa, Rukum, Salyan, Jajarkot and Kalikot), in the western hills (mainly Gorkha) and in the central-eastern hills (Kavre and Sindhuli). It also shows three main areas of low involvement (with no deaths reported) – in the far west (Kanchanpur, Doti, Dhadeldhura, Baitadi, Bajhang, Darchula and Humla), in the western hills (Palpa, Syangja, Kaski, Manang and Mustang), and in the far east (Siraha, Sunsari, Morang, Panchthar, Terathum, Khotang, Sankhuwasabha and Taplejung), with a couple of terai districts (Parsa and Mahottari) pretty much unaffected.

By mid 2001, the Home Ministry had classified six districts as Sensitive Class A, where government presence was now limited to the district headquarters alone, the rest of the district being effectively under Maoist control (Rolpa, Rukum, Jajarkot, Salyan, Pyuthan and Kalikot). Nine districts were in Sensitive Class B: Dolakha, Ramechhap, Sindhuli, Kavre, Sindhupalchowk, Gorkha, Dang, Surkhet and Accham. A further seventeen were in Sensitive Class C: including Khotang, Okalhunga, Udaipur, Makwanpur, Lalitpur, Nuwakot, Dhading, Jumla and Dolpa. But by this time, even the Home Ministry recognised that, in view of the expansion of the Maoist insurgency, this classification had also become somewhat obsolete – and that *all* areas of the country

were to some extent or another Maoist-affected.

By early 2002, the Maoists had announced People's Governments in 21 districts under their control. 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. It is still useful, however, to distinguish roughly between three broadly distinct areas:

- Maoist controlled areas
- Significantly affected areas
- Relatively little affected areas

CARE Nepal adopted a broadly similar classification in the period from late 2001 to mid 2002, identifying four categories of district: A, B, C and D (with A districts 'most affected' and D districts 'least affected'). These are identified in Lal et al. (2003). The most remote districts of the far west and the two northern districts of Mustang and Manang, do seem to have remained the regions of Nepal least affected.

Since 1998, it is possible that the level of conflict and disruption to people's lives through 'political uncertainty' has been more in 'Maoist affected' areas - where there has been a significant Maoist presence and level of activity, but where there is also opposition to them and their actions either by sections of the local population or by the government/state services – than in 'Maoist controlled areas'. It is arguably in these 'areas of conflict' that the majority of the ordinary population feel most 'insecure' and 'uncertain' at the present time, even though their lives and livelihoods may not be as significantly affected by changes introduced by the Maoists through their people's committees and the introduction of new regulations and interventions. There is, however, a distinction to be made between 'threats' from the Maoists and 'threats' from the security forces - these are not symmetrical.

For the period between the declaration of the state of emergency and the start of the next year, incidents where the Maoists stand

accused of human rights violations include incidents in Gorkha, Sindhupalchowk, Rautahat, Lalitpur, Taplejung, Kaski, Nuwakot and Dailekh (**Informal** vol.11, no.2, January 2002: 62). Those killed by the Maoists, however, came from a wide range of districts. Out of 148 killed between 23 November 2001 and 19 January 2002, 36 came from Solukhumbu, 33 from Dang, 16 from Syangja, 9 from Gorkha, 7 from Darchula, 6 from Surkhet, 5 from Rolpa, 4 from Baglung, 4 from Taplejung, 4 from Lamjung, 3 from Rukum, 3 from Lalitpur, 3 from Kaski, and 3 from Kalikot. It seems from this that, broadly, areas under strong Maoist control have witnessed less violence from the Maoists than have 'contested areas'. On the other hand, as regards Maoists or suspected Maoists killed by the police and armed forces since 23 November 2001, out of a total of 687, 205 were in Solukhumbu, 178 in Rolpa, 100 in Salyan, 22 in Kailali, 19 in Dang, 16 in Darchula, 11 in Dadeldhura, 9 in Bardiya, 9 in Banke, 8 in Pyuthan, 8 in Achham, 6 in Baitadi. This suggests that Maoists (or suspected Maoist supporters) were targets, whether in areas they consider strongholds or in 'contested areas'. It should be noted that there were major clashes at the beginning of the year in Solukhumbu, which had hitherto been relatively 'unaffected'.

Figures for the number and distribution by district of those killed in clashes since 23 November 2001 suggest that there are really no Maoist-free areas any more. Even the far western and the far eastern hill and mountain districts are now affected whereas previously they were hardly involved. The western and mid-western terai is now (and has been for some time on the basis of Karki's fieldwork – see Karki 2001) strongly affected by the Maoists, who have taken up some of the issues of the bonded labourers and squatters struggling for land rights and basic freedoms in the mid-western terai: Kailali, Dang, Bardiya and Banke have all seen a significant increase in Maoist activity, and in clashes with the police.

Even in 2002, some districts remained relatively little affected directly, however, including several districts in the central and

eastern terai. Still relatively unaffected directly by conflict were the extremely remote mountain areas of the north and northwest: Bajhang and Bajura, Humla, Mugu and Dolpa, Mustang and Manang. Even in these districts, however, there was support for the Maoists and response from the security forces, although an earlier attack by the Maoists on the district headquarters of Dolpa was never followed up and clashes remain relatively infrequent. On the other hand, these more remote areas have been severely affected by the restrictions on travel and transport resulting from the conflict (see section on Upper Karnali). This has tended to increase still further the remoteness and isolation of these areas and the difficulty of obtaining access to food. As we shall see, the supply of food from outside – provided through government and development agency schemes to provide food-for-work as part of the programme of infrastructural development, and through the government's mechanisms for food distribution to disadvantaged areas and to disadvantaged people – has been seriously curtailed. The general pressure of population (much of it from outside the region and not producing its own food) on the local economy has increased the difficulty of ensuring food availability for local communities.

5.3.3 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.

The ‘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, although strictly these do not fall into the same category; these represent the forces of ‘feudalism’, bureaucratic and comprador capitalism, and imperialism. But, in an armed conflict it is the forces on the other side that constitute the immediate target.

According to data provided by INSEC in early 2002, 910 people were killed by Maoist insurgents between 1996 and 2001. More than 50% of these (489) were police, 38 were army personnel and 127 were political workers from other parties, usually the ruling Nepali Congress Party. The minority were from other groups or professions: 152 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 (*Informal*, vol.11, no. 2, January 2002: 17). 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 we are unable to identify these persons definitively as landowners or rich peasants.

In those areas where the Maoist movement was in control, there was relative security (prior to the increased deployment of helicopter gun ships by the Royal Nepalese

Army), at least for those who either supported the Maoists or maintained a sufficiently low profile, or who fell into certain categories – e.g. poor peasants and workers. In those same areas, however, there are those – notably those identified with other political parties and particularly those associated with the government and the state apparatus – who have been threatened, attacked and whose lives have been disrupted in various ways. 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.

The police and their families have probably suffered most in the conflict over the last six years. On the first day of the People’s War, the people’s militia and commandos of the CPN (Maoist) captured police stations, including Athbiskot police post in Rukum District and Holeri police post in Rolpa District. Since that time, the police have been the main target of the Maoist guerrillas and have lost the largest number of persons killed of any category. Unlike army personnel and the senior police officers, ordinary police officers 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 of those in the lower ranks of the police force come from relatively disadvantaged families, but are nevertheless targets for guerrilla action and for assassinations, despite their class background. In some cases, there have been cases of abductions of policemen in which efforts to win them over to the Maoists have been attempted as part of an overall propaganda campaign. In general, however, the police have been seen as, and treated as, targets rather than as potential recruits.

Those who are among the majority of the rural population, and particularly those considered to be among the poor or very poor have tended not to be directly threatened by the Maoists, unless they are or are considered to be police

informants, spies or 'lackeys' of the government, or members of the security services. Summary executions of suspected government informants have, however, not been uncommon.

In the first year of the People's War, there were many instances of individuals – particularly village landowners – being attacked. Early Maoist attacks on land revenue offices were also directed at 'the land question'. The objective of the armed struggle at this point was stated as being 'to resolve the basic contradictions between feudalism and imperialism, Indian expansionism, and the aspirations of the majority of the Nepali people'. The armed struggle would also involve confiscating the lands of feudal landowners and distributing them among the landless and poor peasants on the basis of 'the land to the tiller'. 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. Distinguishing between 'rich' and 'middle' peasants in Nepal is a tricky business and best left alone.

In some cases, the tillers' rights have been established along with taking over land belonging to 'feudal' landlords. 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 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 (Sharma 2001: 5). There have been some experiments with cooperative production of expropriated land, but this has proved difficult. In fact, as far as is known (and this was confirmed in 2001 during an interview with a member of the Maoist politbureau), there have been very limited 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 have proved extremely difficult to manage and were for the most part largely abandoned.

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 moneylenders 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 (Neupane 2000: 3). 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), have been 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' (2001: 198).

If it is the case that the 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 moneylenders: moneylenders 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. He maintained that, in addition to this, however, the Maoists had discouraged those who had borrowed money from

threatening the moneylenders in the name of the Maoists in order to avoid paying back money borrowed on acceptable conditions. In other words, they were attempting to moderate the terms and conditions rather than simply ‘attacking’ moneylenders per se.

The Maoists have destroyed all kinds of legal and illegal loan documents and freed local people from debts owed to village moneylenders and landlords where these appeared to be excessive and exploitative (Karki 2001: 200). In Rolpa at least, the Maoists established a rural cooperative bank (the Jaljala Financial Cooperative Fund - *jaljala bittya kosh*) two years ago, which offered loans to the poor and needy at 15 per cent a year including a 5 per cent contribution to the Party (Karki 2001: 201); it also lent out at 8 per cent (Sharma 2001: 5). According to another source, the Maoists have established a rural cooperative bank which lends out at a rate of 2 per cent a year (Bhandari 1999: 11) – which sounds hard to credit!

The Maoists have apparently 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 (Mulprabaha 2000: 10). 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 directors, have been closed down or chased out. Blackmarketeers, locally corrupt individuals and business intermediaries and brokers are punished by ‘people’s courts’ if found breaking the Maoist ‘laws’ (Neupane 2000: 3).

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 likely to be targets.

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 in November proposed by the government an impossibility.

Those ‘in between’

In any conflict, there are inevitably those 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 constituting the rural petty bourgeoisie or ‘middle classes’ – including those with stable employment in the public or private sector, shop-keepers and small businessmen, public sector employees and foreign migrant workers with remittances or pensions coming from abroad or from the urban areas; those who are somewhat better off than the majority and who may have a better education or be seen as part of the rural elite.

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 notes 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’ (Sharma 2001: 6).

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 at 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. This argument became more widespread and pervasive through 2002. The Maoists reacted by indicating at the beginning of 2003, at the time of the ceasefire, that they would no longer harass people for such 'contributions', recognising, in effect, the damage that this had done to their cause.

It was argued, in 2001, that "the alienation of certain sections of the rural population, perhaps hitherto inclined to be sympathetic towards the aims of the Maoist insurgency, if not towards the methods, is not likely to be a major concern of the Maoists, as long as these sections remain a minority with little widespread influence. If resentment and hostility grows beyond a certain point, however, it is likely that the leadership and cadres will make greater efforts to ensure that discipline is maintained among the rebels generally and that the support of the rural 'middle classes' be retained. They are more concerned about the alienation of sections of the urban 'middle classes' who have altogether more political influence and 'weight'" (Seddon & Hussein draft).

In addition to the above - although hardly part of the local rural population, but nevertheless a factor in the equation and institutions regarded with considerable ambiguity in practice (although not in theory) by the Maoists, 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 usually treated in a very pragmatic fashion - those which have any alignment with other political parties, and particularly with the Nepali Congress Party, are regarded by and large as 'enemies of the people'.

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 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 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 (2001) 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. 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.

The 'masses' and social campaigns

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 declared a number of areas as 'alcohol-free', and 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 - who have taken gender issues seriously both at an ideological (rhetorical) and practical level.

Indeed, the Maoist-affiliated All Nepal Women's Association (Revolutionary) began taking radical action in 2001 in an attempt to close all Nepal's breweries and distilleries and ban the sale of alcohol. Their actions have 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 thousands of 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 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 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.

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. Some Maoist workers told Arjun Karki 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. Schoolteachers reported that in the areas under Maoist control, 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.

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.

Maoist guerrillas

An increasing number of rural people have 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.

Estimates of the number of active Maoists are unreliable. Tiwari (2001: 36) estimated that the CPN (Maoist) had some 2,000 full-time well-trained guerrillas and an additional 10,000 occasional armed forces known as 'people's militia'. According to Mulprabaha (2000: 11) the Maoists have a total of 5,000 trained military personnel. The Royal Nepal Army estimated (The Desantar, 22 July 2001) the Maoist forces to be around 5,000-6,000 guerrillas, trained by ex British and ex-Indian army personnel, and 4,000-5,000 in the 'people's militia'. These are small numbers and may well be gross underestimates. There is little information as to the strength of the Maoist guerrillas in different districts, and it is presumed that the vast majority of those referred to above are in the 'temporary base areas'. But the extensive activities and actions of the Maoists during 2002 showed that they had cells and supporters in virtually every district and are able to move relatively freely from place to place.

The police deployed against them greatly outnumbered the Maoists throughout the last six years. When the army is added, together with its ancillary and support personnel, it would seem that the Maoist guerrillas are significantly outnumbered. The key to the Maoists success is clearly their capacity to call on, train and mobilise ever larger numbers of 'people's militia'. Mao Tse Tung (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 of Nepal.

Responsibility for the mobilisation of 'the People's Army' lies 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 the military commander and the political commissar, consists 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 'rank', as do the police and the army (Sharma S, 1999: 31). According to 'Sandeep', the regional

commander in Rolpa of one of the bureaux of the CPN (Maoist) responsible for the development of the guerrilla squads into a 'People's Army', the Maoists have formed 'sections', each containing 11 highly trained guerrillas and 'platoons' each containing three 'sections' (Naulo Bihani Year 3, No. 4, p. 10). Only an organised Party member with special training can be promoted to the platoon commander. Maoist military strategists are planning to upgrade platoons eventually to companies, battalions, regiments and brigades - as in the army (Neupane 2000: 5).

The main duty of a guerrilla squad is to fight; the security squad immediately below is involved in sabotage; and the volunteer squad at the lowest level in propaganda campaigns. Karki observed in the field in the 'temporary base areas' that the majority of new recruits appeared to be young men and girls, mainly from disadvantaged families (Karki 2001: 180). Recruitment is supposed to be on the basis of voluntary 'signing-up', but there is much anecdotal evidence of some degree of compulsion. Indeed, increasing concern has been expressed about the use of 'child soldiers' under forced conscription by human rights activists in the last few months.

The lives of those who have joined the Maoists have clearly been transformed by their full-time involvement in the People's War. In most cases so too have been the families and households from which they come. It is hard to know, however, whether it is the withdrawal and absence of young men and women from these households, or the links they now have with the Maoist movement, that most affects the families and households of Maoist guerrillas. It could be argued, that for many of those who join the Maoists, their lives are changed for the better in so far as they are supported and maintained by the Maoists - they may be able to provide for their families to a greater extent in this way than by remaining underemployed or openly unemployed. On the other hand, they put their families at risk of being identified by the police as Maoist supporters and treated badly as a result.

Weapons have been accumulated by the Maoist guerrillas largely through seizure of

arms during and after attacks on police posts rather than by persuading police to hand their arms over and join the 'revolutionaries'. Police are in fact the main target of the Maoists. The three major objectives of attacking the police are: a) to capture weapons and ammunition, b) to take revenge, and c) to chase the police away from the area. Beyond this is the more general objective of threatening the state security forces and demonstrating the Maoists military

capabilities. In most cases the Maoists have respected human rights and have for example not killed police personnel after they have surrendered. They have also provided first aid and medical treatment to injured police after they have surrendered (Kantipur 15 February 2000). On several occasions, police have been captured and held in captivity for a period of time; they have usually been released without harm.

Chapter Six

6.0 CONFLICT AND FOOD SECURITY

The box below provides examples of the effects of different types of action by Maoist and security forces in the conflict, as observed by development workers, with probable negative livelihood and food security impacts.

Effects on food production

- Young people in rural areas are increasingly faced with a choice of joining the Maoists or fleeing to avoid conscription. This is removing some of the most able-bodied household members with direct effects on livelihoods and food production.
- Traditional seasonal migration patterns are lengthening, with likely effects on crop production levels. The traditional system in food-deficit hill areas was for men and older boys to migrate to the low-lying terai (where the harvest was earlier) or India for a season after planting crops. They would return with food and supplies just before harvest. This system removed consumption units in the hungry season and brought in extra food at the hungriest period just before the harvest. It also brought the labour supply back in time for harvest. This migration is now extending over longer periods, placing a constraint on the harvest, eliminating a seasonal external injection of food and resulting in large areas of land remaining fallow.

Effects on food distribution

Security forces in rural areas are preventing people from carrying more than one day's food supply at a time to deny Maoists food supplies. This is having a significant impact on food access as people normally have to carry a month's supply given that they live on average 3-4 days walk from market. This is worsened by the destruction of bridges by Maoists which can turn a 30 minute walk into a 3-day hike. Pack animal trains are also being prevented from the traditional role of carrying food back to the hills after over-wintering at lower altitudes.

Effects on food stocks and stores

- There are reports of Maoists requisitioning food supplies from farms, either directly or indirectly (through lodging with people and demanding to be fed). Security forces are said to be punishing people to prevent this by removing their food.
- food stores (WFP) have been looted, disrupting food for work schemes

Food prices

The impact of food supply restrictions on food prices has not been evident at the national level. This may be because conflict is worst in remote areas (subsistence-dominated and disconnected from regional markets) and due to bumper harvests in 2001 in Nepal and India, making grain plentiful and cheap.

General livelihoods effects

- There is a general slowdown in economic activity, removing livelihood opportunities in sectors such as construction and road building.
- Movement is severely restricted as there are many check posts where the authorities want to know why people are moving.
- Traditional livelihood opportunities such as collecting non-timber forest produce and marketing it are being seriously disrupted.
- Women and others left behind suffer increased vulnerability in the war context.

Source: Gerry Gill, ODI Associate, pers. comm

6.1 Food Production

Has food production been adversely affected by the conflict? It is, in fact, extremely difficult to say. As an a priori hypothesis, we are inclined to suggest that the answer must be "yes, but to a relatively limited extent".

As regards disruption to agricultural output, careful analysis of the agricultural statistics at a local level might pick up the effect of disruption to production, but, given the margins of error known to plague the agricultural statistics and the usually considerable effect of weather and other conditions on local farming activities and outputs, it is unlikely that these would reveal any clear trend or even a sudden drop in the last year or so, under whatever conditions. As the last years have been generally good ones as regards the harvest, it is unlikely that any local problems would show up in aggregate statistics. But such an exercise might prove worth the effort if focused on specific districts where there is anecdotal evidence of significant disruption to agricultural activities. Detailed analysis of secondary data on agricultural production, and specifically on food production (cereals, other crops, livestock, etc.) at district level and below would be required, demanding good time series data and sufficient information to be able to screen out the effects of other factors, such as weather, etc. and to factor in 'intensity or extent of conflict'

The negative effects of the conflict on food production specifically will be transmitted in a variety of ways - including through reduced access to land, reduced ability to apply inputs, reduced availability of labour, reduced ability to implement the necessary agricultural processes (ploughing, weeding, harvesting, etc.). Reduced access to land may result from land seizures and confiscation, reduced physical mobility and access to land or departure from the vicinity/area on the part of the farmer, etc.

A major feature of the conflict has been the large-scale displacement of people and involuntary migration from the rural areas,

particularly in the hills and mountain areas most affected by the conflict, to other areas, notably to the district headquarters and small rural towns, to the larger towns in the hills, the terai, and even to Kathmandu and to India. A report in **The Kathmandu Post** (12 April 2003) quoted the Local Development Officer of Dailekh district as saying that '10,000 people left the district up to August 2002', while the Narayan Municipality record suggested that nearly 25,000 people had sought permission to leave the district. Mainali (2002) reports that a quarter of 800,000 people from Bajura region (i.e., 200,000) have moved away from their villages.

Estimates for the total number of those displaced as a result of the conflict vary enormously, but the numbers involved may be as high as 500,000. Anecdotal evidence suggests 'thousands' a day passing through border checkpoints between Nepal and India in those areas of the terai immediately to the south of the most conflict affected areas of the mid and far west. A reporter from Kanchanpur (Far West Terai district) reports that about 10,000 Nepali people entered India within past few weeks from Gaddachowki police check post (The Himalayan Times, 21 Dec.2002). Another report states that about 9,000 to 11,000 people enter India through the same post every day. This record is maintained at the police post office, as recording has become a practice in recent times (Chitranga Thapa, 2002 Decm 23:7). In the same report it is mentioned that an Indian border official remarked "if the people of Nepal migrate at the same scale, Nepal will be vacant soon".

From these two border posts (Nepaljung and Mahendranagar or Kanchanpur), Kunwar³ states that a hundred thousand people have migrated to India since the policemen have started to maintain a record, i.e., from 1st week of Dec 2002. This migration is felt in all border police post across the mid and far western regions. The main reason for this mass exodus is the impending food shortages and lack of security from Maoists and military.

³ (Bijaya B Kunwar, The Kathmandu Post, 2002 Decm 27. P 4 "Troubled Mountains").

The displaced persons seem to be mainly men, although whole families as well as women, children and the elderly are also involved. Some sources have estimated a total of 40,000 children displaced by the conflict (ANWA personal communication). The reasons given vary considerably but generally those displaced fall into one of two categories: 1) those who are directly or indirectly affected by the general level of insecurity or the attentions of the security forces, and those directly or indirectly affected by the Maoist presence and activities. The social class background of the first of these is heterogeneous, but the second category tend to be from among the better off - the rural landowners, rich peasants and reasonably affluent 'petty bourgeoisie' - or to have been politically active or holders of local government office.

A recent study (Dixit & Sharma 2003) specifically addresses the 'impact of conflict on agricultural production and small landowners in Nepal'. The study was based on interviews with 2,334 displaced landowners from 53 different districts, who had been 'forced to abandon their farms' (wrongly reported in the **Nepali Times** 11-17 April as 23,000 displaced farmers!). This is therefore a small and selective population with highly distinctive characteristics but one which gives us some insight into certain processes of relevance to our discussion, as well as providing a fascinating insight into the perspective of a sample of relatively well-off rural landowners on the conflict itself.

The basic thesis is that "medium, large and progressive farmers and their families have become the major target of the Maoists and their movement in Nepal. Hundreds (sic) of them have been forced to leave their properties and ... farms and move to the towns and cities as internal refugees. This is a very serious outcome from the internal conflict because it is going to have a profound effect on food production, agro-based industries, farm labour .. and on the national economy as a whole" (2003: 5). It is suggested that "hundreds (sic) of farming families who could sustain agricultural production on their own without external support have been forced to leave their properties behind and live the life

of refugees in major cities where they are safer from the Maoists (and the security forces in some cases). The result of this migration has been deserted farmlands, curtailed agricultural activities, vandalism of the property and drastic reduction of production... Hundreds (sic) of poor agricultural labourers who were working in the farms of the victimized landlords have been left without support too" (2003: 5).

The general stated objective of the research was "to investigate the effect of the armed conflict on the major landowners and their production system and to propose recommendation to minimize the damage". The study estimates (2003: ii, 13-14) that between 2.1 and 2.4 million people may have been affected by displacement, if one includes their household members. This should be regarded as highly speculative, based as it is on a combination of guesses on the part of the respondents and a highly questionable calculation on the part of the researchers. It is not made clear what kind of a sample the 2,334 persons actually interviewed constitute nor how they were selected. The majority (95 per cent) of the respondents were males - the study concludes that "this clearly demonstrates the male dominance in the family because the rebels and the security forces both seem to target the decision maker in the family for action forcing them to flee from the area". Another reason given is that "the displaced farmers have usually left their women folks at home to manage their affairs there" (2003: 8). Average age was 42 for males and 32 for females.

Few felt any confidence in the ability of the police to provide protection, although 45 per cent felt that security would be established if the army were to be stationed in the area. Most felt that they were obliged directly or indirectly - 43 per cent were issued with death threats, 31 per cent were asked for 'unreasonable' donations, 18 per cent gave other reasons, including being harassed by the security forces, 5 per cent left because their homes were looted and set on fire, and 3 per cent (6 per cent among those from the mid-west) were forced to leave because the Maoists confiscated their land and started community

farming in the area - to seek safety away from their farms, in the district headquarters for the most part or even further afield. It seems that most felt able to continue to manage their farm and their affairs if still within the same district but the widespread destruction of public telephones and postal services made it hard to communicate effectively from further away. Some, particularly those from the far west, had been displaced for over two and a half years, but the majority had been refugees for less than that (average, two years). 63 per cent were now living in rented accommodation, 27 per cent in their own property, and 8 per cent living with relatives.

As to their current livelihood status, 28 per cent still relied on income from their land (in the case of those displaced from homes in the eastern region this category amounted to 62 per cent), 24 per cent (39 per cent of those from the mid west) have borrowed money, 24 per cent have taken up other activities, 15 per cent have started small business ventures, and two per cent are in receipt of government compensation. Many expressed concern that their savings will soon be exhausted if they cannot return home soon. As regards their relationship to other members of their families, 67 per cent have their children with them and 33 per cent have left them 'at home'; older family members and women tend to have been left behind - of these, the majority (57 per cent) are still farming.

The majority of these displaced persons were landowners and wealthier peasants, but many were not obviously members of the rural elites, suggesting that there may have been other reasons for their displacement than their class status. This is simply not explored. Those from the eastern region included many larger landowners and the average size of holding prior to displacement was 4.88 hectares of irrigated land. The average size of landholding of those from other regions was substantially less, ranging from 1.7 hectares for those from the far west to between 1 hectare and 0.5 hectare for those from the central region. The majority declared themselves to have farmed their own land and not to have employed extra labour, 45 per cent had employed labour on their farms. In the case of those from the mid

west and far west, the proportion of employers was significantly higher, around 60 per cent in both cases. Most employers employed both a small number of permanent (in some cases bonded) labourers (particularly in the mid and far west) and a larger (but still small) number of daily wage labourers in the peak season.

Many were involved in various kinds of sharecropping arrangement and many (44 per cent) have been able to retain a degree of involvement by continuing that relationship. Others (30 per cent) have rented out their land; and 14 per cent have allowed the labourers to cultivate the land for free. Despite the fact that these various arrangements have been maintained to ensure that land is still cultivated, the study concludes, largely because of the land that would be now left fallow and uncultivated (khet land - 31 per cent of total, bari land - 46 per cent of total and pakho land - 58 per cent of total), that "the conflict and the resulting displacement of the landowners have affected cultivation practices and involvement of the landowner in all the land categories, thus affecting production everywhere on the farms" (2003: 23). They suggest that this will result in a severe decrease in output.

Some of the displaced persons had managed to retain labourers, as their farming activities continued under the management of those adults left behind; but the general effect of their departure was to reduce the numbers employed. Most of the displaced persons had no idea what the former labourers they had employed were now doing, although a significant minority (mainly those still farming) were in touch with their labourers. The study reports that 46 per cent of displaced persons thought that the situation of their former employees would not have changed much as a result of their employer's departure, 36 per cent considered that their situation would have deteriorated and 3 per cent thought their situation might have improved. The study itself concludes that, in general, the former employees and workers would have suffered deterioration in their livelihoods as a result of the departure of their former employers (2003: 19-20).

In some areas, notably the mid west, it seems that the former labourers may now be working the land of these displaced farmers. The study suggests that "many of the former workers have been allowed to continue cultivating the land belonging to their owners. The rebels have however fixed a ceiling on the production to be handed over to the central grain pool of the Party. This is usually 50 per cent of the production" (2003: 19). In fact, there are many anecdotal 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. Even according to Maoist sources, however, these have been on a relatively limited scale and have 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 conflict and dissent.

Apart from some land expropriations in the *terai*, there has been relatively little in the way of 'land reform' or transformation in agrarian relations (such as the development of cooperatives or collective farming) undertaken by the Maoists - although there have been some such efforts in 'model areas' where the Maoists have established firm control - and no visible impact on agricultural production.

6.2 Food Stocks and Stores

There was evidence during 2001 of the looting of food-stocks, including those held by the World Food Programme, thereby disrupting food-for-work schemes - which are widely associated with a wide range of infrastructural development programmes including road construction, repair and maintenance, and irrigation works.

It is certainly the case, also that the Maoists tend to requisition food supplies from farms, either directly or indirectly through lodging with people and demand to be fed (this often

takes place on a significant scale, affecting a whole village community). The security forces also are said to be punishing people for lodging the Maoists by removing food to prevent this kind of support to the rebels. These kinds of activities will undoubtedly have an adverse effect on the capacity of local communities to provide sufficient food themselves for their own needs.

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. The distinction between the rebels and the police they displaced is getting blurred. In remote mid-western villages where most people lead a hand-to-mouth existence, having to provide food and shelter to 10 to 12 Maoist rebels has become an inordinately tough burden to bear. 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' (2001: 6).

6.3 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 secure areas 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 Maoists argue simply that the resources needed for reform, development and welfare have to be generated locally through land registration tax, donations and contributions, party membership fees, levies and funds confiscated from banks, local money-lenders and feudal landowners (Shrestha S 2000a: 13). According to Karki (2001), 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 available. Some of it goes, of course, to the procurement of weapons and ordnance. 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 '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. One has to procure the permission of the people's government in order to travel. They may be dissatisfied with the way the Maoists operate but no one dares risk opposing them' (Sharma 2001: 6).

During fieldwork in 2001, Karki learned that almost all civil servants, including primary school teachers, are obliged to pay five per cent of their salary every month as 'tax'. Local teashops, groceries and farm households have 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. Indeed, during the latter part of 2001 and throughout 2002, the press was full of reports of extortion by 'Maoists' and it was widely implied first that the Maoists were indulging in an unreasonable level of extortion, which was alienating even their supporters and sympathisers and second that a significant proportion of those demanding these 'contributions' were in fact not even part of the guerrilla movement but 'freeloaders' and 'criminals' pretending (literally, as they

often wore masks) to be operating on behalf of the movement.

One commentator (Pratyoush Onta) has suggested that demanding contributions from terrified members of the public has become a form of livelihood in itself, enabling young layabouts and ruffians to gain a living by stealing from ordinary people, while masquerading as Maoists, or even by becoming 'Maoists'. A less cynical analysis would point to the high levels of underemployment and open unemployment in the rural areas of Nepal, particularly for young men and recognise that the attraction of a populist movement ostensibly committed to doing away with private privilege, power and wealth and to redistribution and social justice might be considerable for pragmatic if not for ideological reasons.

Widespread efforts to raise resources for the People's War – *contributions* according to the Maoists (equivalent to the contributions made to a political party or arguably even to taxes within the areas under Maoist control where they maintain quasi-governmental authority), *extortion* according to those opposed to them – have, according to some commentators, tended to increase hostility towards the Maoists from those affected and lost them a degree of support, at least in the last year or so. In so far as contributions are sought generally from the somewhat better-off, this is debatable; in so far as ideological dogma insists that small shopkeepers, those on pensions and public sector employees like teachers are legitimate 'petty bourgeois' targets for such demands, the argument has some credibility.

6.4 Food Distribution

There have been numerous individual reports of restrictions on food distribution, both by government agencies (such as the NFC) and by foreign development agencies. WFP, for example, stopped flying subsidised food to remoter village depots in Mugu in 2001, according to a report cited by NepalWatch@yahoogroups.com, owing to the security situation. The suspension affected at least 5,000 residents. 'Not a grain of rice has

been flown into the villages since last year' according to Mugu MP Chandra Bahadur Shahi, 'but the number of consumers has gone up – police, security forces, Maoists...' The implications for livelihoods was thought, by the MP, to be serious. The district's official quota (through the National Food Distribution System) of 3,000 quintals of rice continued to be delivered to the district headquarters, but since three bridges connecting the villages to the district headquarters have been destroyed, people cannot collect the rice, unless they swim or go through areas where the Maoists are active: 'people are foraging for roots and tubers', said Mr Shahi.

In May 2002 it was reported that 'last month, the United Nations World Food Programme (WFP) suspended its food for work programme in the two western districts of Mugu and Jajarkot after Maoists looted stores. Some 15,000 people working on a road in exchange for food have been directly affected'. 'The implications are most unfortunate', Basant Raj Gautam (programme manager of the Rural Community Infrastructure Works under the Ministry of Local Development) was quoted as saying. "In Jajarkot, at least 10,000 people have lost their source for food for sixty to ninety days. And this is the time when there is nothing growing in the fields'.

Certainly, particular remote and isolated mountain regions – like the upper Karnali – which have come to depend heavily on the distribution of food through state structures, have been hard hit by the constraints on air transport (the result of attacks on airfields and control systems) and reliance on transport overland – which is costly and time-consuming. They have also been adversely affected by government decisions to cut back on subsidised food distribution as part of the general economic strategy advocated by the International Monetary Fund.

6.5 Assessing the Impact on Lives, Livelihoods and Food Security

Given the very limited impartial quantitative data available on numbers affected by the conflict in Nepal, and the rapidly changing

nature of the conflict, it is extremely difficult to assess the number of people whose lives and livelihoods have been 'affected' to some extent, with any degree of accuracy. At the most general, one could say that everyone in Nepal is 'affected' to some extent, if only at the emotional and intellectual level. More usefully, one could identify, in principle, those whose lives and livelihoods have been 'affected' (that is, altered) in some way. This population would probably number in the millions - perhaps as many as 5 million or between a fifth and a quarter of the population - over the entire period of the People's War, with the bulk of these affected since the significant escalation of violence over the last year or so.

In a war situation, the threat to 'life and limb' constitutes one of the most obvious threats to personal security and to the lives and livelihoods of ordinary Nepalese. Current estimates suggest a total of some 8,000 people killed since the conflict began, with perhaps half of these having died in the last year. If the number of deaths has multiplied by four in the last two years, it is reasonable to expect that the number of those affected, directly or indirectly, has increased by more than four times. This would suggest some 50,000 directly affected as 'conflict widows or orphans'. The larger numbers of those killed and injured, those who have suffered serious human rights abuses and members of their family and close relatives, and those who have been internally displaced, may add up to between 500,000 and 1 million. The fear of physical insecurity from the Maoists and, even more so, from the security forces – who have found it difficult to distinguish between Maoists, Maoist supporters and the mass of ordinary Nepali people in the rural areas – affects far greater numbers, possibly as many as 2 million, and inhibits a whole range of economic, social and political activities, particularly those that involve travelling or coming together in specific locations.

As to the effect on livelihoods and on food security more specifically, while there is substantial evidence of a general impact on the economy as a whole, which will undoubtedly affect the lives of the majority of the

population in some way, there is little hard evidence of major disruptions to livelihoods and food security at a national level. Some regions have been significantly more affected than others and some districts more than others, both by the conflict itself and by the impact of the conflict on already poor and vulnerable populations. We have indicated that, although the Maoist presence has been established pretty much throughout the country, there are undoubtedly districts highly affected by the conflict and others less so. It is in the most highly affected areas that we must expect the maximum disruption to livelihoods and the greatest risks of disruption to food security.

The suggestion that there is some correlation between areas scoring low on the various indicators of human development and wellbeing and areas heavily affected by the conflict (Aditya 2001: 158-9) implies that it is in those areas that are historically vulnerable and also conflict affected that we must anticipate the greatest risk of serious food shortages and food insecurity, associated with hunger, malnutrition, and famine. These are areas of relatively small populations and of low population densities, consequently the numbers involved are also relatively small - but they constitute a major challenge nevertheless, for the very factors which make it particularly difficult to respond effectively to the growing risk of food insecurity are precisely those which rendered them vulnerable in the first place (see the case studies at the end of this section).

It is to these highly vulnerable regions - many of which are not just at serious risk of food shortages and food insecurity, but which demonstrate all the signs of having reached that point some years ago where one might rightly speak of famine - that we must now turn. For they are a matter of priority.

Indeed, they have been identified now for many years as 'a matter of priority'. The establishment of the Remote Areas Development Board many years back and the creation of numerous special task forces and commissions reveals that these are distinctive areas requiring special consideration and

special intervention. Yet relatively little has been done that has been effective in any way in reducing their poverty, vulnerability and marginality. The WFP has identified a small number of districts where extreme food deficits can be identified, but a task force is urgently needed to go beyond the food balance approach to investigate in detail the issue of food security in these districts. The majority are mountain districts in the extreme northwest and in the northeast, with a few other distinctive districts in the hills. The largest concentration of food security 'hotspots' is in the Karnali Zone.

Before we turn to a consideration of this region as a special 'case study', we provide a number of cases of individual households from the region to illustrate the complexity of their livelihoods and their reliance on many different sources for their food security. They also show how food insecurity has been compounded by the recent political conflict.

6.6 Karnali in Crisis – the Role of the Conflict

The situation of the Upper Karnali region is unique, although other remote and inaccessible mountain regions of Nepal share some of its characteristics and its distinctive food security problems. (We have been unable to examine in any detail the characteristics of other mountain districts or of those in the hill areas which suffer from extreme food shortages on a regular basis. It will have already become clear, however, that we do not consider the identification of a food 'deficit' as sufficient to reveal a critical food shortage or problem of food security.)

Situated in the extreme northwest of the country, Karnali is the only zone in Nepal which is not linked to the rest of the country by a motorable road. On the other hand, it is geographically - and historically - linked with Tibet to the north. According to the UN's Human Development Report, it is the least developed area in Nepal, with very low indicators of human development. It is characterised by a growing population, environmental degradation, low productivity, annual disease epidemics and famines, a weak

educational system, negligible employment opportunities, and growing out-migration in search of work (KIRDRC 2002). Since the late 1990s and particularly since September 2000, it has also been affected by the current conflict.

Average life expectancy in the Karnali zone ranges between 54 for Humla and 36 for Mugu, with Dolpa 48, Jumla 47, and Kalikot 42 (KIRDRC 2002: 5). One of the main causes of high levels of mortality and morbidity in the Karnali Zone is malnutrition.

6.6.1 A historical perspective

The overthrow of Ranas in 1950 and the Treaty of Friendship with India led to a significant re-orientation of many northern mountain regions that had hitherto been orientated towards Tibet rather than to the rest of Nepal. In particular this resulted in a major increase in links with other parts of Nepal and in trade with India. The changes that took place in the Karnali region from the 1950s onwards were dramatic. Berry (1990:150) argues that "their collective effect was to contribute to the escalating population explosion, destroy the steady or homeostatic state of life that had persisted for over a century, and propel the population into a period of political, social, economic and psychological readjustment".

This process of re-orientation was further accelerated and deepened as a result of the annexation of Tibet by China in 1959. After the repatriation of all Tibetans from Nepal, the Chinese government placed a number of restrictions on interregional trade and pastoral movements between the inhabitants of the border regions. Travel by Tibetans to and from Nepal was curtailed, and the local trade and barter systems were systematically restricted. This led to a reduction in the movement of people and animals between the Karnali Zone and Tibet, and significantly reduced the volume of trade. With a few exceptions, herds and flocks of livestock from Nepal were no longer permitted to pasture in Tibet. The livelihoods of the Bhotia community in particular in the Karnali region were seriously affected by this development. The livestock population in the northern part of Karnali

declined drastically, and this in turn had adverse effects throughout the Karnali region, given the importance of pastoralism and agro-pastoralism in the region as the basis of the economy and way of life.

In 1962, the government of Nepal divided the country into 14 zones and 75 districts. Most of Jumla was divided into four districts (Jumla, Humla, Mugu and Dolpa) and renamed the Karnali zone. This zone was the country's largest. A small part of the new district of Jumla was assigned to Dolpa District. The old eighteen Daras of Jumla were abolished and a zonal commissioner (anchaladis) replaced the Rana's Bada Hakim. The government also abolished the system of compulsory unpaid labour donation system and introduced the Land Act, 1964. But these measures were not enforced strictly, and Jimmawals and Mukhiyas in Karnali continued to use *corvee* labour for their own benefit. Revenue collection was also continued in the same way, but the agents were allowed to keep only 2.5 % of the amount raised.

The Muluki Ain (civil code) was also introduced in 1964 to abolish discrimination based on caste; but in reality, this actually reinforced caste divisions and caste ideology, as the higher castes responded to a perceived threat to their political and religious power. Caste was in practice reinforced and the symbiotic ritual relations (*mit and bista*) between the indigenous Bhotia and the Hindus, which had been useful for both in terms of trade and distribution of goods and commodities, began to decline significantly (Berry, 1994:154).

The importance of this set of changes to the political economy of the Karnali region as a whole during the late 1950s and early 1960s cannot be over-emphasised. A region which, from the perspective of Kathmandu, is remote, nevertheless had close and crucial relations with the Tibetan plateau to the north. Local production systems, both agricultural and pastoral, were substantially affected, as were other systems of natural resource management of the area – whether involving forest products or other items. Trade patterns were disrupted and undermined. Livelihood systems which

had evolved over centuries were significantly affected and food security was certainly reduced.

During the 1960s, the government of Nepal established a few banks and training programmes, and improved both the telecommunication system and air transport in the region by building a landing strip for STOL aircraft. But these small efforts to reduce the region's isolation from the rest of Nepal did little to compensate for the loss of its trade and transport relations with its historical neighbour to the north.

6.6.2 The varied basis of rural livelihoods

Except for some areas like upper Mugu, Dolpo and Humla (where soil is not good and climate too severe), a combination of agriculture and livestock production have provided, and

continue to provide, the basis of rural livelihoods, although small-scale handicrafts and barter and trade have also always been an important component of the rural economy. Rice, maize, barley, wheat, buckwheat, potatoes, soybean, beans, mustard, seed amaranth, coriander, and several types of dry rice are grown in Karnali. Oats, cotton, and other vegetables are other general crops.

But even though farming was the main occupation of the local inhabitants, it never provided full food security. For one thing, the area under cultivation is a very small proportion of the total land area, and population density (and pressure) on each hectare of arable land extreme. The amount of irrigated land is extremely small.

This is a consequence in large part of the altitude and rugged terrain (Table 2).

Table 1: Farmland as %age of total area (1969-70)

Districts	Farmland %age of total land	Population/sq km of cultivated land	Regions	%age of farmland	Population/sq km of cultivated land
Jumla	1.9	2287	Region A	2.0	1420
Mugu	1.1	750	Region B	1.7	2101
Humla	0.9	502	Region C	0.6	1925
Tibrikot	0.5	1375	Region D	0.5	1273
Karnali	1.1	1243	Karnali	1.1	1243

(Source: Berry, 1990:164). Region A includes trans-Karnali, southwest Jumla, Palanta Dara, Lower Humla-Mugu. Region B includes Sinja Dara, Pansaya Dara, Asi Dara – Khalanga. Region C includes Upper Humla and upper Mugu, and Region D includes Chaudabisa, upper Tila.

Table 2: Land availability in Karnali zone in 1998

District	Altitude (m)	Area (ha)	Agricultural land (ha)	Irrigated land (ha)
Jumla	1915-4679	254,365	14,743	3,000
Humla	1624-7768	583,827	5,930	310
Dolpa	1500-5100	793,200	53,000	700
Mugu	1524-7000	358,242	9,800	745
Kalikot	1500-4990	174,927	15,828	-

Source: Khadka (1999:261).

Available data indicate that holdings are small and the technology used is very basic. Yields are low. Furthermore, the area cultivated on average by each household was very small. In the late 1960s, the average landholding in the Karnali region was only about 0.4 ha (Berry, 1974:13). Data based on the 1991 census reveal that average land under crops per household in Dolpa was 0.76 ha, in Jumla, 0.6 ha, in Kalikot (a relatively recently created

fitted to the heterogeneous environment, they are extremely complex and varied. The principle livelihood pursuit is agriculture, but by itself it is not sufficient for even subsistence living. Therefore, the economy is composed of a combination of agriculture, animal husbandry, trade, and, to a lesser degree, home industry. These components interact among themselves... The presence as well as the importance of these components varies among

Table 3: Number of households per size of the landholding: Karnali, 1989

Category	Mugu hh (%)	Humla	Kalikot hh (%)	Dolpa hh (%)	Jumla (%)
Landless	143 (2.2)	268 (4.9)	54 (1.5)	164 (3.6)	352 (2.7)
0.1-5ropani	919 (14.1)	2164 (39.1)	900 (27.5)	452 (9.8)	972 (7.4)
5.1-10 ropani	1549(23.8)	1945 (35.1)	1881 (51.7)	1342 (29.1)	4977 (38.2)
10.1-20 ropani	2537(39.0)	852 (15.4)	572 (15.7)	1581 (34.3)	4549 (34.9)
Over 20 ropani	1364(20.9)	306 (5.5)	132 (3.6)	1068 (23.1)	2158 (16.6)
Total	1364(100.0)	5535 (100.0)	3639 (100.0)	4607 (100.0)	13008 (100.0)

Source: various reports (district profiles) prepared by SNV, 1997-1998.

district) 0.35 ha, in Mugu 0.42 ha and in Humla 0.49 ha (computed from Table 2.3: page 84, CBS).

Land fragmentation and primitive technology are among the main reasons for low productivity and output. The climate and soils are also a crucially limiting factor. A report in **The Kathmandu Post** (1998, Nov. 1, Page 1) indicates that farmers use a wooden bladed plough, which does not help increase production; but iron bladed plough shares are expensive and difficult to obtain. There are also few agricultural technicians in the government service and these fail to reach most of the farmers in remoter areas: the AIC meets only 3 % of the seed demand.

Agriculture was always, therefore, historically, combined with a range of other economic activities which entailed movement of people and animals at certain periods to fit with the variations and variability of the environment. Berry described the situation as he found it in the 1960s:

"Since the livelihood pursuits of the people are

households in a single village, among villages in a valley, as well as from valley to valley, and from area to area within the zone...The result is a hierarchy of economic systems that differs temporally as well as spatially" (1974:10).

The Karnali region was characterised by a mixed farming system in which livestock production was an essential component. Transhumance and the movement of herds across the border between Nepal and Tibet was an integral part of this farming system. Use of natural resources of the forest and other common land was crucial also.

6.6.3 From food surplus to food deficit

Until the late 1960s, Karnali zone as a whole generated a food surplus. At that time, though, the population was just below 70,000.

The famine that led to the government's air lifting of food to Karnali region (referred to earlier) struck mainly Jumla district. Jumla, which had recorded a surplus of 4,168 metric tonnes in 1967/68, faced a deficit of more than 15,300 metric tonnes in 1970/71; which grew

to 17,400 metric tonnes in 1975/76. By 1979/80, the deficit had been reduced to 7,000 metric tonnes. Since then the trend in Jumla has been that of a decreasing deficit, even though some fluctuations can also be seen from year to year. Humla is another district which has been deficit in food since the early 1970s. But the deficit in Humla remained relatively small (between 1,000 metric tonnes and 2,000 metric tonnes) - until the mid 1990s. The major impact of famine in the Karnali Zone in the mid-1990s was felt in Humla, when the deficit rose to 6,300 metric tonnes. In 2001 this deficit seems to have increased to reach close to 7,000 metric tonnes.

Data for Kalikot was not available until 1975/76 as this district was only created then, from part of Jumla. In 1975/76 Kalikot produced a grain surplus of 2,917 metric tonnes; but by 1979/80, it faced a deficit of 5,651 metric tonnes. When, like Humla, it faced a crisis in 1994/95, the deficit was 7,810 metric tonnes. Five years later, in 2000/01, the deficit had grown to 11,157 metric tonnes. Mugu, in the far north, is a small district as compared to the others, both as regards geographical area and population. However it has been facing a cereal deficit since the late 1960s. From a deficit of 411 metric tonnes in 1967/68, the shortfall continuously increased over the next two decades to reach 6,200 metric tonnes by 1987/88. The deficit seems then to have declined slightly, but again increased to more than 5,500 metric tonnes in 2001.

A study by Mugu DDC found that 75 per cent of Mugu people did not produce enough food to feed their families. The level of self-sufficiency in food production is low. According to Dharja Bahadur Bam, vice chairman of Mugu DDC, both he and former state minister Hasta Bahadur Malla are only able to feed their families for four months of each year from the production off their own land. If local elites - who have additional external incomes - are faced with this situation, then the desperate situation of most ordinary villagers can only be imagined (KIRDRC 2002: 23).

For the Karnali zone as a whole, then, cereal deficits started to occur from the 1970s, and

they have consistently increased since then. There was a slight decline in deficit in the late 1990s, but it increased again in 2001 and is now equivalent (31,000 metric tonnes) to the period in the mid 1990s when it faced a famine. So we have a situation in which the Karnali zone has been subject to a gradual deterioration as regards food security as a whole - a trend over a period of some 25 years (from the early 1970s to the mid 1990s), culminating in a major crisis in the mid-1990s, followed by a decade of chronic food shortage, punctuated by periodic famines. The situation today is worse than ever. The chair of the Bhargaun VDC in Humla, Padam Bahadur Lama, said recently: "those who until recently could afford to eat two square meals a day, nowadays suffer from hunger" (KIRDRC 2002: 23).

The food crisis in the Karnali thus clearly precedes the current conflict, which began in 1996 and only reached the region towards the end of the 1990s. But, in recent years the situation has deteriorated still further. Khil Bahadur Shrestha, deputy manager of the Nepal Food Corporation, said recently that the food problem is getting worse and predicted that there would be another big famine soon (KIRDRC 2002: 15).

6.6.4 Explanations for food insecurity

There are many inter-related factors which explain the chronic - and acute - food insecurity of the Karnali zone, many of which require a historical perspective and analysis. Unless the root causes are identified, an effective strategy for food security cannot be developed.

It is generally considered by government policy makers that it is the combination of 1) the population explosion (as a result of immigration) with 2) the small proportion of land area devoted to agriculture, and 3) primitive technology that explains the growing food 'gap' and food insecurity. Bishop conducted studies in the Karnali zone in the 1970s and reported in his book '**Karnali under Stress**' that, even at that period, population growth and the decline of trading and other non-farming opportunities were destroying the delicate ecological balance,

leading to the degradation of natural resources and a decline both in food availability and in access to food. But it is debatable whether population growth has been the major factor, although it certainly is significant.

Even though Karnali has difficult terrain and very small cultivable areas, its population is now about 310,000 (in 2001). The population growth over the last 30 years, according to the censuses, is shown in Table 4.

transport into and out of the region explain this syndrome, but it is also based on a 'famine relief' approach to developing food security, which appears misguided. Mugu DDC president, Mohan Bahadur Baniya argues that "the availability of subsidised grain stops local people from working to produce more. The subsidy money would be better spent on programmes to increase local production to help the Karnali to meet its food needs" (cited in KIRDRC 2002: 15).

Table 4: Population in various districts of Karnali zone

Districts	1971	1981	1991	2001
Dolpa	10,017	22,043	25,013	30,049
Jumla	122,753	68,797	75,964	43,426
Kalikot	-	87,638	88,805	41,757
Mugu	25,718	43,705	36,364	90,504
Humla	29,524	20,303	34,383	106,555
Total	164,812	242,486	260,529	312,291

Source: Census reports, 1971, 81, 91, 2001.

NB The 2001 figures for Dolpa, Kalikot, Jumla and Mugu are estimates, as the census could not be properly carried out there, due to the Maoist insurgency and associated conflict situation. Figures estimated by Nepal Research Associates and the National Development Institute suggest a total population of 309,084 for the Karnali as a whole, but with rather different figures for each district (c.f. KIRDRC 2002: 4).

The annual growth rate in the 1990s was only 1.9 per cent. Most of the districts of the region showed even lower growth rates and the zonal average is affected by Mugu, which experienced a 2.1 per cent growth rate between 1991 and 2001 (KIRDRC 2002: 4).

Another hypothesis regarding lack of food security in Karnali zone is that there is growing dependency of people on external food sources. More generally, the import of the vast majority of goods, including food, from outside means that the local population is obliged to spend a good deal of money simply on obtaining basic staples. Local limitations on food self-sufficiency and the high cost of

In any case, the subsidised transport of food grains has been subject to mismanagement, corruption and fraud - the targeted beneficiaries often fail to receive adequate supplies. Jaimale Phadhara, a resident of Simikot, complained that "we do not see the government rice. The DDC president, VDC chairmen and committee members distribute it to their supporters and do not give it to those who do not vote for them".

External intervention is also blamed for the effective 'destruction' of indigenous knowledge and technology previously applied to the farming and natural resource management systems and eminently appropriate for the distinctive circumstances and in the distinctive environment of the Karnali. While complaining about 'primitive' local technology, little assistance is provided to develop appropriate alternatives. For example, locally suitable minor crops like Ragi, buckwheat and suchlike were marginalised or ignored in government programmes. As a result, their role in the local farming economy has declined.

Similarly, external forces have been responsible for the erosion of pre-existing social regulating mechanisms regarding consumption and family relations. The practice of polygyny for example, practised by several local indigenous groups, is considered by some to have played a positive role in controlling population. A recent study by Om Gurung (2001) reveals that in households and communities in which polygyny still existing, there is economic affluence (in relative sense). Even in the past ethnic groups which practiced polygyny were wealthier, and this custom was common among local Tibeto-Burman groups. By contrast, the Indo-Aryan groups - including the increasingly predominant Brahmins and Chhetris - suffered as a result of their practice of dividing their land among their sons. Accordingly the former people would call the latter, Topi taal, meaning they wear a patched-up hat.

Government efforts to 'solve' the problem of food insecurity in this region have failed to examine the significance of all of these factors or indeed, to take seriously at all, the complex changes that have taken place both to the farming and livelihood systems of the Karnali Zone and to the wider political, economic and social relations between this region and others- including Tibet, the rest of Nepal, and India. Government intervention has been, for the most part confined to providing food aid when there is an acute crisis. Because of the failure to consider the chronic food insecurity of the region strategically, to explore the underlying causes and address these systematically, the problems have - not surprisingly - persisted.

Moreover, what government aid has been provided has not been sufficient. The periodic and irregular distribution of subsidised food has contributed to a vicious circle of underdevelopment in Karnali region. As a large part of the limited resources devoted to the region is spent in transporting the food into the region - and this accrues largely to outsiders - the region never receives adequate support for the development of infrastructure which might promote more effective production of food or of other commodities which could be exchanged for food. Lack of

basic infrastructure has also hindered and constrained the supply of goods and services required for economic and social development and for basic welfare. It has also made it extremely expensive to provide emergency assistance when acute food shortages have emerged.

Lack of political will at the centre, in Kathmandu, may relate in part to the marginal status of the region politically, which in turn is related to the low population numbers and political representation from the region. Despite the establishment of various commissions and boards, the region has been appallingly neglected. Similarly, the sparse population and perceived lack of development potential in part explains the reluctance of government - and indeed of INGOs and national NGOs - to allocate resources to the region.

In short, despite growing problems of food shortage and food insecurity - manifesting itself periodically as local famine - which are the consequence of a complex nexus of political, economic and social changes in the region and its relationship to the wider world, development intervention has remained extremely limited - with a low level of resources, effort and imagination being devoted to the region and its difficulties. Government - and for the most part foreign development agency - interventions have been directed towards the mitigation rather than the resolution of the underlying problems and could be said even to have contributed to the difficulties of the region. Just as an incomplete course of drugs can result in a strengthening of the bacterium or virus responsible for the illness, so too inadequate intervention has tended only to make the situation worse in the medium and long run - and even arguably in the short run. An example is the distribution of subsidised food.

6.6.5 Food distribution

The government has been supplying food to Karnali zone since 1975, when the first major famine was reported - but time series data are not available for the 1970s and early 1980s. Data for the period from 1985/86 onwards, for different districts, are shown in Table 5.

Table 5: Food (MT) supplied from NFC in different years to Karnali zone

Year	Mugu	Humla	Dolpa	Kalikot	Jumla	Total
1985/86	31.91	7.68	54.59	5.95	101.78	201.91
1986/87	102.95	207.71	241.2	130.23	601.74	1283.83
1987/88	136	355	303	150	610	1544
1988/89	189	392	359	232	650	1822
1989/90	197	445	442	281	710	2075
1990/91	165	329	322	191	454	1461
1991/92	156.58	274.79	190.46	241.37	362.47	1225.67
1992/93	197.48	335.32	286.80	208.4	387.47	1415.47
1993/94	266.45	370.0	375.0	184.0	437.4	1632.85
1994/95	297	524	436.6	432	633.7	2323.3
1995/96	412.2	718.5	522.2	446	896	2994.9
1996/97	457	743.6	506	586.8	854.4	3147.8
1997/98	596	998.5	643	639	1043	3919.5
1998/99	690	1094	934	867	1353	4938
1999/2000	38.9	1159	1158.8	1199.6	1492	5848.2
2000/2001	761.1	982.5	912.6	1053.6	1034.5	4744.3
2001/2002	553.0	758.0	798.9	524.4	1097.4	3731.7

Source: Various unpublished annual reports of Nepal Food Corporation.

Throughout the period from the mid 1970s to the mid 1980s, the main emphasis of the NFC was to distribute subsidized food in Kathmandu. It is only in later years that the food supply to remote areas has been increased. Until the late 1980s, Kathmandu used to consume about 45-50 % of the food supplied through NFC. Eventually, in the 1990s, the NFC was restructured under the Asian Development Bank's loan contract. Since then Kathmandu and other accessible areas do not receive subsidised food. But now the NFC sells food at a commercial price, albeit with a transportation subsidy.

The NFC supplied about 202 metric tonnes of food grain to the Karnali zone in 1985/86. Since then, the trend was slowly upwards, even though some fluctuations can be seen.

The largest amounts supplied were in 1998/99, when NFC supplied about 5,000 metric tonnes, and in 1999-2000, when it reached a peak of nearly 6,000. Since then, the amount has been reduced, largely as a result of the government's policy of liberalization and privatisation as a result of IMF and World Bank pressures.

For two years, in 1999-2000 and 2000-01, the Karnali zone received some 40-50 % of all the subsidized food and about 60-70 % of the total subsidy allocation. This, one might have thought was only right, given its exceptional needs. But more recently, it has received substantially less - in 2001-02, it received only 15-25 % of the food supplied by the NFC. This is illustrated in the following Table 6.

Table 6: Nepal Food Corporation's food sales in Kathmandu and Karnali zone

Year	Total food distributed by NFC (mt)	Kathmandu's share -mt (%)	Karnali's share -mt (%)
1975/76	26288	15742 (59.9)	-
1976/77	32561	11865 (36.5)	-
1977/78	34600	18292 (52.9)	-
1978/79	29333	18461 (62.9)	-
1979/80	46809	24985 (53.4)	-
1980/81	50616	26946 (53.3)	-
1981/82	36967	18206 (49.3)	-
1982/83	71308	31699 (44.4)	-
1983/84	50323	22483 (44.7)	-
1984/85	39686	20592 (51.9)	-
1985/1991	NA	NA	-
1991/92	53941	25137 (42.4)	1225.61 (2.3)
1992/93	88612	20509 (23.1)	1415.5 (1.6)
1993/94	111177	32661 (29.4)	1632.8 (1.5)
1994/95	70901	32012 (45.1)	2323.3 (3.3)
1995/96	76582	43232 (56.5)	2994.9 (3.9)
1996/97	50645	37819 (74.7)	3147.8 (6.2)
1997/98	50823	23353 (45.9)	3919.5 (7.7)
1998/99	69924	34492 (49.3)	4938.0 (7.1)
1999/00	25127	7484 (29.8)**	5848.2 (23.2)
2000/01	18914	7670 (40.5)**	4744.3 (25.1)
2001/02	24612	11866 (48.2)**	3731.7 (15.1)

Source: Adhikari 2002 and Nepal Food Corporation. ** Not subsidized. Figures in brackets are percentages.

A case study of conflict, food distribution and misuse: Example of Mugu.

Mugu is one of the districts where subsidized food is supplied by the government. According to the government's policy, a transportation subsidy is given to a certain amount of food. The quota for each inaccessible district is fixed in Kathmandu by considering various factors, but it is largely arbitrary.

Personal discussion with personnel of Nepal Food Corporation in Gamgadi in May 2004 revealed that this year they had a quota of

supplying 4,700 quintals of rice to Mugu which has a population of 45,000 living in about 7,400 households. Later on they got an additional food quota of 500 quintals. Given the food shortages in the district and the drought this year, they had asked for a quota of 12,000 quintals, but received only 5,200 quintals. The government support is only the subsidy on transportation.

Before the conflict situation, food used to be brought from Kolti in Bajura, Surkhet and Jumla using donkeys. This transportation was cheaper than the air transport by Rs 10-12 per kg. Last July (2003), they had a caravan of donkeys to bring 83 quintals of food from

Jumla, where it was airlifted from Nepalgunj. All of this food and 150 donkeys carrying the food were looted by the Maoists. After that they stopped the supply of food by surface and began to use helicopters as a plane service was not available. But airlifting food by helicopter was expensive – about Rs 50 per kg. Two months previously (March 2004), Talcha airport, which is located at about two hours walk, had become operational. As it is cheaper to bring food by airplane as compared to helicopter, the office started to bring food by plane. The cost was about Rs 7-8 cheaper per kg than when using a helicopter. However, there was also risk associated with using planes. The airport had no permanent security stationed there. The security stayed at Gamgadi and a part of it moved to the airport only if an airplane was coming. As soon as the plane arrived, security personnel immediately returned to the camp. As a result a lot of food remained in the airport without security. Usually it was very difficult to arrange porters to bring food to Gamgadi once the airplane unloaded the food. The civil officials interviewed did not have much say in military matters, and therefore, they had not been able to provide security to the food remaining in the airport. The curfew after dusk (7 PM) also made it difficult to transport food from the airport to the office in Gamgadi.

The food in the district was distributed through a committee known as the ‘district food arrangement committee’ which was headed by the CDO and consisted of government officials and politicians. But there was also a set norms for it. These were as follows:

- Every household would get 10 kg of food per month depending upon the stocks, and it would be distributed for six months only. The price was Rs 22.70 for a kg of coarse grain and Rs 27 for fine grain.
- Non-local government staff would get 18-23 kg per month (depending upon whether one was with family or without family) and the price was 25 % more than that charged to the local population. There were about 800-900 staff members in the district as there were a large number of teachers and

health workers.

- Local staff would get 15-18 kg per month at the same price as other staff. There were about 350 local staff in Gamgadi alone.
- The DDC chairperson got 10 quintals of food per month for distribution at his own discretion.
- Every political party also had a privilege to distribute 2 quintals of food in a month, and there were 6 such parties in Gamgadi.
- The CDO also had power to distribute food. In a month he distributed coupons amounting to 5-7 quintals per month.
- The biggest share of the food was taken by the police. They took about 30 quintals of food at a subsidized rate (Rs 32 for fine grain) in a month, but from government they charged Rs 110 per kg for their food supply from the market. There was corruption on a wider scale from the armed forces but no one could say anything about it. It was difficult and risky to oppose persons and institutions with arms. About 360 quintals of food was taken by the police in a year.
- Food was distributed only for 12 days in a month for the people. They distributed food to people only if there was food left after distributing it to government staff, police and the like.

From a simple calculation based on the above norms, it seemed that about 3,900 quintals of food was distributed to government staff, politicians and the police. It means that only about 1,300 quintals of food would have remained for distribution to the local population. Therefore, it could be said that the government supply system was not meant for the people.

The officials also reported that the godown where food was kept was insecure. At night even if it was curfew, security persons would just guard their camp. All other buildings were left open to attack by Maoists. They also pointed out that food does not reach the needy people. It was very difficult to get rice in the market. It cost Rs 60 to 80 per kg. The locally

produced grain if purchased could go to the poorer groups and it would also be cheaper for the government. Government delivered only rice, which was brought from the terai or from India.

There was also misuse of this subsidized food. Mainly the local government staff were responsible for this misuse. At that time they got 15 kg of subsidized rice per person per month. If they had families they would get 18 kg a month. There were about 350 such local staff, who usually did not take this rice home as this was not sufficient at all. Therefore, they would use local foodgrains to meet their food requirements. They generally sold the rice of their quota to traders in the market who made alcohol. About 25 % of rice distributed was misused for the production of alcohol. These traders made a lot of profit from alcohol production. For example, it was reported that they made 8 bottles (a bottle has about 300 ml alcohol) of alcohol from a kg of rice, and each bottle sold at a rate of Rs 50.

6.6.6 Social inequality in Karnali

It cannot be claimed, however, that all of the Karnali's ills are the result of external forces, although these have played an increasing part in undermining the indigenous farming and natural resource management and exploitation systems which, combined with trading and

local handicraft production, provided the basis for food security in the region previously. Local economic and social structures and dynamics, particularly the oppressive caste hierarchy and the extreme patriarchy of the dominant Hindu social system, ensure that the situation of the poor and socially marginalised is extremely precarious.

Like most hill and mountain regions in Nepal, the population of the region is divided into a number of different ethnic and caste groups. But, unlike other mountain regions, Karnali is peculiar in the sense that it is dominated by Chhetris including Thakuris while about 90 % of the population belong to Hindu high caste or low caste groups. Janajatis (ethnic groups) constitute only 7.5 %. In other mountain regions of Nepal, the Janajatis are dominant. Another peculiar characteristic of Karnali is that it contains a large proportion of low caste people in its population. About 18 % of the population in Karnali are of low caste; in the hill and mountain region of Nepal as a whole only 13 % of the population are of low caste.

The economic and social hierarchy is extremely marked, even today. Inequality and discrimination between high castes and low castes are both extremely substantial in the Karnali region, as compared to other parts of Nepal. Nearly 20 per cent of the population

Table 7: Ethnic composition of population in Karnali zone in 2001

	Dolpa	Jumla	Kalikot	Mugu	Humla	Total Population	% age
Caste	13198	67862	10942	27085	33823	152910	87.4
Chhetri	10509	47621	4243	19287	25736	107396	70.2
Bahun	584	6601	3164	1372	2548	14269	9.3
Dalits	1873	10599	3365	6122	5244	27203	17.8
Others	232	3041	170	304	295	4042	2.6
Ethnic Groups	8873	1364	568	4380	6772	21957	12.6
Magar	2902	105	357	56	97	3517	16.0
Tamang	237	471	26	901	330	1965	8.9
Gurung	4993	128	15	22	25	5183	23.6
Sherpa/Bhote	480	387	0	3197	6240	10304	46.9
Others	261	273	170	204	80	988	4.5
Total	22071	69226	11510	31465	40595	174867	100

Source: Population Census, 2001 (Caste, ethnicity, mother tongue and religion by district). CBS 2003. Pages 125-129 (Analysed by the authors)

may be low caste, but they own only 8 % of the total cultivable land of the region. In fact, land holding is strongly correlated with caste and ethnicity. Dums or low castes have low land holding. Bhotia people who live in upper part of Karnali (also called Jadan) have slightly larger land holding, but that is not suitable for cultivation because of the harsh climate. The lower part of Karnali where people belonging to Hindu caste have settled is called Khasan (because of people called Khas which are commonly known as Chhetris), and is slightly better for cultivation as compared to Jadan.

Today, as thirty years ago, the inequalities within the local population remain extremely marked. Inequality in landownership for example - particularly irrigated (khet) land is very much linked with caste position of households.

Karnali region is socially distinctive, with strong conservative local traditions. In addition to intense caste discrimination and

extreme oppression of women, other social features include polygamy, child marriage and Jari marriage (like taking money from the new husband of the wife). Polyandry is also prevalent among the Jads, i.e., mainly the Bhotias and Tibetans. Tagadharis (wearer of holy thread) are said to be exploiting Matawalis (alcohol drinkers) Chhetris (Khas). Bista considers these Khas as a different group, distinct from Chhetris in Nepali caste society (Bista, 1996). He argues that these Khas were promoted to Chhetris by the Brahmins, and considers this caste contradiction to be a major cause of underdevelopment of Karnali region. Shah (2000) argues that this contradiction alone is not the cause of underdevelopment in Karnali, but agrees that 'the culture of poverty' of Karnali zone is not conducive for the creation of social and economic capital required for development.

The main explanation provided by Shah (2000) for the underdevelopment of Karnali is

Table 8: Landholding by caste (1969-70) in Karnali zone

Caste	Households	Av. Khet (ha)	Av. Pakho (ha)	Total land (ha)
Brahmin	4625	0.13	0.21	0.34
Thakuri	5672	0.08	0.47	0.55
Chhetri	12643	0.06	0.50	0.56
Bhotia	1392	-	1.01	1.01
Dum	5711	0.03	0.21	0.24
Misc.	1036	0.07	0.25	0.32
Total	31079	0.06	0.41	0.47

Source: Berry, 1990:172 (computed from his Table).

Table 9: Chhetris and Kamis in Dhandi Vigma (Phoi Mahadev VDC, Kalikot, 1995)

Category	Food from own production	Chhetris and others ouseholds	Kami households	Total
1	Less than 4 months	-	4 (19.1%)	4 (10.0%)
2	4-6 months	4 (21.1%)	5 (23.8%)	9 (22.5%)
3	6-8 months	1 (5.3 %)	7 (33.3%)	8 (20.0%)
4	8-10 months	7 (36.8%)	2 (9.5%)	9 (22.5%)
5	More than 10 months	7 (36.8%)	3 (14.3%)	10 (25.0%)
TOTAL		19 (100.0%)	21 (100.0 %)	40 (100.0 %)

that it has been discriminated against by the central government since the unification period. After unification central government regarded the Jumlis (in the past Jumla covered almost all of today's Karnali) with disfavour as they had resisted unification, and the rulers of Jumla did not surrender easily as other states like Bhajang in the far-west. This gave an excuse for the state to control tightly the people of Jumla. This regime is still remembered as 'Gorkhe Laure' (Gorkhe stick). The local leaders had disappeared as they fled to Tibet after the defeat in wars with Nepali army. Locals felt abused and exploited by the officials deputed from the government. Villagers had to feed the officials (mostly outsiders) on a rotational basis. Therefore, the officer from Kathmandu was always feared by the local people. On the other hand, these officers had no intention of developing the region as they were outsiders.

After defeating Jumla and unifying it with its kingdom, Nepali government appointed Bada Hakim from among the outsiders, who used the local structure of Mukhiyas and Jimmuwals to extract whatever revenue could be generated. Previously prosperous Karnali lagged behind in education, health and in economic opportunities. Slowly Jumlis developed a feeling of inferiority and they became content to get menial jobs in the offices controlled by outsiders (Shah, 2000). Even now there are very few, if any Jumlis or other persons from Karnali with higher level positions in the civil service, army or police.

For two centuries, the indigenous ethnic groups, the low castes and other poor households in particular have been exploited by the Mukhiyas, Jimmawals and Bada Hakims (government agents and local/regional revenue functionaries). Karnali region was maintained as a vassal state for a long time even after its annexation in 1846 to greater Nepal. This entailed the Bada Hakims which were the agents of the central government giving a sort of contract to Jimmawals (for the Daras, a collection of villages) and to Mukhiyas (for the villages) to raise revenue from the people. All villages and the District were under the jurisdiction of the Mukhiyas and Jimmawals. These agents kept a portion of

this revenue. Otherwise, government would not interfere in the internal matters of the villages or the Daras. Moreover, these agents enjoyed many facilities in lieu for generating revenue for the central government. Accordingly, people of Karnali region faced double burdens: they did not receive support or development from the central government, and on the other hand, were heavily exploited by the local government revenue agents. This in itself was one of the reasons for the limited development of far-western Nepal.

Karnali has also suffered because, although numerically dominated by Brahmins and Chhetris, which are supposed to be the ethnic (or caste) groups taking most state resources and benefits, these groups also - in Karnali - are disadvantaged. He further says that it is leadership rooted in Karnali that is essential for the development. But until now there is no such person in bureaucracy or army or police or in planning commission that has a feeling for Karnali. Unless such a leadership is developed through a bottom-up approach, there are little prospects for Karnali, according to Shah.

Even now in Jumla Khalanga (headquarters of Karnali zone), there are about 400 Mukhiyas. Until 15 years ago, they were very powerful. Even today, Karnali people do not like officials from the government.

6.6.7 Government neglect - and local responses

Karnali region has been neglected, not only over the centuries but more recently also by central government. The non-existence of roads and the low availability of other infrastructures such as health, education and the like are the evidence of the neglect of the government, even though it has taken the responsibility of development for the last 50 years. Even now, Karnali receives woefully inadequate funds given its size and needs, and in recent times, the government allocation from central funds has been mainly utilised in transporting food grains and in paying the salaries of the government staff. Only a paltry amount of funds remain for developmental activities.

There is only one university campus in the whole Karnali zone (in Jumla). There are only 2-3 high schools offering 10+2 classes, but they are there in name only. Only about 0.01 % of the government budget is spent on education of Karnali region. The health budget is the same as that of education; government expenditure here is just nominal. In 1997/98, the government allocated only 1.16 % (0.20 % in Dolpa, 0.22 % in Mugu, 0.2% in Jumla, 0.21 % in Kalikot, 0.21 % in Humla) of its budget to Karnali zone. On the other hand, the real cost of development interventions and activities is very high here (Khadka, 1999).

The main immediate and urgent problem is livelihood insecurity. The government neglect has continued throughout the recent decade, even though it has provided food-aid, and spends about Rs 200 million in subsidizing the transportation of food. Most of the development budget allocated for Karnali (1.2 % of the total budget of the country) is used to pay the salaries of government staff coming from other places. After the construction of the airport, outsiders have moved in to establish businesses. They have taken whatever business opportunities exist there. The locals now feel that they are cheated in every aspect.

They have established a local organisation - the Karnali Mukti Morcha - to struggle for the autonomy of the Karnali, but it is not active. Karnali has, more recently, become a place in which there is significant support for the Maoist insurgency. There is undoubtedly an indirect link at least between poverty in Karnali and support for the Maoist insurgency. On the other hand, there are those who blame the Maoists for contributing to the food crisis and food shortages. One woman farmer from Nagmaghat in Jumla is cited (KIRDRC 2002: 15) as saying that "the Maoist cadres come in groups and take away whatever food supplies we have and so we do not see the point in working to produce more".

6.6.8 From food insecurity to food crisis

The previous general discussion does not tell us the exact situation of food insecurity in Karnali zone. For an understanding of food security it is important to understand how the entitlement to food of the local population,

mostly vulnerable people, has improved or deteriorated, and why, and with what effect. We do not have all of the basic data - on incomes, trade opportunities, job opportunities, changes in price of food in relation to changes in income level or wage rates, access to remittances and its use for food security and the like - with which to develop a full analysis. But we can make some preliminary observations.

Food availability can also be considered as the basic condition for food security. In the recent two years or so, even the physical availability of food has been a problem as production has been inadequate, transportation difficult and extremely costly, and distribution both through the market and government mechanisms woefully inefficient and insufficient. As regards the last two of these, the transport of goods into and out of the region is a problem. There are very few motorable roads in the region - itself a vast area - and the main link is by air through Jumla, weather permitting. All the major airline companies - RNAC, NECON Air, Everest Airways - reach Jumla, as do the helicopters, the Twin Otters and Pilatus Porters. But Jumla is nearly three hundred kilometres northwest of Surkhet; attempts to build a road between these two towns are under way, but progress is slow. By the mid 1990s, only 80 km had been roughly laid out. Without the road it is at least a week's long trek from Surkhet to Jumla, and even then one is only on the southern edge of the region.

As regards the first of the three factors affecting food availability, production possibilities are limited - and significantly more so than they were historically. In winter - from November to February - very little economic activity is possible, certainly little in the way of agriculture, although the livestock have to be tended all year round. "Development here is a three to four month affair", Local Development Officer Khamba Raj Thani is reported as saying in 1995 (*The Rising Nepal* 29 August, 1995: 4). From August to November is the season when most of the agricultural and horticultural activity takes place. This is 'the kingly time' (raj samaya), when apples ripen and are available locally at rock-bottom prices.

In the last ten years, the situation of the Upper Karnali, always precarious in terms of food security and basic livelihoods, has deteriorated markedly, to the point where a series of famines can be identified which together constitute a distinctive trend into what might be termed 'chronic crisis'. In one sense, the region is part of a larger disadvantaged region comprising all of the districts of the mid western hills and mountains and all of the districts of the far western hills and mountains except two. This is, broadly, the 'west' of Nepal, whose districts, according to the ICIMOD MENRIS overall composite index of development, rank 1-13, 15-16, 20 and 25-26, where 1 is the least developed out of 75. In terms of poverty and deprivation, and the situation of women, this large region vies with the central eastern terai for 'low' figures in the ranking.

The greatest 'deficit' in recent years was experienced in 1994-95. The zone as a whole faced a deficit of food supply by about 32,000 metric tonnes in that year. The per capita deficit was about 108 kg. This means that only about half of food requirement (considering that requirement is 200 kg food grain) has been met from production and government supply. In these calculations, amount of food obtained from minor crops and animals has not been mentioned. But the 200 kg requirement has been fixed in a subsistence farming economy where such minor foods can be obtained. The mid-1990s, which faced greatest food deficit, is also a period when hunger deaths and famine occurred in Karnali. After food crisis of the mid 1990s, the production in the Karnali zone seems to have improved, and so did the support from the government. But despite that, Karnali faced a 40-50 % deficit as compared to estimated requirements.

Not much information is available how this deficit was actually met. Trade is one way to obtain food to meet the deficit, but there is relatively little information on trade patterns over time, particularly as regards the balance of trade between the region and the outside world. The rate of outwards labour migration is not documented, but the general impression

we have is that seasonal and temporary migration to the hills and to the terai does take place, but that there is relatively little foreign labour migration. The volume and value of remittances is also not known, so that we cannot estimate the contribution made by trade or remittances to the local economy. Finally, the nutritional status of the people is not known. It could well be that people respond to the food shortages simply by consuming less, thereby putting their health increasingly at risk. The epidemic of influenza in the mid 1990s and its impact due to lack of immunity owing to malnutrition lends some support to the argument that people consume less.

After the major food crisis in Karnali in the mid 1990s, the situation was anticipated to improve. But chronic food shortages and food insecurity continued, despite increased food distribution, and in the late 1990s there were further acute crises. Adhikari & Bohle refer (1999: 23), for example, to "the problem of institutional support to provide food security to remote areas and its impact (was) manifested in the death toll of about 350 people in Humla in 1998..". This refers to the famine of May 1998, when some 350 people died in the Simikot area of Karnali zone.

A little less than a year later, in March 1999, the area was again struck by a 'flu' epidemic, which devastated the impoverished and malnourished population. In April there were numerous reports of food shortages across the region, of people living of nettles and of mass emigration away from the area. A series of newspaper reports from this period provide a clear indication of the seriousness of the crisis in Karnali at this time.

Acute foodgrain shortages persists in western region' (The Kathmandu Post, 4 April, 1999).

Villages in mid-western and far-western regions facing acute food shortages are yet to receive food relief. Kalikot, Humla, Mugu, Bajura and Accham are facing food crisis, after influenza onslaught. They have stood in queues for days outside the food depots to buy a few kilos of rice. Crop production was seriously affected by bad weather and dryness.

In Bajura, people are queuing for two months in a food depot (Martadi) as another food depot Kotadi ran out of food, and previous food depot also has only 30-40 qt of rice. Similar situation has also been experienced in Achham and Kalikot districts. In Kalikot, rice is distributed to government officers on 1st and 15th day of the month, and to locals on 2nd and 16th. Around 1,000-1200 people turn up on each day. Government paid Rs 4,000 each to families suffering from influenza death. This disease killed around 700 people since late February this year. In Humla, 300 people died due to respiratory problems after the famine.

Is the government doing enough to feed the masses? (The Kathmandu Post, 4 April, 1999):

Old timers here can still recall the days when Nepal was self-sufficient at least in food, and used to export rice and maize to a good amount. But in 1996/97, agriculture accounted 41 % of the GDP, and the country imported 34,451 MT of cereals. Import of rice was Rs 360.8 million worth. Import of agricultural produce overall hit Rs 3.43 billion. Dr Devendra Chapagain says the official statistics do not reveal the complete picture. Annual shortfall is much more than the government admits. The combined shortfall each year could be as large as 700,000 - 8-0,000 MT.

Food shortages hit Jumla hard (The Kathmandu Post, 6 April, 1999).

Blast disease in rice caused food scarcity in Jumla last year, and 2,543 ha land remained barren. Currently there are acute shortages of food in many VDCs mainly in Chandanath, Mahat, Kartikeswore, Dewalgaon and Bhanjyangkot VDC, although 7 kg rice and 3 kg wheat are provided to each family each month. This amount falls short of the need of the people. Rice is not distributed all the time, but mainly in festivals. Rice is meant for police in National Instigation and other government employees.

Food shortages aggravated by lack of transportation (The Kathmandu Post, 6

April, 1999):

Because of lack of transportation facilities food has not been air lifted to Karnali zone. The godowns in Surkhet are filled with capacity stock, they have 9800 qt rice and their capacity is 10,000 qt. Because of maintenance of helicopter, rice could not be airlifted. The other alternatives are transporting on animal back, which take longer time and can move only a limited quantity of rice and at the same time unreliable. Each animal can carry a load of 50 kg and are available in limited number only. These animals are used to ship only a limited amount of food within district. It takes Rs 2400 – Rs 3800 to transport a quintal of rice on animal back, whereas helicopter charge between Rs 3,000 – Rs 6700 for the same.

Acute food shortages in Mugu likely (The Kathmandu Post, 7 April, 1999):

Mugu is in the possibility of suffering from food deficit this year because of little rainfall and unfavourable weather conditions. They will get only one third of regular production. There is also limited stock in the depots. The depot there has only 50 qt food whereas the government officials consume 150 qt rice here in a month. The inaccessibility with little arable land is the main problem in food production. The district is also facing acute shortage of salt, which costs Rs 50 per kg. A kg flour costs Rs 100, and it is also not available.

Famine hits Jumla hard (The Kathmandu Post, 9 April, 1999).

Because of the drought last year, Humla also faces a famine this year. Famine has taken serious proportion in southern belt of the district including Srinagar, Madana, Maila, Jair and Kalika. People were surviving on a soup made of nettle and flour, schools have closed and students have gone to Saphe of Accham to get food. People receive only 5 kg rice per person once a month. Food has not been airlifted despite repeated requests.

Humla residents starving: People

fleeing in hundreds to India (The Kathmandu Post, 9 April, 1999):

Most of the Humlis have been living off eating boiled nettle leaves while hundreds of others are abandoning their homes and migrating to India. The government food depots, which sell food grains at subsidized rates, have failed to meet the local demand that has shot up due to poor harvest this year. The number of families migrating to India has increased by three folds. Dakshini Maila VDC has 6,000 people but only 10 families can survive with the crops it grows. The remaining 850 families are dependent on NFC depots for their daily ration. Those who have left for India in face of famine have not returned.

Influenza ghost may haunt again

(The Kathmandu Post, 13 April, 1999):

About 376 persons were succumbed to 'upper respiratory tract infections and gastroenteritis' in Humla last year. But influenza death pushed to 800 people due to inadequate food and poor medical supplies.

And again, food shortage hits Humla

(The Kathmandu Post, 20 April, 1999):

As the shortages of food hit Humla, poor people started leaving the district along with their belongings. Last year the district suffered worst famine. Some people from the southern villages have gone to Bajura for work and food after they did not get food from the food depots. These people will eventually end up in India. Even though 750 qt of rice has been earmarked and additional 50 % was also allocated, a part of the food has not been sent because of bad weather conditions.

Far western districts face food shortage

(The Kathmandu Post, 28 May, 1999):

The hill districts of Bajhang, Bajura, Darchula, Baitadi, Doti and Dadeldhura in the far west could face severe food shortages in days to come caused mainly by a drought that has lasted for several months. Almost 50 % production has been lost. The main option available for the most desperate is to leave for India.

6.6.9 Political factors and the Maoist insurgency

Significantly, none of these reports refers to the Maoist insurgency or to the impact of the conflict in Nepal at this time.

The Karnali zone is not politically insular, even if it is remote from the centres of power in Nepal. Jumla is politically active and has a radical tradition. Bhaktapur in the Kathmandu Valley apart, it is the only zone in the country where the Nepal Workers and Peasants Party (NWPP), led by Narayan Man Bijukche, has been a force to reckon with for many years.

The NWPP, together with the Nepali Congress and the CPN (UML) were the three major parties active in the zone in the mid 1990s. In the last parliamentary elections, the NWPP secured a seat in Jumla, where it was relatively strong at a local level also: of the 30 VDCs in Jumla, the Nepali Congress held 16 and the NWPP 9 in the mid 1990s, before the CPN (UML) decided to allocate Rs 300,000 directly to the VDCs. This served to undercut the support for the NWPP and lead to a significant shift towards the CPN (UML).

When the Maoist insurgency began, in 1996, it was in the mid western hills for the most part. But within a few years, it had gain local support in a far wider region, including the remote Upper Karnali as well as other parts of the mid-western and far western mountain regions. It was not really until September 2000, however, that the Maoist insurgency affected the Karnali region for the first time in a big way, when, in the largest and most audacious attack yet on a government stronghold, the Maoists launched a raid of about 1,000 fighters on Dunai, the headquarters of Dolpo district, one of the most remote of the districts in the Upper Karnali. A number of policemen were killed and the Prime Minister wanted to send in the army. The 'top brass' balked and Home Minister Govinda Raj Joshi resigned in protest four days later. Shortly afterwards, in the first face-to-face meeting between the government and the Maoists, Deputy Prime Minister Ram Chandra Paudel met Maoist central committee member Rabindra Shrestha. In November, the

government released a number of high-profile Maoists, including Dinesh Sharma.

During the period 2000-2002, the majority of human rights abuses reported were associated with the conflict. The Maoists have been particularly active in Jumla and Kalikot, and a relatively significant number of human rights abuses, including killings, took place in these two districts (38 'non-state' - Maoist - violations and 32 'state' violations in Jumla in 2001, and 109 and 64 respectively in Kalikot). During the summer of 2001, the Maoists expanded their operations significantly across the northwest of the country, including within the Karnali zone, attacking police posts in districts as far apart as Dailekh and Bajura in July, before agreeing a ceasefire with the government.

Over the last few years, according to the KIRDRC report, the problems of local government in Karnali have been compounded by the conflict. The CPN (Maoist) has forced many VDC representatives to resign and has forcibly changed the name of some VDCs. Most of the VDC chairmen and secretaries from the Maoist affected areas have moved over the last two or three years into the district headquarters. The Maoists have seriously disrupted the programmes of many VDCs.

On the other hand, they have also from a different perspective, brought a degree of 'rough social justice' to many remote local communities. The Maoists have been resolving village conflicts through their People's Courts. Mugu District judge, Ram Prasad Adhikari, commented: "Maoists take local disputes to their peoples' courts. This seems to have had a positive impact as the amount of alcohol abuse, gambling and fist-fights has reduced. It also seems that family disputes, mostly between daughter-in-laws and mother-in-laws, have been greatly reduced" (KIRDRC 2002: 20).

The overall impact on livelihoods and on food security of the conflict during these years is difficult to assess. It is generally considered that the insurgency, and the conflict resulting from it, has harmed rural livelihoods, by disrupting farming activities, by destroying rural infrastructures and by interrupting and

constraining travel and transport. Many assume that food insecurity has definitely increased as a result of the conflict, although the evidence is patchy and anecdotal for the most part. "The increase in household food insecurity is worrying. Food is available, but in many areas there are problems of access and affordability, important aspects in ensuring food security", said Gyan Prasad Sharma, an agricultural economist at the National Planning Commission, according to a report by Limbu (May 2002).

The report points out that "even before the six and a half year old Maoist insurgency intensified in recent months, 39 of Nepal's 75 districts, most of them in the country's mid-west, were already suffering from chronic food shortages. But the fear of war – major attacks by Maoist guerrillas have been reported in remote areas – has made life more uncertain these days. At the same time, the structural problems of Nepal's agriculture – an inefficient and unbalanced production and distribution system, (the need for) better physical access to food and markets, increased production, shifting government policies – persists. There are reports of cooperative farming being carried out in Maoist strongholds, but some are sceptical. "When they are so busy fighting a war, how can they tend to farms"? asked Tulsi Gautam of the Agriculture Department Market Development directorate.

A report by Ramyata Limbu noted that the scaling down of international food aid schemes, due to security concerns, and the suspension of flights bringing in subsidised food was seriously affecting food availability and food security in the Karnali zone. Certainly flights bringing in food for distribution were affected by the conflict and by the threat to airports and airfields.

Maya Lama, a resident of Humla was quoted as saying: "the district has not seen a 'plane laden with food stocks come for days now. Last year's grain is finished. This year's hasn't been planted, yet", Lama said. In Humla, according to Limbu's report, it is not unusual to see long queues at Food Corporation depots at the district headquarters for coupons to

obtain subsidised food. The local produce of potato, barley, and buckwheat barely lasts a few months.

Humla is one of the districts whose population is increasingly worried about their daily lives and livelihoods. In May, when the report was produced, many terraced fields where crops should be growing, lie fallow. Many have fled from their villages, owing to the general sense of insecurity. Of those who remain, many do not have the manpower to farm, or have already eaten their seeds. Others may not have planted this season's crop for fear that the insurgents will remove it.

6.6.10 Household cases of food insecurity from Karnali zone

1. Kunde Nepali, Mugu district (male and aged 21 years): I live in Narthapu-4, Jabaldhara in Mugu district. I have nine members in my family and my Kachhi (weak, temporary) house is located 19 Kosh (60 km) from the district headquarters. I own only 5 Kattha land (0.15 ha) and that too only Pakho (upland). Of the nine family members, four are women. In the family there are only some literate members. I have no access to health post and so my family members depend mainly on traditional healers. We have access to a water tap.

My family produces millet, Kagu, Chinu, beans, potato, barley, gram and maize. We produce about 4 quintals of millet, half qt. of maize and wheat, 1 qt potato, and small quantities of other crops. I feel that production has been declining over the years, mainly because of drought. For about 5 months of the year, we use our own production and for the rest (seven) months, we bring food from Sanfebagar by purchasing with cash money. On average we need 10 quintal food, but we produce about 5 quintals in our own farm. But we do not produce rice.

We also raise some animals, mainly cows, oxen and buffalo. The general trend with the animals is that it is declining in the community, even though we have increased the number of our animals. I feel that conflict is one of the main reasons for this decline. I earn some income by selling ghee. But our

main income source is wage employment within the village, but mainly in India, where I work for 6-7 months in a year and earn about Rs 10,000 to Rs 12,000 in this period. This income is totally used for buying food and other necessities. About 60 % of this income goes for buying food.

We have no access to government food, which is available only in Gamgadi, the headquarters of Mugu district. We have to walk 2 days for that. Because of the conflict, we cannot go there often. Every year, in my village, there is food scarcity. The condition of food security in village is desperate, and problem of food in village is growing. Until 10 years ago, food was easily available. Until 5 years ago, there was plenty of food to buy and exchange. Until two years ago, one could go to district headquarters and buy food. But now there is crisis. With some training in tailoring, I could improve my earning capacity.

The main problem related to conflict is that one cannot move easily from one place to another. This restriction in mobility is hampering livelihood security. The severity of this problem increased rapidly since 2057 (2000). At the beginning they (insurgents) used to gather people at one place and asked to raise voice and shout slogans. This means that people could not go to work and move. Apart from this problem, the insurgents also ate the food collected by people. They also destroyed such food.

Food problem in the village has always been a problem. The conflict increased this scarcity. Drought and lack of land has been a problem in recent times.

2. Chandra Man Shahi, Mugu district: I am a simple village trader. I sell mainly rice. In a year I sell about 8 quintals of rice. Households from two VDCs (Narthup and Mie) buy food from my shop. I buy food in Sanfebagar, and use porters to bring food here. Some time, I carry food myself. Generally I pay Rs 40/kg for rice, Rs 30/kg for wheat and Rs 25/kg for millet. Potato costs Rs 15 per kg. I take a profit margin of Rs 5 per kg.

The present conflict has adversely affected the trade. There is no profit in trade now. Insurgents come and eat the stored food. The

security personnel also restrict food transportation and give problems.

3. Munsare Kami (male, 52 years old), **Jumla district:** I live in Pandav Gufa 4, Rokayabada, Jumla. I have 7 members (3 women) in my family. I have about 15 Katha (0.4 ha) land and a small piece of grazing land. I have a weak and temporary house. Only a few of us are literate. We have no access to health post and we depend upon Dhami-Jhankri (traditional healer) for medical treatment. We get water from taps.

We produce rice, maize, millet, soybean, barley, wheat, potato, buckwheat, beans, gram, mustard and Ghahat (type of pulse). Altogether we produce about 5 quintals of food. The production of food has been declining over the years due to many factors like drought, lack of irrigation, forest reduction and now conflict. My own production is sufficient to meet food requirements for seven months. Every year there is food crisis in the village. As compared to 10 years ago, food availability within the village has been reduced more than half. The problem is severely growing since two years ago. I have raised 20 cows, 2 ox, 1 buffalo and 2 horses. The number of animals we raise has been declining. This is also true in the village as a whole. The reason for this decline is again the conflict, forest degradation and the like. I sell ghee to a small amount, and make profit by selling horse. Per year I make Rs 4,000 to Rs 5,000 by selling horse.

My main income source is wage employment in Kala Pahad (India), where two from our family work for about 6 months in a year. We make about Rs 15,000 from that work. About 30 % of this income is used for buying food. About 15 % of this income is spent on clothing. The rest of the income is used for medicine, festivals, and for buying lands and housing.

We have not used government food as the district headquarters is far away. It takes a day to go there. Now because of the conflict, it is also difficult to move there. One needs to spend a week to get just 5 kg food. Employment is the main way that would help us secure food.

Conflict has escalated since 2057 (2000). The conflict has been adversely affecting our lives and food security. Bombs and related chemicals have made the land unproductive. The movements of insurgents in the fields have also damaged crops. There is also difficulty in getting wage employment, as it is difficult to move from one place to other. As we cannot go from one village to another, food transportation has become difficult. The insurgents also use our food for feeding their members. In the beginning, insurgents conducted various programmes, organized trainings and the like. This also demanded out time, as we also had to help them. Conflict is not the sole cause of food problem in the village and in my family. But it restricted our income opportunities. There are many other reasons for food scarcity.

4. Lagan K.C., Jumla district: I buy 10 quintals food, of which I sell only 7 quintals to mainly the people of 2 villages of Pandavgufa VDC. I buy food when it is just harvested so that it is cheap. I use mainly the mule for transportation. I pay about Rs 50 per Kg rice and Rs 40 per kg wheat. I need about Rs 2 per kg to transport food from one village to another.

Mainly because of the conflict, I am about to leave this profession, and there is also no profit in this business nowadays. I have also faced some problems from insurgents and security persons.

5. Ratna Bir Kathayat (male, age 34 years), **Dolpa district:** I live in Jupal 9, Motipur, Dolpa. My family consists of 5 members, of which 2 are women. We have 5 Katha (0.15 ha) land, and a weak and temporary house. We do not have access to health service, and thus use Dhami-Jhankri (traditional healers). We collect water from waterspout.

We grow rice, what, maize, millet, buckwheat, soybean, bean, potato and naked barley. In total we grow about 5 quintals of food. Productivity of land has remained more or less same over the years.

Our own production is sufficient for only 3 months of the year and the rest of the food we obtain from Food Corporation Depots and

from the village itself. Every year we face food problems, in the family and in the village. We have raised 5 cows and 1 ox. The number of animals has been declining. The main reason for this is the lack of grazing and the conflict in the village.

I earn some money from selling milk and potato (Rs 1000 a year). But the main source of income is my clerical job at District Post Office. We also weave woollen sweaters and caps. About 70 % of my salary is spent on food and 12 % on clothing. About 10 % of it goes for covering medical expenses and 8 % on festivals.

I get about 10 kg of food a month from the Food Depot located at district headquarters, which is about 18 km away. I get food from the Depot, but I usually do not go there. Because of lack of irrigation and insurgency, food problems have been increasing. Until about 10 years ago, it was easy to get food. Until 5 years ago, it was OK. From the last 2 years, it has become difficult to move mules and sheep for the transportation of food. At the same time, portering and mobility has also become difficult. At present, transportation of food is virtually impossible using mules, sheep and porters. Only possibility is the use of helicopters. Now it is even difficult to go to the district headquarters. Therefore the conflict has actually increasing the food problem. The adverse impact of this conflict has been seen since 2001. As we cannot move from one village to another, it is difficult to generate co-operation among the people. Moreover, now we cannot do what we like. But food problem is not solely caused by the conflict. There are other factors like lack of irrigation and lack of agricultural land.

6. Bhuddi Bahadur BC, Dolpa district. I am a food trader and I supply foodgrains to mainly 2 VDCs – Rimi and Kaigaun. It is cheaper to transport food by mule as compared by helicopter. But transportation by mule has become a problem due to conflict. I sell 24 qt of rice in a year, which I get from Salyan. At Salyan I buy rice at the rate of Rs 13.5 per kg. I transport the food by mules, and sell in the villages at the rate of Rs 60 per kg. After the conflict, I reduced my business tremendously.

There is also less profit now. There are also other problems now.

7. Jaising Sarki, Kalikot district (male and aged 41 years): I live in Syuna 5, Kalikot, Tiruwabada. There are 11 members in my family, of which 4 are women. No one is literate in the family. We have just 0.1 ha of land and some forest. We live in a weak and temporary house. We go to traditional healer and health post for medical treatment. We have access to tap and well for water.

We grow wheat, barley, maize, millet and rice. We grow about 7 quintal of food, but require 14 quintals. Therefore, our food is sufficient for only six months. I feel that production has been declining, but I do not know exactly as I remain in India for a larger part of the year. I buy the deficit food from village itself. We have also raised 4 cows, 2 oxen and some goats. Their number is decreasing in the village as a whole, even though I have increased their number. Now it is difficult to enter the forest and gather fodder. Therefore we need to reduce animals. We earn about Rs 3,000 to 4,000 in a year from animals, mainly from goats.

Two persons from my family work in India. Some times we work the whole year, but sometimes we work for six months. We can make about Rs 10,000 a year in India. Almost all this income is spent - most of it on food and the remaining on clothing and other necessities.

In the past we depended on government's food. We used to bring up to 50 kg at one time. For this we needed to go to district headquarters. It used to take two days to walk up to there. Now it is difficult and fearful to go to headquarters. The problem of food insecurity is growing. Until 10 years ago, it was ok. We could get food in the village on exchange and for buying. Until 5 years ago, we could go to district headquarters and buy the food. But since the last 2 years it is fearful to go there. It is also difficult to get food on exchange.

Because of the conflict, it is hard to live in village. We cannot go to forest and work in the field during the evening. There is a kind of fear in mind. This problem was started since 2055

(1999). At the beginning, we heard about the rumours of killings and other disturbances. Then it was difficult to move and do what we liked. It is also difficult to work for others. Insurgents also used our grains. There would be food problems even if there were no insurgents, but its extent would have been low. There would be wage employment opportunities and we could also work harder on our fields.

8. Man Bahadur Kadara, Kalikot district: I have 50 sheep, and I transport foodgrain by sheep. In a year I sell 30 quintals of food to three VDCs – Syuna, Siparban and Fukot. I bring food from Sanfebagar using pack sheep. I buy rice at the rate of Rs 20 per kg and sell at Rs 37 per kg. Nowadays I do not make many trips for food transportation. I am only partly involved in it now. This business was more profitable before the conflict. Now we do not make much profit. I lost at one time 50 kg food to insurgents. After that I have not suffered much.

6.6.11. Conflict and livelihood problems in Murma village, Mugu

Murma is a small village with 65 households and is located at a distance of about a day's walk in a north-western direction from Gamgadi, the district headquarters of Mugu. The whole seemed like a cluster of terraced structures perched on the hill slope. From a distance it appeared as a single structure and a large single house. It is a village mainly of Rokayas, Chhetri caste, with a few lower caste families. The village was visited in May 2004.

Villagers reported that this village has been adversely affected by the conflict between the Maoists and the army. "Until the last year, the army frequently came here, and this made the Maoists suspicious of us" said the villagers. During the day time, it was the army that gave problems to the villagers and in the night Maoists gave the problem. Life seems to be really hard for the villagers. The army would not go beyond this village, as Maoists were concentrated in other villages.

The ultimate impact of the conflict was seen in the livelihoods of the villagers. The result of this impact could be seen in the deteriorating health of the people in recent times.

Restrictions on mobility

The conflict has led to restrictions in the mobility of people. This came as a blow to these people for whom mobility was the main source of generating income and collecting deficit food.

Murma villagers used to grow tobacco leaves and a type of radish which is cut and preserved by drying (locally called Koiro). They used to go down to Khater Bhag (lower and south-west part of Mugu), where food production is somewhat better. They used to exchange tobacco leaves and dried radish for other food, which they used to bring home, carrying it on their backs. Now this strategy is not possible due to the conflict. Khater Bhag is now one of the forts of the Maoists, and no one from outside can go there. It is totally under Maoist control.

The other income generating activity was the portering of goods from one place to another. But again portering work is not available. If things have to be transported then it is usually airlifted because of the Maoists hijacking food and other goods transported by land – either by porters or by donkeys.

In the past, Murma villagers used to go to Sanfe Bagar to purchase food, to where food was transported by vehicle. There they could buy food from Nepal Food Corporations at the rate of Rs 14 per kg. In a year they used to bring as much as 2 quintals by making four trips. Now they are not able to go there. Food is also not available at Sanfe Bagar due to regular Maoist blockades and strikes in one or another part of the route. There have also been cases of food lootings. It is also said that Maoists charge taxes on goods transported. The usual rate of tax is 8 % of the price of the goods. Because of these factors, there have also been food shortages in other accessible districts in the mid west. At present Murma people can go only up to Gamgadi, the district headquarters, where they get only 10 kg a month at the rate of Rs 24 per kg from Nepal Food Corporation. In the market in Gamgadi, the price of rice is about Rs 60 per kg. But usually food is not available in the market.

Going to India for work was one of the main strategies to bring some money and clothes. It

is now increasingly difficult to go to India also. In the past they used to carry some food from home – like barley flour - and walk down to the Terai and to India. It did not cost them. Similarly, when returning from India they would walk for a few days. But now they cannot travel on foot because of the fear that Maoists could ask or coerce them to work in their armies. The safe way is to fly from Mugu to Nepalgunj and vice-versa. This would cost them about Rs 4,500 in normal fare, but this type of ticket is difficult to get, and the price can go up to anything between Rs 8,000 and Rs 12,000. This means that all of their earnings would be invested in air transport.

It was reported that movement to India is still very high from villages further south from where it is easy to catch a bus or any means of surface transport. But the case of Murma was slightly different this year because three local projects had given employment to local youths who would have gone to India.

NTFP collection

Various NTFPs were available in the forests nearby and, of them *guchi chau* (a type of mushroom), is the most important, providing the main income of the villagers from NTFPs. In a year they would collect about 45 kg and the price in the village for that was Rs 4,000 per kg. If every household collected equally, each would make Rs 2,700 in a year. But all would not earn equally. It depended upon whether there were enough family members to travel into the high forest. It is also a matter of simple luck. But villagers saw NTFPs as a source of income. The other herbs common in that area include *Sauta*, *Panchaunle*, *Kutki*, *Gardanu* and *Marangi*. These herbs did not bring much income to the household. Dhatelo and Dale Chuck (seabuck throne) were commonly seen in the forest and in uncultivated land. Apart from home use for the production of oil and souring material, these were not commercially exploited. The collection of these herbs has also been affected by the Maoist activity. Firstly, it is risky to travel in the forest areas for fear of both Maoists abducting people and the army shooting from the air. There are also chances that mines are used along the trail. Nowadays,

Maoists also restrict collection of NTFPs through taxation, and also simply by forbidding others to collect them. The agents who collect NTFPs are heavily taxed by the Maoists, which means that they will be hesitant to pay the right price. This is especially so for the *yarsa gumba*, a very valuable herb. Its collection is now virtually controlled by the Maoists. Mugu is not a potential district for this herb, even though it is also available in limited amounts. From Mugu, it was reported that the Maoists collect about Rs 8 million from trading of *yarsa gumba* in a year. But from Dolpa they would earn more than Rs 25 million in a year. At the time of the field study, thousands of Maoists had gone to the high mountains for the collection of *yarsa gumba* and to regulate its trade.

Blockade and people's livelihood

At the time of the fieldwork, it was reported that people from distant villages were also not allowed to go to Gamgadi, the district headquarters, which essentially means that they were not allowed to sell their produce and bring back the necessities from the market. People from 16 out of 24 VDCs of the district were not allowed to go to the headquarters. Therefore they were deprived of access to subsidized food. If they had to move, they needed to get permission from the Maoist leader of the respective village. There is again danger from the army side if one takes permission to travel from the Maoist side.

Maoists had organized this blockade of the headquarters with the aim of isolating the district centre where mainly the representatives of the old regime (the Maoist term for the government) stay. They wanted to make the life of these people desperate. There were several cases of looting of food, fruits, goats and sheep brought by people to be taken to the market in the headquarters. In Mugu district, in places like Bama and Ruba VDC (mainly the wards 6, 7 and 8) and Pina VDCs, walnuts, apples and peaches were produced in plenty. In Khater Bheg also these things were produced, where one would get 4 nice apples at a price of a Rupee. People were not allowed to bring these fruits to the market in the district headquarters. As a result these fruits had gone

to waste. If Maoists saw people bringing chickens, eggs, goats etc. to the market, they would also snatch these things and consume them themselves. The veterinary officer of the district reported that recently they had started a programme of exchanging goats for the breeding programme. In this programme, poor families would get a good breed of goat free, but they had to give a goat free to another poor family from among the progenies of the original goat. But after sometime, it was reported that Maoists killed these animals for the purpose of supplying meat for themselves. The whole programme was then stopped.

Maoist co-operative farming and decline in production

The Murma villagers reported that in areas like Khater Bheg (further west of the village and the most productive part of Mugu district) where Maoists have established their concentration and order, landlords had left the villages. It is also an area where more food is produced in the district. But nowadays, Maoists have started farming the village land on a co-operative basis. According to this new custom, people of the village who can work in the field form a group and they cultivate the village or allotted lands on a joint basis. The group would get one third of the production which is shared equally between the members. Two thirds of the production has to be given to the Maoists. Because of this custom, people were not interested in cultivating the land. Production has gone down significantly. This problem had been compounded by the drought which had occurred because of less snow fall last year.

Decline in health status of people

The impact of inaccessibility, food insecurity, and conflict on the living conditions of the people of the Murma village can be seen in the deterioration of health conditions in recent times. From what villagers said, child mortality was very high. They reported that at least 4 children out of 10 did not live longer than their 3rd birthday. Because of extreme food insecurity and lack of opportunities to gather food and earn an income, even the seemingly young and healthy people were seen to suffer from various diseases. Food

intake has reduced in general now. Hard work combined with less food intake could be the main reason for such problems. Because of the food deficit, the government has also been supplying subsidized food in this district. Each of the households in Murma village gets 10 kg rice a month for only six months of a year. To receive this they now go to Gamgadi. This food is just not sufficient to meet their food requirement for the 6 months.

6.6.12 Government responses

The government response to the growing crisis in Karnali zone over the last two years has been negligible. There was an increase in subsidised food distribution in 2000/01 - to 4,744 metric tonnes - but this accounted for only 15 per cent of the estimated food deficit, and in 2002, government resources could meet only about 5 per cent of the total deficit of the zone. The estimated per capita food deficit had soared by now from 56 kgs in 1997/98 to 147 kgs in 2002.

Jumla continues to enjoy a more attention from the government, as it is also historically important administrative centre, which is still so even today. Moreover, Jumla politicians have been influential by comparison with those from other districts. But in 2001, the government supply to Jumla was cut almost by half, as compared to the previous year. Even though the NFC says that it will not reduce its supply in Karnali zone, it is likely that if the transportation cost increases by 30 %, the amount of food supplied to Karnali will be reduced by the same proportion. In other seriously food deficit mountain areas, the food supply from government sources will be reduced drastically - in fact, already the amount of food supplied by NFC has been reduced in many remote areas.

In fact, government supply is not tied to any economic or social criteria relating to food availability, scale of need, etc. The NFC follows a rigid schedule and quota, which it supplies whether there is famine or not. At the same time it is also not sensitive to the food problems, as it has no coherent basis for fixing quotas. The quotas have been fixed on the basis of political pressures and past trends. This becomes clear when NFC distribution is

Table 10: Food production, requirement and government supply in Karnali

Year	Population	Production (mt)	Requirement (mt)	Balance or self-sufficiency (mt)	Government aid (mt)	Total deficit (mt)	Govt aid as % of deficit	Per capita deficit (kg)
1967/68	68555	21635	12339	+ 9296	-	-	-	
1970-71	164812	22805	33842	-11037	Na	-11037	Na	67
1975/76	221231	21496	39822	-18326	Na	-18326	Na	83
1979/80	242486	23504	43648	-20145	Na	-20145	Na	83
1987/88	270151	22754	48627	-25873	1554	-25873	6.0	96
1994/95	275029	17521	49506	-31985	2323	-29662	7.3	108
1997/98	290185	32061	52233	-20172	3919	-16253	19.4	56
2000/01	312291	28781	59647	-30866	4744	-26122	15.3	84
2002	393487	14390	75156	-60766	3,000	-57766	4.9	147

(Source: NFC, CBS, DOA/MLD, 2002)

analysed at the district level; districts where food shortages are high do not receive higher amount of food. The same problem also exists in the distribution of food in different VDCs of a district.

The whole system of food distribution by the NFC and the government requires re-thinking and over-hauling. The programmes of well-intentioned international agencies also, like the WFP, also require serious reconsideration. The real requirements, short term, medium term and long term of the Karnali region, with its extremely serious problems, have not been adequately addressed. The recent report of a study (supported by DFID) by the Karnali Integrated Rural Development and Research Centre (KIRDRC), in Jumla, published in August 2002, is very critical of government policy and practice with respect to the Karnali region. It also notes that international and foreign agencies and INGOs have also failed to develop any effective strategic or practical programmes for the development of the region and the resolution, in the medium and long term of its food security and food shortage problems.

6.6.13 Deepening crisis in Karnali - 2002-03

In the meanwhile, the situation in the Karnali zone continues to deteriorate. By 2001 the deficit in food had become critical, but the situation in 2002 appears to have worsened still further. In 2002, there is evidence that total production of food grain nationally declined and it is estimated that eventually it will be found that there was a reduction in overall output of some 1.5 per cent, due to unfavourable rainfall patterns and landslides and natural hazards in the hills and mountains. The case of the Far Western region - including the Karnali zone - is apparently one of the worst. Some reports indicate that production has been halved. This has virtually nothing to do with the conflict, but everything to do with a recurring pattern of local difficulties in food production, resulting in a food availability decline, combined with inadequate mechanisms for enabling access to food to be maintained - whether by local purchasing power through the market or through government and other agency food distribution.

If this is going to be the case, then there will be a deficit of about 60,000 metric tonnes. This year the NFC is also going to reduce its supply as compared to previous years. This year, the NFC plans to supply only about 3,000 metric tonnes of food. Accordingly, there will be a real overall deficit of 57,000 metric tonnes of food in the Karnali zone. On a per capita basis, the food deficit will be about 143 kg for 2002. During the mid 1990s, when there was acute famine, the per capita food deficit was computed as 108 kg. This shows that the situation is likely to be extremely severe in 2003 - millet and rice crops are harvested in December and the production of one season affects food availability in the next year.

In an article written by Mohan Mainali in 17 Nov - 1 Dec, 2002 issue of the Nepali vernacular magazine **Himal**, it was predicted that about 800,000 people of the Far Western region (Seti and Karnali zones) will face hunger deaths, due to famine by February 2003. This article was also published in **The Nepali Times** on 2 Dec. 2002 in a shortened form. His report was based on field observations and the opinions of informed local people from the region.

6.6.14 Explanations

Production Failures

The main reason for a famine of such an extent is that there is reduction in crop production by 60 % due to bad weather (unfavourable rainfall pattern and hailstorm). This region has traditionally been a food deficit area, but this year even the normal production has been drastically reduced. Because of the heavy rainfall during the time when rice produces its kernel and hailstorm in some locations and drought in others, rice production this year declined by more than half. Maize and millet also faced the same fate. People did not harvest maize and millet this year.

According to a report produced in August 2002 by the Karnali Integrated Rural Development and Research Centre, in Jumla, "local villagers say that the Maoist insurgency has contributed to the food shortages. One woman farmer from Nagmaghat in Jumla told how "the Maoist cadres come in groups and

take away whatever food supplies we have and we don't see the point in working to produce more" (KIRDRC 2002: 15).

Certainly, in the lower hill areas of the region, where production used to be high, production declined this year because fertilizers and seeds were not available due to blockade in transportation. This is a result of a combination of factors.

One location studied by Mainali is Kolti bazaar. Food used to be supplied by Nepal Food Corporation by air three times a week. There were about 20 hotels and essential government offices and a depot of the NFC used to distribute about 3,000 quintals of rice every year. The police station has been closed and so has the bank, because of the Maoist insurgency. The depot has also been closed and people have to walk a full day to reach Martandi, where another food-depot is located, and this distributes only 10 kg rice to a household. However, even though some food depots and warehouses have been closed due to Maoist insurgency, many more have been shut as a result of the government's liberalization policy, which entails cutting back subsidies on food transportation and reduction in social welfare activities including food distribution.

Income opportunities

It is not only that food production has declined, but also the income opportunities that would help in purchasing food. The opportunities for people like selling apples, milk products and the like have almost been wiped out. Because of lack of labouring jobs, which used to be available in transporting things and of the work available in producing vegetables and other works, people do not have income to buy food. Moreover, this scarce food has also become expensive.

Cost of imported goods

In fact, the cost of food has skyrocketed. A kilo of sugar costs Rs 70, and a kilo of worst quality rice costs Rs 40 in many remoter locations (in accessible areas they would cost Rs 28 and Rs 12 respectively). A small pack of salt, which costs Rs 7-8 in accessible areas,

costs Rs 30 in such locations. A report by the KIRDRC in Jumla noted that even at the best of times, the nearest major trading centres to the Karnali lie to the south, in Dailekh, Surkhet and Nepalgunj. At these places, Aruwa rice - the most common variety - costs about Rs 18 per kg. The same rice costs between Rs 60 and 75 per kg once it has been transported to Karnali. This is in spite of the government subsidy of between Rs 48 and Rs 55 per kg to transport it into Karnali by air.

Ineffective Food Distribution

The number of sacks of grain that can be transported into the area has become one of the most politically important issues in the Karnali. Jumla's DDC president is reported as saying that "the politics of Karnali is confined to a kilogramme of rice and a few grammes of salt. Every party has turned food distribution into a political issue". He added that the lack of availability of food is the Karnali's major problem.

But much of the grain fails even to reach the ordinary people who need it. Jumla's Chief Agricultural officer is reported (KIRDRC 2002: 15) as saying that large amounts are used to produce alcohol when many people lack enough rice to cook one meal a day. Local officials often use the subsidised grain to produce alcohol for themselves.

In the last few years, grain has been trucked in from eastern Nepal through Tibet to the Tibetan border with Humla by the World Food Programme, and used to pay workers (as food-for-work) on the Hilsa to Simikot road. Given the urgent need for food, this emergency relief approach may be appropriate, but in the longer run it would be more effective to pay the workers in cash and enable them to increase their purchasing power and capacity to develop their own effective local responses to problems of food availability.

In the short term, however, existing systems of food distribution, including those of the government and other development or relief agencies, have been disrupted and halted. In 2001, for example, the World Food Programme (WFP) suspended its food-for-work programme in the two western districts

of Mugu and Jajarkot after Maoists looted stores. Some 15,000 people working on a road in exchange for food were directly affected. The food agency stopped flying subsidised food to remote village depots in Mugu last year owing to the security situation. The suspension has affected at least 5,000 residents.

"Not a grain of rice has been flown into the villages since last year", explained Mugu MP Chandra Bahadur Shahi. "But the number of consumers has gone up – police, security forces, the Maoists. The district's quote of 3,000 quintals of rice had been delivered to the district headquarters. But since three bridges connecting the villages to the district headquarters had been destroyed, people could not collect the rice, unless they swam across or went through areas where the Maoists were active. People are foraging for roots and tubers, said Shahi. In Jajarkot also, "the implications are most unfortunate", said Basant Raj Gautam, programme manager of the Rural Community Infrastructure Works (RCIW) under the Ministry of Local Development. In Jajarkot, at least 10,000 people have lost their source of food for sixty to ninety days. And this is the time when there is nothing growing in the fields".

6.6.15 Indigenous responses

In Nepali villages various coping mechanisms include reduction of consumption, using wild food, fruits and vegetables for food, using household assets for buying food, borrowing loan, selling herbs and timber and other products of household enterprises, moving out for seasonal or temporary works and the like. Coping mechanisms are generally followed when there are food shortages. Coping mechanisms are usual for seasonal food shortages. But in the Far West food shortages are no longer a seasonal problem, but a perpetual problem. In such situation, coping mechanisms are not of much help, as there is no hope of recovering the food or nutritional status in times of plenty. Because of the Maoists and military actions, it has also become difficult for people to adopt various coping mechanisms. Forest use, trading opportunities and mobility are restricted to

some extent. These activities also beg some risks of being caught between Maoists and military.

It is argued that people go hungry because in many cash-deficit districts, where food is most needed, people do not have the money to buy it with, or experience transportation or distribution problems. "What's missing is a synergy between government, NGOs and private institutions to increase food security", said Tek Bahadur Thapa, regional director of the Department of Agriculture for the central region. "Now the security situation has made matters worse".

The immediate local response at present in the Karnali region is to leave the area, thereby in effect creating further difficulties for the region as a whole while attempting to resolve their own problems at the individual and household level. To escape the famine and insecurity, a large number of young people have been migrating to Terai in Nepal and to India. In an article by Karuna Thapa on 17 Dec.2002 - 1 Jan 2003 issue of **Himal** magazine, there is a lengthy report on labour migration to India from the Far Western region. According to this report, one police check post (Jamunaha check post in Nepalgunj) on the border started to maintain a roster of Nepali people entering India as they noticed that an unusually high number of people were passing through. In one week (4 Dec.- 11 Dec, 2002), they recorded 8,000 people migrating to India. The record included only those who had received a group recommendation letter from local agencies. Other people migrating on individual basis were not recorded.

Because of the rush of the Nepali migrants, the

number of buses on the Indian boarder side has been doubled. There used to be only 8 buses operating daily from Rupaidiya (border town) to Delhi, Haridwar and Simla in India. But now 12 more buses have been added in the same route. Moreover, these buses, which used to carry only 50 people now ferry more than 70 people at a time. It is also usual to see buses carrying more than 100 Nepali people in one trip. This shows that passengers must have increased by more than double. The report estimates that in a month 30,000 to 35,000 Nepali have moved to India through this police check post alone.

It is a common feature for the people of Humla and Jumla to enter India during winter season. They used to go to India when the snow starts to fall in the northern region of Karnali. But this year, it is not only Humli and Jumli people who have been migrating in large numbers, but also the people from Jajarkot, Surkhet, Salyan, Dailekh, Dang, Rukum and Rolpa. Most of these districts lie in Mid Western region, another food-shortage and Maoist affected area.

The imminent food shortage is one main reason for out-migration to India in hordes. In such situation people move out even if they do not bring any remittances. If some members of the family move out, it will reduce burden of feeding. It is just for this purpose of reducing burden on family for feeding that people are moving out. The types of out migration that is undergoing now from villages also lend support to this argument. As reported in the newspapers, it is not only adults, but also children, women and elderly who have moved out to India (see Karuna Thapa, 2002, above). These are not migrant workers; they are refugees.

Chapter Seven

7.0 CONCLUSIONS

As noted in the Introduction, the present study does not claim to be full and comprehensive. It should be seen rather as a preliminary attempt to develop a more systematic approach to, and investigation of, the impact of the conflict on rural livelihoods with special reference to food security in Nepal. A full and comprehensive assessment of the costs (and benefits) of the conflict on the economy of Nepal in general and on the livelihoods and food security status of the rural population (comparing the situation before the conflict with the current situation and tracing the continuing and cumulative impact of the conflict throughout its course) is still urgently required.

The present study has attempted to consider the key concerns about the impact of the conflict on food security. Whilst a lack of detailed and reliable field data makes a comprehensive study impossible, it was possible to delineate the broad features of change brought about by the conflict, consider in general the effect on livelihoods and provide some indications of the effects on different social categories in terms of livelihoods and food security.

Food insecurity

It is clear that some areas and communities in Nepal are experiencing food insecurity, but it is not clear to what extent that is a result of the conflict. A detailed study would be required to assess the extent to which, on a regional and district level, and at the village level in particular, there has been any real and significant decline in food availability and in access and entitlements to food over the last half decade, and whether any such decline - if indeed there is any - could be attributed to the conflict specifically.

It is also clear that the conflict has disrupted local economies and this disruption may well

be significant in affecting food security and rural livelihoods more generally. Some areas where local harvests are limited and demand has increased, and where mechanisms for food distribution (whether through the market, the WFP or other institutions) have broken down, may be experiencing food availability decline and food shortages. The situation in Mugu, in much of the Upper Karnali, and in other remote mountain areas, may well be extremely precarious. However, this has been the case for several successive years, with little effective intervention either by government or foreign development agencies. The conflict is not helping, but the causes of food shortages may not all be conflict-linked.

There is growing recognition that the 'conflict-affected' areas are those which are most in need of development assistance. What is not made clear, usually, is whether this implies that the conflict has so devastated these areas that they need special 'redress', or whether it is being admitted that these areas, where the conflict has been most intense, were precisely those which were previously relatively disadvantaged and deprived. There is evidence to suggest that there have been high levels of conflict in those areas where poverty and deprivation are prevalent, rather than that the conflict has created these disadvantages.

Differential impacts

As the conflict has deepened and widened (during 2000-2001), several agencies and some analysts have distinguished between areas 'under the control of the Maoists', areas 'affected by the conflict', and areas 'little affected'. In the areas *under Maoist control*, a range of interventions by the Maoists affected the lives and livelihoods of the local population, for better or for worse, depending to some extent on whether they were seen broadly as supportive or hostile to the

movement. In the areas *affected by the conflict*, where clashes took place relatively frequently between the Maoist guerrillas and the police (for the most part), lives and livelihoods were probably most disrupted by uncertainty and insecurity. In the *'unaffected' or little affected areas*, by definition the usual struggle for survival continued with relatively little change. Thus, some regions have been significantly more affected than others and some districts more than others, both by the conflict itself and by the impact of the conflict on already poor and vulnerable populations. It is in the most highly affected areas that we must expect the maximum disruption to livelihoods and the greatest risks of disruption to food security.

It also appears different sectors of the population have been differently affected by the conflict. Very generally, those most directly affected have tended to be among the generally better-off, rather than the poorest and most vulnerable. They have been adversely affected by the broader impact of the conflict on local economic activity, rather than as a result of more specific changes affecting them directly and in particular - with the exception of involuntary migration.

Impact of insecurity

In Nepal, poor rural households have always tended to face relatively high levels of insecurity and low levels of goods and services enjoyed. They have always been vulnerable. The sources of insecurity have in the past been largely environmental and economic, but also social and political, and personal. Now, with the current conflict, the political looms larger, and new risks - of being threatened, attacked (beaten and subjected to other forms of physical ill treatment), subject to extortion, robbery or other direct menaces to livelihoods, and adversely affected by indirect disruption to 'normal' economic and social relations - have emerged.

In a war situation, the threat to 'life and limb' constitutes one of the most obvious threats to personal security and to the lives and livelihoods of ordinary Nepalese. The fear of physical insecurity from the Maoists and/or

from the security forces affects possibly as many as 2 million, and inhibits a whole range of economic, social and political activities, particularly those that involve travelling or coming together in specific locations. Traditional livelihood opportunities such as going into the forest to collect non-timber forest produce and marketing it elsewhere may have been disrupted by restrictions on physical mobility and general fear of 'insecurity'. 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, as they market the products.

In addition, the climate of insecurity has had an adverse impact on the local food economy, by reducing market imports and exports of food and restricting government and NGO food distribution.

Production

Anecdotal evidence suggests that food production may have declined in Nepal as a result of the conflict - particularly in some areas and among certain categories of household - owing to direct threats and attacks (by Maoists or by security forces), insecurity, diminished access to land and other inputs, all of which has reduced the ability to undertake normal farming activities and has led to involuntary migration. Anecdotal evidence suggests that the conflict has had an adverse effect on agricultural and livestock production, partly as a consequence of the rural exodus and partly as a result of lack of inputs, and there can be no doubt that ordinary farm work has been disrupted in many areas affected by the conflict. For instance, in Humla, many have fled from their villages, owing to the general sense of insecurity. Of those who remain, many do not have the manpower to farm, or have already eaten their seeds. Others may not have planted this season's crop for fear that the insurgents will remove it.

It is not only that food production has declined, but also the income opportunities that would help in purchasing food. The

opportunities for people like selling apples, milk products and the like have almost been wiped out. Because of lack of labouring jobs, which used to be available in transporting things and of the work available in producing vegetables and other works, people do not have income to buy food. Moreover this scarce food has also become expensive.

Stores and stocks

Anecdotal evidence again suggests that in some areas and in some villages, and for some households, stores and stocks of food have been diminished as a result of seizures, theft, confiscation and sequestration, and simple demands for consumption by security forces and/or Maoists. While the impact of this on specific households and even specific local communities may have been severe, adversely affecting their capacity to survive on the basis of their own stocks through the year, it is not clear that this has had a major impact across the country as a whole, or even within the most seriously conflict affected districts.

Movement of goods and services

There can be little doubt that the major impact of the conflict has been a reduction in routine physical movement throughout the rural areas, which in turn has reduced the volume and value of goods transported and services provided. The usual flow of imports into the rural areas, including imported foodstuffs, has been hampered by restrictions of various kinds imposed by both the security forces and the Maoists, and by the general atmosphere of insecurity. It is suggested that a consequence of this will have been the effective fragmentation and dislocation of markets, with some significant disruption of flows of goods (including foodstuffs) into the rural areas.

This will have had the tendency to increase the unavoidable self-reliance of rural areas, particularly of the remoter rural areas, and to de-link them from the wider market economy. In areas where overall food production is strong and purchasing power is also strong, this may have had the effect of strengthening local markets and increasing local transactions (including sales and purchases of food); in

areas where local food production is weak and purchasing power also weak, this may have encouraged the creation of enclaves where both food availability and access to food has declined.

Food distribution

There is evidence that food distribution through public and para-statal organisations has been adversely affected, and that distribution through non-governmental, bilateral and multi-lateral development agencies such as WFP and INGOs, has also been curtailed, by the conflict. In areas where food availability and access to food has declined, any reduction in food distribution by government or non-government agencies is likely to have a significant negative effect on food security. For instance, it has been reported that the scaling down of international food aid schemes, due to security concerns, and the suspension of flights bringing in subsidised food was seriously affecting food availability and food security in the Karnali zone.

Internal displacement and involuntary migration

There is no doubt that the rural exodus from the hills and mountains of Nepal has been accelerating over the last five or so years, though the scale of this across the country as a whole is difficult to determine. It would be hard to attribute more than a proportion of this directly to the conflict, although in seriously conflict-affected areas it is a major phenomenon. In some areas, notably parts of the mid west and far west, there can be little doubt that in the last two to three years insecurity has resulted in large scale involuntary migration. In other areas, however, such as the Upper Karnali, large-scale involuntary migration is well documented as a consequence of the growing food insecurity of the area and of the lack of local employment and non-farming alternatives to agriculture and livestock production. In such areas, the conflict has exacerbated an already precarious situation and accelerated existing trends.

Livelihoods

As to the effect on livelihoods and on food security more specifically, while there is substantial evidence of a general impact on the economy as a whole, which will undoubtedly affect the lives of the majority of the population in some way, there is little hard evidence of major disruptions to livelihoods and food security at a national level.

The overall impact on livelihoods and on food security of the conflict is difficult to assess. It is generally considered that the insurgency, and the conflict resulting from it, has harmed rural livelihoods, by disrupting farming activities, by destroying rural infrastructures and by interrupting and constraining travel and

transport. Many assume that food insecurity has definitely increased as a result of the conflict, although the evidence is patchy and anecdotal for the most part. It has been noted that “even before the six and a half year old Maoist insurgency intensified in recent months, 39 of Nepal’s 75 districts, most of them in the country’s mid-west, were already suffering from chronic food shortages. But the fear of war – major attacks by Maoist guerrillas have been reported in remote areas – has made life more uncertain these days. At the same time, the structural problems of Nepal’s agriculture – an inefficient and unbalanced production and distribution system, (the need for) better physical access to food and markets, increased production, shifting government policies – persists.

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