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Relative Deprivation and Civil Conflict in Nepal

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This paper investigates the relationship between relative deprivation and civil conflict in Nepal between 1995 and 2003. Poverty in Nepal has decreased substantially in this period, which seems puzzling given the political instability and the raise and strengthening of the insurgency. We hypothesize that increasing differences in welfare among different groups - i.e., relative deprivation as opposed to absolute deprivation - can help explain this puzzle. Socio-economic groups are defined in terms of land ownership, to reflect the importance that is attributed to land in defining status in Nepali society. Indeed, the fight against the marginalization of the landless is an important part of the Maoist discourse. We hypothesize that discontent by these traditionally marginalized households, who notice that other households within the same district are benefiting more from economic growth, facilitated Maoist recruiting. While the existing empirical studies on conflict have mainly focused on the relationship between the conflict and levels of underdevelopment and inequality, we show that changes in inequality over time can play an important role, in particular when trying to understand the geographic expansion and escalation of the conflict. This study further differs from previous empirical work on the economics of conflict, by analyzing the relationship between several economic factors and recruitment by the insurgency in a more direct way. While the theory of the economics of conflict in part focuses on factors that might explain successful recruitment, the empirical studies mostly focus on the relationship between these factors and conflict outcomes. The Maoist strategy of using mass abductions for recruitment purposes allows us to define a dependent variable that more closely matches the theory. The paper discusses the relationship between increases in inequality and an individual's decision to join the insurgency, and indicates how recruitment efforts might affect this individual decision-making. The hypothesis is tested with data from 2 national-representative household surveys, matched with information regarding mass abductions by the Maoists, obtained from an extensive search of newspaper articles. The identification strategy relies on the fact that the months following finalization of the second round of data collection were characterized by a strengthening of the insurgency and consequently, a surge in reports on Maoist related incidents.

Understanding Nepali conflict: Between new wars and Old Wars

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For much of the cold war the internal war received relatively little scholarly attention. After the end of the cold war internal wars however have dominated international relations mainly because of their tendency to drag in on other states. War has always been at the forefront of international relations and internal war by far has become the most common form of armed conflict particularly after 1990s. This perceived rise in the frequency of intrastate conflict has contributed to a new wave of interest in the study of nature of contemporary conflicts. This phenomenon, by some scholars, such as Mary Kaldor (1999), has suggested that war is being transformed from a mainly interstate affair of the type described by Clausewitz into one where sub-state actors are the predominant force and referred them 'new war', which can best be understood in the context of globalisation. She argues that new wars are based on 'identity politics', which is practised by movements that base themselves on ethnic, religious or racial identity which itself is a response to globalisation. Like Kaldor, most social scientists agree that these wars thrive on the nexus between internal political dynamics and external demand generated through the globalisations factors. A new assumption that emerged during 1990s in which the term 'post-nation-state' was coined. This so called 'post-modernist' approach to state evolution stresses the decline of states within the context of a globalising world economy where the strong states of the Western world continue to have considerable leverage on international politics and the global economy, whereas weak states have been bypassed by powerful non-state actors. Thus neo-liberal economic forces have resulted in a weakening of state capacity and a weakening of the provision of the public goods.

The decline of state legitimacy and power gives rise to rivalry among non-state actors, and distinction between public and private authority is blurred. As a result, states control and monopoly over violence declines as an extension of the erosion of the state capacity. The new wars literature primarily focuses on economic and identity-based motives. Some scientists have demonstrated that there is no statistical significant covariance between economic growth or decline and the occurrence of violent conflict; hence economic factors have been dismissed as important direct factors. By contrast others have stressed the importance of economic agenda fermenting civil wars. Nevertheless 'new internal wars' seem 'less principled in political terms, less focused on attainment of some political ideal. The war economic logic (in fact, the whole new wars thesis) does not fundamentally explain the conflicts in Sri Lanka, The Basque country, India (Kashmir), Nepal, Chechnya, and Indonesia, where ideology and normative objectives have clearly been important in the post-Cold War era, however. Nor is the war economy peculiar to modern conflict. The literature of the 'new wars' provide a great service in explaining patterns of contemporary conflict, and especially in drawing attention to the social and economic aspects of conflict and relationship between security and development. However much of this is not new: all of the factors that characterise new wars have been present to varying degrees, throughout the last 100 years. And there is nothing so new about these new wars it is only that majority of them are fought within the state as opposed to the 'old wars' which used to be fought between states.

What is definitely new though is their 'complex nature', which had made their solution a very complex indeed. Moreover, 'poverty' and 'underdevelopmentalism' does not cause conflict; it only increases its probability (Duffield 2002: 126).

The present paper will study Nepalese conflict, which has immensely attracted major concern from regional and international great powers. Different theories of conflict analysis have been employed vis-à-vis socio-economic exclusion, bad governance in post 1990s political environment, ethnic and religious domination etc but none of them fully analyse Maoist insurgency. Said that, no attempts have been made to describe conflict from the perspective of contemporary conflict (where both national and international factors do play equal crucial role in fermenting the conflict). Against this backdrop, the main objective of this paper is to examine Nepalese conflict within this political economy of warfare. All said, the main thrust of this paper is to analyse whether Maoist led people's war solely is an 'ideological' conflict or is about the 'power politics' of national, international and regional actors. To what extent Nepalese conflict is motivated/influenced by the components of 'new wars' or has it emerged solely due to 'crisis of governance' in post 1990 Nepalese political environment. The understanding of all these factors becomes very crucial even for the policy point of view to address the root cause of the conflict.

Development and Discontentment in South Asia: with Special Reference to North East India

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This paper, from the sociology of South Asia perspective, clearly reveals a consensus on the significance of trade relations and increased social mobility both within and across the nations of South Asia as factors that could enhance an overall economic integration of the region. It also examines the debates on the matrix of relationship between development and discontentment in North East India involving cross-border movement, social mobility and trade relations. The discourse also showed a changing attitude towards North East region. This paper attempts to examine the contours of the debates on development and discontentment, rather than executing an in-depth analysis of the policies and strategies of the government.

North East India comprises of eight states viz; Manipur, Assam, Meghalaya, Arunachal Pradesh, Mizoram, Tripura, Nagaland and Sikkim. The area covers a landmass of 2,62,500 sq. km. wherein 98% of its borders shared with neighbouring countries of Bhutan, Bangladesh, China and Myanmar. The region has a population of 39.04 million which constitutes 3.80% approximately of India's total population as per the Census of India 2001. The biodiversity, natural and mineral resources are not largely explored by the investors. The region's rich natural resources do not enhanced the process of development due to historical reasons. However, in the recent years, the government has taken a keen interest to develop the region to be at par with other states.

What will be the impact of India's look East Policy? This Policy of the Government of India facilitates promising opportunities and challenges for the future of North East region. The North East is a part of the Indo-Burma Biodiversity Hot Spot accompanied by innumerable species of flora and fauna. The contributions of the North East also include tea and rice. Undoubtedly, the North East would emerge as a producing and exporting region in South Asia if the policy is properly implemented. Time will tell us if this policy would bear fruit in a desirable manner.

North East–business hub of south Asia:

Will the North Eastern states trade with the neighbouring countries unimpeded by barriers successfully? There has been a debate about the possibility of allowing North East region to become the hub of business centre in South Asia because of its' strategic geographical location. Trade relations (both legal and illegal) through Moreh town (one of the business centre in Manipur) and Tamu town (Myanmar) have enhanced economic integration to a certain extent. However, an in-depth research has to be carried out to examine the trends of integration that prevail as a result of trade relations. If the North East were developed as a business hub of South Asia, backed by the entire required infrastructure, how much India would benefit in terms of Sheer logistics?

Innumerable problems such as ethnic conflict, unemployment, poverty, HIV/AIDs, insurgency and illegal immigrants are significant indicators of discontentment in the North-East. There was great influx of Bangladeshi and Nepali migrants into India. How will India tackle such a crucial problem? The dilemmas generated by the cross-border movement of people between Bangladesh, Nepal and India can be tackled by diplomatic bilateral relationship based on a dialogue of trust and cooperation between them. A combination of an agreement and a bilateral institution accountable for supervising the cross-border movement of people can address this sensitive issue. The need of an hour is also to bring back insurgent groups to the national mainstream and provide them with skills to focus on development programmes through rehabilitation plans. These sensitive issues need to be examined and thoroughly study in a collective manner by the intelligentsia, social activists, NGOs and the government.

The plight of the forgotten ones: Civil war and internal displacement in Nepal

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Despite the fact that civil war has been one of the most vibrant enterprises for scholars studying conflict, very few of them have been attracted to studying its impact. Internal displacement is

one the most serious effects of conflict. An estimated 23.7 million people from across the globe were reported internally displaced by December 2005. Yet, only a few scholars have studied internal displacement. Most literature in this area is found in the form of project and/or field reports. There are hardly any efforts at laying a theoretical foundation for studying internal displacement even though it has been described as one of the serious consequences of civil war.

My paper attempts to bridge this gap by providing a systematic explanation of conflict-induced internal displacement. I use sub-national data from Nepal to explain whether or not conflict is directly responsible for displacing people, as is generally assumed, or whether there is an indirect link between conflict and displacement. I argue that internal displacement occurs as a result of the direct as well as indirect impacts of civil war. Both the government and the rebels are involved in violating human rights during conflict that causes direct threat to civilians' life and forces them to flee. But civil war also leads to deterioration in economic conditions that causes a plethora of problems for people living in the conflict-hit area. Destruction of the local economy creates insecurity in the form of the lack of employment opportunities as well as other social services such as education, health, and communication. These problems, which are more indirect causes of internal displacement, also force people to flee home during conflict.

I argue that addressing the consequence provides a way of addressing the causes of civil war. Specifically, given that the state is partly responsible for causing internal displacement, an effective policy to correct the behavior of the state in dealing with non-combatants is likely to reduce the number of internally displaced people. This will also strengthen the state in terms of institutional development and help in addressing the causes of civil war. The present international arrangement for dealing with the internally displaced people is ad-hoc in nature. The policy has proved ineffective considering the seriousness of the problem inflicted upon the national governments. There is a need for a permanent solution to the problem of internal displacement. This calls for more theoretical work that may provide a foundation for designing appropriate policies. My paper focuses mainly on identifying the causes of conflict-induced internal displacement but in more detail.

Reflections on the State of Democratic Transition Process in South Asia

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I would like to present a paper at the pre-conference venue . The title of my paper will be: Reflections on the state of Democratic Transition Process in South Asia, a comparative study of Nepal and Pakistan. My paper will examine the role of internal and external actors/factors in promoting or thwarting the process of democratic transition. Both sets of actors will be examined in terms of commonality or divergences in their approaches to various issues and actors that influence the pace of democratic transition in Nepal and Pakistan.

Spheres of Exclusion in Democratizing Nepal

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The paper will discuss various forms of political exclusion of socio-cultural groups in Nepal during the democratic period, 1990-2002. The groups considered are: dalit, indigenous nationalities, madhesi, Muslims, and women. The paper will discuss seven forms of exclusion: (1) exclusion from access to citizenship, (2) exclusion from governance, (3) exclusion from public policies, (4) cultural discrimination, (5) symbolic exclusion, (6) exclusion from civil society, and (7) socioeconomic inequality.

Rising Ethno-cultural Nationalism in Nepal: Postmodern Delusion or Democratic Illusion?

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What is going on in Nepal is not pretty as the country continues to descend into the vortex of violence and chaos. Deeply mired in the crisis of political power and authority – with no immediate solution in sight, there is a great deal of concern about the present state of Nepal, both within the country and within the Nepali diaspora as well as the international community. For example, in a recent forum (April 2006), the BBC Online posed an ominous question that few would ignore: “Can Nepal gain political stability?” But the commonality of the concern over the state of affairs was quickly overshadowed by the all-too-common fragmentation of views on the forum’s second pertinent question: “What will bring an end to the instability in Nepal?” (<http://newsforums.bbc.co.uk/nol/thread.jspa?threadID=1511&&&edition=2&ttl=20060414162349>).

In the midst of this grim reality, however, we happened to notice a hopeful slogan printed on the above T-shirt available from Samudaya.org, an open online platform where debates and discussions on issues concerning Nepal are waged although, at times, they seem to “deteriorate to shit” – as one participant nicknamed “kaha jane” aptly described – along ethnic and personal lines, certainly symptomatic of the signs of emotionally-charged and troubled times facing the country. Specifically, the T-shirt message says, “Naya Nepal sambhab chha” (translated on the same T-shirt as “Another Nepal is possible,” meaning a *new* Nepal or a Nepal *different* than the current one plastered with violence and chaos). *But is it – is another Nepal really possible?*

This is the question that serves as an entry point of our proposed paper. The question goes to the heart of the future of Nepal and Nepali nationalism as a grand narrative. The question gains a greater weight when viewed in light of recent political developments vis-à-vis rising ethno-

cultural currents, the currents that have added to the woes of the country's growing and unprecedented rupture at every seam of its national fabric. Admittedly, it is not an easy question to answer. Nonetheless, with the premise that the question about the future of Nepal and its nationalism cannot be divorced from the country's democratic struggles and ethno-cultural nationalism, we propose to explore in this paper the following issues, largely based on our personal observations and understanding as well as secondary sources:

- The rise of Nepali nationalism and subsequent marginalization of ethno-cultural identities
- Democratic struggles and political factions/fractures (the crown, the political parties, the Maoist movement, and the people's varied identities)
- The currents of ethno-cultural nationalism within the country and its roots
- Concluding remarks focused on the future of Nepal and Nepali nationalism

Sex for Sale: An Investigation into the Status of Nepali Women as a Root Cause of Sex-Trafficking

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Trafficking is a major part of the social and economic structure of Nepal. Currently, very high numbers of young girls are taken from Nepal into India as trafficked sex workers. It is estimated that 5,000 to 7,000 girls are trafficked to India each year (Poudel & Carryer, 2000). There are multiple root causes to sex trafficking, including poverty, the low status of women, and migration.

The current research is focused on the status of women in Nepal, which is shockingly low. Nepali women are encouraged to accept their submissive position in life without complaint and are discouraged from trying to control men. Even though 50 percent of rural Nepali children are enrolled in primary school, only 23 percent of girls attend secondary school. Girls are often sent off to find work to supplement family income, denying them a chance to receive a full education. Even today, an educated Nepali woman is seen as a potential threat to her husband (Asian Development Bank, 2003).

There has been virtually no quantitative work conducted in Nepal looking at sexism and attitudes towards women to date; however, qualitative work on Nepali cultural customs clearly demonstrates the oppressive attitudes toward women. For example, a woman is required to sit away from the table during a meal until her family and any guests have eaten. It is only after everyone is finished that she may dine. Also, a majority of girls do not receive education beyond primary school, and women are expected to care for their families and the family of their husbands without pursuing their own career interests.

In the current study, anonymous surveys were administered to 250 Nepalis living in Kathmandu. The survey was comprised of demographics, HIV/AIDS knowledge questions, attitudes towards girls who are trafficked or perform sex work, and the Ambivalent Sexism Inventory (Glick & Fiske, 1997). Both male and female participants were recruited, and all participants received a box of chocolate for their participation.

The analysis of the survey (still in progress) will look at the level of sexism among participants using both the previously validation Ambivalent Sexism Inventory as it relates to attitudes towards girls who are trafficked or women who perform sex work. Procedures will include correlation analyses and multiple ANOVAs, looking for interactions with covariates such as gender, age, and education level.

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Investigation of Pre-clinical Damage of Lens from Smoke (Biomass & Tobacco) Exposure in Nepalese Women

A Pilot study (Method-Abstract)

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Background: Prolong exposure to smoke (biomass and tobacco smoke) can damage the lens of human eyes. Epidemiological studies conducted in developed and developing countries have established an association between smoke and lens opacity (cataracts). In our earlier epidemiological study conducted in the eye hospital at western Terai region of Nepal, we had found rate of lens damage (cataracts) two times higher among women who cook with solid fuel (wood, dung cake, crop-residues) in unvented stoves than women who cook with clean burning fuel-stove (LPG, bio-gas, kerosene and electric heaters). Damaged lens (lens opacity) or cataract is still most important cause of blindness in Nepal despite the presence of a network of eye hospitals through out the country. In Nepal compared with men, more women have cataracts but their access to cataract related services is very low. There is no medicine available to cure cataracts. Only cure is through surgery, but this is not equally available and affordable to all. Thus benefits of cataract prevention are obvious in the country where prevalence is very high and access to medical services is very low. To further investigate how we can prevent and delay lens damage or cataract formation among women, we conducted a lens opacity study among women (n=20) visiting Regional Tuberculosis Center and Manipal Medical College in Pokhara. These participants had no previous diagnosis of cataracts or any lesion in the lens. The major objectives of this study were to investigate pre-clinical measures of lens damage among women

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with no diagnosis of lens opacity, to investigate their exposure level to cooking smoke and environmental tobacco smoke and to investigate whether environmental tobacco smoke and cooking smoke correlates with severity of lens opacity/insult.

Method: To measure and assign the severity of lens damage quantitatively, we used the Lens Opacity Classification System III (LOCIII). The LOCIII classifies the lens damage/opacity by types (nuclear opacity, nuclear color, cortical, posterior sub-capsular) as well as quantify the opacity by the severity score/grade. For this work, first of all participants visual acuity were measured using improved version of Snellen chart (Bailey and Lovie visual acuity chart) followed by examination of lens with a slit lamp biomicroscope by directing narrow vertical slit beam of light through the center of the lens of participants'. After preliminary evaluation, lenses of participants were photographed. The digital photographic records (six photographs of each participants) of the slit lamp cross-sectional view, and the retro-illumination view were analyzed and severities of lens opacity were assigned at the school of optometry at UC Berkeley.

To validate the present exposure status of study participants, an indoor air quality monitoring was conducted at the twenty houses (kitchens) of participants. Similarly, to get an idea of exposure status in the community, indoor air pollution were measured in extra ten households in Pokhara. Therefore, altogether indoor air pollution was measured in 30 households. Under indoor air pollution monitoring, particulate matters (<2.5 micron size), nicotine (environmental tobacco smoke) and naphthalene were measured. Particulate matters were measured using UCB particulate matter monitor. Minute-by-minute average particle levels in the kitchens were recorded for one week. Two pollutant, nicotine and naphthalene were measured using passive samplers. These samplers were exposed for one week, which was later analyzed using gas chromatography technique in UC Berkeley. We measured naphthalene in the smoke as this compound is commonly used to induce cataracts in animal and is suspected compound for cataract formation in human. This may be the first time that naphthalene and nicotine level in the kitchens and households were measured in Nepal.

Results: The data analysis is undergoing and will be presented during main conference or will be updated upon available before conference. The results will be helpful to launch an evidence based policy campaign, how reducing environmental insult (tobacco and biomass smoke) could prevent lens damage or reduce the incidence of lens opacity related blindness among women (as well as men) in Nepal.

The Psychological Consequences of Internal Migration

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Little is known about the effects of migration and mental health in general, however even less is known about internal migration despite the fact that more persons move within their own

countries. Population studies predict that there will be a continuous growth in both internal and international migration in the coming years. Within developing countries this migration has important social and economic consequences. For this paper I use large representative sample of adults residing in Kathmandu, Nepal to investigate the utility of stress process model for understanding effects of migration. Because our sample contains both migrants and non-migrants, we are able to compare the importance of common and unique sources of stress and access to social support as they affect urban dwellers in general. Results show that migrants and non-migrants differ only slightly in socio-demographic makeup. Migrants face more chronic sources of stress and have more social support problems. However, eventful stress is the only direct predictor of distress for both migrants and non-migrants. Lower access to social support indirectly affects migrants' distress.

A Pedagogical Experiment on Liberal Democracy in South Asia

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As an integral part of the educational component of the Nepal Study Center's mandate, we have recently executed an advanced undergraduate class entitled, "Designing Liberal Democracy." The abstract goal of the course was to generate discussions about democracy between Nepali and American students, scholars and other interested individuals. The ultimate "academic" goal was to create proposals for addressing the challenges when a country makes a transition to liberal democracy. With input from eminent Nepalis, particularly through an electronic bulletin board designed specifically for the course, the students developed proposals to address substantive areas including the economy, human rights, representation, institutions and corruption. In this paper, I will propose how we can expand this program effectively to involve more students and other individuals in both countries (and perhaps beyond). I will also propose several ideas for how to make the next iteration more multimedia-oriented.

Sex Trafficking in Nepal: Survivor Characteristics and Long-Term Outcomes

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Sex trafficking, the coercion of girls and women into forced prostitution, is a global problem. There has been little systematic research on therapy, rehabilitation, and social reintegration of formerly trafficked women. This study examined characteristics and long-term outcomes of Nepali sex trafficking survivors through systematic analysis of case files. Twenty case files of survivors of sex trafficking rehabilitated in the shelter of an anti-trafficking NGO in Nepal were

randomly selected for analysis. All individuals in the sample suffered somatic and behavioral sequelae. Three quarters of the survivors in the sample eventually returned to their villages to live. These results suggest current rehabilitation and reintegration programs for survivors are producing positive results. However, there is need for more systematic diagnosis, record keeping, and outcome studies, as well as education to reduce stigma against trafficking victims and promote safe migration practices.

On The Evaluation Of An Environmentally Damaging Project

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In this paper, the problem of evaluating a new ecologically damaging project undertaken by a locally dominant firm is studied. Often the total cost of undertaking such a project tends to be under evaluated for several reasons. One major reason is due to the failure to anticipate the rise of several small fringe firms in different regions and the impact of competition with them. This paper uses recent advances in game theory to present a game theoretic model to evaluate such a project in the context of what happened in Nepal when Arun project was mullied by the Nepal Electricity Authority in 1990s.

The firm that undertakes the project in our model is a big firm that produces and distributes power. Several reasons restrict it from acting as a monopolist: one is the presence of several fringe firms. Fringe firms also compete for available labor besides competing for market. We assume in this model that bringing skilled labor from foreign countries is prohibitive. Fringe firms produce power using backward technology. Though generally in Nepal it is observed that firms controlled mainly by local investors often capture a tiny market where the investors live because the NEA leaves the market to the fringe firm, we don't capture that scenario here because we care about the market where competition takes place or is likely. We also follow the usual assumption of presence of Walrasian auctioneer in each region where price of electricity is determined by the total quantity and a noise component. Noise component is added so that neither NEA nor the fringe firms can infer the exact amount of power produced by the competitor. What they observe is price and history of the price, and decide how much to produce (or in the case of NEA, how much to market in a particular region where it competes with the fringe firm) in the next period. Let $f(p,q)$ be the probability density function of price. Let Ω be the support of price in each region, which we assume to be same for all regions. We assume that there is no atom in the support. We partition the marketing regions into $N-1$ parts, and assume the presence of one fringe firms in each part. This reflects the actual situation in the ground only partially, since in Nepal, most of the electricity market is captured by NEA exclusively. However, areas where there are fringe firms often have only one firm producing electricity in a region. Hence this problem can be simplified by assuming that there are $N-1$ markets where NEA plays duopoly Nash game with fringe firms. The value of the project for NEA is the net present value of expected payoff of undertaking the project and then selling it in a region where the market is shared by another firm (fringe firm) multiplied by $N-1$. Difficulty in modeling this problem is evident immediately: first we need to know the cost of producing the power, and then we must allow for the payoff matrix for continuous actions taken in continuous time. This will

give us, for a reasonable guess for Von Neumann Morgenstein utility function for NEA (for example, one can use the profit equals utility for this utility function), a fairly good idea of what the net present value of undertaking the project is. However, as Abreu, Pearce and Stacchetti(1990) and Fudenberg, Eric and Maskin(1994) show (consistent with Nash Folk theorems), the value set estimated could be fairly large set. In fact, any smooth subset of V , where V is the compact set of value functions, could be achieved in an equilibrium for sufficiently patient players. With this theoretical foundation, we try to look at the derivation of such equilibrium value set, and interpret it as a tool that could be used in predicting a true value of a project such as Arun.

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Assessing vulnerability to multiple environmental stressors: a policy perspective in adapting to climate change in Nepal

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There is a general agreement that studies on the impacts of climate change must include the effects of other stressors, such as, land-use change, land fragmentation, bio-diversity loss, and demographic change. Climate represents only one of the several environmental stressors to which a society is vulnerable. Yet studies to systematically investigate the vulnerability to climate change within the context of these stressors have been limited. It is also likely that climate change will additionally exacerbate the vulnerability of societies that depend primarily on environmental resources. Understanding the consequences of climate change, therefore, requires knowledge about the interactions of climate and other stresses and about the resilience and vulnerability of human-environment systems. Using the example of Nepal's agricultural sector we investigate the degree of vulnerability to climate change in conjunction with other stressors at a more disaggregated level, regional and district. This paper demonstrates that climate change, coupled with other stressors, will accentuate the vulnerability of the Nepalese farmers. This paper also proposes appropriate public policies to mitigate the climatic impacts on agricultural sector.

Issuing annual permits for harvesting thatch grass as compensation to local people in Nepal: does this policy have effects on conservation attitude?

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One of fundamental strategies in community-based conservation is people receiving benefits from conservation projects are more likely to express positive attitudes towards conservation. As a result, various forms of compensation and economic incentives are provided to local people to reduce park-people conflicts, and to influence the people's attitude towards conservation. Nepal, being a leader in integrating conservation and local development, implemented a policy in 1976 to address the legitimate needs of local people residing in and around protected areas by allowing them the restrictive use of park resources. Since then, people in lowland Terai are given permits to harvest thatch grass from protected areas for a limited period every year. Thatch grass is traditionally used by the people in Terai as a building material in the roof of houses. In recent years, the grasses are also used as raw materials in the paper industry. Based on a case study in Shukla Phanta Wildlife Reserve, this study describes policy of issuing permits for grass harvesting, and its impact on people's attitude towards conservation.

The results of a questionnaire survey, administered to approximately 2000 people, showed that the amount of thatch grass harvested per household differed among the people of different ethnicity, and was positively related to household size and their economic status. The people who could afford to hire others were able to harvest more thatch grass. More than 50% of people harvested grasses to sell them in the market. While people having an opportunity to harvest grasses had positive attitude towards the reserve, many of them were found misusing the permits to extract fuel wood, timber and other products that are normally prohibited for use from the reserve, primarily due to weak monitoring system. Moreover, with an increasing number of houses with roofs made up of materials other than thatch grasses, people's priority in resource use from the reserve has also changed in recent years. We conclude that there is a need to re-examine the policy of issuing grass harvesting permits, as a change in the underlying incentives for consumptive uses of resources from protected areas will help to influence people's attitude.

On The Implementation Of The Ramsar Convention In Nepal And Its Implications For Regional Waterfowl Conservation

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The 1971 Convention on Wetlands of International Importance, especially for Waterfowl Conservation (Ramsar) is important from several standpoints. It is the oldest international conservation convention and it is the only one that protects one general ecosystem type. Ramsar provides signatory nations with general and specific guidelines for conserving and managing wetlands resources and their associated wildlife. Here we consider the implementation of Ramsar within Nepal, a Party since 1987, based on the country's national policy that came into force in 2003. The most important site in Nepal is Koshi Tappu Wildlife Reserve, which contains: 1) habitat for the last Nepalese population of wild buffalo, 2) over-wintering habitat for many waterfowl and, 3) stopover habitat for many shorebirds. Koshi Tappu is also threats of encroachment.

We conclude that the policy is well drafted based on legal requirements of Ramsar and policy directives from the Convention Bureau. Gaps in implementation are local and include: 1) jurisdictional issues among agencies, 2) less protection due to the Maoist insurrection and, 3) weak structures for fostering participatory management regimes, both nationally and internationally. We discuss these issues with focus on migratory bird conservation and the implications that these gaps may have for broader regional conservation.

Urban Sprawl in the Kathmandu Valley of Nepal from 1964-2003: A Challenge for Urban Policy Makers and Planners

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Urban policy makers and planners have been struggling to gather spatial information of urban environments such as buildings, roads, and other open areas and to identify robust urban analytical technologies. Collecting information on urban dynamics becomes highly time-consuming and expensive due to frequent changes in urban morphologies and demographics. However, remote sensing and geographic information systems (GIS), given their cost-

effectiveness and technological soundness, are increasingly being used to assess the relative contributions of each type of land cover to the overall change in urban morphology with certain degree of certainty. Such information is useful for a wide array of urban policy-formulation, planning, testing hypotheses and models and to predict urban changes.

This paper presents theoretical and methodological approaches of gathering urban morphological features of the Kathmandu Valley of Nepal to bridge the spatial data gap. It uses Quickbird image (0.64m x 0.64m) of 2003, Enhanced Thematic Mapper (ETM+) of 2003, Thematic Mapper (TM) images of 1995 and 1998; Multispectral Scanner (MSS) images of 1980 and 1973, and Aerial Photos of 1964-1968. It also uses topographic maps (1:24,000) of 1978, 1988, and 2000 for validation of urban areas extracted from image analyses. All the urban features extracted from various images and topographic maps will be compared with the detailed features seen on the Quickbird image of 2003. Then this paper examines the pace of outward expansion of the city and the conditions of the inner core city areas inhabited by influential citizens given the recent economic and political influences. An analysis of urban morphology is essential to examine the quality of services that is needed in case of natural disasters, such as earthquakes. Since the Kathmandu Valley lies in one of the 29 seismic zones of the world, urban planners need to examine different scenarios of land allocations and reallocations for providing emergency services at the time of natural calamities. Methodological approaches developed by this paper might be useful to deriving indicators of social and economic conditions that prevail within urban landscape of the Kathmandu Valley from 1964-2003 and elsewhere having similar geographic and cultural contexts.

Determinants and Consequences of Chronic versus Transient Poverty in Nepal

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As in most other poor countries, the poverty reduction strategies and policies in Nepal are primarily informed by periodic cross-section household income data that provide estimates of static poverty rates. Interestingly, however, the focus of these policies appears to be chronic or long-term poverty—poverty that is not necessarily reflected in cross-sectional survey data. While estimates of poverty at specific points in time might correlate with chronic poverty to some extent, such estimates are more representative of poverty that is transient in nature. Hence, an issue of interest is the extent to which there is an overlap between the factors that explain transient and chronic poverty.

In the case of Nepal, however, a rigorous analysis of the factors behind chronic and transient poverty has never been performed. Hence, the main objective of this study is to explore the differential impacts of various poverty determinants on chronic versus transient poverty at the household level, with a special focus on three explanatory factors: wealth, human capital, and ethnicity.

Since human capital is a potential determinant of poverty, policymakers view investment in human capital as a major long run strategy for tackling both transient and chronic poverty. But an individual's level of human capital itself is influenced by her income and assets. It is, however, not clear how the level of human capital differs between individuals from chronically poor and transient poor households, when the influence of wealth and ethnicity is also taken into account. A second objective of this study is, therefore, to determine the extent to which differences in wealth and ethnicity can explain the difference in human capital between individuals from chronically poor and transient poor households.

The data used in this study are drawn primarily from the Nepal Living Standards Survey (NLSS) conducted by the Nepal Central Bureau of Statistics in 1995/1996 and 2003/2004. This national level survey includes a panel component of 962 households as well as a large cross-sectional sample of over 3000 households in each of the two years.

This study utilizes a multinomial logit model to analyze the determinants of chronic versus transient poverty. The dependent variable of the model can take one of three discrete values indicating the poverty status of a household (chronic poor, transient poor, and non-poor). The difference in the level of human capital for individuals from chronically poor versus transient poor households and the extent to which this difference can be explained by wealth and ethnicity is investigated using a technique known as the Blinder-Oaxaca decomposition method.

Although there are a number of studies in the literature on the determinants of chronic and transient poverty, we are not aware of other published studies on Nepal that analyze these issues using quantitative data. This research also makes a contribution to the scholarship on poverty dynamics by exploring how human capital accumulation—an important strategy for long term poverty reduction—is affected differently by the poverty status of individuals.

Nepal and Bhutan: Development Strategies and Growth

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Nepal and Bhutan are two landlocked countries bordering India in the east, west and south, and the Tibetan autonomous region of China in the north. In Nepal the Shah dynasty has ruled the country since 1776. However, for 104 years during this period, the Ranas ruled Nepal by seizing power and establishing a hereditary premiership which ended in 1951. Since then, the Shah kings continued to rule the country with absolute powers until 1990 when multiparty democracy was introduced. Since February 2005, the present king has assumed absolute powers once again.

Bhutan's monarchy, however, is relatively new. It was established by the British in 1907. Three years later, Bhutan and Britain signed an agreement in which the British agreed not to intervene in Bhutan's internal affairs. In return, Bhutan allowed Britain to direct its foreign affairs. When India gained independence from Britain in 1947, the British role with respect to Bhutan was assumed by the Government of India. The Government of India subsequently returned the area of Bhutan that had been annexed by the British. India also formalized an annual subsidy that Bhutan would receive and defined India's responsibilities pertaining to Bhutan's defense and foreign relations. The Bhutanese king continued his rule as an absolute monarch. However, in March 2005 he unveiled a draft constitution to introduce major democratic reforms and pledged a national referendum for its approval. The date for the referendum day, however, has not yet been announced.

Although Nepal and Bhutan share similarities in terms of the role of the monarchy, geography and proximity to India, there are stark differences. For instance, although India is highly dependent on India, particularly with respect to trade and transit, it is relatively more independent than Bhutan in terms of defense policy and foreign affairs. Moreover, Nepal is much larger than Bhutan in terms of such aspects as population, arable land, agricultural production, hydropower potential, and the overall size of the economy. Another striking difference is the difference in growth rates of the economy—Bhutan's economy has grown much faster than that of Nepal, especially in recent years.

In this paper we examine the economic development strategies of both countries, using a “clinical economics approach” that is based on a thorough “differential diagnosis” (Sachs 2005). In addition, we develop and estimate growth models using macroeconomic data from both countries, paying particular attention to endogeneity of variables and robustness of tests. We hope that our findings will provide useful insight into the complex development problems these nations face and point the way to effective strategies for improving living standards.

Growth, Poverty and Income Distribution in Nepal: an Interactive Approach

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The economy of Nepal grew at a reasonably fast pace during the 1990s. Between 1990 and 2001, aggregate GDP increased by 5.3 percent per year and per capita income increased by more than 2.5 percent as the economy responded to macroeconomic stability, liberalization, declining population growth rates, and a rapid growth in trade (World Bank). The human development index improved as a result of better health and education indicators along with income growth. The proportion of the population living in absolute poverty declined which may have been a direct result of a relatively broad based growth performance of the economy. In the 2000s, however, political instability, effects of the global recession, and intensification of the Maoist conflict led to a sharp reduction in exports, manufacturing and tourism services. For the first time in 19 years, negative growth was recorded in 2002. In recent years, growth has continued to suffer and poverty has remained endemic. There is some evidence to suggest that income distribution has become more unequal as well. Both poverty and income distribution have been used by political analysts as an indicator of the socioeconomic structure that seems to help the rich and privileged to amass political power.

Today, the very fabric of Nepal's society is under serious strain from social and political unrest. The Maoist insurgency has claimed more than 13,000 lives and dominates the national agenda. In such a tumultuous environment, it is certainly difficult to be sanguine about the prospects of economic growth and improving living standards in Nepal. Yet, an articulate and comprehensive drive to promote economic development and utilize domestic resources efficiently is precisely what is needed. Regardless of what political situation emerges in the near future, political stability will not endure without sustained economic growth and improvement in living standards which has been illusive for most of Nepal's population.

Our research has two objectives. We first study the interrelations between growth, poverty and income distribution with a focus on the elasticity of poverty reduction with respect to growth and to a change in income distribution (Datta and Ravallion, 1992; Bourguignon, 2003). We believe poverty reduction should be the prime goal of growth in countries like Nepal that are at low stages of development. The situation in Nepal is, however, politically complex where reduction in income inequality must necessarily be given a high priority as well. How growth interacts with distribution then becomes a highly relevant question.

Our second objective is to conceptualize a model of economic growth that is driven by the existing resource constraint including institutional quality in the country (Acemoglu, *et al.*, 2005). It seeks to address the tradeoff in growth that may exist between a centralized and a more decentralized system of governance, sequential development of key sectors versus a more balanced approach toward growth, and public investment in infrastructure versus greater administrative support for development of the private sector. Much of this part of paper will be based on econometric estimation of the growth model.

Finally, we explore the types of institutional development that would be feasible and also desirable in growth. We will try to show how social structures in the country may be affected by the kind of economic growth we envision in the paper (Bourguignon, 2005). In sum, we take an integrated approach to an analysis of interlinkages between growth, poverty and inequality.

Comparative study of federation proposals for Nepal

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Nepal has practiced a unitary system of governance for the last 238 years since the territorial unification of the country by King Prithvi Narayan Shah. It is being argued by many that Khas Bahun and Chhetri, who make up less than 29 percent of population in Nepal, have been able to impose their language, religion, and culture on the rest of the population, by virtue of their close proximity to political power. Nepal is essentially a multilingual and multicultural country, where indigenous nationalities and Madhesis collectively make up 50 percent of the population; but, they have been marginalized from the political and economic development process. The Maoists, few other prominent political parties, and some scholars have demanded a federal restructuring of the state. In this paper I present political and economic arguments as to why cultural federalism is the best solution at this juncture of history in Nepal. Also, I evaluate nine federation proposals that have been made by political parties and individual scholars. Finally, I present my own proposal and describe the main features of the proposal.