
Berghof Foundation for Peace Support

**The Relevance of Local Conflict Resolution Mechanisms for
Systemic Conflict Transformation in Nepal**

By
Dev Raj Dahal
Head FES Nepal
and
Chandra Dev Bhatta
Research Scholar at LSE and Fellow on Social Development at the Washington
University in St. Louis, USA

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1. Introduction

Nepal's largely peaceful elections for the Constituent Assembly held in April 2008, followed by the swift declaration of a Republic on May 28 and subsequent exit of King Gyanendra took many external observers by surprise, and ushered in a totally new transitional political framework for the country. During the previous year unrest in the Terai region had threatened to throw the electoral path off course, resulting in a postponement from the November 2007 date. Members of the *Madhesis* community – (people of the southern plains, an estimated third of the country's population) protested, at times violently, against discrimination and exclusion from negotiations and public life. Demonstrations and armed confrontations between political rivals resulted in fatalities and highlighted demand for government response to needs including meaningful electoral representation, affirmative action for excluded or marginalized groups and inclusive, localized decision making. The latter is high on a national agenda framed in debates on federalist solutions for the state. But as a long running structural deficit in Nepali life it is also relevant to local level conflict resolution mechanisms, and how or whether these function in the new state.

The CPN (Maoist) insurgency altered both the social and political structure of Nepali state. But, the Track-I peace negotiation process which excluded women, *Dalits* (subordinate castes), *Madhesis* and indigenous people also fuelled new sources of conflict based on identity. In the absence of broad-based national consensus, interim power-sharing provoked resistance from numerous excluded groups who feel that structural injustices are the root causes of violence and oppression. This study will trace the negotiated settlement in Nepal and subsequent movement from armed struggle to political competition; the pattern of actors, needs and tensions; and implications for conflict transformation in Nepal. It will position the local level within a wider systemic analysis.

The twelve-point agreement signed between Seven-Party Alliance (SPA)¹ and the Communist Party of Nepal-Maoist (CPN-Maoist) in New Delhi, India, on November 22, 2005 followed by the mass movement of April 2006 contributed towards the return of democratic rule and brought the CPN (Maoist) into the political mainstream. The restoration of parliament (dissolved by royal decree on May 22, 2003) and subsequent political reforms enabled civilian control of Nepal Army (NA), the promise of a secular and federal state, and declaration of republic endorsed by the first meeting of Constituent Assembly (CA). The promulgation of an Interim Constitution, formation of interim parliament and interim government with CPN (Maoist) on board provided temporary respite to the country.

However, the rise of various non-state-actors and the CPN (Maoist)'s political outfits--Young Communist League (YCL) were seen by political parties as a serious threat to the peace process, governmental stability and risk to holding CA elections. In the same vein, the Madhesi Peoples' Rights Forum (MPRF) demand for a fully proportional electoral system, recognition of Tarai as a single unit and proportional sharing of power

¹ SPA includes seven political parties- recently unified Nepali Congress (NC) and Nepali Congress (Democratic), Communist Party of Nepal Unified Marxist-Leninist (CPN-UML), Communist Party of Nepal (Maoist), Nepal Sadhavana Party (Anandi Devi), Smayukta Jana Morcha Nepal (SJN), Nepal Workers and Peasants Party (NeWPP) and United Left Front (ULF).

for Madhesi people in governance has challenged the constitutional stability in the country. Signing of accords with the MPRF, Nepal Federation of Ethnic Nationalities (NEFIN), Chure Bhavar Unity Society (CBUS) and Federal Limbuwan State Council (FLSC), was partly successful while talks with Khambuwan Liberation Front (KLF), United Republican Dalit Liberation Front (URDLF), various groups of JTMM etc failed completely. The maintenance of a revolutionary condition in the country provided an incentive for a new bargaining environment for various intra and extra-societal groups. Moreover, the unresolved issues of security, disarmament and demobilization—plus the merging into a single army of former adversaries, meant an uneasy status quo.

For a time, armed non-state actors² and their engagement in competitive violence to expand their interest in political space eroded the capacity and will of the state to maintain public order and perform governance functions. Such actors were able to impose their own sets of rules in a bid to create autonomous power centers and acting as spoilers of peace. Human rights violations, kidnapping, extortion, illegal land grabbing and lawlessness in the country were the consequence of the erosion of the monopoly of violence - the *raison d'etre* of modern state. The state was perceived as sharply and vertically divided— with the incumbent political class as detached elites, and the critical mass of society (located in each party, civil society and intellectuals) demanding the abolition of severely stratified and patrimonial culture. Questions of trust between members of the SPA, and visible competition for positions seemed to weaken the possibility for the evolution of a new democratic centre capable of deriving support from all actors for defining the nation's peace.

The open political conflict between royal regime and SPA during the April movement of 2006 transformed into multilayer conflict, which then spread horizontally across different societal groups.³ The open conflicts within the SPA, and between it and armed non-state actors were linked to other sets of latent social conflicts concerning grievances of ethnic groups; Dalits, indigenous peoples, Madhesis, women, workers, victims of human rights abuse, bonded labor and professional associations fighting for their own sets of rights, opportunities and identities. These groups demand inclusion in a

² There are eighteen functionally autonomous armed groups in operation—three factions of *Tarai Janatantrik Mukti Morcha* (TJMM) whose leaders are ex-Maoist, Tarai Cobra (TC), Tarai Army (TA), *People's Republic Tarai Liberation Front* (PRTL), Madhesi Liberation Tigers (MMT), Nepal Defense Army (NDA), Madhesi Virus Killers Party (MVKP), *Nepal Janatantrik Party* (NJP), *Rastriya Army Nepal* (RAN), *Joint Tharu National Morcha* (JTNM), etc engaged in competitive violence. Regular fights among these groups, inaction of the government against wrong doers, security vacuum in rural areas and a series of political deadlocks continue to preclude state stability and rule of law. Besides, movement-oriented *Madhesi Peoples' Rights Forum* (MPRF), Limbuwan Liberation Front (LLF), Khambuwan Liberation Front (KMM), and Tharus are demanding federal structure, proportional representation and self-rule. *The Chure Bhavar Unity Society* (CBUS) has emerged in the foothills of mountains as a reaction against the anti-hill onslaughts of MJAF and other armed groups. The other movement-oriented actors, such as Tamang Autonomous Region Democratic Front, Federal Democratic Republic Joint Struggle Committee, Democratic Madhesi Liberation Front (DMLF), Federal Democratic National Forum (FDNF), Tamangsaling Autonomous State Committee (TASC) and Federal Limbuwan State Committee (FLSC) etc have emerged in response to the weakening power of the state and its inability to provide security, law and order and justice to the marginalized people. These groups think that federal autonomy is a part of the solution of their problems and reinventing social boundaries that distinguish them from other minorities.

³ Nepal's conflict emerge as a complex combination of structural and proxy causes, such as neglect of the population of mid-west hills, urban-rural disparity, social discrimination of women, Dalits and marginalized, weak governance, declining economic performance, manipulation of ethnic and regional identities, distributional struggle waged by subsidiary identities, proliferation of small arms and regional and global drivers of conflict (Dahal, 2005).

new order of distribution of rights and resources. But, lack of any consideration of duties towards others weakened the balance-restoring loop in the political system.

Understanding Nepal's multi-level conflicts thus requires contextual learning about the actors' goals and means, and their interactions with internal and external forces and the environment. Here are tensions including the transition from tradition to modernity and active monarchy to democracy. There remains a huge challenge in realizing national reconciliation and national dialogue where leaders and citizens can communicate with each other for a shared future.

The study sees mechanisms of local conflict resolution within the larger framework of a systemic approach to conflict transformation as being used and applied by the Berghof Foundation for Peace Support and the Friedrich Ebert Foundation in Nepal. There are three distinct features where local mechanisms can feed into a more systemic understanding: First, systemic conflict transformation tries to identify resources within systems which are key for social and political change towards sustainable and just peace and which needs to be activated in order to support these change processes. Second, systemic conflict transformation focuses also on key agents of constructive change, who encompass not only those persons which already believe in the necessity of non-violent change processes, but also influential decision makers (who might need to be enlightened). Third, activities on different levels of the "conflict system" impact on each other and can affect choices and design for institutionalisation which best serves constructive communication between different tracks (BFPS, 2007).

2. The Conflict System: Multiple Actors, Fragmentation and Reconfiguration

The CPA talks about the "management of conflict" through the social, economic, cultural and political transformation. But, conflict transformation in Nepal will require tackling structural causes, enabling agents of change to engage constructively with key actors in assessing fundamental issues and inventing options to peacefully resolve them. The binary nature of state-centric CPN (Maoist) conflict has now shifted to multi-level conflicts which will require transformation in various domains. For example – transition to democracy which clearly delivers to the people, actor transformation - such as rise of CPN (Maoist) and political party system reform, managing non-state armed actors of various persuasion, changing from a unitary to federal system of governance and from a winner-takes-all election system to a mixed one; and the need for a new constitution based on consultative processes. There is, however, no clear road map to manage and sustain these transformations as educational, economic, technological, institutional and leadership conditions of modernity are feeble.

Barring a few exceptions, armed conflicts now have become more local and regional in nature, pitting one group against the other in an increasingly fragmented political situation. The militarization of politics has meant that leaders came to depend on force to achieve their goals. The SPA components are partly tied by a common interest to monopolize power and common threat perception of traditional forces but their rational calculation was based on competition for positions, and patronage. Due to incompatible goals and means they also at times chose unilateral strategies. A free and

fair election for CA allows political life to seek a balance of all sides in the social contract. The CPN (Maoist) was not a status quo power that favored system stability; rather considered itself a revolutionary party aiming to establish democratic republic in the short-run and People's Republic in the long run; "revolutionary transformation" of Nepali politics. In the interim period leading up to the elections for the CA, opposing identities, self-images, memories, capabilities, characters and expectations of various actors made an uneasy accommodation and at times the widening of conflict positions.

In the absence of a broad-based functional central government and given the increasing cycle of violence, a culture of impunity emerged which encouraged rulers and non-state actors to take law into their own hands and become drivers of conflict escalation. This was in keeping with Nepal's classical aphorism, "Law for the poor, immunity for the rich." The mobilization of the Madhesi identity and others acquired increasing weight in fragile political conditions, through the militancy of MPRF, defection of Madhesi legislators from various parties and splinter groups who are now demanding for autonomy. The Madhesi legislators even defied the whip of their party leaders and some of them established a Madhesh-Tarai Loktantrik Party (MTLP) claiming to represent the aspirations of Madhesi people. The ineffectiveness of ruling parties in redressing the grievances of the Madhesis and subsequent upheaval in the region eroded the traditional base of mainstream parties; challenged the old-style structure and political culture based on patronage; left the various actors to compete to occupy this vacant political space and created internal boundaries along communal, ethnic, territorial, linguistic and political lines.

Other transformation-oriented non-state actors' political actions⁴ are also challenging the central authority of Nepali state. A security vacuum for many in society put mounting pressure on the coalition government to become transparent, inclusive and responsive. The elites of these groups feel that they are being treated unfairly by the polity and seeking to turn relative differences into absolute ones. The government's principled, constructive and comprehensive re-engagement with non-state actors is essential in view of their potential to become major players which can only be ignored at the risk of continuing turmoil and system instability. A negotiated outcome alone would be able to put a tab on many other anarchist forms of civil society groups who favored total destruction of the state for the creation of "New Nepal," negated national unification day, destroyed icons of national unity (national poets and leaders) and undermined the contribution of previous leaders in democratic movement. Encouraging civil society groups and non-state actors to espouse a feeling of national identity is a precondition in building democratic citizenship loyal to modern state and conditions for non-violent structural change. The Nepalese civil society groups, while emphasizing the need for inclusive processes are themselves fragmented and partisan with respect to priority setting about national security and peace. There is a marked tendency to be motivated by their own policy preferences, to secure benefits for themselves.

⁴ On August 16 2007 the CPN (Maoist) formed separate committees for eight different ethnic-based states under a federal structure of the country. They are: Seti-Mahakali, Tharuwan, Bheri-Karnali, Magarat, Tamuwan, Tambashaling, Newa and Madhesh states. The meeting also decided to launch movements in a coordinated manner for a republic and proportional election system to ensure free and fair CA elections. The CPN (Maoist) has blended class with ethnicity, caste and gender. This has prompted other parties to follow suit. The reinforcement of ethnic identity of people now contests against the national identity and unravels ancient prejudice and potentiality of conflict.

The social movements initiated by women, *Dalits*, *Madhesis*, *Janajatis*, indigenous people and pressure exerted by the macro political actors such as MJAF and NEFIN on the SPA government is crucially important for the solution of conflict through inclusion, self-determination, federalism, proportional representation and affirmative change in the existing system and patterns of relations. Social movements have transformed the people from spectators to political actors, a process that is based on critical masses that have emerged within every social group (Dahal, 2004:7). Neglect of these aspirations can easily escalate tension as these forces have refused to be satisfied, constantly increased their demands and did not value their systemic ties with various political parties. An inter and intra-party dialogue, in this sense, is important to overcome common challenges, improve the parties' core functions and coordinate a strong negotiating position before a myriad of armed and movement-oriented non-state actors. The peace units recently established within mainstream political parties to analyze conflict and constructively engage in the peace process must be made effective, process-oriented and institutionalized. A reasonable and long-term resolution of various conflicts requires all the actors to coordinate their goals and actions in response to emerging challenges and their access to decision-making bodies.

The peace process has been strained by the irresolution of the old problems such as weak governance, absence of state security in the peripheral areas, economic volatility, poverty, high unemployment, poor education, discrimination, distributional struggle of social forces and inaction of the state to cope with political violence generated by non-state actors. Regular strikes and work stoppage as a tool of political activism has negative consequences for production, distribution, trade and investment. Only remittances brought by lower middle class worker is working as a vital lifeline and a source of support and investment for the rural economy. The SPA has failed to set a long-term national vision of the nation, address the taproots of Nepal's multi-layered conflicts— direct, structural, manifest, perceptual and latent—and handle the problem of multi-partisan governance.

The SPA could be said to represent a short-term identity of interests than a long-term value consensus to attain the goal of democratic peace. It still reflects diverse mindsets and the contest over the ends and means of Nepal's new vision. The CPN (Maoist)'s preference for the declaration of a republic and proportional election system before the CA elections opened fissures within the SPA components. It has also brought CPN (Maoist) closer to dissident factions of MJAF, NEFIN, Dalits, women and series of radical societal groups. Among many movement-oriented actors the government has become partially successful to negotiate with NEFIN, MJAF and CBUS and accommodated some of their legitimate grievances, such as constitutional guarantee of at least one representation each of all 59 officially recognized ethnic groups in the CA, federal structure of the state and inclusive measures. The rebel elements within these groups, however, opposed the deals with the government and announced their protest programs.

But, there is another divergence—CPN (Maoist) is demolisher of liberal-capitalist system while other components of SPA prefer to preserve this system. What unites SPA is the common desire to monopolize power, isolate their common rivals – the Rastriya Janashakti Party (RJP), Rastriya Prajatantra Party (RPP) and other political minorities and inflict total insecurity to the supporters of *ancien regime*. It has revisited Nepal's historical political culture rooted into vengeance and self-aggrandizement. There have been virtually no economic, political and security incentives for the excluded and

marginalized actors to level the playing field, commit to the SPA and adopt a path to non-violent structural transformation.

It is not easy to make a political transition from feudalism to modern democracy without corresponding socialization, institution-building and civic political culture. The SPA is caught in a series of deadlocks over the distribution of positions. The politics of deadlock, like deterrence, has offered all macro actors a situation of no-win while for the micro non-state armed actors it provided significant autonomy to pursue their own agenda. Serious contradictions will need to be resolved in the process of transformation.

For example, various intra-societal and extra-societal groups of Nepal have adopted a model of society based on "choice" defined as having access to policy decisions, equality, participation and accountability. Independent civil society groups, advocacy groups and movement-oriented various federations⁵ - the critical mass of non-violent social and political agents of change within the system are communicating with different tracks of conflict system and pro-actively engaged, using non-violent approaches. Many of these federations are Track II level actors. They have the capacity to transcend party politics, represent various functional interest groups of society and influence decision-making. Their growing belief in the rationality of collective action has contributed to democratic dynamics in the past, introduced social justice and initiated policy change in a number of areas beyond the boundary of power calculating Track I actors. The Track II actors have played roles in bringing the CPN (Maoist) and SPA for 12-point accord, contributed to successful mass movements, peace observation, monitoring of ceasefire and human rights and lobbying for the speedy political transition in the country. The social movements of these federations acted as a stimulus for SPA for constructive communication between different levels and democratic transformation from violent to non-violent change. But, now due to a lack of coherence and strong collective identity their potential remains unutilized in policy innovation and peace building.

3. Major Issues of Conflict

There is a perpetual contradiction between the state's imperative of public order, and diverse societies' need for freedom, inclusion, power, resource, opportunity and identity. In what seemed to be a gap or vacuum in genuine representation and democratic leadership, the SPA's was perceived as unable to fulfill their "commitment accountabilities" to basic values underlined in the 12-point agreement, the CPA, interim constitution and 23-point accord. This prompted various societal groups to organize their own critical mass as agents of change to broaden the methods of political action towards equality, participation and mutual gain against hierarchy, patriarchy and order. There are two fundamental sources for problems: institutionalized separation between SPA and

⁵ These national level federations include NEFIN, Municipal Association of Nepal (MuAN), Association of District Development Committee of Nepal (ADDCN), National Association of Village Development Committee of Nepal (NAVIN), Trade union federations, Dalit federations, Federation of Nepalese Journalists (FNJ), NGO Federation of Nepal, Federation of Community Forestry User's Group (FECOFUN), Federation of Nepalese Chambers of Commerce and Industries (FNCCI), Professional Alliance for Peace and Democracy (PAPAD), Nepal Law Society (NLS), Nepal Bar Association (NBA), etc.

other forces and the monopoly of power by the former. Hence the political game was over domination rather than consolidation of democratic process. The major contending issues of Nepalese politics have been:

3.1 Institution of Monarchy

On December 28, 2007 the Interim Parliament passed a third amendment to the Interim Constitution, stating that Nepal would become a federal democratic republic subject to its endorsement by the first meeting of CA. It also empowered the parliament, through a two-third majority, to abolish the monarchy before the CA elections if the government was convinced that the King was conspiring against the elections. While the left parties discussed the "ideal model of a republic," the NC, a section of CPN-UML, RPP and Rastriya Janashakti Party (RJP) were not ready for it before the CA elections. Pro-monarch and Hindu parties such as RPP-Nepal has floated the idea of constitutional monarchy, a section of NC wanted to retain a ceremonial monarchy and Nepal Workers and Peasant's Party (NeWPP) floated the concept of Citizen King. Premier Koirala instructed his party to go for a republic platform in the CA. But, the moderate section of NC led by its founding member, K. P. Bhattarai preferred reconciliation with the King to give continuity to monarchy as a symbol of national unity and follow the reconciliation path trodden by B. P. Koirala, the first elected Prime Minister. The government nationalized the property of late King Birendra and his family and property inherited by King Gyanendra. King Gyanendra dubbed these measures "undemocratic." Later he was to leave the palace altogether, in a dignified and face-saving exit which was both real and symbolic for the peace process.

3.2 Constituent Assembly

The long anticipated election for a Constituent Assembly was held in Nepal on 10 April 2008, having been postponed from earlier dates of 20 June 2007 and 22 November 2007. The assembly will draft a new constitution over a period of two years, deliberating critical issues including federalism. The Communist Party of Nepal (Maoist) placed first in the election with 220 out of 575 elected seats, emerging as the largest party in the Constituent Assembly. It was followed by the Nepali Congress with 110 seats and the Communist Party of Nepal (Unified Marxist-Leninist) with 103 seats.

The CA is an ambitious undertaking, with 601-members: 240 elected through first-past-the-post, 335 elected in proportion to the popular votes garnered by the parties and the remaining 26 nominated by the cabinet. It is also an opportunity to break the deadlock in politics which long hampered the peace process and weakened the state's institutional capacity to absorb the diverse societal actors into a process of national discourse. In a country like Nepal where both politics and economy are city-centered, political stability can be acquired only through adequate representation of social diversity in political power.

3.3 Disarmament

The Comprehensive Peace Agreement (CPA) signed on November 21, 2006 promised to "manage conflict" through cultural, social, economic and political transformation and demilitarization of politics. It formally ended a decade-long CPN (Maoist) insurgency and

opened avenues to lock up weapons of NA and People's Liberation Army (PLA) under the UN supervision. However, the macro processes of Demobilization, Disarmament and Reintegration (DDR) and Security Sector Reform (SSR) are slow because of growing distrust between the ruling parties. The Article of Interim Constitution mandated the Interim Council of Ministers (ICM) to form a special committee for the "monitoring, adjustment and rehabilitation of Maoist combatants." The CPA also spells out the role of ICM to "supervise, integrate and rehabilitate" the PLA. The notion of "adjustment" has, however, provoked serious differences within the SPA as CPN (Maoist) considers this as a merger of PLA into the NA while NA defines it as its integration in society and argues that it is committed to a political system that "comes through the ballot, not the bullet."

Some members of SPA fear the consequences of integrating the politically indoctrinated PLA into NA, while for CPN (Maoist) leaders, restructuring of the state is only possible with restructuring of NA. Hence SPA's future plan about the integration of PLA requires a comprehensive approach to security, integration and development. Reintegrating armed forces and victims and rehabilitation of internally displaced peoples (IDPS) into productive civilian life is a key to the success of peace process. Security, in no way, can be disentangled from politics. The NA has suggested the government to consider using it to protect country's sovereignty and independence besides consolidating democratic system in the country. Hence, a nationally-owned security sector reforms rooted into specific needs and conditions of the country is crucial for successful democratization, peace building and development efforts. The UNMIN has completed the second phase of registration and verification of PLA and disclosed that out of 32,350 Maoist combatants registered only 19,602 of them passed the verification process. Those not appearing and underage were disqualified. Unless those disqualified are given opportunity to be integrated into civilian life, the risk of their joining the Young Communist League persists. The YCL has emerged in some areas as an almost paramilitary force in its own right, claiming a policing function and at times accused of intimidating behaviours.

3.4 State Restructuring

The Interim Constitution talks about the restructuring of the state along federal lines to address existing "class, caste, regional and gender" bias and empower these forces to resolve deep-rooted structural problems. But, there has been a great deal of confusion about the model of democracy itself as each political party defines democracy in its own way. Similarly, there are divergent views on state restructuring. As a result, the issue of restructuring has been left to the yet-to-be formed High Level State Restructuring Commission. Nepali leaders are not clear as to how they want to go about, what type of restructuring would best suit to make the state inclusive and responsive and overcome perceived and actual deficit of state authority and capacity to perform governance functions. Some argue that federalism based on ethnicity would resolve Nepal's problems of power centralization and structural injustice while others view that ethnic federalism alone would not result in power decentralization and self-governance. They fear that it will exclude minorities, limit internal market integration and threaten sustainable peace. The Nepal Federation of Indigenous Nationalities (NEFIN) advocates restructuring of the country on the basis of ethnicity, language and territory. NC leaders have proposed a model of federalism on the basis of territory, population, language, economy and cultural identity. The CPN-UML prefers to create federalism on the basis of caste-based

population, use of mother tongue, culture and geography and CPN (Maoist) wants to federalize the state on basis of ethno-territorial autonomy. The Madhesi groups prefer regional autonomy for entire Tarai. The NC, CPN-UML and Maoists advocate three languages—Nepali as a language of the nation, English as an international language, and one more provincial language.

3.5 Managing the Conflict Residues

Violent conflict caused the death of 15,000 persons, displacement of 270,000 and forced the migration of 1.5 million youths to various countries. According to the Society of the Families of the Disappeared, there are about 5,000 people still missing after their forced disappearances during the country's civil war. The exodus of educated youths left rural areas devoid of critical mass and productive power to dynamize the rural economy. People are asking for the return of their ancestral lands, houses and property from the CPN (Maoist) as promised in the CPA. Conflicts associated with land redistribution tend to be very problematic in the post-CPA period as all the left parties promised to redistribute land and other resources to the bonded labors, landless and conflict victims to strengthen their capacity. Revitalization of the access of the poor in resources and economic transactions are keys to reconciliation process. But, this must be combined with the organization of informal sector economy to enhance the livelihoods of the poor. The war displaced many people from their villages, communities and families who were forced to settle as IDPs and refugee shelters in towns. New conflicts in Tarai have created a division between the Hill and the Tarai people. Unmonitored movement of former combatants, crime and lawlessness and regular squabbles of various armed groups and political parties with Maoist-affiliated YCL (as above) illustrate the nature of challenges. The return process is slow and conflict-prone because most of the project implementing agencies are focusing more on the political process than social and economic reconstruction.

3.6 Non-State Actors

The period between the signing of the CPA and the elections to the Constituent Assembly saw the rise of two dozen non-state armed actors and incapacity of government to address security, political, social and economic problems, effectively paralyzing Nepali state. Some groups in Tarai agitated with critical demands.⁶ Other groups emerged as separatist forces which widened the division between peoples of hill and Tarai origins.⁷ Regular

⁶ On February 9th, 2008 Nepal Sadbhavana Party (NSP), Tarai-Madhesh Loktantrik Party (TMLP) and Madhesi People Rights Forum (MPRF) created a United Democratic Madhesi Front (UDMF) to step up pressure on the government to get their six-point demand fulfilled. These demands are: constitutional guarantee of autonomous Madhesh region with the right of self-determination, immediate implementation of constitutional provision regarding equal representation of all marginalized groups in all sectors of governance and immediate en masse recruitment of Madhesis in Nepal Army, recognition of martyrdom for all 45 Madhesis killed during the Madhesh movement, state funded treatment and compensation for the injured and genuine efforts to bring armed outfits of Madhesh to a negotiation table. If their demands are not met they will organize indefinite strike in Madhesh from February 16 and from February 17 and impose economic blockade. Premier Koirala began talks through back channel with five agitating Madhesi groups—TMLP, MPRF, NSP and both groups of JTMM and has established a SPA talk team but there has been no progress so far.

⁷ Senior politician Ram Raja Prasad Singh revealed that in a meeting in Patna, India, where President of MJAF Upendra Yadav and JTMM chief Jwala Singh were present he was asked by Jwala Singh to head all Tarai groups and declare Tarai a separate independent state. He declined to accept it and the meeting collapsed. The CPN

fighting among these groups and government's inability to punish wrong doers created an authority vacuum in rural areas and thereby putting transition management at risk.⁸ This situation continues to inhibit the state's ability to provide even classic public goods such as security, law and order, basic services and a condition of stable civil co-existence. Disarming the widely dispersed non-state armed actors is not possible without coordinated efforts of major political parties at all levels—local, district and national, fulfillment of legitimate demands and separation of political elements from criminals. Similarly, due to the open border with India, a sense of solidarity with cross-border communities and easy availability of weapons make bilateral cooperation important to control the proliferation of small arms in the country.

3.7 Regional and International Drivers of Conflict and Peace

Nepal is highly dependent on the international community for its survival and development. This is the reason regional and global actors exercise enormous leverage on its policies through their diplomacy, development aid, legitimacy and advisory, military and technical forms of support. Donors previously committed the government and CPN (Maoist) to accept Basic Operating Guidelines (BOG) to expand the development space and allow development and humanitarian interventions. Still there is a lack of coherence in donors policies due to their differing interests and non-state armed actors are not a party to the BOG. Extra-territorial influence in Nepali politics is high because each political party, mainstream civil society groups and market institutions are affiliated with like-minded force across the border with India. And conflict and diplomacy are shaped more by cross-border relationships of actors than by national collective action.

With the consent of government and CPN (Maoist) United Nations Mission to Nepal (UNMIN) was deployed to build confidence-building measures among Nepalese political actors and move forward peace process by providing logistical as well as technical support in areas such as monitoring of ceasefire, armies and arms, human rights and electoral process. Although the United States has supported Nepal's transition to peace and is also helping to engage government and societal actors it has, however, not formally removed the Maoists from the U.S. list of terrorist organizations. For geo-strategic reasons, the US and the UK are coordinating their policies with India, appreciated India's role in bringing CPN (Maoist) to mainstream politics and exerting pressure to abandon violence. They often exerted influence to have friendly regime in power. The US fears the presence of majority of leftist forces in the parliament and activities of YCL, hence favors the primacy of democratic forces and moderation of leftist forces. The CPN (Maoist) leaders view that their relations with the US is improving with the visit of former US President Jimmy Carter to Nepal twice and recently the meeting of leadership with the new Ambassador of the USA.

But, senior Bharatiya Janata Party (BJP) leader of India and former foreign minister Jaswant Singh argued that Nepal should remain a Hindu state and expressed

(Maoist) has rejected secession and demanded a unified Madhesh region comprising all its communities. The JTMM (Goit) has expressed its interest for talk with the government under UN mediation.

⁸ Prolonged deadlock has occurred in appointing ambassadors, secretaries, members of National Human Rights Commission of Nepal (NHRC), university authorities, school teachers, Truth and Reconciliation Commission (TRC), local government authorities, Local Peace Committees, etc. due to competition among the SPA for positions.

unhappiness over the role of the US in Nepal's sensitive geopolitics. He said, "The United States has become active in Nepal taking advantage of India's inaction." The European Union (EU) has reaffirmed its support for Nepal's return to peace and democracy, settlement of conflict by breaking the cycle of escalating violence, ending impunity and linking concerns about the political and security situation, rule of law, human rights and peace building measures.

On June 17 Chinese Ambassador to Nepal, Zheng Xialing, said, "China will not tolerate any foreign intervention in Nepal" and showed interest to actively involve in Nepal's peace process. Beijing wants to develop better relations with CPN (Maoist) and has invited a senior member in the Maoist hierarchy, Barshaman Pun (aka Ananta), to China twice. Chinese leaders are especially worried about the events taking place in Tarai and asked the Nepalese to take independent decisions depending less on outside forces. The Swiss government facilitated the visit of top CPN (Maoist) leaders Prachanda and Dr. Baburam Bhattarai to gain knowledge about the state system, democracy and economy. Dr. Bhattarai participated in the Fifth Oslo Forum in Norway organized by Norwegian Foreign Ministry and NGO Center for Humanitarian Dialogue and shared his experience of peace process in Nepal. The international community can help foster short-term security for free and fair CA elections and long-term national security, peace and development.

The USA, Switzerland, Norway and Denmark are also supporting Nepal's transition to peace initiative (NTTP) undertaken by Peace Secretariat. Similarly, through the formation of International Technical Resource Support Group - the Peace Secretariat is receiving expertise in different aspects of peace process such as dialogue, security and reconciliation. To enhance the peace process, Germany has extended assistance in health services, medicine, roads, sanitation in the cantonments and surrounding areas and promoting skills for reconstruction, reintegration, and reconciliation of displaced people. Donors' support to the creation of indigenous capacity of local institutions is central to foster development-oriented transformation and break the culture of clientalism.

4. Challenges of the Conflict for the Local Level

Conflicts occurring at the local level mostly on the issues that affect every-day life of people⁹ have become political in nature due to increasing politicization of society. The CPN (Maoist) has also dismantled many old social, economic, political, cultural and religious structures at the local level, exposed the structural problems of Nepali society and questioned the utility of many dispute resolving mechanism that helped to maintain political socialization, social order, caste, class and gender domination, unequal exchanges and culture. Dismantling of these structures is deemed essential to bring

⁹ Such as class contradiction, feudal exploitation, tenancy rights, land related conflicts, conflict-induced displacement, clan rivalry, rehabilitation of ex-bonded labor, women's property, creditor-debtor relations, disputes on grazing rights, family quarrel, property partition, business transaction, crop damage compensation, water sharing related clash, road disputes, matrimonial rift, husband-wife squabble, trafficking of women and children, physical assaults, theft, untouchability, unpaid wages, disputes on the uses of nature's resources between VDCs etc.

transformation in conflict dynamic. Considering the judicial system an instrument of ruling class the CPN (Maoist) created People's Courts to adjudicate disputes and effect systemic transformation of societal norms, values, attitudes, laws and institutions. Due to this, many Maoist combatants and security forces fear reprisal when they return to their villages, others lack skills, education and economy to begin a new life.

The micro conflicts are very much low in their intensity but if appropriate dispute resolution mechanisms are not applied they can easily escalate or become entrenched, at the expense of local communities. Various types of conflict in Nepal continue to destroy the 'connectors' of society, upsetting the equilibrium of local systems built on historically derived and understood rules, hierarchy, patriarchy and institutions without placing sound transitional structures to support inclusion, participation and rule of law. Violence at the micro level does not foster a political climate conducive to trust building at the center. Moreover, one legacy of civil war is the disruption of any former status quo given "persistent change" in national, district and local power relationships. As a result of this, the system of conflict and its components are constantly changing.

Local bodies have used several formal and informal conflict resolution methods to resolve community level problems. The prime objective of the conflict management is to keep social cohesion and co-existence intact by searching for common ground, optimizing each actor's position, integrating the interest of weaker side into the compromise and persuading the victors and victims accept integrated solution mutually binding. Alternatively, in an ethnically and ideologically charged conflict, where sources are deep, it is possible to moderate disagreement, rather than seeking immediate resolution.

From the beginning of Nepal's history political authority that emerged from the social power of village chieftains, members of privileged groups, elites and priests already made conflict resolution possible to avoid social disintegration and strife. It has treasured a rich tradition of coordinating action of people based on local power equations, cultural practices and various religious treatises and helped to stabilize behavioral patterns. Where direct coordination in pursuit of collective goals failed to yield the payoffs, disputants invited third party to help resolve their disputes and abstained from imposing their will against each other.

5. Responses to Conflict from the Local Level

5.1 Formal Institutions of Conflict Resolution

To date Nepal has had a Supreme Court (SC), 16 appellate courts and 75 district courts having the authority to protect "public interest," and cope with state, public criminal and civilian cases. There are also quasi-judicial agencies, such as District Administration Offices (DAO), district line agencies, such as health, forestry, education, revenue, etc and district and area police offices which handle cases under their respective jurisdictions. The Supreme Court of Nepal has jurisdiction over all courts and cases involving legal and constitutional questions of public interest and the power of judicial review.

Introduction of alternative means of resolving conflict—both formal and informal—has become a key to foster rule of law in transition countries. In Nepal, this system is applied in the civil justice system. The Supreme Court of Nepal appreciates the alternative disputes resolution (ADR) and has initiated legal aid project for the poor. Accordingly, one lawyer is appointed in each appellate and most of district courts to provide free legal aid to the weaker sections of society.

The Local Self-Governance Act 1999 integrated homegrown methods to mediate local disputes. It gave some judicial power to local bodies for rule adjudication, arbitration and mediation through the medium of representation, pleas and arguments before an arbitration tribunal. Accordingly, Village Development Committees (VDCs) and municipalities can settle some minor conflicts through the formation of an Arbitration Board consisting of three persons, as agreed between the parties to a case, from among the persons enlisted in the list of arbitrators of the VDC. In case the conflicting parties do not agree with this arrangement, they can provide the names of two persons who are already enlisted in the list of arbitrators to the VDC. The VDC adds a third name and makes one of them chairperson of the arbitration board to hear, negotiate and settle the case. The arbitration of a dispute is possible if disputants accept the formal authority of the arbitrator to make decisions that will be binding on them (Dahal, Uprety and Subba, 2002:163-67). The VDC can punish the culprit with a specified and moderate amount of fine. The discontented party has the right to appeal to the District Court within thirty-five days of the hearing of the decision.

Keeping the ethos of public participation in the maintenance of law and order and to control and investigate crimes, Nepal Police came up with the concept of "community police" and set up 179 Community Police Services Centers in 72 districts of the country. The growing interface between police and the public through public awareness campaign such as school link programs, door-to-door visits, public seminars, sanitation programs, mass meetings and social interaction have helped to some extent to control a great deal of deep-rooted social crimes, like women and children trafficking, drug abuse, gambling, domestic violence, prostitution and various social ills. This practice has improved the image of police in society.

The Community Police Section of the Police Headquarters assists the community police service centers. Community policing program also organizes training and skill enhancement courses for the local communities including programs on health and sanitation, drinking water, distribution of saplings and regular health camps to address the need of the community, provide assistance to conflict victims and rehabilitate orphans and street children in the Child Service Center formed by it.

In Janakpur, the local police chief applied the concept of community police and created several clubs for youths and 150 communities to build linkages between the ordinary citizens and the police force to improve the interface between the state and society for developing trust, cooperation, resolution of conflict and peace building (Shrestha, 2004:438-461).

5.2 Traditional Approaches of Conflict Resolution

In the ancient period, indigenous institutions such as *Gram Parishad* (Village Council) used to organize a discussion to mediate conflict. They used to take the perspective of all conflicting sides, find identity of interests, construct a solution and legitimize this by

sacred *dharma* (institutional duties) interlinked with custom and morality. The Kirant regime (800 BC to 300AD) utilized *Mukhiya*, (village chief), *Bichari* (person knowledgeable on legal matters) and *Pancha-Bhaladami* (five elderly gentlemen) to mediate most of local conflicts. Tribal societies often considered elderly persons as source of wisdom and implemented their advice on matters of public and private concerns. In the Lichhavi regime (300 to 1200 AD), these traditional practices were institutionalized into *Panchali* system--a public place for meeting and adjudicating disputes. *Arya Samaj* (association of civilized persons) and *Birtawal* (landlord having some form of authority to collect land tax and settle disputes) were also given some powers to mediate local disputes. The Malla regime (1200 to 1769 AD) evolved institutions such as *Praman* (chief administrative officer) and several tiers of Panchayat to mediate local disputes. The Shah regime (beginning of 1769) legitimized various traditional arrangements-- *Pancha-Kachhahari*,¹⁰ *Pancha*, *Birtawal* and *Mukhiya* and *Amal Kot-Kachahari* (the village court consisting of elites of various factions)-- mediated conflict at community level. All these methods negotiated consensus through dialogues and community mediation. They did not challenge the controlling institutions and power of society instead reinforced the maintenance of social and political practices and order.

Rana regime (1846-1950) allowed the primacy of local customs over national *Muluki Ain* (Civil Code) for the settlement of local conflicts. The application of the principles of subsidiarity often played a role in helping people get instant justice. Although it was bottom up, the social code based on caste system was discriminatory towards Dalits, women and poor peoples' participation and, therefore, the methods of conflict resolution were coercive rather than collaborative due to imbalance in the negotiating strength of these groups. Large inequalities in status, education, skill and wealth made it extremely difficult for the weaker sections of society to ensure influence in any decision. But, those dissatisfied have the right to appeal to the Rana court that monopolized the functions of conflict resolution. After democratic innovation in Nepal in 1950 and the development of constitutional system conflict resolution was meant to readjust with democratic norms. The greater reputation granted by social power and moral obligation to rulers and village elites was transformed into sacred law backed by the Constitution. Political power also established courts as an organ of the state. The penetration of the state was accompanied by the erosion of traditional practices. But, again, laws and regulations have yet to be attuned with the spirit of humanitarian laws and human rights and changing power equations between different gender, groups, social classes and castes. During Panchayat regime (1962-1990) the Village and Town Panchayats were given some judicial power to mediate local disputes in their respective jurisdictions.

Nepal's ethnic minorities and indigenous societies are less hierarchic, patriarchic and more egalitarian than caste-based Hindu society. They uphold community-evolved norms, values, customs and religious beliefs and a sense of belonging to the particular community which is essential to maintain cohesion of different societal groups. In Gandak region, *Tamudhin* (*Gurung-ghar* previously led by *Mukhiya*), *Magar-Samaj* (Magar society) and *Thakali Samaj* continue to settle kinship and family friction and provide an environment within which the level of trust and sense of community bind the society for a durable peace. In eastern part of Nepal *Limbus* developed *Chumlung* (an assembly to

¹⁰ There is a famous saying in Nepali, "If you have lost a book go to Kashi, in India, if you don't get justice go to Gorkha."

discuss and decide local issues), *Muslims* in various parts trust *Mullah* (religious guru) and several communities in Tarai have evolved *Chaudhary* (community leader) to mediate community disputes. The reconciliation, rather than competition and individualism, characterizes the Buddhist and indigenous societies. But, the experience of the successful mediation in one community is hardly applied in cross-community disputes due to different nature of cultural traits and spaces of ties. Likewise, these institutions maintained social control by suppressing individuality and permitting coordination and integration through regulations.

Likewise, *Mukhiya* system in lower Mustang and *Raja system* (principality) in upper Mustang are old institutional arrangements which provided local governance and resolved local conflict on the basis of customary laws, standards and values. These characteristics are the product of long transactions—negotiation and interactions of families and communities. The level of trust among *Thakalis* is so high that only a few cases go to the court for resolution and their overriding concern is the conservation of society's dominant institutional practices. In the far-western region of Nepal, *Mukhiyas* are influential in mediating all sorts of local conflicts. There is also provision of constituting a group called *Bhaladmi* (gentlemen) who define a code to build trust and communication between the disputants, utilize historical precedent, seek common ground, make proposals for compromise, initiate public deliberation over common problems and seek joint solutions of conflicts. One can still find that agreements locally reached have some kind of gender, class and caste bias and, therefore, young people often contest such a resolution. Violent conflict has also disempowered traditional authorities. Creating a long-term peace process now depends on the extent to which societies incorporate the norms, values and institutions of democracy and commence constructive change through the mediation of interests and values.

5.3 Potentials of Traditional Approaches in the Conflict Resolution

Many customary laws shaped by the ethical norms, religion, social values and moral standards have attempted to reduce the amount of violence in human society. They are still practiced in all parts of Nepal and influence the habits, norms, rules and institutions build up across time by a process of social learning and adaptation to environment. Some of the common traditional approaches adopted in Nepal include *Panchakachari* (a group of five eminent persons). Under this scheme, five trust-worthy persons of the village examine the causes of conflict, hold discussions, exchange information and opinion, engage in arguments and discussions, identify common points and solve it in the interest of both sides. In Nepal, mini conflicts are frequently settled by using informal institutional mechanisms.

Panchakachari, *Purohit* (priest), local school teachers, *Mukhiya* (village headman), *Maijan* or *Manyajan* (community leaders in Tarai), *Dharmadhikar* (officer responsible for enforcing regulation), local leaders and elderly people have used customary laws to ensure that village conflict does not spiral into uncontrolled violence and disrupt civic life. Locally trusted elderly people enjoy socially eminent status and authority granted by customs. When mediating, they divide contested issues into negotiable and non-negotiable ones, mediate on negotiable issues and enlist the cooperation of both sides to hard core issues. Their decisions are based on high level of social consensus and legitimacy, rather than evidence and majority vote. Historically this is because the poor

and illiterate do not always have documentation (or keep 'evidence') and/or cannot afford the cost of going to court. One can cite the example of *Guthis* among urbanite *Newars* of Kathmandu valley for the mediation of community conflict.¹¹ Such informal conflict management techniques blend local customs, provide a sense of justice and evoke religious feelings to avoid repetition of crime -- no less powerful than official formal procedures.

Elderly and socially respected people, *Birtawal* (traditional landlords exempted from tax), teachers, *Jhankri* (faith healers involved in magical practices), *Purohit* (priest) and *Mukhiya* (local chieftain) are principal local actors involved in mediating a wide range of local conflicts. Seen as neutral third parties, their process of mediation involves setting procedural terms and conditions, defining these steps, discovering the opponents' true interests and position and settling the disputes on a common ground formula. The third party mediation comes outside the conflict system and mediators can overcome their feeling but hold sufficient stake in society. The criteria to resolve conflicts are not legal and factual evidence and documents, but are binding through religious oaths in the name of God and touching holy sacred books or symbols. But, these principles are applicable only to particular faith groups, and are sustained by social and cultural belief. The ethnic communities (Gurung, Magar, Tamang, Tharus and Koiris) strongly prefer negotiators from their own group leaders due to a high level of trust among them. The mediation method, however, does not address the question of social justice and promise of social transformation.

In Manag district near Jomsom, *Syangtan (Panch Gaule)* indigenous communities utilize a form of democratic method to mediate conflict. The community is divided into two groups, with different clans. The village assembly which meets every two year elects the senior and junior village headmen. They take oath in the name of God and promise that they will serve the community for next two years as volunteers along with other groups and resolve basic problems. The village assembly also has power to punish the headman after listening his defense. But, the weakness of this assembly is that those outsiders of the community can live in the village but do not have rights to participate in the decision making (Bhattachan, 2002:2).

By and large, traditional approaches are mostly used to resolve mini conflicts in the communities and villages. The major *modus operandi* of local conflict resolution is to collect witnesses, see the past character of the disputants, pool knowledge through public discussion, uphold the socially sanctioned local norms and interpret legal and religious treatises. This technique provides a learning opportunity for all those involved in the process. Ordinary people in villages still trust the advice of elders in resolving local conflicts for two obvious reasons. First, their advices are politically neutral with social sensitivity and second they are less expensive in nature and can provide instant decision. Several conflict management activities carried out at the local level are based on values and customs (*riti-thiti*), which plays a crucial role in binding people together for collective action and holding culprits accountable to their actions.

¹¹ Guthi is based on egalitarian principles as all guthiars are equal members. But, there is a hierarchy. It has one leader (Neta). There is a senior person called Thakali, a cashier (Baidar) and a coordinator called Kaji. Simple issues are decided by these people but decision on vital issues requires the involvement of all members. Decision is made by consensual means, if this does not happen then it opts for a majority principle. But those dissatisfied have the right to go to the court. Status of guthiars also play a role in giving decisions on the verdict of conflict. Guthis have, however, not served as a bridging social capital across various communities.

In Bhangaha VDC of Mahottari district, various communities still utilize these procedures and make decisions as inclusive as possible by involving relatives, friends and neighbors. But, Mushar community leaders rely more on *Maijan* and engage elderly persons from their own community than police, elected authorities and courts to mediate their conflict. They feel that the latter categories of people are partisan, lack interest in *dharma* (moral and spiritual duty) and costly because they need to be offered some tea, food, money, unpaid work etc. The penalty they charge from the guilty party is also high. They also revealed that elderly people decide on a win-win basis while others decide on the basis of personal discretion, coercion or majority formula. They did not utilize CPN (Maoist)'s People's Court because of the fear of physical punishment, exorbitant fees and poor legal experience of Maoist adjudicators. Moreover, the guilty party is humiliated, forced to apologize and ask for forgiveness. Obviously, the transformation of post-conflict disputes requires far more comprehensive approach than mediation, arbitration and adjudication applied in a relatively small-scale conflict.

5.4 Religious Approaches

The use of religious custom and ideals is an age-old practice in conflict moderation. Religions and languages are two major components for the growth of human civilization as they bind people together for cooperative action. However, in Nepal, during the height of Maoist insurgency, it was difficult to mobilize local religious leaders for conflict resolution. Maoists cadres were negative due to their radical ideological belief and interest in structural transformation. The importance of informal conflict resolution practices is reflected by the particular need of people to exist and share the same space. Festivals such as *Dashain, Tihar, Chhat, Jud Shital, Phagu Purnima, Ghewa, New Year Day* etc and discourses on classical treatises *Bhagbad* and *Puran* and performing *Yagna* (religious rites) provide a public space and an occasion to reconcile relations by visiting each others houses, exchanging gifts and good wishes, receiving blessings from the elderly persons and assuming local responsibility. This helped to improve communication, renew relationship and build confidence.

In fact, both conflicting sides observed ceasefire during great Hindu-Buddhist festivals and New Year celebration of various communities. This provided people a space to renew their relationships, engage each other in social activities and help the conflict-affected families. Religious leaders did play some roles during the conflict and had initiated discourse on the contribution of various religions in peace, organized inter-religious peace rallies in major towns, worked for inter-faith harmony and sought constructive change in human relationships. Perhaps this can be used now to unite the segregated communities in the Terai. The only factor that can bind Nepalese living in Terai and Hills is 'religion' and customs based on Hindu religion as majority of them practice the same religion, perform same rituals, go to the same temples and celebrate same festivals. If one could apply this approach this can, perhaps, minimize the ever increasing gulf between these two communities and regions.

5.5 Community Mediation

Community mediation has been in use in many parts of the country and there are many local and national NGOs supported by the donors and INGOs to mobilize local civil society groups as well as by engaging local institutions, clubs, media persons, human rights

group, mothers groups, self-help groups, NGOs and Community-Based Organizations (CBOs) in rectifying power disparities and injustices through poverty alleviation, employment generation, education, communication and empowerment projects to alter the local power equation and contribute to constructive change. Pro-poor, inclusive and distributive projects have been appreciated from all sides even during the conflict as they aim to peacefully alter local power relationship and also act as a buffer against resistance by powerful actors. For example, a national NGO called Institute of Governance and Development (IGD) was successful in resolving a total of 232 disputes (of various nature such as verbal slander, land disputes, family disputes, property partition, transaction, standing crop damage compensation, water sharing related quarrels, matrimonial disputes, road clash, unpaid wage disputes, etc) in the 158 VDCs in Tanahun, Chitwan and Mustang district between November 2006 and April 2007. In addition to this, there are many other NGOs engaged in local mediation programs with support from INGOs. The most important part of these types of project is that they also train local people as a conflict mediator to resolve conflict at the inter-community, inter-personal and inter-generational level. They are using the contextual local knowledge, customs and practices to mediate conflict and promote peace, democracy and development at the local level.

In November 2004, women of Dailekh defied the threats of Maoists and rallied their activities against the abduction of their children for radical political indoctrination, training and recruitment. In Dolakha and Ramechhap districts local women's associations and NGOs were successful, to some extent, to resolve local Maoist-generated contradictions by adopting several steps: grievance registration, invitation of disputants for face-to-face discussion, compilation of legitimate grievances from both sides, identifying common points and options and final mediation of conflict. This method has a greater potentiality to address conflict rather than traditional and religious approaches, which do not apply democratic process to resolve ethnic, gender, class and caste-induced contradiction and violence. Moreover, collaboration and networking with government organization, judicial institutions and civil society groups have increased because of their acceptability and usefulness in society. Informal groups at the local level *Tol Sudhar Samitis* (community reform committee) have helped the community mediation to foster and earn popularity in the community (IGD no page number). A study points out that so far 1300 community mediators have been trained by civil society and NGO actors which settled 74 percent of cases out of 689 cases from eleven districts (Khadka, 2004:49). Another study reveals that the UNDP-sponsored Support for Peace and Development Initiative (SPDI) has strengthened the capacity of some 800 community-based civil society organizations in conflict transformation and peace building in Nepal (Neupane, K.C, and Dhakal, 2005:25).

*Janajati*¹², *Dalit*, *Madheshi*, women and indigenous groups are using mediation mechanism to resolve disputes because they find it more compassionate and participatory. The mediator involves all parties to the conflict, listens to their grievances, encourages them to focus on long-term interest, convinces them to be reasonable about their power and weakness and examines options for reaching a mutually acceptable

¹² Nepal Federation of Indigenous Nationalities (NEFIN) is a national level umbrella federation of 54 indigenous organizations widely distributed throughout the Terai, Hills and Himalayas of Nepal. It aims to foster their cultures, languages, religion, customs, traditions, assists in developing and obtaining equal rights and supports its member organizations in leadership development, strengthens decision-making capabilities, networking and enables them to fight for their rights to development with identity.

solution. Women and minority identity groups are now empowered by NGOs to serve as mediation service providers at the local level. To effectively engage women in the peace process Peace Secretariat has established Nepali Women's Peacebuilding Network, by working with various women's groups. FES Nepal organizes Track II dialogues with political leaders, scientific community and civil society and supports Women for Human Rights (WHR)'s some of initiatives to build peace constituencies by gathering widows of conflict victims, helping to reunite families, providing access to training, knowledge, skill, and institutional resources and enabling them to involve in income-generating activities. At the local level, there is a growing recognition of the notion that justice is not delivered through confrontational, adversarial zero-sum game but through discussion and negotiation. In the macro context they can create an environment for negotiation at the various level of society even to resolve conflict at the national level if local lessons are articulated at the district and national level through a strong feedback channel.

The National Business Initiative (NBI) for peace in Nepal has been regularly organizing political dialogues among SPA thus putting pressures on conflicting parties for non-violent resolution of conflict. Local chambers have opened themselves with local leaders, women, socially excluded groups and incorporated other business organizations, such as community association, cooperatives, business service groups and financial institutions and trying to contribute to peace through political dialogue, social inclusion, employment generation and income opportunities. At the moment local level lacks investment opportunities due to insecurity, not due to lack of money. Restoring a lasting peace can promote economies and attract investors, which can ensure off-farm employment generation, agriculture income, livelihoods and improvement in governance. GTZ with its program on local economic development is, therefore, fostering public-private-civil society cooperation for reintegration, reconstruction, reconciliation and mediation to contribute to a more equitable economy. Linking local connectors of society to national level initiative is expected to strengthen participatory process of decision-making and mark a shift from elite-based conflict resolution to mass-based one.

5.6 Civil Society in Negotiation with Conflict Actors

The use of mediation by civil society groups is a modern approach as they bring values of human rights, gender and social justice, seek rationally motivated consensus of the disputants, aim to break the vicious cycle of conflict, offer benefits to all involved in the process, heal the wounded relationship and stress workable win-win-solutions. Modern civil society approach of justice is grounded in fairness, social contract and faith in the creation of a well-ordered society. These groups at the local level have better knowledge about the system of conflict, understand the relationship of various actors in it and support the critical mass which acts as agent of change for conflict transformation. But, they lack leverage, critical weight and capacity to impact on the macro conflict system. In Nepal, the transformative approach has paid some dividends as it encouraged the inclusion of historically marginalized groups in the parliament, the cabinet and public administration and CA and has empowered the excluded to express their needs and concerns.

In Nepal, civil society groups have drawn their own "road maps" for conflict resolution, which have induced similar initiatives at the diplomatic and political levels. It was through unofficial communication by human rights organizations and civil society

groups that the government and CPN (Maoist) became engaged in the previous two rounds of peace talks in August 2001 and January 2003 at the Track 1 level where members of civil society also acted as facilitators. They also successfully initiated a dialogue between the government and pro-Maoist All Nepal National Independent Students' Union, Revolutionary (ANNISU-R) in May 2004 thus ending the month-long closure of schools. On September 15, the same year, the Maoist-affiliated All Nepal Trade Union Federation (ANTUF-Revolutionary) withdrew the indefinite shutting down of factories it had imposed, after the negotiation of interests and signing of an agreement between the government, employers' organization and ANTUF-R. The signing of the agreement was facilitated by human rights organizations. On the request of human rights and civil society organizations, the CPN (Maoist) has frequently released several abducted citizens and security personnel. On September 1, 2005 due to successful mediation by a business group, trade unions and human rights organizations, the ANTUF-R called off its indefinite strike in Uniliver Nepal Limited. The constructive talks among political parties and civil society prompted the CPN (Maoist) to announce a unilateral ceasefire for four months beginning from September 3, 2005 to express what it calls its commitment for democratic reform, encouraging those with political power and the UN to initiate new moves and allow the citizens to observe the Dasain and Tihar festivals (Dahal, 2005: 20-24).

On February 18, 2006 human rights and media persons facilitated the signing of an understanding between the Surya Nepal Private Ltd and ANTUF-Revolutionary for the release of three officials of the Surya Nepal Private Ltd. While the mainstream parties are interested in the power-mediation approach, grassroots organizations have resorted to problem-solving approach and are addressing the humanitarian crisis with local means such as reconciliation, mediation among the connectors of society, village elders, women and eminent persons and creating a public space for dialogue. Delivery of services has become possible due to effective negotiation between the conflicting parties at the local level. Local public pressure for peace is increasing.

In Nepal, Track II civil society dialogue is significant for its contribution in bringing democratic values such as inclusion, transformation, justice and participatory governance to Track I's seeming precedents of concern for power equations, exclusion and monopoly. Reaching a sustainable peace requires a long-term effort by grassroots organizations to address diverse concerns, help citizens take leadership roles and transform their institutions and communities. It is here that the sources of conflict are embedded and it becomes easy to identify their problems, articulate their concerns, needs and priority and influence the policy at the higher levels. But, without international humanitarian support in the short and medium-run, this goal is unlikely to be attained, given the security situation on the ground. Local citizens have no choice but to engage with CPN (Maoist) and various armed non-state actors either because they control the local population, territory or services or because local leaders feel compelled to seek out options for minimizing the impact of the conflict.

On December 3, 2006 endorsing the proposal of pressurizing political parties on compulsory proportional representation of workers in the interim parliament and CA election, a 10 point agreement was signed by the chairperson of all trade unions which affiliated to Maoists All Nepal Trade Union Federation (ANTUF-Revolutionary), NC, NC (D) and CPN-UML. The pact seeks workers' rights, social security, social justice and the need for a unified trade union movement (Dahal, 2006:31-32). On September 4, 2007 an

agreement between the Maoist cadres and the local residents of Kalikasthan Village of Rasuwa district helped to mitigate future confrontation. On September 20 the FLSC withdrew its indefinite general strike after an agreement was reached with the political parties and local administration. In many districts SPA has formed a political mechanism to sort out differences and resolve their conflict through mutual consultation and dialogues. This shows that existence of common interests makes revolutionary change possible. In Nepal there is no effort to systematically compile the successful experiences of these Track II and Track III processes and feedback on the Track I process for reflection and action.

6. Assessing the Relevance and Limits of Local Conflict Resolution Method within the Context of Current Conflict

There are formal as well as informal approaches of conflict resolution in Nepal and they have their own merits and demerits. For example, although courts are the major points of conflict resolution (formal), many decisions of the Court are based on a “majority formula” and the ground for contesting verdicts still exists. A lack of independence, patterns of corruption, delay in justice, poor enforcement of the court decisions etc has undermined the fairness of judicial process. As a result fewer than 15 percent of people have access to the judicial system of Nepal (Dahal, 2007:44). The organized forces of political parties have also in some cases misused power to influence the judicial process in their favor, with attempts to influence judges. Only recently, the SC has limited the government's power to withdraw criminal cases pending in court and reduced the level of impunity. Similarly, in the formal system of conflict resolution majority of poor, weak, illiterate, women and marginalized sections of society do not have access. When powerful people reactivate their cases, the weaker party usually loses when the case goes to the formal process of conflict resolution.

With courts overloaded with cases, inaccessibility of poor and marginalized in rural areas in the justice system and escalating levels of conflict, ADR may be regarded as a tool which local elites can use to settle their disputes in the conflict and post-conflict conditions. ADR, however, cannot resolve conflicts arising out of systemic causes of poverty, inequality, discrimination, exclusion, competition for power and resources as they require macro policy intervention including state reforms. The quality of state reform rests on the “proper establishment of structures, values and attitudes that can enable the different groups within the society to handle their conflicts peacefully” (Baechler, 2004: 274).

The local traditions of conflict mediation are mainly informal and rely on social codes, whereas the formal practice of resolving conflicts rests on decision by government authorities. This involves official procedures and regulations implemented by state machineries: courts, police, local administrations, elected bodies etc. Formal mechanisms are oriented towards the preservation of national public order and committed to safeguard the dominant values, institutions and practices of the state. Informal techniques are indigenously evolved and enforced by tribes, communities and

villages and executed by local elites according to their agreed accord, standards and practices.

Indigenously evolved approaches to consultation, mediation, negotiation and conflict resolution can be effective if social practices, local interest and knowledge are compatible with each other and their synergies contribute to make local conflict resolution mechanisms cost-effective, direct and inclusive of various interest groups. But, it is difficult to see how home-grown approaches have induced desirable change to respond to new conflict dynamics at a time when perpetuation of social and legal order is considered inimical to democratic freedoms, interests and empowerment. Traditional conflicts in Nepal are localized over land, caste, gender and ethnicity-specific. These structural features have often created a system of winners and losers. Their solutions require social capacity of mediators to understand the nature and causes of contradictions of systemic actors linked to social grievances, such as powerlessness, exclusion and denial of basic human rights.

In the same vein, the weaknesses of VDC arbitration boards are that they are elitist, lack adequate knowledge on constitution, human rights and humanitarian laws and fail to make the process accessible to women, poor, Dalits and disadvantaged sections of society. The institutional capacity for actual implementation is also very poor. With the dissolution of local bodies and the CPN (Maoist) entry to government, the critical mass and non-state actors seem committed to change the status quo.

When embarking on conflict resolution process in a highly polarized and conflict-prone society a specific challenge is how to harmonize the short-term interest of conflict parties with the long-term common interests of people and state. In Nepal, when it involves the management of basic goods of a community, like common property resource, community forest, health, public school and irrigation, all the stakeholders are involved in the resolution of conflict. Villagers view that bargaining, compromise and consensus-building may delay the performance of local governance but this is the best way to resolve conflict non-violently and mediate different political interest. In “post-conflict” society, village arbitration cannot address the struggle of disadvantaged communities against caste, class and gender discrimination, economic inequality and social injustice.

With regard to the community policing, still, a lot has to be done to improve the image of police as an impartial, non-partisan institution and its involvement in the protection and security of people and conflict sensitive engagement in rehabilitation and welfare-oriented activities.

Community mediation has improved the access of poor, women, Dalits and marginalized people in justice system. As it has benefited cross-sections of society, it has facilitated changes in attitudes, values and perceptions and enabled long-term coordination and cooperation for mutually beneficial collective action. As a result of this, minor criminal and civilian village disputes have been reduced by almost half. Its major strengths are: faster resolution, wider participation, increased access of women and marginalized groups to justice, sociability of various groups on local matters and reduction of court load. But, this method is not practiced in resolving high-intensity conflicts in which people rely on formal mechanisms for arbitration and adjudication. The major weaknesses of community mediation approach are: lack of sustainable conflict resolution strategies, local mediators lack adequate skills and cannot settle those conflicts which are deep rooted into structural injustice and linked to party politics.

Cross-cutting social capital is essential for the resolution of vertical and horizontal conflicts and to facilitate coordination and cooperation between communities for mutually beneficial collective action.

In the traditional conflict resolution systems, enforcement of the decisions made by local mediators and negotiators are not regulated by the government institutions and state laws but by the social sanctions, religious faiths, moral principles and ethics. As a result, many of the conflicts resolved in the villages are unwritten and unrecorded. The innovation in peace-building is found at the Track III level as ordinary people were the main sufferers of conflict and have interest in the possibility of transformational change (Ropers, 2005:255-269).

Traditional mediation methods are still utilized in the rural areas where duties toward community hold more values than personal satisfaction of individual rights, greed and grievances. The culture of collective rights existing at the community level is now changing, transforming into new organizational forms through a rights-based discourse on politics which is socializing and mobilizing various communities for social transformation. However, local level conflict resolution mechanisms have their own limitations as they are subject to cultural diversity and each of the ethnic groups and society has its own rules and procedures for conflict resolution. The procedures and rules to settle the disputes also differ according to culture and custom. Traditional mediation mechanisms need to be re-examined and harmonized to conform to modern demands for pluralistic consensus, rather than hegemonic, power equations and majoritarian rule for governing the relationship between community and society and between social and natural capital for sustainable peace and development.

7. Institutional Innovation for Local Peace Committees

The CPA, interim constitution, 23-point consensus and election for CA are the central pillars of Nepal's peace process at the national level.¹³ They also meant to represent forward-looking structural transformation of society. In 2006 the government decided to establish Local Peace Councils (LPCs) in 75 districts to overcome the conflict transformation and peace-building vacuum at Track II levels, execute CPA and institutionalize peace-building activities at the local level. The Common Minimum Program of interim government renamed it as Local Peace Committees (LPCs). The aim is to include all "sides" including victims in reconciliation processes; provide relief to displaced people; ensure return of properties captured by CPN (Maoist); look into resettlement and rehabilitation issues and promote the reconstruction of damaged infrastructure; provide an institutional focal point for peaceful recovery from the previous war, and build up public opinion to constitute a more peaceful democratic environment.

¹³ The official structures of peace rest on Peace Negotiation Coordination and Advisory Committee (PNCAC) comprising 10 political parties representing parliament, Ministry of Peace and Reconstruction, National Monitoring Committee on Code of Conduct for Ceasefire (NMCC), National Transition to Peace Initiative (NTP), Interim Constitution Draft Committee (ICDC), Joint Monitoring and Coordination Committee (JMCC) on Cantonment Management which comprises UNMIN, CPN (Maoist) and Nepal Army and 11-member High Level Monitoring Committee (HLMC) to monitor the implementation of the understandings and agreements reached between SPA.

There is also a need to settle conflicts between political parties and societal groups in the district through the engagement and initiative of local leaders in the committee assuming that local leaders have the ability, knowledge and interest to address these types of conflicts. Moreover, enabling community participation in constitution making process, through elections for CA, awareness raising and problem-solving through dialogue can establish a culture of local democracy.

Members of the LPC have a mandate to recommend those cases which they cannot solve to the national level. Also, there will be a duty to communicate all those agreements signed between political parties and central government, which are related to peace and conflict resolution process, to the local level. Many of the causes of conflicts are embedded in rural areas. Therefore understanding of local dynamics and contradictions are important to build up trust between conflict victims and to facilitate civilized coexistence of diverse groups. Transformative peace building requires not only freedom from fear but also investment in local capacity building to promote poverty alleviation, equity, inclusion, reconciliation and reconstruction.

An LPC consists of up to 24 members depending upon representation of political parties in the district, non-state-actors and other politically or socially significant groups whose engagement are deemed necessary. The chairman of the LPC is selected from the existing members. The LPC will include all those available political parties, in the districts, who are signatories to the CPA, civil society, business community, if necessary as an observer security forces including Chief District Officer (CDO), representatives of United Nations Mission in Nepal (UNMIN)¹⁴ and National Human Rights Commission of Nepal (NHRC). It will also include other significant political stakeholders, groups and forums available in the district as drivers of peace. The duration of people working for the LPCs, however, remains undefined.

There was consensus between the SPA members to set up three bodies to address human rights abuses-- Truth and Reconciliation Commission (TRC) to probe into serious violation of human rights and crime against humanity and develop an atmosphere of reconciliation in society, National Peace and Rehabilitation Commission (NPRC) to maintain peace in society through relief and rehabilitation works for displaced and conflict victims, and Commission on Disappearances (CD) to make public the whereabouts of disappeared and dead within a month. A coordination of work between the LPCs, TRC, NPRC, Monitoring Committee for Effective Implementation of CPA and Other Agreements (MCEI), High-Level Peace Commission (HLPC) must be institutionalized to organize collective action. But, conflict victims as well as majority of people are skeptical about the possibility of transitional justice and any dealing with historical injustices.

Rather, they perceive a culture of impunity because many main conflict actors and elites are now in governmental power and most of the victims are from disadvantaged communities, children and women. The voice of victims to seek justice has always been

¹⁴ A core group of five members (as a part of the local peace promoter) plus foster the peace process. The UNMIN has expressed great deal of interest to support the idea of LPC said Madhu Prasad Regmi, the joint secretary at the Ministry of Peace and Reconstruction. According to him, the UN wants its presence felt in the districts through UNMIN and would like to utilize LPC's to monitor CA elections. This is basically the brainchild of the UNMIN in Nepal. He said that only in 14 out of 75 districts the LPCs have been formed with the support of Peace Trust Fund of the Ministry. Many donors have supported this idea but so far no one has directed extended support to the LPCs.

ignored. To be meaningful, transitional justice in Nepal must involve not only truth telling but also judicial accountability of perpetrators, financial compensation, legal, educational and development support to victims and addressing the root causes of the conflict. As it stands, the Peace and Reconstruction Ministry was entrusted with the responsibility of formulating and implementing the Truth and Reconciliation vision, but has delayed out of concern that peace process might be put at risk if past abuses were given attention before the CA elections.

A national consensus on the establishment and operation of an independent, impartial and inclusive TRC is a must for addressing the root causes of conflict, to bring the perpetrators of serious human rights violations and violation of international humanitarian laws to account, fostering culture of peace and reconciliation based on truth, justice and reparation. But, the successful execution of these depends on consensus not only between SPA but all the politically significant stakeholders, non-state armed groups and movement-oriented actors and duly legitimized by the international community.¹⁵ Conflicts can be resolved by means of inventing optimal benefits for the system's all actors rather than maximizing the interest of SPA, which might foster oligopoly, clientalism, and in the long-run inflicts democratic deficit. Therefore, the involvement of diverse actors including the disadvantaged communities is conducive to bottom up process of social change as they are close to the grassroots level.

8. Weaknesses of the Local Peace Committees

The biggest problem for conflict transformation in Nepal now lies with the political process that came into being with the signing of CPA in late 2006. It could be said that the CPA itself is not sufficiently comprehensive, as it did not address the grievances of those political parties and societal groups who are outside the SPA framework. CPA became a 'winners' document' which effectively marginalized other actors. As a result more than two dozen non-state-armed actors and other political powers that are outside of SPA domain continued to resist the state and system. This caused adverse effects on various initiatives taken up by the government to establish peaceful conditions in the country. In fact, peace was not defined in Nepal: what is it and who is it for? The LPCs became victims of this reality.

LPCs are meant to be entrusted with multiple functions such as mediation, monitoring and reconciliation. There was a potential clash of objectives and the subsequent decision to establish the High Level Peace Commission created further confusion that whether HLPC is to be established before the CA or after the CA. In fact political leaders are coming out with inconsistent decisions merely to maintain status

¹⁵ The UN High Commission for Human Rights (HCHR), Human Rights Watch and the International Center for Transitional Justice (ICTJ) in Nepal asked the government to form an independent and impartial TRC. They opposed the proposed Bill which would amnesty the perpetrators of gross human rights violations and violations of international humanitarian law including extra-judicial execution, torture and disappearances. They also opposed a lack of safeguards regarding the independence, impartiality and diversity of the Commission, in relation to the selection of Commissioners and operational and financial matters. The Bill stipulates the commissioners will be selected by a government-appointed body that may consist of political actors, rather than diverse group, that is representative of society.

quo, which has become, major problem to implement them says the official at the Ministry of Peace and Reconstruction and also at the NTPP. The biggest problem lies with the fact that Nepalese leaders come up with various agreements and programmes but they only remain on the paper and never implemented in the real sense. It is exactly the same thing with LPC as well and this is what high- ranking official (who wanted to remain anonymous) had to say. Although LPCs have been extended to 35 districts, they are almost dysfunctional and it appears that unless there is a 'strong political commitment to activate them' only then can LPCs yield some meaningful results or meet their objectives for that matter.

That LPCs operate through the Peace Secretariat, which falls under the Ministry of Peace and Reconstruction, itself perceived as being a monopoly of selective political actors which works under partisan domain and cannot assume multiple tasks of peace-building. The success of LPCs depends on whether they can be operationalized and accepted by the excluded and marginalized groups. Although it was explicitly mentioned in the 23-point agreement that a local mechanism would be developed, no concrete measures have been made so far to revive local bodies mainly because of political deadlock.

9. Conclusion

Conflict is an intrinsic aspect of politics and motivating element in policy innovation. It is an imperative to discover ways of making conflict compatible with the rules of democratic practice. This requires government to strike a balance between conflict and consensus and coordinate decision-making through collective action of the system's principal actors. It will be difficult to prevent and reduce conflict at the regional and local levels, unless the state achieves constitutional and political stability at the center through an inclusive social contract. Both recovery and conflict prevention require the sustained implementation of the CPA in a coordinated, transparent and inclusive fashion.

There is a increasingly a shared citizen vision in Nepal of governance based not on elites but rather through an institutional framework which ensures the broad-based democratic participation of all the stakeholders—insiders and outsiders, government officials, policy experts, civil society and politicians. This means institutions of conflict resolution at all level must be designed in a fair and democratic way, giving the Dalits, Janajatis, women and marginalized legitimate space, voice, visibility and influence over the process and outcome. Nepalese people have evolved their own traditions of conflict-resolution through mutual talks, consultation, mediation, arbitration, mutual learning and deliberations, but have previously excluded women, Dalits and the poor. LPCs could be a source of 'bottom up' democratic innovation.

The management of political transition requires inclusiveness in power-sharing to overcome political uncertainty, end a security vacuum, and restore both authority and functions to renewed national institutions. To date, and sadly even in the early formative months of the CA, the approaches Nepal has adopted for conflict resolution are oriented towards the maintenance and replication of systemic patterns, and have not sought to address grievances of the poor, women, *Dalits*, *Janajatis*, indigenous people, bonded

labor and other marginalised groups for freedom, justice and identity. INGOs have come with their own methods to ameliorate injustice in society and minimize the effects of violent conflicts. Conflict-sensitive donors have adopted do-no-harm, building local capacity for peace, risk assessment, peace and conflict impact assessment and neutral humanitarian supplies to a wide range of political interventions (Dahal, 2006:6) at the local level.

Traditionally local level approaches were not informed by values of human rights, humanitarian laws or democratic principles. As it stands VDCs have neither the authority nor the capacity to arbitrate local conflict. The district courts do have some authority and capacity to address disputes. But, they are not equipped to address political contradictions instigated by national and international regimes. Community mediation attempts to bridge this gap, to some extent, but most of the community level mediations is being developed with the assistance of donor-driven NGOs and suffers from the problems of sustainability. NGOs are also engaged in settling the same types of conflict that are used to be resolved by the traditional methods. The only difference is that community mediation is better organized and takes human rights values into consideration with trained personnel in place.

If the war in Nepal was inherently a response to elite domination, then there are puzzling contradictions in methods used by leading political actors in framing the peace. There is an acute need for negotiated compromise and accommodation of sub-systemic actors. In this context, Local Peace Committees (LPC), perhaps, can cope if strategies are based on justice, inclusion, participation and change by mobilizing critical mass at each level. But the biggest problem with regard to LPCs are with implementation and positioning in the centre (district headquarters). As LPCs are being developed by the transitional government with UN backing, there are both failed expectations and anxiety about delivery.

It is hard to say whether LPCs will be able to integrate traditional approaches and serve as non-violent mechanism of hearing the grievances of people. So far there are no formal initiatives, other than appointing commissions and committees, one after another to include traditional approaches or traditional actors. Despite the claim that LPCs will emphasize local values for conflict settlement, there is already replication of including only those actors who are at the higher echelons of political society. If challenged, it may be that right-based, demand-driven, identity-related, politicized discourse could lead Nepal's development, democracy and peace to a path of genuine participation. In a highly politicized context, peace building requires joint selection, ownership, design and implementation of every initiative so that a democratic development fosters sustainable social change.

10. Recommendations

The following recommendations are offered in a way which addresses different actors and levels in the conflict system of Nepal:

- The International Community can play positive role in successful peace building in Nepal by enforcing human rights, rule of law and supporting development of a viable political economy in the country. It can also exert pressure on the SPA to stop politicization of security agencies and public institutions and the extension of a neo-patrimonial regime. The institutionalized separation between the SPA and other parties requires bridging strategies and joint peace building projects.
- The International Community should strengthen the institutional capacity of the Peace Secretariat for multilevel engagements with various actors for the purpose of peace building in the ground. Engagement with non-state armed and movement –oriented actors is a precondition to beef up security in Tarai and hills conducive for charting a shared democratic future.
- At Track I level there is a need for active and visible accountability of all actors and political leadership in relation to the CPA, human rights, humanitarian principles, democracy and power-sharing arrangements. Conflict transformation at Track II and Track III requires complementary process at the Track I level because in the absence of legitimate central authority and security, local conflict transformation cannot become effective on its own.
- The Peace Secretariat should coordinate donors' support to High Level Peace Commission (HLPC), MCEI, LPC, TRC, CD and NHRC and their roles and responsibilities for confidence building in CA and peace process. High Level Monitoring Committee (HLMC) and NHRC should effectively monitor peace and human rights indicators on the ground and inform the system of governance.
- Dissemination of knowledge and training to Track II and Track III level actors of conflict about the contents of CPA, LPC and TRC by NGOs and civil society are highly important for common process of socialization and collective action. This should combine with civic education training to local elites, opinion makers and party leaders so that they can refine their traditional approaches to conflict mediation, build the capacity of LPCs and manage the change process.
- Reintegration, reconstruction and reconciliation processes should be combined with the development of local public economy that ensures the establishment of small-scale decentralized forms of joint livelihood projects. Public participation including the victims through LPCs can provide ownership to all in peaceful transformation. Given only the 12 percent tax contribution to GDP, the generous cooperation of international community is a must.

- Nepal is a country of minorities and there is no mechanism to strike a balance between minorities and majorities. It perhaps, now needs change-oriented approach to address this question and foster inclusive political, economic and social reforms by creating the stake of all in democratic peace.

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Abbreviations

ANNISU (R)	All Nepal National Independent Student's Union-Revolutionary
ANTUF (R)	All Nepal Trade Union Federation-Revolutionary
BOG	Basic Operating Guidelines
CA	Constituent Assembly
CBES	Chure Bhavar Unity Society
CPN (Maoist)	Communist Party of Nepal-Maoist
CPN-UML	Communist Party of Nepal Unified Marxist-Leninist
DDC	District Development Committee
EU	European Union
FLSC	Federal Limbuwan State Council
GTZ	German Society for Technical Cooperation
HLPC	High Level Peace Commission
ICM	Interim Council of Ministers
INGO	International Non-Governmental Organization
JTMM	Janatantrik Tarai Mukti Morcha
KLF	Khambuwan Liberation Front
LSGA	Local Self-Governance Act
MCEI	Monitoring Committee for Effective Implementation of CPA and Other Agreements
MPRF	Madhesi Peoples' Rights Forum
NC	Nepali Congress Party
NC (D)	Nepali Congress Party (Democratic)
NGO	Non-Governmental Organization
NEFIN	Nepal Federation of Ethnic Nationalities
NHRC	National Human Rights Commission of Nepal
NSP (A)	Nepal Sadbhavana Party (Anandi Devi)
OHCHR	Office of High Commissioner for Human Rights
PLA	People's Liberation Army
RJP	Rastriya Janashakti Party
RPP	Rastriya Prajatantra Party
SPA	Seven-Party Alliance

SPDI	Support for Peace and Development Initiative
UN	United Nations
UNDP	United Nations Development Program
UNSC	United Nations Security Council
UPF	United People's Front
URDLF	United Republican Dalit Liberation Front
USAID	US Agency for International Development
VDC	Village Development Committee

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Appendix

Position of Key Political Actors on Main Issues of Conflict

	NC	CPN-UML	CPN (Maoist)	National People's Front	RPP-Nepal	Ethnic Groups and Madhesis
State	Secular	Secular	Secular	Secular	Hindu	Secular
Polity	Federal	Federal	Federal	Unitary	Unitary	Federal Based on Self-Determination
Basis of Federalism	Population, Language, Cultural identity	Caste, Language and Culture	Etho-Territorial lines	Only Decentralization of Power, no Federalism	Only Decentralization of Power, no Federalism	Language, Culture and Ethnicity
Monarchy	Democratic Republic	Democratic Republic	People's Republic	People's Republic	Constitutional	Democratic Republic
Nepal Army	No Integration with PLA	No Integration with PLA	Integration with PLA	No Integration with PLA	No Integration with PLA	Madhesis Prefer their Proportional Representation
Election	Mixed	Proportional	Proportional	Mixed	Mixed	Proportional
Economy	Market Economy	Market Economy	Industrial Capitalism	Mixed	Liberal	Mixed
FDI	Liberal	Liberal	Only in Health, Education & Resource	National Priority Sectors	Liberal	Liberal
INGOs and NGOs	Liberal	Liberal	Regulation	Regulation	Liberal	Liberal
Foreign Policy	Non-aligned	Non-aligned	Genuine Non-aligned	Non-aligned	Non-aligned	Non-Aligned