

Hydropower Induced Displacement in Nepal

**A Thesis Presented to the
University of Otago
Dunedin, New Zealand**

**in Partial Fulfilment of the
Requirements for the Degree
Doctor of Philosophy**

**by
SanjuKoirala**

May, 2015

Abstract

People throughout the world have been involuntarily displaced from their homelands to achieve development goals set by governments, ambitious profits envisioned by project developers, and improved standards of living desired by many people. Previous research on hydropower-related displacement in Nepal reveals that the living conditions of people displaced by hydropower projects have deteriorated after displacement. Drawing upon these findings, this thesis argues that the reasons for Nepal's inability to protect the affectees of hydropower projects from their adverse effects can be understood by investigating the complex hydro affairs of Nepal that have occurred as a result of the politics occurring at different temporal and spatial scales, among a variety of actors, in different phases of hydropower projects. This thesis finds that the way hydropower induced displacement is dealt with currently in Nepal is the result of how the government, funding agencies, project developers, civil society, and affectees have addressed this issue over time.

Drawing on the case of the proposed West Seti Hydropower Project (WSHP) and the experience of Nepal in handling the involuntary displacement induced by previous hydropower projects, this research assesses three aspects of displacement in Nepal: i) the impact on local communities, situated in a hydropower project area, of prospective displacement prior to the project's construction, especially when trapped in a long gestation period; ii) the politics occurring at different scales after the announcement of a hydropower project that will induce displacement; and iii) the government's response to the resistance against such projects by different actors, and its role in developing and refining involuntary displacement policies. This research has been conducted applying a qualitative research methodology. In-depth interviews were carried out to gain information from a wide range of stakeholders located at local, regional, and national scales.

The research reveals that the existing literature and policies do not consider the impacts that occur during long gestation periods of proposed hydropower projects, and that significant psychological, development and social impacts ensue during the pre-implementation phase of such projects. The study also demonstrates that multiple actors across multiple scales attempt to influence the government's decisions as per their interest

from the inception of the project. In this process, the actors scale the issues down, up, and out. The study also reveals that cooperation and interaction among actors across the scales plays a significant role in influencing and pressuring the government and project developers to change or modify their decisions. Finally, the thesis argues that in the absence of serious commitment from the government, the attempts of affectees, civil society, and external agents have contributed only to slow progress towards refining a policy around involuntary displacement. In making these arguments, the thesis has relevance for the understanding of development in contemporary Nepal, as well as making an important contribution to the burgeoning literature on involuntary displacement.

Acknowledgements

I would like to take this opportunity to acknowledge a number of individuals and institutions for their immense support in different phases of my PhD journey. First and foremost, I would like to express my sincere thanks to my parents for giving the best they could give to my upbringing and making me capable to begin my PhD. I would not have reached so far if they had not given special attention to my education. I would also like to express my gratitude to all my family members for their support and love throughout these years.

Likewise, I would like to express my sincere gratitude to Dr. Douglas Hill for his extremely valuable role as my primary supervisor and for trusting and accepting me as his student. This journey would not have been worthwhile without his sophisticated intellectual advice to shape the direction of my PhD research, sharpen my critical thinking and analytical skills, and create a credible scholarly thesis. I am also very thankful to my secondary supervisor, Professor Richard Morgan, for his intellectual support throughout my PhD journey with the providence of high-quality comments on various drafts of my thesis. Finally, I am grateful to my colleagues and other faculty members at the University of Otago, Department of Geography who provided constructive feedback on this research project. In particular, I am thankful to my colleagues Ms. Rakhee Chatbar, Ms. Anita Latai, Mr. Ganzalo Mardones, and Ms. Taimaz Larimian for listening, encouraging, and giving that warm feeling which made my stay in the department and New Zealand a memorable one.

I am indebted to all my research participants and would like to convey my deepest gratitude to them for their time, commitment, and eager interest in contributing to this project. I would not be able to complete this PhD journey without their willingness to talk openly and share their insights regarding what they have observed and experienced with regard to this research theme. I am also thankful to all those who supported me during my field work. Special thanks go to Ms. Prema Ayer Shrestha, Mr. Tap Raj Joshi, Ms. Samiksha Neupane, and Ms. Rupa Basnet for assisting me with my field work. I also would like to thank Mr. Khadak Raj Joshi, Regional Coordinator of INSEC, for his amazing support in facilitating contact with research participants. I am also grateful to Mr. Ratan Bhandari for his time and generosity in providing secondary data, and to Mr.

Kabindra Joshi for providing me the maps of the West Seti Hydropower Project area. Kabindra jee, you have taught me the meaning of selfless help in the truest sense.

I would also like to acknowledge the Open Society Foundation (OSF) for providing a supplementary grant to conduct my field research and cover additional expenses for the academic years 2012/2013 and 2013/2014. I would also like to express gratitude to the team at the Global Environment Summer Academy for inviting me in Switzerland to attend their summer school and for providing me a platform to network and enrich my knowledge on different environmental issues. I would also like to thank the staff of the Department of Geography who helped me during my stay in the department.

Last but not least, I would like to thank my husband Prakash Bhattarai for going through this PhD journey with me and supporting me in every step of the way. I would not have reached this stage without your support. I know we both will treasure the memories of this journey and cherish it throughout our lifetime. Finally, I would like to thank all those whose names have not been mentioned here but who have come across me in the last three years in New Zealand, Nepal and elsewhere and helped directly and indirectly to ease my PhD journey.

Table of Contents

Abstract.....	ii
Acknowledgements.....	iv
List of Acronyms.....	x
List of Figures and Tables.....	xiii
Glossary.....	xv
 CHAPTER 1: INTRODUCTION.....	 1
1.1 Problem Statement.....	1
1.2 Brief Overview of Involuntary Displacement, Development-induced Displacement, and Phases of Development-induced Displacement Projects.....	5
1.3 Water Resources in Nepal.....	7
1.4 West Seti Hydropower Projects: Background Information.....	10
1.5 Research Aim and Research Questions.....	11
1.6 Contribution and Significance of the Study.....	13
1.7 Arguments.....	15
1.8 Research Approach.....	16
1.9 Conceptual Framework.....	18
1.10 Thesis Structure.....	23
 CHAPTER 2: LITERATURE REVIEW.....	 25
2.1 Introduction.....	25
2.2 Pre-implementation Phase of DID Projects: Measures and Models to Assess the Impacts.....	26
2.3 Approaches to Development Induced Displacement.....	28
2.4 Politics of Scale.....	33
2.5 Civil Society and the Politics of Scale.....	37
2.6 Civil Society in Nepal and its Relationship with State.....	39
2.7 Dam Debates and their Outcomes at the Global Scale.....	42
2.8 Conclusion.....	48
 CHAPTER 3: RESEARCH METHODOLOGY.....	 50
3.1 Introduction.....	50
3.2 Motivation for Carrying out this Research.....	52
3.3 Research Methodology.....	53
3.3.1 The Case Study as a Research Method/Approach.....	55
3.3.2 Rationale behind Selecting WSHP as a Case Study and the WSHP Area as a Study Location.....	58
3.4 Data and Data Sources.....	61
3.4.1 Data Collection Procedure and Participants.....	61
3.4.2 Sampling Procedure.....	65
3.4.3 Data Collection Techniques.....	67

3.4.4 Data Analysis and Reporting.....	70
3.5 Ethics.....	72
3.6. Positionality in Qualitative Research.....	74
3.7 Limitations and Challenges.....	78
3.8 Conclusion.....	80

CHAPTER 4: HYDROPOWER DEVELOPMENT INDUCED DISPLACEMENT IN NEPAL.....81

4.1 Introduction.....	81
4.2 Overview of Development of Hydropower Projects and Contemporary Debates on the Hydropower Sector in Nepal.....	82
4.2.1 External Influence in Nepal’s Development Discourse and Hydro Policy.....	84
4.2.2 India’s Take on Nepal’s Water Resources in Different Political Phases.....	87
4.2.3 Civil Society, Hydro Activists, and Hydropower Development in Nepal....	90
4.3 Involuntary Displacement in Nepal.....	92
4.3.1. Laws and Policies on Involuntary Displacement in Nepal.....	94
4.3.2 Compensation Mechanisms adopted to Compensate the Affectees of Hydropower Projects.....	98
4.4 The West Seti Hydroelectric Project (WSHP).....	99
4.4.1 Brief Description of the Project.....	102
4.4.2 Historical Background of the Project.....	104
4.4.3 Current Status of the Project.....	107
4.4.4 Socio-economic and Development Status of the Project Area.....	108
4.4.5 Predicted Impacts of the Project.....	111
4.5 Analysis and Conclusion.....	113

CHAPTER 5: IMPACT AT THE LOCAL SCALE: ANTICIPATING DISPLACEMENT.....116

5.1 Introduction.....	116
5.2 Potential Displacees’ Reactions during the Pre-implementation Phase.....	117
5.2.1 On the Basis of Location.....	118
5.2.2 On the Basis of Residential Status.....	121
5.2.3 On the Basis of Occupational Status.....	124
5.2.4 Marginal Groups.....	125
5.3 Impacts During the Pre-implementation Phase.....	129
5.3.1 Psychological Impact.....	129
5.3.2 Development Impact.....	133
5.3.3 Socio-economic Impact.....	135
5.3.4 Environmental Impact.....	136
5.4 Factors that have Heightened Impacts.....	137
5.4.1. Flow of Information.....	138

5.4.2 Lack of Meaningful Participation of Locals during the Pre-implementation Phase.....	139
5.4.3 Uncertainty about Project Construction.....	140
5.4.4 Absence of Concerned Government Authority in the Project Sites.....	138
5.4.5 Political Condition of the Country.....	141
5.5 Analysis.....	142
5.6 Conclusion.....	145

CHAPTER 6: EVOLUTION OF LOCAL ACTIVISM ON WEST SETI HYDROPOWER PROJECT AND INFLUENCE OF MULTIPLE ACTORS.....147

6.1 Introduction	147
6.2 Conflicting Views on the WSHP and the Advent of Activism.....	148
6.2.1 Augmentation of Activism at the National Scale.....	152
6.2.2 Augmentation of Local Level Activism.....	154
6.2.3 Augmentation of Activism on a Regional Scale.....	161
6.3 External Influence on Locals and Local Activism.....	164
6.3.1 Civil Society Organisations and Activists.....	164
6.3.2 Transnational Actors and Organisations.....	165
6.3.3 National Political Actors.....	166
6.3.4 Snowy Mountains Engineering Corporation.....	167
6.4 Achievements of Local and National Activism.....	168
6.5 Analysis.....	171
6.6 Conclusion.....	175

CHAPTER 7: GOVERNMENT RESPONSE TO THE RESISTANCE TO HYDROPOWER INDUCED DISPLACEMENT.....176

7.1 Introduction.....	176
7.2 Evolution of Dealing with Hydropower Induced Displacement over Different Time Periods.....	177
7.3 Perspectives of Multiple Stakeholders on the Need for an Involuntary Displacement Policy in Nepal.....	187
7.4 Government's Attempt to Formulate an Involuntary Displacement Policy.....	189
7.5 Reasons for Delay in Formulation of Involuntary Displacement Policy in Nepal.....	191
7.5.1 High Cost of Development Projects.....	191
7.5.2 Development Approach Adopted by the Government and Political Parties.....	192
7.5.3 Involuntary Displacement Issues Overshadowed by Geopolitical Factors.....	193
7.5.4 Civil Society Activism Focused on Large-scale or Export Oriented Projects.....	194
7.6 Analysis.....	195

7.7 Conclusion.....	196
CHAPTER 8: FINDINGS AND CONCLUSIONS.....	198
8.1 Introduction.....	198
8.2 Chapter-Specific Findings.....	200
8.3 Recommendations to Government and Policymakers.....	210
8.4 Future Research.....	212
8.5 Concluding Remarks.....	214
BIBLIOGRAPHY.....	216
APPENDICES.....	213
Appendix 1: WCD Framework for Decision-making on Dam Construction.....	213
Appendix 2: Household Respondents from Deura and Babina.....	215
Appendix 3: Key Informants from Deura.....	215
Appendix 4: Key Informants from Babaina.....	215
Appendix 5: List of Informants from DedeldhuraBaitadi, Doti, Kailali, and Kanchanpur.....	216
Appendix 6: List of Respondents from Kathmandu.....	218
Appendix 7: Semi-Structured Questionnaires	

List of Acronyms

ADB:	Asian Development Bank
BOOT:	Build, Operate, Own, and Transfer
CA:	Constitution Assembly
CBA:	Cost-Benefit Analysis
CDO:	Chief District Officer
CPN- UML:	Communist Party of Nepal-United Marxist-Leninist
CPR:	Common Property Resources
CSOs:	Civil Society Organizations
CTGC:	China Three Georges Company
CWE:	China International Water and Electric Corporation
DDC:	District Development Committee
DER:	Detail Engineering Report
DID:	Development Induced Displacement
EIA:	Environment Impact Assessment
EPA:	Environment Protection Act
FINNIDA:	Finnish International Development Agency
FOLD:	Forum for Local Development
FSL:	Fully Supply Level
FWDR:	Far-Western Development Region
GDP:	Gross Domestic Profit
GIZ:	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoN:	Government of Nepal
GTZ and BMZ:	German Technical Cooperation and German Ministry for Economic Cooperation and Development
HDI:	Human Development Index
HIA:	Health Impact Assessment

HPI:	Human Poverty Index
HSBC:	Hong Kong and Shanghai Banking Corporation
IBN:	Investment Board Nepal
IEA:	Initial Environment Assessment
IEE:	Initial Environment Examination
IFC:	International Finance Organization
ILO:	International Labour Organization
INSEC:	Informal Sector Service Centre
INHURED:	International Institute for Human Rights, Environment and Development
IPP:	Independent Power Purchaser
IPR:	Immovable Property Requisition
IRR:	Impoverishment Risk and Reconstruction
IUCN:	International Union for Conservation of Nature
JACSES:	Japan Centre for Sustainable Environment and Society
JBIC:	Japan Bank for International Cooperation
JICA:	Japan International Corporation
LAA:	Land Acquisition Act
LSGA:	Local Self-Government Act
MoM:	Memorandum of Minutes
MoPE:	Ministry of Population and Environment
MoU:	Memorandum of Understanding
MSWP:	Melamchi Water Supply Project
NEA:	Nepal Electricity Authority
NGOs:	Non-Governmental Organisations
NPC:	National Planning Commission
NRMC:	Natural Resource and Management Committee
OECD:	Organisation for Economic Cooperation and Development

OPEC:	Organization of Petroleum Exporting Countries
PTC:	Power Trading Company India Limited
PAF:	Poverty Alleviation Fund
PAP:	Project Affected People
PIA:	Pre-implementation Impact Assessment
PPA:	Power Purchase Agreement
RPP:	Rastriya Prajatantra Party
RRA:	Right and Risk Approach
SAP:	Structural Adjustment Program
SEA:	Strategic Impact Assessment
SIA:	Social Impact Assessment
SMEC:	Snowy Mountains Engineering Corporation
TWS:	Tharu Welfare Society
UDHR:	Universal Declaration of Human Rights
USAID:	United States Agency for International Development
VDC:	Village Development Committees
WAFED:	Water and Energy Users' Federation-Nepal
WB:	World Bank
WCD:	World Commission on Dams
WSCC:	West Seti Concern Committee
WSCS:	West Seti Concern Society
WSHL:	West Seti Hydropower Project Limited
WSHP:	West Seti Hydropower Project
WSMCC:	West Seti Main Concern Committee

List of Figures and Tables

Figures:

Figure 1.1: Different Stages of DID Projects.....	6
Figure 1.2: Research Area.....	17
Figure 1.3: Actors Involved in Dam Affairs.....	21
Figure 3.1: Map of Girichauka VDC showing Babina.....	59
Figure 3.2: Map Rayal VDC showing Deura.....	59
Figure 3.3: Interview with a Respondent from Babina.....	67
Figure 3.4: Group Discussion with Locals from Gopghat, Doti.....	68
Figure 3.5: Reading Information Sheet Aloud to Women's Group before Conducting Group Discussion.....	72
Figure 5.1: General Setting of Deura and Babina.....	115
Figure 5.2: Small Trail that goes to Babina.....	117
Figure 5.3: Differences in feelings and reactions towards displacement as per the residential status of locals of Deura and Babina.....	116
Figure 5.4: Forest Area of the WSHP.....	134

Tables:

Table 3.1: Composition of Respondents.....	62
Table 3.2: Composition of Respondents of Deura, and Babina and its Vicinity.....	63
Table 3.3: Composition of Key Informants from Deura and Babina.....	63
Table 3.4: Composition of Respondents from Kathmandu.....	64
Table 4.1: Power Production Plans for 20 Years.....	82
Table 4.2: Involuntary Displacement in Nepal.....	91
Table 4.3: Households and Population in the Reservoir Area in 2006.....	101
Table 4.4: Development Status of Project Area.....	108
Table 5.1: Locals' State of Mind about Moving to a New Place if Compensation is given as per their Expectations.....	113

Table 5.2: Differences in feelings and reactions towards displacement as per the residential status of locals of Deura and Babina.....	116
Table 5.3: Summary of the Impacts on Locals during the Pre-implementation Phase...	141
Table 6.1: Activities of Rival Concern Committees at Local and National Levels.....	156
Table 6.2: Motives and Debates of Actors at Different Scales.....	170
Table 7.1. Activism and Provisions to Safeguard Hydropower Project Affectees in Nepal during Different Political Periods.....	175

Glossary

Bote: One of the ethnic groups of Nepal that traditionally rely on fishing for a living.

Chiuri: Chiuri (*diploknemabutyracea*) is a plant found in the far-western region of Nepal. The fruit from the plant is used to produce clarified butter (ghee) by the locals of the region.

Communist Party of Nepal (United Marxist-Leninist): One of the communist parties of Nepal. It was formed by merging the Communist Party of Nepal (Marxist) and the Communist Party of Nepal (Marxist–Leninist).

Dalits: Dalits are regarded as the lowest caste group in the Hindu caste system followed in Nepal. They are also regarded as the untouchable caste group.

Hindu caste system: The Hindu caste system stratifies people into four hierarchical groups: Brahmins, Kshatriyas, Vaishyas, and Sudras. Brahmin and Kshatriyas are regarded as the high caste group, Vaishyas as the middle caste group and Sudras as lower caste groups. Dalits are regarded as Sudras. Traditionally, the work division in the communities was done as per the caste group. Brahmins were priests and scholars; Kshatriyas were warriors; Vaishya were merchants and farmers; and Sudras were tailors, blacksmiths, clobbers, and cleaners. Janjati (a tribal group) do not fall under the Hindu caste system.

Janajati: The tribal people of Nepal. They have their own traditional homeland, mother tongue, culture, and written and unwritten history.

Nepali Congress: One of the leading democratic political parties of Nepal.

Panchayat: A political system introduced by King MahendraBirBikram Shah Dev in 1960 after overthrowing the first democratically elected government of Nepal. During this period the country was ruled under direct leadership of the King. This system was overthrown by a movement usually referred as People Movement-I in 1990.

People Movement-I: A populist uprising that took place in Nepal in 1990. The movement supported the political parties to establish constitutional democracy in Nepal, reducing the power of the Monarch.

People Movement- II: A populist uprising that took place for 19 days in Nepal in 2006. The movement was called by the political parties of Nepal to overthrow the martial law introduced by King Gyanendra on 1 February 2005, suspending the Parliament. The other objectives of the Movement were to abolish the Monarchy and to hold a Constitution Assembly.

Terai Region: Terai is referred to as a lowland or plain area. It lies at an altitude of 67m to 300m.

Tharus: One of the ethnic groups of the Terai region of Nepal.

Unified Communist party of Nepal (Maoist): This political party was formed by splitting from the Communist Party of Nepal (Unity Centre) in 1995. The party launched a civil war in 1996 against the government of Nepal with the objective of abolishing the Monarchy and establishing the country as a People's Republic. The party signed a peace accord with the Government of Nepal in November 2006.

Units of Measurement:

Monetary Unit

Nepali Rupees (NRS): The currency used in Nepal. 1 NZD equals NRs 74.83 as per the exchange rate dated 28-05-2015.

Lakh: The numbering system used in South Asian countries. 1 lakh denotes 1,00,000.

Crore: The numbering system used in South Asian countries. 1 crore denotes 10,00,00,000.

Energy Unit

KWh: 1 KWh= 1,000 Watts per hour

MWh: 1 MWh= 1,000 KW per hour

GWh: 1 GWh= 1,000 MW per hour

Cusec: Flow of water in the river in 1 cubic feet per second

Land Measurement used in Nepal

1 Anna= 342.25 square feet

1 Ropani= 5, 476 square feet

1 Katha= 3, 645 square feet

1 Bigha= 72, 900 square feet

Chapter 1

Introduction

1.1 Problem Statement

People throughout the world have been involuntarily displaced from their homelands to achieve development goals set by governments, ambitious profits envisioned by project developers, and improved standards of living desired by many people. A major rise in Development Induced Displacement (DID) has taken place in the post-World War II era with the tremendous incremental growth in the construction of infrastructure all around the world (Dwivedi, 2002). In recent decades this trend has been further intensified by the neoliberal development policies adopted by many countries to accelerate their development. The World Bank (WB) has estimated that nearly 10 million people were displaced annually from 1986 to 1993, due to the construction of dams, urban development, and transportation programmes (Cernea, 1994). The World Commission on Dams (WCD) reveals that the construction of large dams alone has led to the displacement of some 40 to 80 million people globally (WCD, 2000).

Dams have been regarded as an instrument of development and are constructed for water supplies, hydropower, irrigation, and protection against floods. Certainly these have contributed to meeting the necessities of many people, and to increased economic growth in many countries (Burt & Watts, 1996; WCD, 2000). Nevertheless, dams have also worsened the living standards of many people, especially those living in the immediate dam area and its surroundings (Cernea, 2000; Scudder, 2006; Weist, 1995). The construction of dams has also adversely affected the environmental, social and economic well-being of downstream, upstream, and host communities (Cernea, 1996c, Gautman, 1994; Rai, 2005). In some places the consistent resistance of affectees, civil society, and other interest groups has compelled governments and dam builders to introduce safeguard policies, including impact assessment tools for mitigating the consequences of DID projects (Brown & Fox, 1999; Clark, Fox, & Treacle, 2003).

Many developed and developing countries use impact assessment tools such as Environment Impact Assessment (EIA), Social Impact Assessment (SIA), and Health Impact Assessment (HIA) prior to the construction of infrastructure projects to identify, predict, and evaluate likely impacts on project-affected people. Based on the findings of

the assessments, the concerned authorities are expected to decide whether it is viable for the project to proceed or not. These tools also illustrate options for minimising the likely impacts on human beings and the environment. However, the application of these tools has not led to the reduction in large-scale construction of dams that have had huge social and environmental impacts. Other safeguard policies endorsed by governments and dam builders to overcome the consequences of dam projects on local communities have also largely failed (Cernea, 1999; WCD, 2000). Nonetheless, the construction of dams is still a common practice around the world.

These issues are complex in many parts of the world, and Nepal is a noteworthy example of a country that has had an unsuccessful experience of protecting the affectees of hydropower projects from their adverse effects. The impact of such projects on local communities has been further intensified by the politics surrounding construction of hydropower projects in Nepal. Nepal has enormous water resources, with the potential to produce 43,000 MW of electricity; however, this resource has not yet been effectively harnessed (GoN, 2005; Sharma & Awal, 2013). This under-utilised resource has not only raised high hopes among the Nepalese people as a way to make Nepal a prosperous country, but has also created a complex hydro relationship with its closest neighbouring country, India. Rivers originating in and flowing from Nepal have been a huge source of water in India and a hope for water and energy supply for its growing population and economy (Gyawali, 2001). However, the terms concerning how water should be shared between the two countries have been a source of considerable controversy, particularly within Nepal, where many people feel the larger downstream, riparian India has demanded unfair conditions.

In addition, various countries and multilateral donors have been supporting Nepal in its development process, including the construction of hydropower projects, which has added a larger complexity to this issue. While supporting Nepal to meet its development needs, these donors have also attempted to influence Nepal's development policies as per their own interests (Gautam & Pokhrel, 2011). Nepal's hydro affairs are further complicated by the country's unstable political history that has gone through several upheavals in past decades, influencing the perception of hydro activists' stands on the hydro-development process (Petheram, 2011). Nepal emerged from a decade-long Maoist armed conflict in 2006 which played a significant role in abolishing the monarchy and establishing the country as a Federal Democratic Republic. Currently Nepal is in the process of drafting

the new constitution and restructuring the nation into a federation of various states. The first Constituent Assembly failed to deliver the much awaited constitution to the Nepalese and the second Constituent Assembly is currently continuing this process. In the aftermath, many complex issues have to be addressed by the concerned authorities, including water resources management, utilisation and control over water resources between the proposed federal states, hydropower development modality, and mechanisms to safeguard the affectees of hydropower projects.

With all of these multifaceted problems surrounding the water resources of Nepal, the construction of mega hydropower projects, as well as the formulation of mechanisms to safeguard the affectees of hydropower projects, has become a complex issue. The current trend indicates that the contestation between project developers and civil society, including project affectees, arises as soon as the project is announced, and the project is then often mired in controversies. As a result, while the construction of some projects begins a few years after its announcement, many other projects are trapped in a long gestation period, generating uncertainties in the lives of the locals residing in the project area.

Drawing on the experience of Nepal, and particularly the proposed 750 MW West Seti Hydropower Project (WSHP) located in the Far-Western region of Nepal, this thesis seeks to investigate how hydropower projects that induce displacement become trapped in this long gestation period and, as a result, what kinds of impacts residents of project areas experience. In order to bring this wider perspective to bear on this investigation, the voices of different kinds of stakeholders residing in two distinct settlements – Deura, a market centre, and Babina, a remote settlement – are captured in the thesis. The thesis also investigates the role of a variety of actors in supporting or opposing such projects, and their contribution in refining involuntary displacement policies for the long run. In addition, it seeks to discover answers to the reasons behind the delay in the formulation of involuntary displacement policies in Nepal.

The argument advanced in this thesis is that in order to understand the dynamics of displacement induced by hydropower projects in Nepal, and to find reasons to explain Nepal's unsuccessful experience of protecting the affectees of hydropower projects, it is important to understand the politics that revolves around the construction of such projects, from the inception of the project. I also argue that the way hydropower induced

displacement is dealt with presently in Nepal is the result of how the government, funding agencies, external actors, civil society, and affectees have been approaching this issue over time. I assert that the concerned authorities must have an understanding of these complex dynamics in order to design effective policies to address the problems revolving around the construction of such projects.

Recognising the complexity of DID and their impacts on affected groups, many scholars, policy makers, and other interested groups have investigated the issues of involuntary displacement caused by large-scale infrastructure projects, including hydropower projects. Literature on DID covers a wide range of subject matters, including: the impact of displacement on affectees with different backgrounds (Bisht, 2009; Power, 2000; Rai, 2005); methods to minimise the impact of displacement (Cernea, 2000; Sadler, Verocia & Vanclay, 2000; WCD, 2000) relationships between displacement and development (Dwivedi, 2002; Penz, Drydyk, & Boss, 2011) and relevant policies and international instruments on displacement (Penz et al., 2011; Szablowski, 2007). A significant amount of previous research has also focused on local, national, and international movements against development induced displacement (Fox & Brown 1998; Oliver-Smith, 2001).

While this existing research has greatly added to our understanding of DID, this thesis argues that it neglects important aspects. Indeed, previous research is found to be overwhelmingly focused on different aspects of the implementation and post-implementation phases, i.e., the phases during and after displacement and resettlement of displacees (Cernea, 1994; Scudder, 1993; Sims, 2001; Stanley, 2004). As such, this literature largely neglects the likely impacts that occur prior to the implementation phase of the project. This gap in analysis includes the politics occurring at different scales concerning the construction of projects, and the response of the government to the resistance of civil society and affectees to involuntary displacement. In light of this research gap, it is extremely important to understand the politics that occurs at different scales among the multiple actors interested in dam affairs, and to come up with commonly agreed solutions to resolve the complex issues of involuntary displacement.

Before proceeding to describe the context of Nepal, it is essential to have conceptual clarity on the terminology used in this thesis. Hence the section below provides a brief overview on the concepts of involuntary displacement, development induced displacement, and the phases of development induced displacement projects.

1.2 Brief Overview of Involuntary Displacement, Development-induced Displacement, and Phases of Development-induced Displacement Projects

Involuntary displacement is the term commonly used to denote forceful displacement. According to Muggah (2003), displacement involves coercion, physical uprooting, and sometimes de-territorialisation. There are several reasons why people are involuntarily displaced, including conflict, disaster, development initiatives, environmental degradation, and climate change. All these types of displacement fall under the rubric of involuntary displacement; however, the nature and the processes of being displaced differ in each type (Agrawal & Redford, 2009; Castles, 2003). For example, the displacement caused by development initiatives is very different from the displacement caused as a result of natural disaster (Asthana, 1996). Similarly, the displacement occurring as a result of conflict is different from the displacement incurred by climate change. In short, the experiences and psychological suffering of displacees in these diverse types of displacement differ widely. Likewise, the laws and policies to address the consequences of these different kinds of displacement also vary greatly (McDowell & Morrell, 2013).

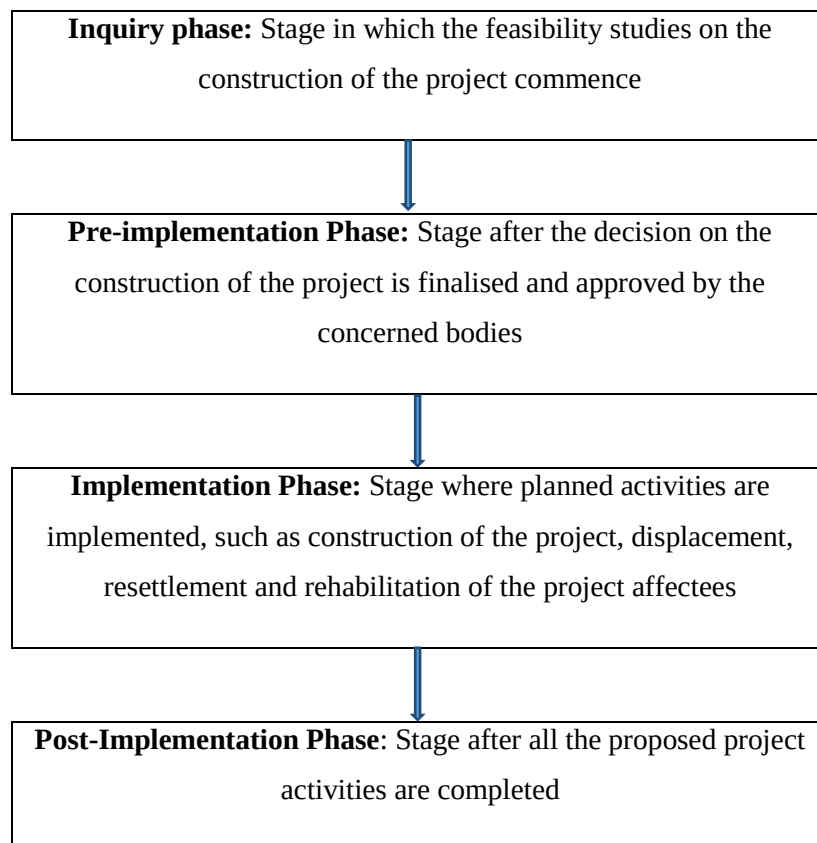
As indicated in the previous section, this thesis focuses on development induced displacement, which often occurs as a result of certain policies and strategies of states for advancing the development goals of their country through the construction of roadways, railways, large-scale hydropower projects, irrigation dams, airports, stadiums, planned cities, as well as national parks and conservation sites (Cernea, 1994). Typically, the government acquires land from its citizens, either for the construction of infrastructure projects or for conservation purposes. In so doing, the government displaces large numbers of local residents from their current place of residence and vicinity. Unlike other forms of displacement, development induced displacement is permanent in nature (Turton, 2006). Governments or project investors usually compensate the displacees, either with: i) cash, ii) cash and land, iii) cash, land and house, iv) cash, land and house plus other benefits (Upadhyaya & Sharma, 2004). Despite these efforts taken by governments and project developers, ample previous research suggests that the living standards of most of the development displacees have worsened after displacement (Cernea, 1996a; Rai, 2005; Scudder, 2006).

Apart from direct displacement, indirect displacement also occurs as a side effect of the construction of large infrastructure projects. These projects affect livelihood practices,

socio-cultural, and religious patterns of inhabitants living in project areas, upstream communities, downstream communities, and host communities. For instance, the diversion of water and clearance of forest may affect some locals who rely on the products of these resources for their livelihood. Eventually, this may become the cause of displacement for some project affectees sometimes soon after the project is constructed and at times a few years after the construction of the project (Penz et al., 2011). In addition, previous research also reveals that among the affectees, women, children, the disabled, and indigenous people are the most vulnerable (WCD, 2000).

For this study, I have divided the construction process of DID projects into four phases, namely: inquiry phase, pre-implementation phase, implementation phase, and post-implementation phase. Figure 1 shows the different stages of DID projects.

Figure 1.1: Different Stages of DID Projects



I have defined the *inquiry phase* as the stage in which technical research is carried out to investigate whether the project is feasible to construct – technically, financially,

environmentally, and on social grounds. EIA is also conducted during this phase, depending upon the policy of the respective country. Local people may or may not be aware of the project discussions and likely effects of the projects during this stage. By the end of this phase the concerned authorities usually take a decision regarding whether or not the project will be implemented (Scudder, 2006).

I have defined the term *pre-implementation phase* as covering the period after the announcement of the project and before the actual construction begins. In this phase technical and other important aspects related to project implementation, such as land acquisition, compensation, resettlement, and rehabilitation mechanisms, are designed and planned with or without consultation with the locals, depending on the policy of the country. Hence, during the pre-implementation phase, the detailed planning of project construction takes place on the basis of the EIA, SIA, and other technical studies. Some projects may have a shorter pre-implementation period, while others may have longer pre-implementation, depending on the acceptance of or resistance to the project from different actors.

I have defined the *implementation phase* as the phase in which actual project activities such as the displacement of people, construction of the project, and resettlement of people take place. The *post-implementation phase* is the phase after the project activities are completed. In this phase the project is monitored and evaluated.

1.3 Water Resources in Nepal

Nepal is a country with immense water resources. It is one of the smallest countries in the world, yet despite its small size it has 2.27 percent of the world's water resources (Pariyar, 2003). The topography of Nepal varies from 8,848m in the north with its steep mountains, to 60m on the southern plain, all within an area of only 200 km. The variation in topographic elevation within such a limited area provides steep terrain and diversifies the physiographic regions (Sharma & Awal, 2013). Nepal has more than 6,000 rivers and rivulets with a total length of about 45,000 kilometres (Sangroula, 2009). There are three categories of rivers in Nepal: Himalayan rivers, Mahabharat rivers, and Churia rivers. Most Himalayan rivers originate from the snow-capped region in the north. The Mahakali, Karnalali, Gandaki, and Saptakoshi are the rivers that originate in the Himalayas and flow with significant discharge throughout the year. In contrast,

Mahabharat rivers originate below the permanent snowlines and are fed by rainfall, spring recharge, and ground water. The Mechi, Kankai, Kamala, Bagmati, and West Rapti fall under this category. These rivers are also perennial but the density of their discharge varies in different seasons. Churia rivers originate from the southern Siwalik range of hills that have an average elevation of 1,500 to 2,000 meters. These rivers are seasonal in nature (Pariyar, 2003). Among the different river types, the perennial type of river run-off flowing through the steep gradient of the country's topography creates ideal conditions for the generation of hydropower in Nepal. Nepal has the theoretical potential to generate 83,000 MW of hydropower, of which 43,000 MW is considered economically viable for production (GoN, 2005).

While hydropower is the dominant source of electricity production, it only accounts for 2 percent of total energy usage in Nepal. As a result, most of the people depend on traditional biomass for electricity and other forms of energy. By the end of 2010, Nepal was only producing 689.3 MW of hydropower. As a result, only 40 percent of the Nepali population has access to electricity (Water and Energy Commission Secretariat, 2010). Due to the low production and underdevelopment of alternative sources of electricity, Nepal has been suffering from an electricity crisis since 2005. Consequently, the Nepalese population has been bearing daily power cuts throughout the year. The government announces certain hours of electricity cut off per day which varies from season to season. In winter, the power is cut off for longer hours than summer. The government-announced schedule is followed by concerned authorities to cut off power supply in most of the area; however, in many parts of rural area the power cut goes beyond the schedule. The story is different in those rural areas where micro hydropower plants are constructed by the local community. In such case, the power supply system is managed by the community and the power cut off system is determined by the capacity of the electricity plant and the number of houses the electricity is supplied to. Nepal imported 173 MW of electricity from India in the fiscal year 2013/2014 to reduce the power cut-offs (Nepal Electricity Authority, 2013). In the fiscal year 2012/2013, Nepal imported more than 700,000 kilolitres of high speed diesel, which is mostly used to run high-speed engines. This figure is more than double the import figure in comparison to the fiscal year 2007-2008, which was 300, 000 kilolitres. Sources reveal that this drastic rise is due to the use of power generators to produce energy during the power cuts (Rai, 2014).

In order to solve this glaring problem, the Government of Nepal (GoN) has given a high priority to the development of hydropower projects and has encouraged private sector involvement in hydropower production. Realising the huge potential for hydropower production, GoN has also set a target to produce the maximum amount of electricity and export it to neighbouring countries (Sharma, 2013). As a result, the GoN has opened the door for international investors to invest in and construct hydropower projects. The Nepal Electricity Authority (NEA) has given licenses to 231 projects to produce 1 to 10 MW of electricity, 75 projects to produce 10 to 100 MW of electricity, and 18 projects to produce greater than 100 MW of electricity (Shrestha, 2010). Based on the number of licenses granted thus far by the GoN to conduct feasibility studies for potential projects, it can be assumed that the construction of many hydropower plants may take place in the future. Some of these projects are likely to affect and displace large numbers of people residing in the project areas (Dixit, Tumbahangfe, & Bisangkhe, 2005).

As in many other parts of the world, research conducted on displacement induced by infrastructure projects in Nepal also reveals that the living conditions of the displacees have worsened after displacement from their original locations. The research also demonstrates that the laws governing involuntary displacement in Nepal are not adequate to address the problems surrounding involuntary displacement (Pokharel, 1985; Rai, 2005; Upadhyaya & Sharma, 2004). The GoN does not have any concrete involuntary displacement policy to safeguard the affectees and displacees of development projects. Currently, the inclusion of resettlement and rehabilitation programmes for displacees of hydropower projects is largely limited to those projects that are obliged to carry such programmes by the conditionalities set by their funding agencies (Upadhyaya & Sharma, 2004).

The GoN has made it mandatory to conduct an Initial Impact Examination (IIE) for those projects that induce displacement of up to 100 people, and an EIA for those projects that displace more than this number (GoN, 1997). However, the research to date reveals that these tools are poorly implemented by the project developers. The literature also reveals that the government does not effectively examine and monitor the assessment process (Bhattarai, 2001). Considering all these issues, civil society and project-affected groups have been questioning the adverse effects of hydro projects and consistently opposing their construction (Dixit & Gyawali, 2010; Gyawali, 2001). The opposing groups have

been supported by international civil society and activists to bring the problem to the forefront for a global audience (Gyawali, 2001).

Despite the clear evidence of significant displacement problems associated with large-scale development projects, thus far very limited research has been carried out on involuntary displacement in Nepal. Furthermore, the research that has been done in the past has either focused on the implementation phase or the post-implementation phase of hydro projects. For example, Pokherel (1985), Rai (2005), Bhattarai (2001), and Upadhyaya & Sharma (2004) investigated the impact of the projects after displacement. Dixit et al. (2005) conducted a broader study of five dam projects in Nepal prior to their construction but did not deeply emphasise on the likely consequences of the project. Moreover, the research they conducted is based on secondary data and only gives an overview of dam projects and their likely impacts. It does not provide an account of the first-hand experience of locals likely to be displaced by the hydro projects. Considering this research gap, I have taken the proposed WSHP as a case study to explore impacts and other dynamics that occur during the pre-implementation phase of the project and their effects on the local communities.

1.4 West Seti Hydropower Projects: Background Information

WSHP is a storage project designed to supply water throughout the year by storing excess water that flows into the Seti river during the wet season. The water collected in the reservoir will be used to generate electricity during the dry season when the demand for electricity peaks to the maximum. WSHP is designed to generate 750 MW and was initially planned with the objective of exporting electricity to India (Rai, 2012). The GoN had signed a Memorandum of Understanding (MoU) with the Snowy Mountains Engineering Corporation (SMEC) in July 1994 and handed WSHP over to them for its construction. The initial funding for the study of the WSHP dam was allocated by the China Exim Bank. Later the Asian Development Bank (ADB) approved the EIA and decided to provide private sector loans.

However, the project was consistently opposed by local and national civil society for ignoring constitutional provisions, agreeing on an electricity sharing deal beneficial to India rather than to Nepal, and ignoring social and environmental impacts of the project (Shrestha, 2009a). Locals and activists also claimed that the EIA was not conducted as

per the requirements set out by the ADB. The activism was strongly supported by international civil society groups working on similar issues. In the end, SMEC was not able to finalise the power purchasing deal with India. Hence ADB withdrew from the project in 2010, as did the China National Machinery and Equipment Export and Import Corporation (Rai, 2012).

In July 2011, the government cancelled the license of the SMEC and handed the project to the China Three Georges Company (CTGC) with new terms and conditions. Now the project will be built for internal consumption. The NEA will invest 25 percent of the shares, the China International Water & Electric Corporation (CWE), the sister organization of CTGC, will finance 75 percent of the shares, and local communities will be entitled to two to five percent of the shares (Rai, 2012). The construction work was set to commence in 2014 and was expected to be completed by 2019 (Kathmandu Post, 2012). However, CTGC is still conducting preliminary research and the implementation of the project has not yet begun. The project dynamics have also changed after the entry of CTGC. Currently there is not significant opposition from the affectees and national and local civil society actors, as they are eagerly waiting to find out what CTGC will offer to the locals. The gestation period of the project has continued to lengthen for some years, which again suggests the need for study on how these delays have affected local people.

Considering its long pre-implementation phase, I found the WSHP to be the most appropriate case for my study to investigate the impact that occurs due to long gestation periods of such projects. Further, the involvement of external actors, such as international civil society networks, and the project linkages with India and China, have added further dimensions to the project.

1.5 Research Aim and Research Questions

As indicated above, the overall goal of this research is, first, to understand why large-scale hydropower projects that induce displacement of large numbers of people become trapped in a long gestation period. Further, the research seeks to understand why the GoN has delayed the formulation of an involuntary displacement policy in Nepal, despite pressure from different sectors. In order to gain such understanding, this study investigates how issues regarding displacement caused by hydropower projects unfold at different scales and how stakeholders located at different scales attempt to influence

national policies and practices on involuntary displacement. In order to understand the politics around involuntary displacement caused by hydropower projects from their inception, this research focuses on three facets of involuntary displacement.

First, the research focuses on assessing the impacts that occur on local communities prior to the construction of hydropower projects that induce displacement. In this regard, this research examines a hydropower project that has been trapped in controversies and has experienced a long gestation period. In large-scale projects, actual construction and displacement may not begin until several years after the announcement of the project. However, long before its implementation, local people begin anticipating their life during and after displacement. Moreover, the government and other investors may not invest in an area which will soon be submerged (Scudder, 2006; WCD 2000). Under such circumstances, the impacts of the project on local communities occur well before the construction of the project. In addition, the longer the gestation period, the more the local people suffer. This research therefore aims to explore the impacts that occur during the phase prior to the implementation of such DID project. The existing literature does not illuminate the experience of locals anticipating displacement and suffering from long project gestation periods. In order to address this gap in the literature, this research attempts to answer the following research question:

What kinds of impacts occur during the pre-implementation phase of hydropower projects for local communities residing in project areas, and what are the factors that heighten these impacts?

Second, this research focuses on assessing how local activism evolves in DID projects and how different actors from multiple levels attempt to influence the project as per their interests. The existing literature states that diverse stakeholders and interest groups, such as national and international civil society leaders, local and national politicians, and government officials, often attempt to employ their power, networks, and positions to influence the decisions of the state on the fate of large-scale infrastructure projects (Adger, Benjaminsen, Brown, & Svarstad, 2001; Molle, 2007; Morrill, 1999). To understand the significance of this, the thesis also focuses on examining how diverse stakeholders, from local to national level, attempt to influence the decisions of the state in the construction of DID projects.

Likewise, the research attempts to elicit the voices of local people and relevant non-state actors regarding the motives behind their engagement in various advocacy and campaign driven actions, and the similarities and differences in this wider range of activities in the pre-implementation phase of the project. In addition, this study attempts to explore the challenges faced by local people and other non-state actors in the process of claiming the rights of locals. There is some literature that describes the attempts made by local, national, and international actors to influence decisions around the construction of dams through activism and other strategies (Lebel, Garden, Imamura, 2005; Rothman & Oliver, 1999; Udall, 1995). However, there is very little literature specifically highlighting the politics that occurs at different scales in the construction of hydropower projects that induce displacement, and contextualising the case of Nepal is rare. Hence, this area of investigation is found to be useful for addressing the following research question and filling the research gap:

How do local people and non-state actors from local to international levels attempt to influence the government's decisions concerning the implementation of hydropower projects that induce displacement during the pre-implementation phase of the project?

A third prominent focus of this research is an exploration of the government's response to the resistance of diverse groups in refining the policies revolving around involuntary displacement. This research attempts to determine the contribution of local, national, and international activism in refining the governments' involuntary displacement policy for the long run. No such studies have been conducted investigating this subject matter in the context of Nepal. This research attempts to fill this gap and provides an insight into the role of diverse actors in refining national policies. In order to do so, this research seeks answers to the following question:

How has the GoN responded to involuntary displacement practices over time? And are the project affectees and non-state actors able to contribute to the refining of policies on involuntary displacement?

1.6 Contribution and Significance of the Study

This research will contribute to expanding theoretical horizons and to providing inputs to policymakers on issues around DID and large-scale hydropower projects. Based on

empirical findings, this research will provide an in-depth understanding of the impacts that occur during the pre-implementation phase of projects trapped in a long gestation period. This will be a novel theoretical contribution to the academic research on involuntary displacement.

The research also has the potential to contribute to the literature on the politics of scale. The study illustrates the actions and reactions of multiple stakeholders after the announcement of the construction of a certain project. The existing literature on the politics of scale is highly focused on issues around water governance and environmental governance, and is mostly based in Southeast Asian and African contexts (Mirumachi & Van Wyk, 2010; Molle, 2007). However, there is no noteworthy literature that describes the notion of politics of scale in the context of hydropower projects that have experienced a long gestation period. Moreover, the case study of hydropower in Nepal will provide new insights and contribute to the literature of the politics of scale since there have not been any such studies carried out using Nepal as a case study in this theoretical model.

The other potential theoretical contribution of this research will be on the literature of impact assessment. The existing impact assessment tools and practices do not focus on the pre-implementation phase of any large-scale projects that induce displacement of locals. This research, by providing empirical evidence of the impacts that are seen in the pre-implementation phase of the project, provides a set of indicators that can be used as Pre-implementation Impact Assessment (PIA) measures for identifying the problems experienced by people during long project gestation periods. At the present stage, neither the policies of multilateral agencies, such as the WB, ADB, and Organisation for Economic Cooperation and Development (OECD), nor the national policies of most countries around the world, have incorporated policies that address the impacts that may arise during the pre-implementation phase of any DID project (ADB, 1995, 2009; OECD, 1992; WB, 2001a, 2002b). Even the WCD report does not contain concrete recommendations for addressing the impact of this particular phase of a project (WCD, 2000). In this regard, recommendations arising from this research can be a notable contribution towards refining the policies on involuntary displacement.

Additionally, this research aims to provide inputs to the involuntary displacement policy of Nepal. The GoN is currently in the process of formulating its involuntary displacement

policy. In this context, the recommendations of this research can be taken as a point of reference while formulating policies on involuntary displacement. More broadly, a number of development projects in Nepal are trapped in a long gestation period. Against this backdrop, the findings of this research are useful in drawing the attention of policymakers and government towards the betterment of people living in the project areas who are suffering due to the government's ignorance about such project affectees.

Particularly given the Nepalese context, the findings of this research are highly significant in assessing the role of local people and non-state actors in refining and introducing new policies on involuntary displacement caused by DID projects. The findings are further significant for the ability of civil society actors in Nepal to analyse the weaknesses and strengths of their movements regarding the hydropower sector, more specifically on involuntary displacement caused by hydropower projects. Such findings could be useful in identifying adequate strategies for strengthening their movement and overcoming the challenges they face. As with the government, civil society actors in Nepal are also not paying much attention to the problems that occur during the pre-implementation phase of projects and their impacts on the local people. This research may contribute to drawing their attention towards this issue and motivating them to pressure the government and project developers to address the problems of people living in such project areas and their vicinity.

1.7 Arguments

The critical examination of the literature on DID and the involuntary displacement issues encountered in Nepal provided me the grounds upon which to come up with sets of arguments which I present and assess in different chapters of this thesis. In this section, I present an overview of those arguments advanced in this research.

First, I argue that most of the problems related to involuntary displacement begin during the pre-implementation phase of any development project. The severity of problems increases when the project has a long gestation period. If the problems occurring during this period are not properly understood and addressed, they will create long-term impacts on people, communities, and overall development processes. Hence, a solid understanding of the pre-implementation dynamics of large-scale development projects is crucial in order to address various problems related to the displacement and resettlement

of people likely to be affected by the projects. I also argue that the impacts of displacement-related problems on locals from diverse backgrounds differ from group to group during the pre-implementation phase. Each group reacts differently and has different fears, uncertainties, dilemmas, and expectations during the pre-implementation phase. Their expectations of life after displacement also differ.

I further argue that multiple actors, such as civil society actors and the local people residing in the project area, often attempt to influence the decisions of the government from the very preliminary stages of a project. However, all of these actors have different motives behind their involvements in activism related to a DID project. I also argue that the motive behind the activism by actors located at different scales differs. Despite these differences in motives, all of these actors can play a highly influential role in refining and formulating policies pertaining to involuntary displacement. The collaboration between different actors at different scales can strengthen the activism and can contribute to pressuring the government to come up with better solutions to existing problems. This research also argues that, although the state is the principal authority in terms of taking decisions and making policies, the committed activism of different actors can influence the government in refining policies in the long run.

I further argue that, in a developing country like Nepal, policy makers as well as civil society actors are often trapped in a dilemma in terms of taking a concrete decision regarding the future of the larger-scale development projects that induce displacement. On the one hand, the enhancement of such infrastructure projects is essential to address the basic needs of the people; yet, on the other hand, such projects will displace large numbers of people. Hence, these actors face a dilemma regarding whether or not to support the projects that induce displacement. I argue that the policymakers and decision makers should adopt an ethical development approach while making policies and taking decisions on which projects are feasible to construct on ethical grounds and which are not.

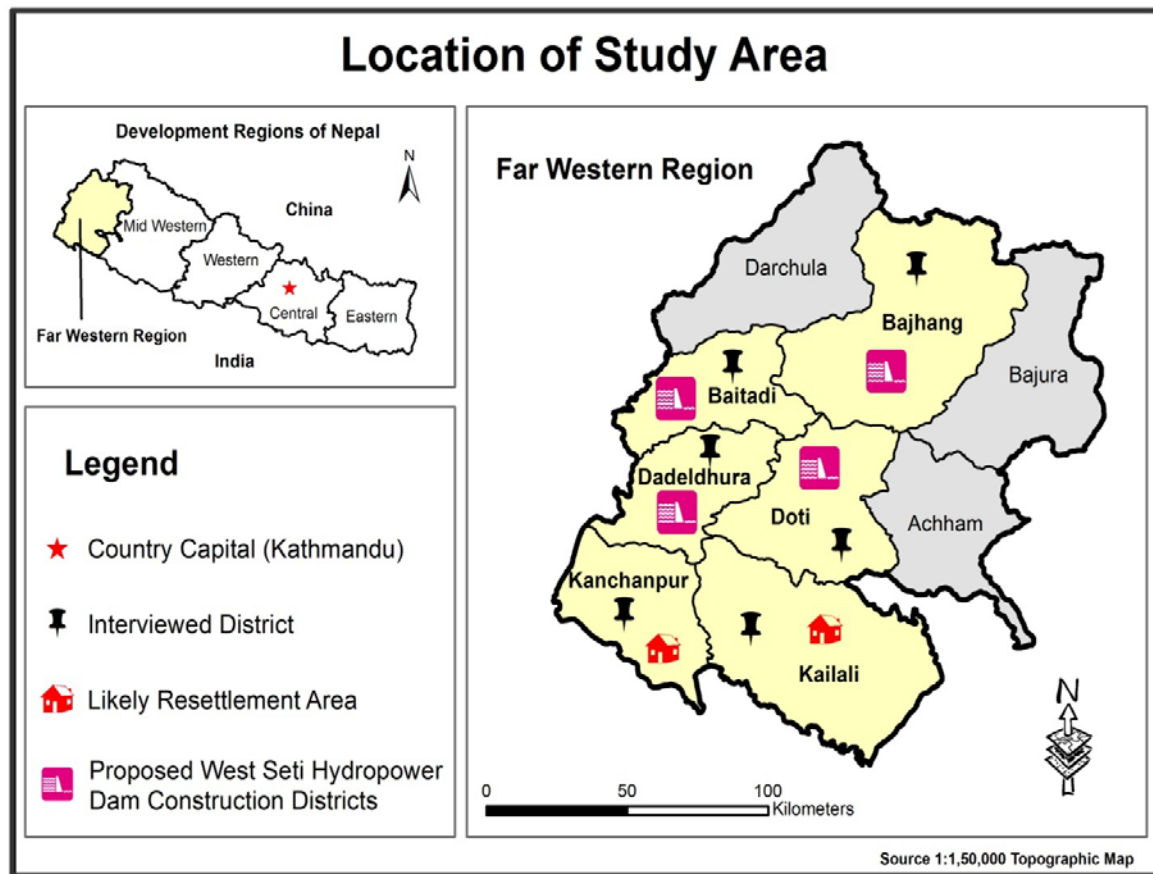
1.8 Research Approach

This thesis adopts an explorative research approach and follows a qualitative research method in order to understand the dynamics of involuntary displacement caused by large-scale hydropower projects. I have selected an interpretive paradigm and single case study

method in order to thoroughly explore this theme. As mentioned earlier, I have selected the WSHP as a case study. Within the WSHP area, I have selected two settlements, Deura and Babina, and some households located in the vicinity of Babina. These settlements are located in two different Village Development Committees (VDCs) and districts and were selected in order to assess the perceptions of potential displacees residing in different locations with different services and facilities. Among these settlements, Deura is a small market centre located in the Rayal VDC of Bajhang district, and Babina (and its vicinity) is a remote settlement of the Girichauka VDC.

Field research was carried out in three different phases. In the first phase, I visited the district headquarters of Kailali, Kanchanpur, Dadeldhura, and Doti, located in Far-Western Nepal, and interviewed government officers, regional and district level politicians, and civil society actors, in order to gain the insights of these actors located at regional and district levels on WSHP. In the second phase I visited the VDC of Bajhang and Doti districts in order to assess the experiences of likely displaced people. The data from the regional, district and local areas were collected during a month-long field visit that started on 23 May, 2013 and continued until 21 June, 2013. During this period, I conducted a survey of 50 households from Deura and 50 households from Babina and its vicinity. In addition, local leaders, government officers, teachers, local political leaders, and women's groups were also interviewed in both Doti and Bajhang districts. Figure 1.2 shows the locations where primary data were collected.

Figure 1.2: Research Area



The third phase of field research was conducted from 1 July, 2013 to 15 September, 2013. During this period national civil society leaders, activists, government employees, and donor agencies' representatives residing in Kathmandu were interviewed. Organisations working on relevant issues were also visited for secondary data collection. A semi-structured questionnaire was used to obtain data from the participants. A snowball sampling method was applied to select key informants. Likewise, a purposive sampling method was used to select the respondents from Deura and Babina to be interviewed as potential displacees. This process is described in greater detail in Chapter 3.

1.9 Conceptual Framework

The first part of this section provides a brief overview of multiple actors involved in the hydropower business and their role in hydropower projects. After conceptualizing the role of these actors located at different scales, the second part of the section presents the conceptual framework for this research.

Actors Involved in Dam Affairs

Government: As the authorised body of a state, the government is mainly responsible for effective delivery of public services, maintaining law and order, and formulation of policies according to the constitution of the country. It is the duty of the government to provide basic services to its citizens and to advance development processes; the government comes up with development plans and strategies with an aim to meet its development goals (Bhatta, 2008; Bhattarai, 2001). Hydropower construction is related to the utilisation of the country's natural resources and production of electricity; hence the government is directly or indirectly involved in formulating policies and decision-making on its construction, depending upon the magnitude of the production. While undertaking such infrastructure projects the state has the authority to acquire the property of its citizens for construction purposes. In the case of Nepal, the constitution gives privilege to the state/government to acquire, requisition or create encumbrances on its citizens' property for development purposes after paying compensation (GON, 1990).

The government is also equally responsible to safeguard the rights of citizens and to protect its citizens from arbitrary deprivation related to their property. According to the United Nations' Universal Declaration of Human Rights 1948, a government cannot adopt policies that constrain the rights of some citizens in order to fulfil the rights of others. As mentioned above, dam-induced displacement often worsens the lives of certain segments of the population. It is thus the government's responsibility to introduce just policies to give more or less equal benefits to project beneficiaries and project affectees of the dam projects (WCD, 2000). In an ideal situation, the government is not only involved in planning and taking decisions on construction of a dam project, but also in formulating policies and strategies to safeguard the rights of dam affectees.

Project Investors: Construction of large-scale projects requires a huge amount of financial resources. Most developing countries are not able to finance large-scale dam projects. In such a situation, governments or concerned authorities acquire loans or grants from developed countries or multilateral and bilateral agencies to construct large projects (WCD, 2000). Multilateral financial institutions, such as the WB, ADB, African Development Bank, and the Exim Bank of China, are the major investors in dam projects. Likewise, bilateral donors like the Canadian International Development Agency, Norwegian Agency for Development Cooperation, and Swedish International Development Agency have also been providing funding for the feasibility studies of dam projects (Scudder, 2006). These project investors have their own interest in providing

loans to the developing countries, such as profit-making, supporting the development process, and influencing the developing countries as per their own geopolitical interests. As a result, they come up with terms and conditions favouring their own ideologies or interests when providing grants and loans. For instance, WB and ADB follow neoliberal development policies, and thus their terms and conditions contribute towards the privatisation and liberalisation of the economy.

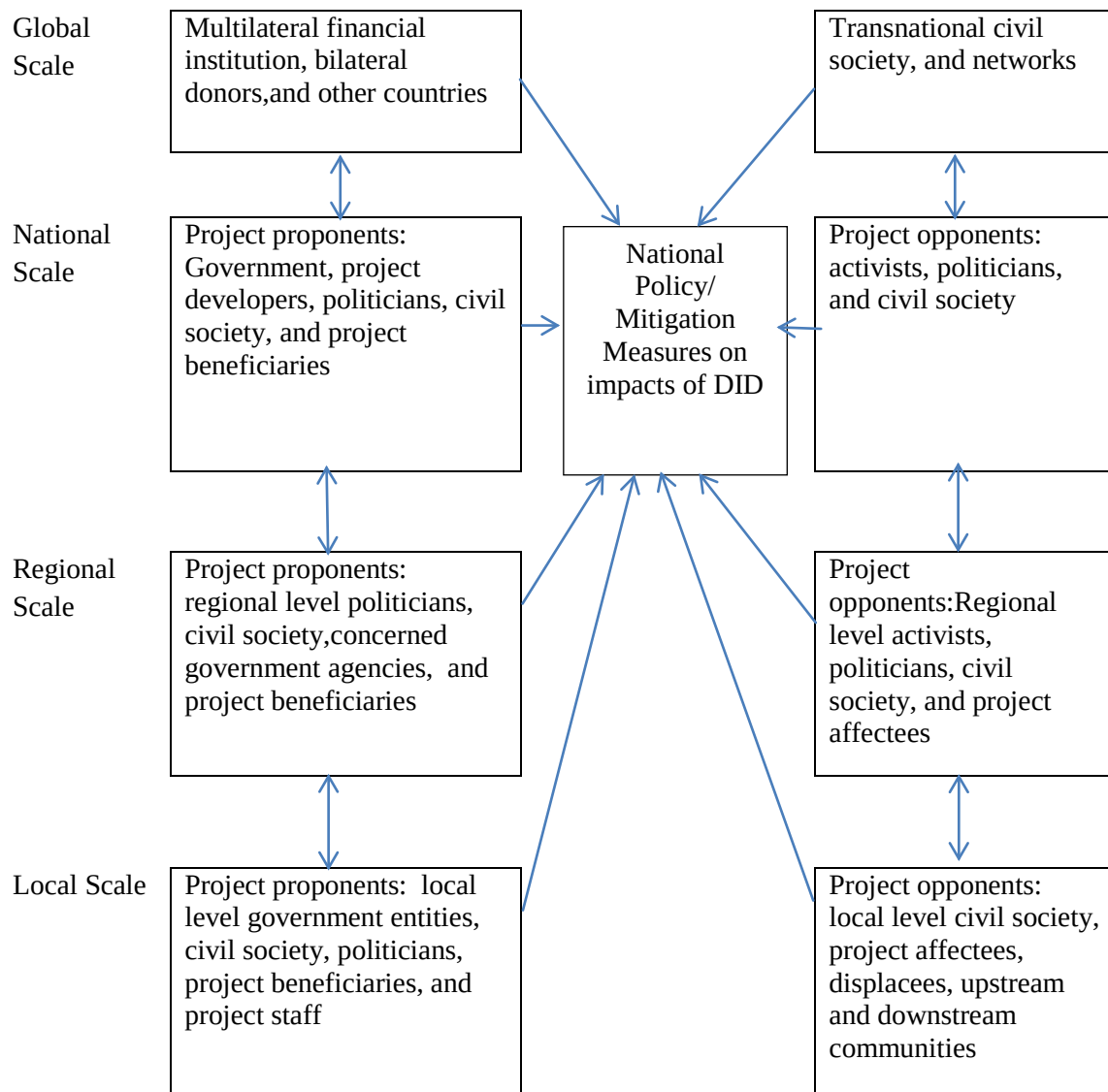
In the case of Nepal, the WB and the ADB, Japan Overseas Economic Cooperation Fund (OECF), Kuwait Fund, Organisation of Petroleum Exporting Countries (OPEC), Japan Bank for International Cooperation (JBIC), and the Government of Germany have been investing in dam projects (Water and Energy Commission Secretariat, 2010). Recently, along with the NEA, a government entity overseeing hydropower production in the country, some other private organisations are also investing in the construction of hydropower projects in Nepal (Nepal Electricity Authority, 2013). Among these project investors, the WB, ADB, and OECD have their own sets of policies for hydropower construction and safeguarding measures to minimise the adverse consequences of such projects. Some investors rely on the policies of these organisations, while others rely on the policies of the country where the project is implemented.

Project Affectees and Project Displacees: The term *project affectee* is a broad term used to refer to people directly and indirectly affected by development projects such as hydroelectric dam construction. Generally dam projects affect the locals residing in the project area and its vicinity in two ways: first, by physical displacement, and second, by the displacement of people from their livelihood practices (WCD, 2000). Physical displacement denotes being directly uprooted from their homes and surroundings, while livelihood displacement refers to being deprived of access to natural resources and other livelihood practices due to changes in the ecology of the area after the construction of the project (Penz et al., 2011; WCD, 2000). Typically communities living in the vicinity of the project area, upstream, downstream and resettlement areas are affected by livelihood displacement (Horowitz, 1991; WCD, 2000). However, in general project displacees are those people who are physically displaced from their residence due to the construction of infrastructure projects. The other common terms used to denote displacees are *oustees* and *development refugees* (Cernea, 1996b; Weist, 1995).

Project Beneficiaries: The *project beneficiaries* are people who benefit directly or indirectly from development projects. In the case of dam projects, the direct beneficiaries are those people for whom the project is built and the investors who invested in the projects. The targeted beneficiaries of the dam project are mostly not the same people who bear the social and environmental costs related to its construction. The beneficiaries are usually urban dwellers, industrialists, and commercial farmers (Richter et al., 2010; WCD, 2000). The indirect beneficiaries are those people who benefit from the multiplier effects of dam projects. At times, the project affectees also benefit from the project construction directly and indirectly. For example, some affectees may directly benefit from the electricity produced from the project and some affectees may indirectly benefit by increment in income level because of employment opportunities generated by the construction of the dam, or the construction of roads to dam sites. However, at same time, these groups of affectees are getting the benefits in the cost of negative impact fostered by the projects.

Civil Society: The formation known as *civil society* is associated with securing human rights, social justice, democracy, and peace. Besides advocating for accountable and transparent government for its citizens, civil society also pressures the power holders to conduct activities as per the interests of the public and their well-being (Dahal, 2001). Hence civil society, including human rights activists and social activists, have been playing a major role in advocating for the rights of people affected by dam projects. Not only the local and national civil society actors, but also transnational civil society actors, organisations and networks have been advocating for the rights of project displacees and project affectees (Oliver-Smith, 2001). Transnational alliances such as the International River Network, Friends of Earth International, Cultural Survivals, and Friends of Narmada have been working closely with local and national civil society organisations or activists to advocate for the rights of dam displacees and affectees (Stanley, 2004). In some cases, the civil society and local peoples' movements against dam construction have succeeded and in some cases they have failed (McDowell & Morrell, 2013). Nevertheless, civil society leaders, including human rights and social activists, have been the strongest supporters for project displacees and affectees. In coming chapters I will address the concept of civil society in greater detail. Abstracting the role of the above-mentioned actors located in different scales, I have presented the conceptual framework for this thesis in Figure 1.3.

Figure 1.3: Actors Involved in Dam Affairs



Legend: ↕ = Transfer of grants/human resources/ideas/agendas

This figure distinguishes the proponents and opponents of dam projects, along with the scales wherein they are located. I assume that the proponents located at different scales attempt to influence the government to formulate involuntary policies that favour their interests, as do their opponents. I also assume that the collaborative effort of actors located in different scales can contribute to pressuring the government to refine the policy as per their interest. Among different actors involved in dam affairs, the role of civil society in advocating for the rights of affectees is immense (Clark et al., 2003; Fox & Brown, 1998). In this context, I argue that the strong collaboration of civil society residing at different scales can pressure the government to refine its policy on involuntary

displacement so that it safeguards the rights and benefits of project affectees and displacees.

1.10 Thesis Structure

This thesis is comprised of eight chapters. This initial chapter provides a general framework for understanding the motives, objectives, and significance of conducting this research. Chapter 2 reviews the literature on involuntary displacement and politics of scale, and provides a detailed conceptual background of how scholars and policymakers perceive DID projects, and how the practices of dealing with involuntary displacement have evolved over time. This chapter also illustrates the theoretical framework that is used to investigate the research questions.

Chapter 3 provides an overview of the methodology employed in this research. This chapter describes the methods used for collecting and analysing data. The chapter also provides a justification for choosing the particular method used in this study.

Chapter 4 is divided into two parts. The first part describes the contextual background of large-scale hydropower projects in Nepal and the displacement caused by these projects, and other development projects. This chapter also offers insight into the existing practices and policies on involuntary displacement in Nepal. It also presents information on actors and factors that have influenced Nepal's hydro-power policies. Building upon the context explicated in the first part of the chapter, the second part focuses on the case study of WSHP in Nepal.

Chapter 5 is the first empirical chapter and it attempts to provide answers to the first research question. In so doing, this chapter illustrates the impact of involuntary displacement during the pre-implementation phase and the factors that further intensify these impacts. This chapter also describes the experiences of people residing in the local scale and their perceptions of the project.

Chapter 6 is the second empirical chapter and focuses on the attempts of multiple actors to influence the decisions on the modality approved by the government on the construction of the WSHP during the pre-implementation phase. This chapter attempts to provide answers to a set of questions on the actions and reactions of multiple actors residing at multiple scales during the pre-implementation phase, and on how the scalar

collaboration between different actors affects the decisions taken by the government and project developers on the construction of WSHP.

Chapter 7 is the last empirical chapter and focuses on the government's response to the actions and reactions of non-state actors on DID, and the role of non-state actors in influencing the policies on involuntary displacement. The chapter also presents an argument concerning why the GoN is delaying the formulation of an involuntary displacement policy. In so doing, this chapter attempts to formulate an answer to the third research question.

Chapter 8 is the final chapter of the thesis. This chapter highlights the major findings and summarises the research. It also offers policy recommendations and suggests arenas for future research relevant to this research context.

With this brief overview of the content of the each chapters of the thesis as a backdrop, I now proceed to the second chapter, where I review, analyse, and contextualise the relevant literature and provide a theoretical background to the study.

Chapter 2

Literature Review

2.1 Introduction

As explained in the previous chapter, this thesis is an attempt to understand the complex factors associated with the construction of hydropower projects that induce displacement in Nepal. In order to understand this complexity, this thesis investigates the politics that revolve around the construction of hydropower projects that induce displacement from the inception phase of the project, and the impacts fostered by projects that are trapped in long gestation periods. In addition, it assesses the role of civil society actors and project affectees in pressuring the government to refine its policies so as to safeguard the rights of the project affectees and displacees. This chapter is an attempt to situate Nepal's experiences within the existing debates, and to uncover and highlight the gaps that need to be addressed to enrich the understanding of the complexities associated with DID projects.

In this chapter, I first review the current tools and theoretical models used by development practitioners and academics to assess the impacts of DID projects and to ascertain whether these measures incorporate any means to assess the impacts that occur during the pre-implementation phase of DID projects. In the second section, I explore how different academics, policy-makers, and other interest groups perceive DID projects. In the third, I shift to the literature on politics of scale and analyse the dynamics that occur at different scales in the process of influencing projects as per the interests of various actors. In the fourth section, I attempt to contextualise the literature on civil society within the literature on politics of scale. In the fifth section, I analyse the relationship between Nepalese civil society and the state in order to understand their mutual relationship. I then shift to the evolution of practices for minimising the impact of DID on the global scale. This section further highlights the role played by civil society actors in fostering change in practices, and its contribution to the policies of donor agencies. In the final part, I analyse and conclude the chapter.

2.2 Pre-implementation Phase of DID Projects: Measures and Models to Assess the Impacts

The construction of a large-scale dam project takes years of planning and construction. Those projects that are mired in controversies may take years before the construction work can even begin. In Nepal the implementation process of many infrastructure projects is halted for years due to controversies surrounding the construction of the project. Soon after the licenses of dam projects are awarded to the project developers by the government, other development processes in the project area slow down or grind to a halt, as potential developers and investors conclude that the area will soon be flooded and is thus not worth investing in. As a result, the impacts of such projects on local communities begin long before the implementation phase. This section examines the extent to which the measures and models applied in involuntary displacement recognise the impacts that occur during the pre-implementation phase.

EIA is one of the most popular tools used in evaluating the likely effects that may occur in the construction or aftermath of any project. It is a process for foreseeing possible impacts prior to a final decision being taken about whether or not the proposed project should be approved to proceed. The most immediate purpose of EIA is to supply decision-makers with an indication of likely environmental consequences of their action (Jay, Jones, Slinn, & Wood 2007). Apart from predicting the adverse effects of proposed project-related activities, EIA identifies appropriate mitigation measures and assists in recommending alternatives.

With the growing requirement for additional tools to strengthen the impact assessment process, tools such as Strategic Impact Assessment (SEA), SIA, and HIA were introduced to the family of impact assessment (Sadler et al., 2000). Among these diverse tools, EIA and SIA are carried out to predict the likely environmental and social impacts which a DID project may foster after its construction. However, the existing literature on impact assessment indicates that both of these tools do not predict anything about the impact that might occur prior to the construction of the project. These tools are designed to assess the impact that occurs only during the implementation and post-implementation phases of the project (Sadler et al., 2000). Hence, current impact assessment tools are not yet used to measure the likely impact that occurs soon after the project is announced.

Scudder's four stages framework is one of the popular theoretical models used in relation to forced displacement and resettlement research. According to Scudder (2006), every settlement programme that involves displacement must go through four different stages: planning and recruitment, adjustment and coping, community formation and economic development, and handing over or incorporation. Among these four stages, the planning and recruitment stage describes the phase prior to the displacement and occurs before the commencement of the project. In this stage, the local people begin to realise that something is happening in relation to the project. Scudder suggests incorporating the likely-to-be affected people in the planning and decision-making process during this stage (Scudder, 2006). However, his framework is more focused on the resettlement process, and hence does not inquire about the impacts that might occur during the pre-implementation phase. In addition, this framework does not reflect the impact that occurs when a project has a long gestation period (Scudder, 1993). The other stages Scudder mentions are the phases during and after implementation, and thus their relevance to this study is limited.

The work of Michael Cernea, a renowned sociologist, has been influential in shaping policies on involuntary displacement both within and outside the World Bank (Dwivedi, 2002; Scudder, 2006). He has designed a broadly accepted framework known as the Impoverishment Risks and Reconstruction (IRR) model, which illustrates the kinds of impacts that DID projects have on affectees. This model focuses on measures that lead to impoverishment during involuntary displacement (Cernea, 2000). His IRR model indicates that affectees of DID projects may suffer from multifaceted problems, including landlessness, joblessness, marginalisation, food insecurity, community disarticulation, loss of access to common property resources, and increase in morbidity and mortality. He contends that if all the factors causing risks are addressed, this will lead to a successful resettlement model. Although Cernea has listed ranges of consequences that occur during displacement, he has not incorporated the risks that arise when the project encounters a long pre-implementation phase. Thus this model also fails to highlight the consequences of this protracted phase of projects for communities residing in the project area.

The above overview reveals that none of the tools and theoretical models developed by practitioners and scholars highlight the impacts faced by local communities prior to the construction of a DID project. Apart from the tools and theoretical models applied in involuntary displacement projects, it is equally important to understand the ways in which

DID projects are perceived and observed by various stakeholders and interest groups worldwide, in order to understand the dynamics that shape DID projects. In the section below, I illustrate how DID is perceived by a representative sampling of scholars, civil society actors, and practitioners.

2.3 Approaches to Development Induced Displacement

DID projects often consist of two aspects: development and destruction (WCD, 2000). Given these two contrasting elements, government authorities, policymakers, academicians, civil society leaders, and even the general public have expressed divergent opinions about whether or not DID projects should be built. Depending upon their perceptions, personal interests and contexts, they either advocate or oppose such projects. As in other parts of the world, the tendency to unequivocally favour or oppose DID projects is also prevalent in Nepal. It is therefore essential to understand what the existing literature reveals about different approaches to DID projects, and to situate these findings in the context of Nepal in order to understand how different actors in Nepal perceive displacement.

The existing literature on DID indicates that, over the past four decades, the majority of scholars, policymakers, planners, project investors, and activists have polarised into two contrasting camps (Penz et al., 2011). One segment contends that displacement is an inevitable part of development, and should not hinder the construction of specific large-scale development projects being built to advance a larger development agenda. Dwivedi (2000) has coined this way of looking at displacement as the ‘reformist-managerial approach.’ He observes that followers of this approach are mostly planners, managers, and applied academics. Supporters of this approach advocate that dam projects should be built in order to meet the needs of growing populations and to alleviate poverty. Generally, they stress the need to look for solutions to minimise the negative consequences of displacement (Cernea, 1996a, 2000; Picciotto et al., 2001). For example, they recommend measures to normalise the displacement process and place an emphasis on planning and management of displacement to mitigate other harms that the DID project brings with it. They focus on compensation, resettlement and rehabilitation processes. However, they give less attention to the inclusion of stakeholders in decision-making in the entire project cycle and in the benefit-sharing processes (Penz et al., 2011).

Antithetically opposed to this approach is the school of thought which argues that development projects that induce displacement are destructive; these adherents oppose dam construction, considering the negative consequences for the inhabitants of the area to outweigh the benefits (Dwivedi, 2002; Patkar, 2004). Dwivedi (2000) calls this way of looking at displacement the 'radical movementist approach'. The followers of this approach are mostly activists, affectees, and action scholars who perceive that development in itself is the core problem and so look for alternative approaches to development. They claim that DID projects do not alleviate poverty but rather disrupt the existing way of life of large numbers of innocent people (Dwivedi, 2002). They typically highlight the unfair distribution of costs and benefits and issues related to ethics and the human rights of the affected people (Dwivedi, 2002; Vandergeest, Boss, & Idahosa, 2007). Likewise, they perceive that displacement represents a development crisis and argue that the measures taken to minimise the impacts of DID projects do not solve the problem of displacement. This group of people support alternative approaches to development (Dwivedi, 2002).

Besides these two contradictory approaches to perceiving DID projects, there are two additional approaches that have attempted to bridge the gap between these diametrically opposed perceptions of DID projects. One such attempt is the approach offered by the World Commission on Dams (WCD), formed in April, 1997 in response to the heightening controversies and disastrous outcomes of dam projects. WCD was formed with representatives from governments, civil society, activists, academia, the private sector, and professional associations, along with a few representatives from the affected communities. One of the core objectives of WCD was to come up with a new framework for decision-making on equitable and sustainable ways of managing water and energy resources. Moving beyond the cost and benefit assessment of development projects, WCD designed a Rights and Risk Approach (RRA) based on the assessment of rights and risks of project construction as an improved tool for decision-making on water and energy development (Dwivedi, 2002; WCD, 2000).

In 2002 WCD published a report on the framework that recommended seven strategies and 26 guidelines to be followed, adopting five core values to be incorporated while making decisions about different stages of dam construction (see Appendix 1). The framework was based on human rights principles set forth in the Universal Declaration of Human Rights 1948, the Declaration of the Rights to Development adopted by the United Nations General Assembly in 1986, and the Rio Principles on Environment and

Development 1992 (WCD, 2000). WCD recommended that governments, project proponents, and other stakeholders follow the framework (Moore, Dore, & Gyawali, 2010; WCD, 2000).

The other approach recommended by some scholars and practitioners to bridge the gap between the managerial and movementist approaches is the ethical development approach. Groups of scholars and practitioners examine DID projects from the perspective of theories of ethical development and so advocate for ethical approaches to development and displacement (Stanley, 2004). This group of scholars attempts to bring attention to ethical questions, such as:

What is good or ‘real’ development? What is [the] good life which [the] development policy should seek to facilitate, what really are its benefits? How are benefits and costs to be shared, within the present generation and between generations? Who decides and how? What rights of individuals should be respected and guaranteed? (Gasper, 2012, p.120).

Scholars following the ethical approach perceive development from two perspectives: worthwhile development, and mal-development. They consider development to be worthwhile if it improves the lives of the people and to be mal-development if it worsens the lives of the people (Goulet, 1996; Penz et al., 2011). They oppose any development endeavours that create mal-development, namely that which: i) does not enhance the well-being of people; ii) results in outcomes which are not equitable, both locally and globally; iii) dis-empowers people; iv) is not environmentally sustainable; v) violates human rights; vi) enhances social exclusion; and vii) is carried out by corrupt means or for corrupt purposes. They believe that worthwhile development can be achieved following seven core values while implementing development projects: human well-being and human security, equity, participation and empowerment, cultural freedom, environmental sustainability, human rights, social integrity, and a rejection of corruption (Drydyk, 2007; Penz, et al., 2011).

The group of scholars and practitioners following the ethical development approach view DID projects as the process of creating opportunities and benefits for certain sectors of a population at the cost of the well-being of other groups of people (Drydyk, 2007; Gasper, 2012; Penz et al., 2011). They consider that DID projects raise an ethical dilemma for many people. For instance, Penz et al. (2011) state that “development designed to reduce unjust inequalities for one group may impose unjust inequalities by displacing people. Or,

if we insist that displacement should be voluntary, then we give potential oustees a veto to block development for others” (Penz et al., 2011, p. 13). They claim that if DID projects are unavoidable, or if the policymakers and decision makers are trapped in a dilemma by the given situation, then the ethical development framework should be adopted so as to create the most worthwhile form of development. They suggest adopting the core values of the ethical development approach, incorporating four broad rights and responsibilities to overcome negative development: the right to non-victimisation, the right to good reason, the right to benefit sharing, and the right to empowerment (Penz et al., 2011).

When comparing the four approaches discussed above, the managerial approach to DID projects tends to lack validity or seriousness in understanding the actual pain of displacement. As Dwivedi states, even though these adherents have come up with measures to minimise the impacts of displacement, they seem to perceive that some people simply have to go through this pain for the sake of others’ benefit; people must make sacrifices in the name of development. Comparatively, the movementist approach recognises the pain of being displaced, in contrast to the managerial approach. Indeed, the development that benefits certain sectors of people at the cost of the suffering of others is not deemed worthwhile.

However, as the WCD report indicates neither the movementist approach nor the managerial approach will solve the problem. The WCD report and the academics who follow the ethical approach argue that the conflict between the two perspectives only further polarises two segments of people. As a result, on the one hand, dam building and its negative impacts on project affectees will continue; and, on the other hand, resistance to the construction of infrastructure project will continue as well. Hence, the approaches forwarded by WCD and the ethical development approach seem to be more relevant in addressing the consequences of DID projects. The decision-making framework proposed by WCD for sustainable and just development seems promising. Likewise, the values proposed by the ethical development approach to create a framework for worthwhile development are also noteworthy.

In contextualising these different approaches in the context of Nepal, most of the civil society actors and hydroactivists seem to favour the WCD approach. The hydro activists of Nepal indeed welcomed the findings of the WCD. Among the seven strategic priorities suggested by WCD, they only had reservations regarding one strategy, which recommends

‘sharing rivers for peace and development’ (see Appendix 1 for more details). The group of hydro experts and activists, along with the government officials, came together and participated in the program organised by the International Union for Conservation of Nature (IUCN) office in Nepal, where the dam critics of Nepal stressed the need to incorporate the recommendations of the WCD and to produce national guideline on dam and development in Nepal. Their view is expressed aptly by Dixit et al.:

Since Nepal’s development needs will require some dam building, the debate will have to be revisited in the future when the political dust has settled and development picks up again...even the fiercest dam critics in Nepal do not say 'No dams!' but rather 'No bad dams!' What bad dams need to be avoided and how good ones can be built in the future will be an issue for which the constructive engagement of 2003 will have to serve as a starting point (Dixit & Gyawali, 2010, p.108).

This reveals that the hydro-experts and hydro activists in Nepal favour the WCD approach to constructing dams and conducting development activities. On the other hand, the government has neither shown a serious commitment to incorporating the WCD approach nor formulated a policy to address the problems of project affectees. The government policies favour construction of hydropower projects with the view that the harnessing of hydro resources is extremely essential for the development of Nepal. As we shall see, while they are in favour of the construction of hydropower projects, they rarely incorporate sufficient mitigating measures to address the consequences of such projects on project affectees and displacees.

The different approaches to DID projects indicate that the politics revolving around the DID projects is complex. Diverse stakeholders and interest groups, such as project investors, civil society leaders, activist groups, government bodies, project affectees, and project beneficiaries are all involved in dam debates and affairs. As mentioned in Chapter 1, one of the objectives of this research is to explore how local, regional, national, and international actors react to and influence the construction of hydropower projects that induce displacement. It will therefore be important to investigate what the literature has to say on the politics that unfolds at different scales on dam construction. The section below provides an overview of the concept of politics of scale and contextualises it with reference to Nepal.

2.4 Politics of Scale

The politics revolving around water resources is complex, whether it is related to the construction of hydropower projects, irrigation channels, or sharing water with neighbouring countries. Diverse stakeholders and interest groups residing at different scales attempt to influence the decisions as per their interest from the very inception of the project (WCD, 2000). In this research, the concept of politics of scale is employed to analyse how issues regarding the construction of displacement projects unfold at different scales, and how stakeholders located in different scales attempt to influence the governance of the DID projects.

The concept of scale emerged from the discipline of geography, and over the past few decades it has become widely used in other disciplines, such as ecology and political science (Marston, Jones, & Woodward, 2005; Warf, 2006). Human geographers and other social scientists have defined scale as the vertical spatial level differentiated by territorial units, defined as global, regional, national, and local (Brenner, 2004). These scales are social and political constructs that are dynamic and vary based on power relationships between diverse actors residing at different levels (Bulkeley, 2005; Lebel et al., 2005). Agnew defines scale as levels of geographical resolution at which a given phenomenon is thought of, acted on or studied (Agnew, 1993, p.100).

Politics of scale has also been defined as the “nested hierarchy of discrete, enclosed jurisdictional space” (Cox, 1998, p.1) that ranges from local, regional, national, and global scales. Politics of scale is an approach widely used to investigate the social and political relationships between different actors residing at different scales (Cox, 1998). Dore and Lebel’s understanding of the politics of scale is also noteworthy to consider for this study. They refer to the politics of scale as “the tensions when and where actors cooperate, compete, or conflict as they endeavour to exercise their influence on the present and future of water resources use and further development” (Dore & Lebel, 2010, p. 62).

In the process of influencing other actors located at different scales, actors often rescale the issues so as to frame problems and solutions in a way that favours their own interest (Lebel, et al., 2005). Molle states that

...spatial scales are never fixed, but are perpetually redefined, contested and restructured in terms of their extent, contest, relative importance and interrelationships. The continuous reshuffling and reorganization of spatial scales are integral to social strategies and an arena for struggles for control and empowerment (Molle, 2007, p. 359).

Some scholars have also illustrated cases of jumping scales, in which actors located in particular scales move from one scale to another in order to reframe the issues as per their interest. For instance, there are cases in which local affected groups have jumped scale and linked with other Non-Governmental Organisations (NGOs) at the national scale or international scale, in order to pressure the government to fulfil their demands (Molle, 2007; Sneddon, 2002). There are such examples even in the case of Nepal. Civil society and hydro activists jumped scale to gain support from transnational civil society to pressure the government to cancel the Arun III hydropower project. Although the construction of a dam takes place in a particular location, diverse groups residing in local, subnational, national, regional, and international arenas may attempt to intervene with diverse purposes in mind, from the very beginning of the planning stage. Situating this literature in the context of Nepal, this thesis investigates how different actors located at multiple scales have used scales, and have competed and collaborated with each other to influence the decisions on construction of hydropower projects that induce displacement. Chapter 6 will investigate this in detail.

Thus far the literature has indicated that diverse stakeholders residing at multiple scales attempt to influence the governance of DID projects. Theories on governance also illustrate the changing power relations between multiple actors residing at different scales. The theories on governance focus on decentralisation and devolution of power to the marginalised members of society residing at national, regional, and local scales (Mirumachi & Van Wyk, 2010; Reed & Bruyneel, 2010). In this context, it is essential to determine how power relations between different actors located at different scales are construed in the literature.

In the nested hierarchal setting of scales, the local scale refers to the local area and is seen as a base point. However, the role of actors residing in the local scale in decision-making processes is often minimal. In most cases, local stakeholders are excluded when decisions are taken on the construction of projects. These stakeholders are regarded as having less knowledge, scope, relevance, and power than that of state and central level actors (Lebel, 2005). As a consequence, Tower (2000) argues that the scale where decisions are usually

taken varies from the scale at which the resources are located or where the problem is experienced. In the case of DID projects, groups that have to bear the social and environmental costs of dams are often not the same as those that receive the social and economic benefits of its by-products. Further, they are not the ones to take decisions neither on the project construction nor on the benefit packages for compensating losses (Morrill, 1999; WCD, 2000). WCD (2000) states that the decision to construct large dams comes not only due to the demands of citizens but as a result of the interests of the central governing bodies, politicians, international aid donors, and the dam builders.

Some scholars have also argued that the power across geographical scales is unequal and they question the possibility of an appropriate level of decision-making or balance of power across the scales (Delaney & Leitner, 1997; Morrill, 1999). In this regard, Cox (1998) notes that each scale may have its own governing bodies. For instance, at the local scale, local branches of governmental bodies or private agencies may predominate, and at the national scale it is the central governing bodies. However, the state remains the 'central institutional locus' of the political space (Cox, 1998), and possesses power to regulate other entities whether through policies, laws, media campaigns, or in some instances through threats and force (Lebel et al., 2005). Even today, the rules and regulations set by the state have the greatest scope and significance. In contrast, the actors residing at the local scale have minimal roles in the decision-making process. Norman and Bakker, illustrating the case of trans-boundary water governance along the United States-Canada border, claim that the rescaling or downloading of responsibilities has not changed or decreased the power of the central authority in decision-making. They argue that although, since the 1980's, there has been a significant increase in local water governance activities, this has not resulted in a significant increase in decision-making power at the local scale (Norman & Bakker, 2009).

Morrill (1999) illustrates the power and decision-making structure of centralised, quasi-democratic, and democratic states. He suggests that in a very centralised system, the entire power lies in the central government and all decisions are taken by the central authority. In the case of quasi-democratic states, the law gives superior power and decision-making responsibilities to national level authorities over against the local. In such states, even if the decisions are taken by local representatives of a central institution, approval from the central authority is required. He further argues that even in democratic states, the local government or authorities are not autonomous as they are guided by the

states' rules and regulations. Marshall (2008), referring to the example of environmental governance in Australia, claims that even though the government has decentralised and allocated some power to the community level, the key decision-making authority still remains with the central bodies.

The literature reveals that the state or centralised authorities hold the utmost power, regardless of whether the state is autocratic or democratic. Further, even in places where the policy emphasises the decentralisation and devolution approach, it is found that the central level authority still holds the bulk of power. In the case of Nepal, the government had introduced the Local Self Governance Act 1999 in order to devolve "powers, responsibilities, and means and resources to local bodies" (GoN, 1999, p. 2). In addition, the Act also states the following point:

Make provisions conducive to the enjoyment of the fruits of democracy through the utmost participation of the sovereign people in the process of governance by way of decentralization, Institutionalize the process of development by enhancing the participation of all the people including the ethnic communities, indigenous people and down-trodden as well as socially and economically backward groups in bringing out social equality in mobilizing and allocating means for the development of their own region and in the balanced and equal distribution of the fruits of development,...
Constitute local bodies for the development of the local self-governance system in a manner that they are able to make decisions on the matters affecting the day-to-date needs and lives of the people, by developing local leadership (GoN, 1999, p. 10).

The above statement from the Act clearly indicates that the Act gives power to local people to take decisions on local development initiatives. In this context, it is necessary to investigate how serious the government is in enforcing this act in terms of hydropower projects, and particularly involuntary displacement issues. Do locals have the authority to take their own decisions regarding these projects? Does the state listen to their voice? How powerful are actors located at different scales in influencing the government's decisions and involuntary policies in the long run?

Reed and Bruynell (2010) state that even though the role of the state has altered over time with the introduction of new ideologies, the traditional role of the state has not diminished thus far. In addition, they state that with the 'neoliberalization of governance' the problems associated with environment, water governance, and human well-being have crossed borders, opening space for multiple actors to exercise "different levels of power, authority, and action to determine 'who gets what? and who decides?'" (Reed &

Bruyneel, 2010, p. 646). For instance, not only the non-state actors inside the nation-state's boundary but also those beyond the boundary are actively involved on issues around human rights, environmental management, and overall development processes. Especially in the case of developing countries, governments are dependent on external sources for aid and soft loans. As a result, the external agencies often push their agendas and conditions as a response to the financial support they provide. In this regard, the section below will discuss civil society and state relationships contextualised within the politics of scale.

2.5 Civil Society and the Politics of Scale

The literature on civil society indicates that the definition of civil society has been ever shifting from one period of time to another (Kaviraj, 2001). Seligman (1992) states that the notion of civil society came into existence in the eighteenth century as referring to a realm of social mutuality. Over time the definition of civil society has evolved from Hegel's realm situated between the family and state, to Marx's realm of economic relations and private bourgeois interests (Dahal, 2001; Kaviraj & Khilnani, 2001), to Tocqueville's art of association (Fukuyama, 2001), to Putnam's civil association (Putnam, 1995). Likewise, the meaning varies from one part of world to another.

Given this complexity, a number of scholars argue that using a single definition to describe civil society operating all around the world in different contexts is challenging (Diamond, 1994; Shah, 2008; Shrestha, 2012). Nevertheless, civil society is generally agreed to be an arena of associational culture based on some form of coordinated activities with the notion of collective action beyond the individual, household, and the confines of the state (Tamang, 2002). The term civil society actors covers varieties of actors involved in social movements, advocacy networks, community organisations, grassroots collectives, political parties, and trade unions. The sphere within which these actors operate is defined as civil society (Deo & McDuie, 2011).

Ideally, civil society is civic in nature, operates on behalf of the general public, and is committed to protecting the rights of the public from unjust decisions of power holders. In addition, it compels the state to practice democratic governance, and to fulfil citizens' needs and aspirations (Dahal, 2001). Civil society is also an instrument for controlling the power of democratic governments, subjecting them to public scrutiny by inspecting their conduct on laws and regulations. It thus provides a strong public sphere at local and

national levels within which citizens express their interests and ideas, exchange views, and collectively demand for the fulfilment of mutual goals (Diamond, 1994). Despite all this, civil society is not responsible for making policies or implementing these policies. Civil society functions as a watchdog responsible for informing, advocating, sensitising the public, and speaking on behalf of the public through civic activism. It also closely scrutinises the implementation aspect of policies introduced by governments (Chandhoke, 2013).

This section has highlighted how civil society is defined and what its mandates are. However, civil society does not always operate in an ideal manner. Literature on civil society indicates that the relationship between state and civil society is perceived to be that of a bridge, facilitator or mediator between the realm of society and the realm of state and private sectors. However, civil society is regulated by the state and it has a strong interest in limiting its role. Civil society requires a political and legal framework in order to function, and the state is responsible for creating that framework. As a result, the state has the power to set the terms of reference for the kind of civil society or civil society organisations it is willing to support in the country. Civil society does have the right to oppose the state's activities, but only as defined by the law (Bhatta, 2012). However, civil society often consciously tries to push the boundaries of the law.

The literature on politics of scale also indicates that even the existence of new actors, such as civil society, has not diluted the power of the state, and that it continues to play an influential role at both the local and the international level (Mirumachi & Van Wyk, 2010; Norman & Bakker, 2009). Batterbury and Fernando, researching examples of water resources governance in South Africa, conclude that the presence of civil society does not mean an increase in their influence over decision-making (Batterbury & Fernando, 2006). Mirumachi and Van Wyk (2009) claim that even though the theory of governance opens equal space for actors besides government authorities in decision-making processes, the power disparity still exists in reality. Some scholars even argue that concepts like decentralisation and devolution of power are confined to theory (Mirumachi & Van Wyk, 2010; Norman & Bakker, 2009).

In addition, in every country, civil society has its own history, evolutionary process, ways of operating, and state-civil society relationships. In this regard, it is important to understand how civil society is perceived in Nepal and its relationship with state and vice

versa. The section below provides an overview of civil society in Nepal and its relationship with the state.

2.6 Civil Society in Nepal and its Relationship with State

As in other parts of the world, the term civil society is contentious in Nepal. Scholars debate its origin and composition. Some scholars contend that civil society has existed in Nepal since the *Vedic*¹ age and is therefore not a new practice in Nepali society (Dahal, 2001). Other scholars are reluctant to consider traditional religious and cultural associations as civil society and argue that such associations were not formed with the motive to act as a watchdog for monitoring state actions; rather, they were formed to fulfil religious duties (Hachhethu, 2006). Still other scholars maintain that civil society in Nepal consists of formal and informal forums of academics, lawyers, journalists, human rights activists, retired bureaucrats, and political and civic organisations (Hachhethu, 2006; Nepali, 2012). Some object to the inclusion of NGOs in the category of civil society and discard donors' ideology of identifying NGOs with civil society, as they are operated largely by salaried workers (Heaton, 2001). Nevertheless, most scholars agree that civil society in Nepal is the association of formal and informal groups beyond the confines of household and state (Tamang, 2002).

Apart from the debates on its composition, civil society in Nepal has been highly criticised on three grounds: i) its inclination towards political parties; ii) its donor dependency; and iii) its domination by an urban elite educated mass. Basnet (2012) notes that civil society evolved during the 1980s to support the political leaders who were protesting against the autocratic Panchayat regime and yet who were not autonomous from this regime. Later the same mass filled the gap of civil space and established themselves as civil society. Hachhethu (2006) found that more than a dozen human rights organisations which formed after 1990 were inclined to specific political parties. Furthermore, political parties also consider civil society organisations as the platform through which to strengthen their power through mobilising the resources of CSOs, employing their cadres, and utilising them as a convenient way of reaching out to the public.

¹ The vedic age also referred as vedic period is the period between (c 1500-500 BCE) in North Indian subcontinent during which Vedas, the oldest scriptures of Hinduism was written

Civil society organisations, especially NGO's, are also criticised for their dependency on international organisations for funding. As a result, they are inclined to carry forward their agendas. The other criticism levelled at Nepalese civil society is the domination of urban, elite, educated sectors of society (Shrestha, 2012; Tamang, 2002). When modern civil society emerged in Nepal, it was the urban, elite, educated, and politically accessed sectors which began entering the civil space. Scholars argue that the formal and informal urban-based civil society in Nepal, including NGOs, is operated by the same privileged caste and groups (Shrestha, 2012). This privileged group also serves as the gatekeepers and mediators of information and communication between the English-speaking donors and the rural civil society actors and organisations (Tamang, 2002).

Nepal has experienced various manifestations of the state system: the autocratic extractive state during the Rana Regime, an authoritarian and centralised state during the Panchayat system, multi-party democracy with a constitutional monarchy, and then a fragile state marked by armed conflict and political transition (Dahal, 2001). The nature of the regime prior to multi-party democracy was autocratic and the relationship of civil society with the state was very hostile. The constitution drafted in 1990 after the First People's Movement assured people's fundamental rights to organise, freedom of speech, and freedom to establish political parties and contest elections, among other things (Gellner, 2010). The democratic set-up not only provided civil society freedom to operate but also recognised its role in the development process of the country. Furthermore, civil society played a vital role during the political change that took place during 2001-2006. The Royal massacre, the rise of the Maoist insurgency, and the rule of King Gyanendra resulted in a new civil society discourse in urban Nepal. Civil society collaborated with political parties and they not only overthrew King Gyanendra's regime but also facilitated and mediated the peace process following the Maoist insurgency (Shah, 2008).

In addition, civil society groups have successfully intervened against the Arun III project and the Anti-Terrorist Act 1997, in support of women's property rights, abolition of the bonded labour system, empowerment of Dalit and marginalised groups, and so on (Hachhethu, 2006). For instance, the quotas assigned for marginalised groups in the Constituent Assembly election are very progressive (GoN, 2007b). The literature illustrates that the village, district and municipal level associations, networks and groups have also been playing significant roles in providing platforms for marginalised people to articulate their demands and concerns (Bhattarai, Thapalia, Thapa, & Ghimire, 2002).

Likewise, the rural based women's groups, mothers' groups, consumers' groups and users' groups have been successful in managing community forests, irrigation facilities, health services, primary schools, and drinking water projects (Dahal, 2001). In this regard, Dahal (2001) states that civil society groups located in different areas are bridging rural-urban gaps. On the other hand, civil society is also equally criticised for not being able to serve according to expectations and for being oriented towards fulfilling certain agendas that are supported by international organisations.

The above discussion reveals that civil society in Nepal is characterised by a variety of debates and critiques. At the same time, it is also appreciated for its contribution to the democratic movement in Nepal, bringing contemporary issues into the limelight and advocating for changes in policy. Situated within this context, it is essential to investigate how civil society in Nepal is taking a stand on the involuntary displacement issue. To what extent has civil society been able to meet the expectations of the displacement affectees? Further, how cooperative is the state with civil society actors, affectees and displacees on matters related to involuntary displacement? Are they collaborating or competing with each other in dealing with the issue? Is the elite, urban based civil society able to collaborate with and understand the problems of affectees located in the rural areas? How effective is the collaboration between civil society actors located at different scales, and how are they contributing to refining policy?

A wide range of literature reveals that global civil society and transnational advocacy groups have joined hands with national and local NGOs, advocacy groups and grassroots movements to bring the problems associated with involuntary displacement to a wider audience. The interaction and cooperation between the local, national, and international actors operating at different scales has forced the government and project proponents to address their demands (Clark et al., 2003; Fox & Brown, 1998; Towers, 2000). My research will investigate this aspect, situated within the context of Nepal, and in so doing will explore how effective the collaboration of these actors has been in solving the issues related to involuntary displacement in Nepal. However, for now, the following section will illustrate how influential these actors have been in forcing governments and project developers to recognise the rights of affectees, and to influence the decisions of dam proponents in a global context.

2.7 Dam Debates and their Outcomes at the Global Scale

In order to understand how the practices and policies on DID have evolved over a period of time in Nepal, it is important to investigate how such practices and policies have evolved worldwide. It is also important to appreciate the contribution of dam debate to the evolution of these practices. It will further be helpful to compare how the international debates and discourses have influenced Nepal's policies on hydropower projects that have induced displacement. Additionally, it is useful to investigate what international practices have been adopted to minimise displacement induced from development at different points of time, and how its adoption was expanded worldwide. This will help us to compare how far these practices have been adopted while planning and implementing hydropower projects in Nepal and how beneficial this has been in the context of Nepal.

Globally, the opposition and resistance to the construction of dams gained momentum only after 1950. Before that, the resistance against dams by affected groups was often suppressed by the state or was overlooked nationally and internationally. As dam construction accelerated after the Second World War, affected people started organising themselves and becoming vocal for their cause (WCD, 2000). With the promulgation of the Universal Declaration of Human Rights in 1948 by the United Nations, the voice of dam opponents became profound, as it provided them a space to make claims for their fundamental rights (Clark et al., 2003).

During the 1950s, North America was among the top dam building regions. As a result, the opposition to dam construction began from the North American countries (Sims, 2001). According to WCD (2000), the grassroots campaign in the United States of America led by conservationists in the 1950s was the first successful campaign in preventing construction of a large dam on the Colorado River. Eventually, as the construction of dam projects escalated all around the world, environmentalists collaboratively began criticising the environmental destruction caused by such projects (Sims, 2001). They also started publicising the adverse environmental and social impacts of dam projects for the people, as well as urging dam developers to consider alternative approaches to water management and mitigating dam impacts (Scudder, 2006).

Between the 1950s and 1970s, Cost-Benefit Analysis (CBA) was the dominant tool employed to decide whether a development intervention was beneficial or not.

Technocrats used this as a decision-making tool for approving dam projects. Later, CBA was criticised for its limitations in measuring social, environmental and economic impacts, sensitivities and risks, and its inefficiency in identifying who benefits and who loses from a project (Penz et al., 2011; WCD, 2000). The increasing criticism and revolt against large dam projects compelled governments and dam developers to search for measures to minimise the adverse effects of dams on the environment and human beings.

The increasing criticisms of the exploitation of natural resources and violation of human rights by development initiatives, including dam projects, compelled policymakers and governments in different countries to come together and set agendas for addressing these problems. As a result, in 1972 the first Conference of the United Nations on Human Environment was held in Stockholm, Sweden. The conference is widely known as the 1972 Stockholm Conference. This conference for the first time showed concern for environmental conservation and human well-being, and declared 26 principles concerning environment and development. The conference urged the international community to pay attention to conservation (WCD, 2000). Despite the Stockholm declaration, the trend of environmental degradation, unsustainable extraction of natural resources, and increasing inequality in distribution of benefits prevailed, which drove international waves of protest in the late 1980s and early 1990s.

This led to the formation of the Brundtland Commission, also known as the World Commission on Environment and Development. The commission was formed with the objective to unite countries and work together to achieve sustainable development. In 1987, the commission produced the report entitled “Our Common Future,” which became widely known for its definition of the term *sustainable development*. In 1992 the second United Nations Conference on Environment and Development was held in Rio De Janeiro, Brazil. This conference is also known as the Rio Summit, Rio Conference, and Earth Summit. The key outcome of the conference was Agenda 21, which emphasised sustainable development and urged the governments of both developing and developed countries to adopt EIA as a decision-making tool for any projects that may have harmful effects on the environment and human beings.

Morgan (2012) reveals that 191 countries out of the 193 member countries of the United Nations have adopted the EIA as an assessment tool for large-scale development projects that impact the environment and social well-being of the project area (Morgan, 2012). In

these countries, EIA including SIA, or both EIA and SIA, are carried out before infrastructure projects are constructed to assess the impacts of the project on people and the environment. However, research reveals that the impact assessment tools are not always properly applied by the concerned authorities (Holden, 1998; Weston, 2011). The WCD report states that EIA is taken as an administrative hurdle to be cleared, or a requirement to secure funding. Further, political and administrative pressures seldom influence the EIA process (WCD, 2000).

In recent years, major dam investors such as the WB, ADB and OECD have also come up with safeguard policies incorporating EIA and/or SIA for mitigating impacts of infrastructure projects. The World Bank funded projects in the 1950s, 1960s, and 1970s, such as the Kariba dam project impacting the Gwembe Tonga people along the Zambezi River (between Zimbabwe and Zambia), the Volta Dam in Ghana, the Aswan High Dam in Egypt, and the Mahaweli project in Sri Lanka. All of these projects uprooted thousands of people from their homes. Research on these projects reveals that the lives of project affectees were tremendously disrupted by the projects (Scudder, 2006). The WB and other investors were heavily criticised in several international forums for the model they had adopted for development. In the aftermath of this criticism, local, national, and transnational civil society movements have pressured project investors to come up with policies and guidelines to address these adverse impacts (Clark et al., 2003).

For the first time in 1977, the WB came up with a policy on dam safety. Initially, the World Bank and other investors financed resources and technology for conducting feasibility studies, planning processes, and the implementation of dam projects, and left resettlement to the country borrowing the funds (WCD, 2000). Later, in 1980, the WB adopted a policy to address issues on involuntary resettlement. The policy was further improved in 1986, 1988, and 1994 based on the research findings of different scholars, the lessons learned from their own experience, and the pressure from activists (Cernea, 1996c). The WB set up environment assessment processes in the late 1980s, and they have become a major part of the safeguard policies. Thereafter, the WB safeguard policies have been a model for some other multilateral banks, such as the IFC, ADB, African Development Bank, and the OECD.

The WB's safeguard policy places emphasis on avoiding projects that cause displacement or on minimising involuntary displacement if it is unavoidable. Further, it emphasises

exploring alternatives to projects that cause displacement. However, in the event that displacement is unavoidable, it stresses that resettlement planning should be carried out. It further states that resettlement projects should be treated as development projects. The policy has also incorporated assistance for the transitional phase and transport to new locations. It has further emphasised improving the living standards of displacees by the restoration of livelihoods in the displaced community. It has also stressed the participation of displaced communities and host communities in resettlement planning, and assistance for project affectees is incorporated into the policy. The policy has further stressed the need to pay special attention to indigenous and tribal groups (Penz et al., 2011; Scudder, 2006; Vandergeest et al., 2007).

The new guidelines of the World Bank and other multilateral organisations have no doubt minimised the adverse impacts of many projects and contributed to an improvement in the planning and implementation process to some extent. However, the living standards and the livelihood of the displacees have not been restored even after the policy is formulated (Vandergeest et al., 2007). Scudder (2006) claims that the World Bank's policy still fails to address some essential concerns, which contributes to the affected communities' impoverishment. These include: i) neglect of affectees' needs in the planning stage; ii) inadequate and inaccurate baseline studies; iii) emphasis on compensation rather than restoration; iv) inadequate consideration of the immediate adjustment stage after displacement in policies regarding restoration; and v) insufficient attention to reduction of access by displacees to farmland and common property.

Penz et al. (2012) state that although the different multilateral financial institutions have at times attempted to be ethical, their guidelines are still weak in addressing human rights components. For instance, the guidelines are vague, as they do not accord significant respect, voice, or bargaining power to stakeholders, including potential oustees, those who will be indirectly displaced and others who are socially marginalised. Szablowski (2007) argues that the involuntary resettlement policies should not only recognise economic rights of the project affectees but also their rights to active and effective involvement in the regulatory process at all stages of the project.

In addition to the safeguard policies, the WB created an Inspection Panel in 1993 (Hunter, 2003). Civil society and other interested groups were constantly pressuring the World Bank to improve its transparency and accountability. They were also questioning the real

outcome of the implementation of the safeguard policies on the ground. In order to overcome these criticisms, the WB created an Inspection Panel. The Inspection Panel gave a platform to the affected or likely-to-be affected groups in the project area to file grievances against the World Bank, if they believe that a project financed by the Bank will directly harm them or their interests (Clark et al., 2003). Soon after the beginning of the operation of the Inspection Panel, complaints about eight dam projects were filed, of which four were investigated. One of the cases filed was in relation to the Arun III hydropower project in Nepal. In this case, the Inspection Panel issued its decision in favour of the opponents of the project (See Chapter 7 for details). Later the Asian Development Bank, the Inter-America Development Bank, the International Finance Corporation, and the Multi-lateral Investment Guarantee Agency also replicated this initiative of the World Bank and created similar panels (Hunter, 2003). The creation of the Inspection Panel can be considered a success of civil society, in the sense of making dam investors more accountable (Clark et al., 2003).

Despite these changes, millions of people continued to be adversely affected by dam projects and debate on dam and displacement intensified. This led to the formation of the WCD. The WCD was formed in 1997 with the hope of producing universally accepted frameworks that would be embraced by decision makers, dam developers, and other interest groups. WCD recommendations (see Appendix 1) were considered superior to the previous model and were endorsed by government entities, such as the German aid agencies German Technical Cooperation and German Ministry for Economic Cooperation and Development (GTZ and BMZ), and the Japan International Cooperation Agency (JICA), as well as private entities like Harza Engineering and the Hong Kong and Shanghai Banking Corporation (HSBC) (Moore et al., 2010). However, the WCD guidelines were considered impractical by the WB, who refused to embrace the recommendations prescribed by the Commission. The WB instead viewed the recommendations as an obstacle to building dams. Some activists or those following the ‘radical movementist approach’ also had reservations about the WCD recommendations. They considered the recommendations as merely strict standards, which would minimise impacts but not be the main solution to displacement (Dwivedi, 2002; Moore et al., 2010).

Moore et al. (2010) note that even after a decade of the WCD process, the controversies and disputes surrounding large dams continue between hydropower opponents and proponents. Millions of people are still negatively affected by dam projects and more will

be affected in the future. Nevertheless, they claim that the WCD recommendations are still relevant and argue that these recommendations are found to be working where negotiated decision-making has been practiced. However, they note that a new range of topics and new actors have emerged in the dam business in the past ten years. Hence, they also suggest revisiting the WCD framework and organising multi-stakeholders' dialogue at multiple levels in order to further dialogue between dam opponents and proponents.

In 2012, International Finance Corporation (IFC) adopting Equator Principles has come up with Sustainability Framework with eight performance standards to identify, avoid, mitigate, and manage risks and impacts of infrastructure projects in a sustainable way. Among the performance standards set by IFC, performance standard five gives overview on land acquisition and involuntary resettlement. Like WB safagurad policy on involuntary displacement, the IFC standard also stress on avoiding involuntary displacement if it is avoidable. However, in the cases it is unavoidable; the standards suggest the application of appropriate measures to mitigate the adverse impact on project affectees. The performance standard emphasise on the measures to minimize physical and economic displacement (IFC, 2012). IFC standards have just been outlined three years back so it is quite early to predict the effectiveness of the measures and its implementation in reality. However, like previous policies it also doesnot give attention towards the impacts that may occur during pre-implementation phase of DID projects.

This section reveals that even though the problems associated with displacement have not been eliminated, several attempts have been made by civil society and other interest groups to minimise the impact of displacement. The existing literature has pointed out three major reasons why the attempts to minimise the impact of displacement have not been successful: First, there is a huge gap between policies and actual practices on the ground. Second, there are limitations in policies and measures applied to minimise displacement. Third, many project proponents are not motivated; the policies are formulated to minimise the pressure of opponents rather than as a realisation of the adverse effects of the project on local communities (Scudder, 2006).

Considering the worldwide context, it would be relevant to investigate how policies related to involuntary displacement in Nepal have evolved over time. Have they been influenced by global changes to deal with the problem? Has the influence of global civil society changed approaches to handling the problem? As stated in above paragraphs, it

would be worthwhile to investigate how successful the concerned authorities have been in minimising the impacts of displacement induced by development projects in Nepal, and how successful civil society and activists in Nepal have been in pressuring the government of Nepal to formulate worthwhile development policies as they relate to involuntary displacement.

In the current era, issues around water resources, environmental concerns, and human justice are not perceived as a problem of a single area or the residents of a particular locality. These problems are taken as universal problems. Thus, diverse stakeholders and interest groups, such as project investors, civil society leaders, activist groups, government bodies, project affectees, and project beneficiaries residing in different areas are involved in dam affairs. They employ their power, networks, and positions to influence decisions as per their interests and perceptions. In this context, the notion of politics of scale is employed to analyse how issues regarding displacement unfold at different scales and how stakeholders attempt to influence the construction process.

2.8 Conclusion

In this chapter, I have reviewed the existing literature relevant to establishing a theoretical background to this research. The literature reveals that the tools and theoretical models developed thus far are focused on assessing the impacts that occur during and after project construction. Likewise, the methods developed to mitigate negative impacts of DID projects are also centred on minimising the impacts that occur during the construction and post-construction phases. Clearly, then, there is a lack of literature as well as tools and frameworks that investigate the impact that locals may experience during the pre-implementation phase.

The existing literature on DID projects indicates that government authorities, dam developers, scholars, civil society leaders, and project affectees have contrasting views on dam construction. One segment supports dam construction, often referring to the benefits of dam projects and arguing that such projects are needed to cater to the energy and water needs of large sectors of society and to advance the overall development agenda of the country. In contrast, another segment of people oppose dam projects on principle and argue that they have compelled or persuaded millions of people to move from their homes and that, for the majority, their situation has worsened after displacement. They protest

against the dam developers and the government for violating the rights of project affectees and fostering unequal benefits to its citizens from dam projects.

The literature also reveals that in some countries the pressure of affectees and civil society has compelled the project developers and the governments to adopt damage control policies to minimise the impact of DID projects. However, the measures taken thus far have not been sufficient to solve the problem of displacement. Instead, this has further polarised the debate between dam proponents and opponents.

The existing literature on the politics of scale indicates that the politics revolving around water resource projects is complex. The state and non-state actors located at national, regional, local and transnational levels influence the decisions on the construction of dam projects from the inception period. These actors often have diverse views and they frequently attempt to influence the process as per their own interests. As a result, they compete or cooperate with each other at different scales. In this process, actors who are able to successfully establish networks at different scales are often able to influence the decision-making process based on their own interest. The existing literature also indicates that the state has the supreme power in the decision-making process and in shaping the policies of the country. The forthcoming chapters of this thesis will be analysed based on the theoretical backdrop provided by this chapter. Before presenting the background and empirical chapters, in the next chapter I will elucidate the methodologies employed to conduct this research.

Chapter 3

Research Methodology

3.1 Introduction

In the previous chapter, I reviewed the existing literature on involuntary displacement induced by development projects and contextualised the literature with the notion of politics of scale as well as civil society. In this chapter, I present the methods and methodologies adopted in this thesis, and highlight key methodological issues related to this research.

As stated in the Chapter 1, this research has been conducted with three major objectives in mind: first, to ascertain the types of impacts that local communities face during the pre-implementation phase of a large-scale hydropower project; second, to assess how actors located at multiple scales influence the government's decision to implement any large-scale hydropower projects that have the potential to displace a large number of people living in the project area; and third, to assess the response of the government to the actions and reactions of the project opponents in order to determine whether project affectees and non-state actors are able to contribute to refining the existing policies on involuntary displacement.

In order to achieve these research objectives, I have adopted a qualitative research methodology and a case study method. There are four main reasons for selecting a case study method for conducting this study. First, the case study method offers a basis for conducting an in-depth study of a particular phenomenon from multiple perspectives. Second, the case study method is useful for conducting explorative research, as the research is focused on identifying the problems/issues related to one or a few cases in detail. Third, the case study is suitable for investigating unique, extreme, or critical cases. Fourth, the case study provides scope for critical assessment of the topic from multiple perspectives. Considering the advantages of the case study method, I have preferred to focus this study on the WSHP project through a case study approach, as this assists me in deeply understanding the dynamics of hydro politics in Nepal and its impact on involuntary displacement practices. Likewise, the WSHP has been selected as a case as a means of considering a number of other factors, such as the longevity of the gestation

period, the decade-long activism against the project, the magnitude of displacement that the project will induce, and its linkage with India and China.

One of the important aspects of this research is that its findings are drawn from interviewing a broad range of local, regional, and national stakeholders including project affectees, hydro activists, bureaucrats, politicians, and civil society leaders. The incorporation of these actors has not only helped me to understand the local, regional, and national politics that occur while constructing large-scale hydropower projects, but has also enriched this research with the incorporation of multiple perspectives for understanding the dynamics of involuntary displacement caused by large-scale hydropower projects. It has also helped me to cross-check the information provided by different participants. Furthermore, the real experience of the affectees living in the proposed WSHP area has provided helpful insights into the impacts of a DID project on local communities prior to their displacement. The affectees of the WSHP area have actively participated in protests against the decisions taken by the government and project developers regarding the project. Hence, their views have provided a strong base for understanding the dynamics of involuntary displacement in Nepal. Moreover, there has not been any research to date interlinking involuntary displacement with complex hydro affairs in Nepal that brings the perspectives of a wide range of stakeholders regarding one case to bear in analysing the issue of involuntary displacement. Thus, this research makes a novel methodological contribution to the field of the study of development induced displacement.

This chapter has eight sections. Following this introduction, the second section explains the motivation behind carrying out this research. The third section is divided into three parts and outlines the rationale behind selecting a qualitative methodology, case study method, and WSHP as a case for conducting this research. The fourth section explains the data source, procedures applied for selecting participants, techniques used to acquire information, data analysis, and reporting techniques adopted. The fifth and sixth sections explain the ethical procedures considered and my positionality while conducting the research. The seventh section highlights the limitations of this research and the final section summarises and concludes the chapter.

3.2 Motivation for Carrying out this Research

Factors that inspired me to select this topic initially came from my personal interests and were later refined by theoretical understandings gained after examining the relevant literature. My interests on development induced displacement first incubated nine years ago during my field visit to the Melamchi Water Supply Project (MSWP) while I was undertaking undergraduate study in Nepal. Our university had taken us to the project area to give us practical education on how to conduct EIA for development projects. During the visit, I had an opportunity to interact with people affected and displaced by the construction of an access road to the site of MSWP. They were disappointed with the land acquisition process and compensation packages offered by the government and were advocating for better compensation. They were also concerned about social and environmental impacts that might occur after the construction of the project. My interactions with the affected locals made me curious about the procedures for constructing large-scale infrastructure projects and the costs and benefits of such projects for the local people. During the same time period, debate on the construction of large-scale hydropower projects was also gaining momentum in Nepal. I consider all these events to be guiding factors which drew my initial attention towards the issue of involuntary displacement caused by large-scale projects.

The main drive to conduct research on large-scale hydropower projects' induced displacement came much later and was guided by Nepal's current situation. On the one hand, the country is going through an electricity crisis which indicates the necessity to produce more electricity. In this light, the government is prioritising the construction of hydropower projects, which seems logical considering the high potentiality of hydropower generation in country. On the other hand, there are poor mechanisms to safeguard local communities from the adverse effects resulting from the construction of such projects. As a result, locals in such project areas often disrupt the construction of projects and the construction process is halted for years. However, the government is not addressing these issues. I therefore became motivated to conduct this study in order to understand this complex scenario. I wanted to gain an in-depth understanding of various aspects pertaining to the issue of involuntary displacement, particularly the impact of involuntary displacement on local communities, the involuntary displacement policy of Nepal, and the actions of locals and civil society actors against the construction of large-

scale hydropower projects. In addition, I wanted to explore why the government is taking so many years to formulate an involuntary displacement policy despite its urgent necessity.

This personal interest was systematised by the literature that I examined while conducting this research. The literature on DID and hydro-politics guided me to identify research gaps and research problems, and to construct my distinctive research questions. The review of literature also provided me the means of selecting a research methodology suitable for this study. In the following section, I discuss this research methodology.

3.3 Research Methodology

Human geography embraces all three methodologies for conducting social science research: qualitative, quantitative, and mixed methodology. However, there has also been a decades-long debate among human geographers about which of these methodologies is most suitable for conducting research. Amidst this debate, human geography gives flexibility to researchers to select any methodology most suitable for their research. Among these methodologies, I have selected qualitative research methodology for conducting this research based on the argument that a qualitative methodology is most suitable for studying individual experiences, social processes, and the human environment (Hay, 2010).

In the broadest sense, qualitative research is defined as a “research strategy that usually places emphasis on words rather than quantification in the collection and analysis of data” (Bryman, 2012, p. 22). In a deeper sense, qualitative research is defined as a research methodology that is deeply rooted in interpretivism, and is usually inductive in nature. Unlike quantitative research, qualitative research is not based on theory testing, experimental setting, and objectivism (Bryman, 2012).

There are several reasons for selecting a qualitative research methodology for this research. The first reason is that qualitative research methodology is best suited for explorative research. Liamputtong and Ezzy maintain that qualitative methods are useful for exploring subject matter “when the researchers have little knowledge about the area of investigation and ‘where the social context of the people’s lives is of critical significance’” (Liamputtong & Ezzy, 2000, p. 5). In a similar way, when I started this research I was not very aware of the impacts of the project in question on

local communities during the 18 years of the gestation period of the WSHP. In addition, I also lacked an in-depth understanding of the hydro-affairs of Nepal. Since this research was focused on exploring these issues, the qualitative research approach was considered the most effective approach.

Qualitative research also gives flexibility, freedom, and openness to explore new ideas and to exclude any aspect that the researcher may have initially included, considering it to be relevant and later realising that it was not significant for the research (Liamputtong & Ezzy, 2000). In contrast to quantitative research, qualitative research gives flexibility to reformulate the research problem as well as data collection techniques as required, even after starting the data collection, in order to understand the totality of a phenomenon, and to select certain aspects for greater in-depth study while collecting data. Since this research is explorative in nature, it requires flexibility to include new ideas and exclude some initial ideas that prove to be irrelevant. This research methodology has been helpful in this regard.

The second reason for selecting qualitative research is because of its interpretive orientation. According to Denzin et al. (1994), an interpretive approach is employed to understand the experience of the complex world from the viewpoint of those who live in it. An interpretive orientation aims to comprehend the world as it is experienced and the basic sources of social reality. It is based on the belief that social reality guides human action and is infused with meaning (Bryman, 2012). As a result, this approach gives leverage to conduct research in a natural setting and to investigate social, political, economic and environmental phenomena (Hay, 2000). This aspect of qualitative research was essential in conducting this research, as it attempts to understand the experience of people living in a real setting from multiple dimensions. This approach to research also aims to explore actions and reactions of different stakeholders on the decisions taken by the government and to investigate the problems caused by DID projects.

Third, qualitative researchers are generally closely involved with their research subjects in order to understand their social reality. Qualitative research methodology provides techniques, such as participant observation and interviewing, that enable the researcher to acquire an in-depth understanding of context and the meaning of the behaviours and expressions of particular groups or societies (Bryman, 2012). This research approach thus provided techniques that enabled me to gain a thoroughgoing understanding of the

experiences of the potential displacees of the WSHP area and the perceptions of the key stakeholders involved in dam affairs in Nepal.

In sum, I embraced the notion of qualitative methodology by considering that it is the most appropriate approach for this study, as it gives space for direct interaction with affectees and stakeholders involved in WSHP-related affairs and observation of behavioural aspects of these actors. In addition, I had the opportunity to directly observe the physical changes that have occurred in the project area. In-depth interaction, with the flexibility to question multiple aspects, was essential to understanding the deeper dynamics of hydro-affairs in Nepal. By adopting this research methodology, I am able to argue that the narratives and analysis of experiences and perceptions shared by different stakeholders closely involved in WSHP affairs, as well as the larger hydro-affairs of Nepal, have provided a deep-rooted knowledge related to this research topic. All of these advantages motivated me to choose a qualitative methodology rather than a quantitative research approach.

Among the different methods that can be applied to investigate qualitative research, I have employed a single case study method for in-depth exploration of the research topic. In the following section, I provide a brief explanation of the reasons behind selecting a case study approach for this research.

3.3.1 The Case Study as a Research Method/Approach

There are several reasons behind adopting a case study method in this research. First, a case study approach provides a basis for conducting an in-depth study of a single or a few cases to explore their multiple dimensions (Bryman, 2012; Gerring, 2007; Gray, 2013; Kumar, 2005). In this regard, Gerring (2007) argues that qualitative researchers are attracted to the case study approach because it offers space for detail, that is, for a rich, complete, holistic investigation of particular aspects of human affairs and behaviours in a natural setting (Gerring, 2007). A case study approach is employed by human geographers or qualitative researchers when comprehensive information is to be collected regarding a particular phenomenon, such as an event (e.g., protest rally, disaster), a process (e.g., immigration, discrimination), or a particular place (community, neighbourhood) or unit (person, family, organisation, country) (Kumar, 2005). Since this study requires an in-depth exploration of the WSHP in order to understand the dynamics

of involuntary displacement and the complexities of hydro-politics in Nepal, the case study method is considered to be the most suitable approach.

Second, case studies are used to investigate unique, extreme, and critical phenomena (Yin, 2003). Case study research may be based either on a single case or on multiple cases. The selection of a single case or multiple cases for study depends on the nature of the study. Multiple case studies are adopted when the population of the cases is homogenous and the study is comparative in nature. In contrast, a single case study method is used when the case under study is unique and intensive study on a certain topic is required to understand the existing phenomenon. Gerring (2007) in this regard argues that, in a given social setting, it is rare to find consistency in the analysis of several examples of similar phenomena. In such a situation, it is preferable for the researcher to adopt a single case study method. I argue that the social setting, geographical area, and development status of each project area differ from case to case. As a result, the reactions of the locals to the project, the impacts of the project on local communities, the evolution process of local activism, and even the nature of the influence exerted by different actors will differ from one project to another or from one country to another. This makes each case unique. Hence, the rationale for choosing a single case for this study is the need to identify its unique characteristics in a particular context so as to gain an accurate understanding of all relevant factors impinging on the case.

Third, case studies are also suitable for conducting explorative research (Bryman, 2012; Outhwaite & Turner, 2007). According to Gerring (2007), case studies are more useful when a subject is being encountered for the first time or is being considered in fundamentally new ways. Outhwaite et al. (2007) argue that case studies are helpful for pilot studies, probes of the plausibility of theories to see whether they are worth more thorough exploration, or issues which suggest a hypothesis. As stated above, this study is explorative in nature as it attempts to explore the politics that occurs at local and national scales after the announcement of a DID project. In addition, this study is an attempt to explore the types of impacts that occur during the pre-implementation phase of a DID project that has a long gestation period.

A case study approach is also often adopted for understanding and resolving problems relating to the case (Hay, 2000), and to test, falsify, expand, or generate explanatory concepts emerging from the case (Gerring, 2007). In this regard, Hay (2000) argues that

the willingness to gain an in-depth-understanding of a case is guided by the concerns of the researcher to find solutions to particular problems associated with the case, or a sense of contribution to academic understanding (theory) about the phenomenon which the case is representing, or a combination of both motives. As noted, this study is an attempt to gain a better understanding of the politics involved in large-scale hydropower construction in Nepal, involuntary displacement provisions, and even alternative solutions to the current resulting problems. In addition, this research aims to expand the scholarly understanding of the impacts induced by DID projects, the politics that occurs at different scales while constructing DID projects, and the contribution of civil societies and project affectees to refining involuntary displacement policies. Considering these advantages, I have adopted the case study method to assist in arriving at answers to the research questions which I have articulated in Chapter 1.

Despite all of these benefits, the case study method has also been criticised for its limitations. The most common criticism of case study research centres around concerns about its generalisability, that is, the representativeness of the case for wider contexts. Byram (2008) states that the purpose of conducting a case study is not to generalise the findings of the research to larger populations, as is often done while conducting research adopting the survey method. He further argues that case studies are used to study typical cases that represent certain objects, communities, and events, and that they should therefore be appreciated for this purpose. Outhwaite et al. (2007) maintain that if the research aims to understand a particular case which is unique and is interesting in itself, there is no point in generalising it to other contexts. In these situations, the case study is the only relevant method for undertaking such studies.

According to Hay (2000), one case is not sufficient to describe the applicability of a theory or a concept illustrating a particular subject matter. He further argues that the true value of a case that is investigated may not be known until similar phenomena in other cases are observed. Likewise, Gerring (2007) notes that at times an in-depth understanding of an individual example is more useful than gaining a superficial understanding of a certain phenomenon obtained from larger examples. I agree with the justification of the applicability of case studies given by Hay and Gerring, and further argue that a comprehensive and holistic exploration of one particular case provides a greater understanding of the phenomenon studied. I accept the fact that findings from the study of one specific case may not be highly applicable to other contexts or cases. The

geographical situation, development context, process of evolution of activism, and others aspects around the particular case may not be able to be replicated in other projects, and the way this issue is dealt with in Nepal may not be applicable elsewhere. In other words, addressing the issue of involuntary displacement in the Nepalese context may not be relevant to other countries' situations. However, I argue that insights gleaned from analysis of one case may have relevance for comparison with cases where similar phenomena are observed.

3.3.2 Rationale behind Selecting WSHP as a Case Study and the WSHP Area as a Study Location

There are four reasons behind selecting the WSHP as a case for this study. First, the WSHP is a unique case around which to assess the impact of local, regional, national and transnational activism against the project in various time periods. In addition, the case of WSHP offers a framework for investigating how multiple actors from multiple scales have attempted to influence the project as per their interests and the government's and project developers' responses to those attempts.

Second, the case of WSHP offers a unique space in which to investigate the impacts on local communities that have occurred during the long gestation period of the DID project. The case is useful for exploring and assessing the experience of local communities living with fear, anxiety, expectations, and hopes over the last two decades. The frequent changes in the implementation modality and targeted date to commence the project have created instability in the lives of inhabitants of the project area.

Third, the magnitude of the displacement that will be induced by the project is another reason behind selecting the WSHP as a case study. There are other projects, such as the Pancheshwar Multipurpose Project, Karnali-Chisapani Multipurpose Project, Budhi Gandaki, and Sapta Koshi multipurpose project that will also induce massive displacement in Nepal. However, the construction of these projects has not gained momentum like the WSHP. Hence, I preferred to select WSHP as the most viable and relevant case study.

The last reason for selecting WSHP is its linkages with India and China. Although these two neighbouring countries were linked to the project during different periods of time, their involvement makes the project particularly interesting. As stated in Chapter 1,

initially the project was meant to export electricity to India and was considered to be a model project between India and Nepal; however, now the project is meant to be built for domestic purposes and is considered to be a model project between China and Nepal. This study will reflect on how the WSHP project and perceptions of the project changed with the shifting linkages with these countries. These factors make the WSHP distinct from other hydropower projects and provide fertile ground for investigating different dimensions of large-scale hydropower projects and involuntary displacement issues in Nepal.

Within the WSHP area, I concentrated my study in Deura and Babina, two particular settlements that are located in the proposed reservoir area. Deura is a market centre located in Rayal VDC of Bhajhang district, and Babina is a remote settlement located in Girichauka VDC of Doti district (See Figures 3.1 and 3.2). I have purposefully selected these two areas considering the differences in these settlements. Deura adjoins a highway, whereas Babina is a remote settlement which can only be reached by a 3-4 hours walk from the nearest motorable road. These two distinct settlements were selected in order to get a better sense of the impact that occurs in different locations based on their development status. In addition, these settlements were selected to investigate whether the perception of people living in different geographical locations varies on involuntary displacement issues.

Figure 3.1: Map of Girichauka VDC showing Babina

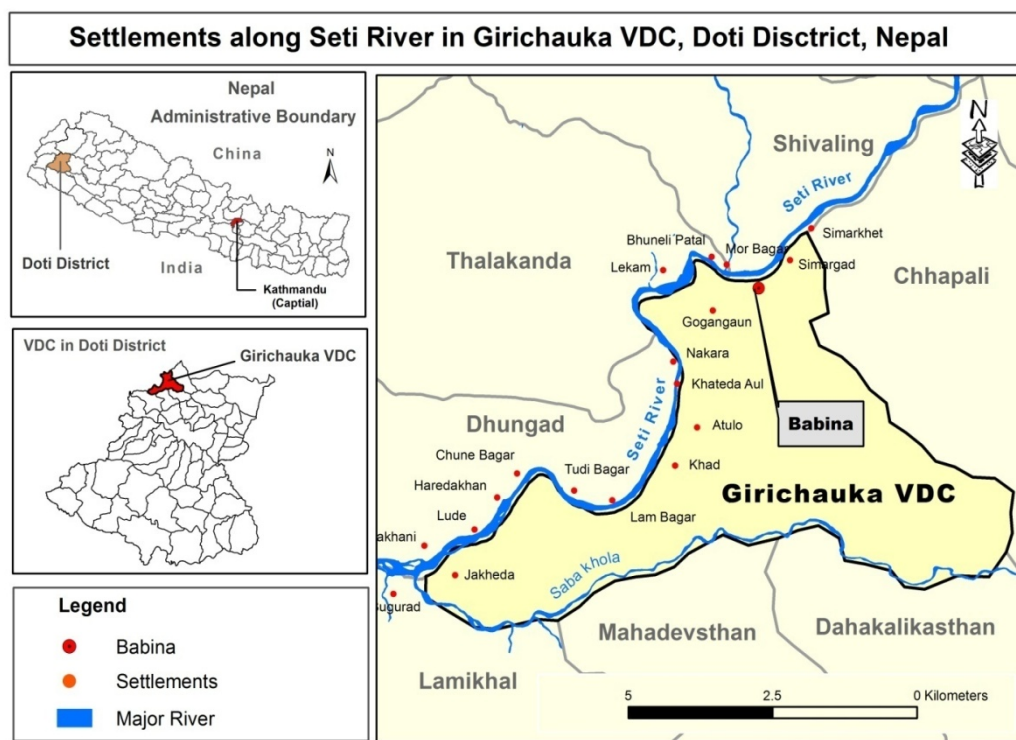
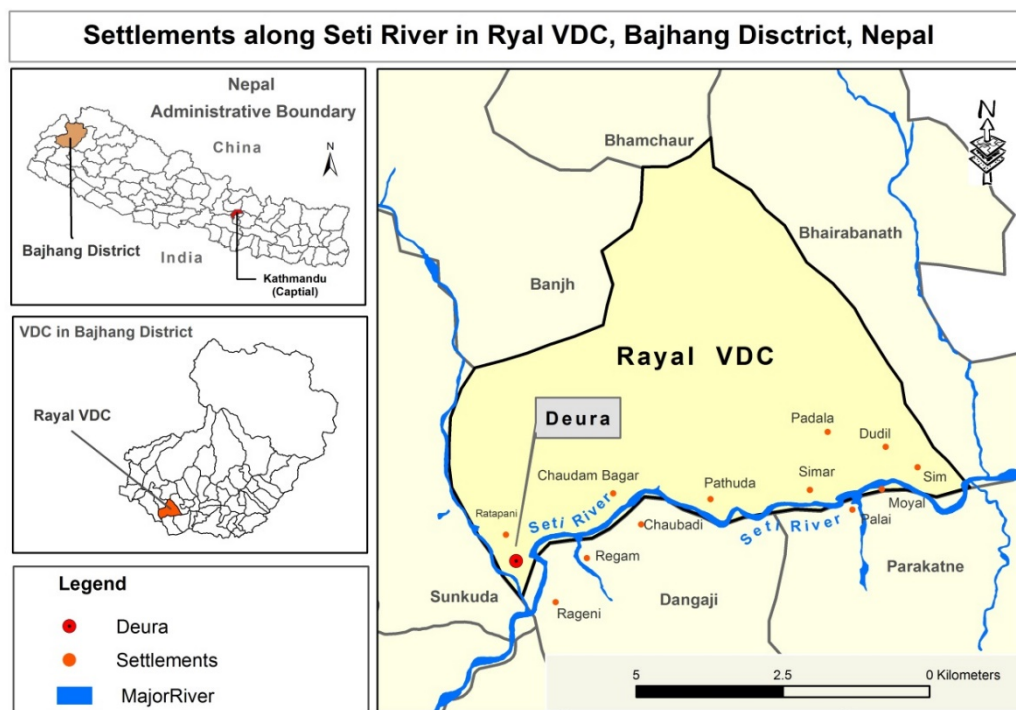


Figure 3.2: Map of Rayal VDC showing Deura



The other locations where study was conducted were Kathmandu, the capital city of Nepal, and the headquarters of the districts of Dadeldhura, Doti, Kanchanpur, and Kailali, located in the Mid-Western and Far-Western regions of Nepal. Figure 1.1 shows the districts where the primary data were collected. Research conducted in Kathmandu was driven by the accessibility of information from stakeholders at the national scale. Likewise, other locations were purposely selected considering the huge presence of regional, district, and local stakeholders in these areas.

3.4 Data and Data Sources

Yin (2003) has suggested six different sources to utilise in collecting data for case study research: documentation, archival records, interviews, direct observation, participant observation, and physical artefacts. In this research, I have used interviews and direct observation as the primary sources of data collection. In order to understand the reactions and perceptions of stakeholders from different scales, I have mostly relied on in-depth interviews, as there are no secondary sources of information that provide insight into involuntary displacement and the hydro affairs of Nepal. In addition to the primary sources of data, I have also gathered information through secondary sources of information, such as journal articles, newspapers, press statements, and project reports. Secondary sources of information have been immensely useful in obtaining information about the historical facts on the WSHP, involuntary displacement practices and policies in Nepal, and Nepal-India hydro politics.

3.4.1 Data Collection Procedure and Participants

Before conducting actual field work, I began collecting secondary sources of information relevant to this research through library research, online news, websites, and e-mail correspondence with hydro experts and civil society leaders actively engaged in WSHP issues in Nepal. During this period, I was also engaged in collecting contact information about prospective research participants and corresponding with them before commencing my field research in Nepal. The field work in Nepal continued from April 15, 2013 until September 15, 2013. During this period, I visited several areas and interacted with various stakeholders.

I began the preparatory tasks in Kathmandu before heading to the Mid-Western and Far-Western regions of Nepal. I consulted several researchers and NGO personnel in

Kathmandu to familiarise myself with the current socio-political situation in the project area. I also asked their advice about the best way to enter into the area, and gathered relevant information to prepare myself for field research in the actual project location. A similar type of consultation was organised among a few individuals in Dhangadhi, the regional headquarters of the Mid-Western region. Both of these consultations were highly beneficial in terms of being mentally prepared for conducting interviews in actual field sites and also being culturally sensitive in the WSHP area.

Field based data collections were conducted in three phases. The first phase of the data collection process began soon after I reached Dhangadhi. I stayed for a week in Dhangadhi and travelled to Mahendranagar, headquarters of the Kanchanpur district. There were three particular reasons for visiting these two headquarters. First, these two cities are regional hubs of the Far-Western region and the gateway to the WSHP area. Many locals in the WSHP area, including the political and civil society leaders of Bajhang, Baitadi, and Doti districts, have migrated to these two cities for various purposes. It was thus easier to gain access in these cities to the people operating from regional hubs and contributing to regional politics on WSHP-related issues. Likewise, many regional government offices, NGOs, and other organisations are located in these headquarters, and therefore it was easier to interview these stakeholders in these settings. Third, it was planned that the displacees of the WSHP would be resettled in these two districts. Hence, it was essential to visit these two districts to gain insights into the perceptions of the host community towards the potential project displacees.

I also visited the headquarters of Dadeldhura and the Doti district, spent a week in Dadeldhura, and also travelled back and forth to Silghudi (headquarters of the Doti district) during my stay in Dadeldhura. Dhangadhi and Kanchanpur, headquarters of these two districts, were also important to visit, since many districts and regional level government offices, politicians and civil society activists are located in these areas. Figure 3.1 shows the composition of interview respondents from Dadeldhura, Baitadi, Doti, Kailali and Kanchanpur. Interviews with stakeholders located in these areas were important to gain deep insights into the perceptions of district-level actors on the WSHP (see Appendix 5 for the more details on district level actors interviewed). Apart from district headquarters, I also visited a downstream community at Gopghat in the Doti district, and interviewed some of the locals to get insights into the experience of people living in WSHP area.

Table 3.1: Composition of Respondents

Key Informants	Dadeldhura	Baitadi	Doti	Kailali	Kanchanpur
District level political leaders	4		3	1	3
Government employees	2 (DDC, CDO)		3 DDC (Office, CDO, DFO)	2 (Staff from LDO, CDO)	
Student leaders /students representing concern committee		2			
School teachers	1				
University professors					2
Journalists	1		1	2	
Hydro activists	1			1	2
Staff of Human Rights Organisations				1	
Former staff from WSHL				2	
Tharu Welfare Committee Members				1	
Federation of Nepalese Chamber of Commerce and Industry	1				
Total	10	2	7	10	7

The second phase of my field visits began when I arrived in the two VDCs of Bajhang and Doti district after completing my field study in Dadeldhura and Doti district. As stated above, I concentrated my study in Deura, a market centre located at Rayal VDC of Bajhang district, where I randomly interviewed 50 household members out of which 31 respondents were male and 19 females. In Doti district I concentrated my study in Babina, a remote settlement located at Girichauka VDC, where I interviewed 50 household members to gather their views on the project (see Table 3.2 and Appendix 2 for details). While selecting the respondents in Babina, I purposely selected 31 male respondents and 19 female respondents in order to make the composition of male and female consistent with that of Deura. In addition to these household members, I also interviewed members

of the concerned committees formed by the local people from various socio-economic, political and occupational backgrounds, namely school teachers, health assistant, local politicians, youth, and women (see Table 3.3, Appendix 3, and Appendix 4 for details). The committees were formed in order to unite the locals and collectively confront project developers on issues related to the construction of WSHP. The members of two such committees from reservoir area One, from a downstream community, were interviewed (see Chapter 6 for details).

Table 3.2: Composition of Respondents of Deura, and Babina and its Vicinity

Participants	Deura (Households)	Babina and its vicinity (Households)
Male	31	31
Female	19 (50)	19

Table 3.3: Composition of Key Informants from Deura and Babina

Key Informants	Deura	Babina
School teacher	3	2
Local political leader	3	1
Member, Womens' group committee	1	
Health post in-charge	1	

The third phase of field work began after returning to Kathmandu from the WSHP area. There I interviewed a number of people representing central government bodies, international organisations, national level civil society organisations, and political and civil society leaders. All these interviews were carried out in the offices of the respondents. The interviews were taken for half an hour to two hours depending of the willingness and time availability of the respondents. Table 3.4 shows the composition of respondents from Kathmandu. Stakeholders who are based in Kathmandu play a major role in the hydro affairs of Nepal, and it was thus essential to talk to these actors and gain deeper insights into WSHP affairs, national hydro affairs, as well as involuntary

displacement issues (see Appendix 6 for detail list of respondents from Kathmandu). Apart from this, I also collected secondary data during my stay in Kathmandu.

Table 3.4: Composition of Respondents from Kathmandu

Key Informants	Kathmandu	Position/Organization
Government and Semi-Government Office Employee	8	Ministry of Energy (2), Department of Electricity Development (1), National Planning Commission (2), Nepal Electricity Authority (1), Nepal Investment Board (1), Water and Energy Commission (1)
Hydro expert / Activist/ Analyst/ Development researcher/ International Consultant	11	Hydro experts (5), Hydro Analyst (1), Hydro Activists (3), Development Researcher (1), International Consultant (1)
Former Minister of Energy	1	
Multi-lateral Financial Institute	2	Representative from ADB (1), Representative from WB (1)

3.4.2 Sampling Procedure

Due to time and resource constraints as well as the scope of the research, it may not be possible for the researcher to collect data from the entire population related to the research subject, or even with everyone the researcher is interested in interviewing. In such a situation, a sample that represents the larger group is selected for gathering necessary information related to the research subject (Kumar, 2005). I encountered this situation. Due to time and resource limitations, it was not possible to reach to and collect data from the entire 9,968 people estimated to be displaced. I therefore selected a sample population to acquire information for this study.

Some scholars suggest that the sample selected by the researcher to collect information shapes the findings of the research project. For this reason, securing a reliable sample is a key element for quality and credible research (Laws, Harper, & Marcus, 2003; Wallian 2006). Samples can be selected using random or purposive sampling methods. In the case of qualitative research, purposive sampling methods are regarded as suitable for collecting data. I therefore selected a purposive sampling method for this research. Five

different methods are often used to select a sample under the purposive sampling method: selective/purposive, quota, snowball, matched, and convenience (Laws et al., 2003). Among these methods I have selected selective/purposive and snowball sampling methods to conduct this research.

A selective/purposive sampling method was adopted to select the participants for collecting data so as to assess the pre-implementation impacts occurring in the community as a result of a large-scale hydropower project that has a long gestation period. In this particular method, the researcher selects the respondents with the motive to obtain as wide a range of representative voices as possible (Bryman, 2012). Likewise, as argued by Schatzman and Strauss (1977), the researcher selects his or her sample according to the aims of the research. As indicated by these scholars, I have purposively selected the participants in both VDCs in order to capture the perspectives of a wide range of people living in these areas. In this regard, a total of 50 households each from Deura and Babina were interviewed for the purposes of this research.

Similarly, a snowball sampling method was adopted to gain information from other local, regional and national stakeholders. Snowball sampling is defined as a process in which samples are drawn from referrals made by people who know other people who possess characteristics or knowledge that are of interest to the research (Biernacki & Waldorf, 1981; Kumar, 2005). The advantage of snowball sampling is that it becomes more feasible to find respondents when they are few in numbers or where some degree of trust is required to initiate contact. It is also quite a relevant sampling method when the samples are from a hard-to-reach population, such as civil society leaders, politicians, criminals, and drug users (Atkinson & Flint, 2001). This technique is also useful when the researcher has little knowledge about the individuals, community, or organisation he or she wishes to study (Kumar, 2005).

Following this method, I first approached individuals from the national scale with whom I was already familiar and who were also familiar with the WSHP issue and issues related to hydro affairs in Nepal. They then further referred me to a larger segment of people from the national to local levels working on this issue. In addition, I also contacted a few NGOs working at the regional scale on the issue of WSHP. At the end of each interview, I asked the respondent to provide me some names of people whom I could approach to gather further information relevant to my research. The snowballing sampling method

worked well in the course of collecting data for the purpose of my research, as I was able to reach a broader segment of quality research participants within a short period of time.

3.4.3 Data Collection Techniques

According to Gray, the “interview is a powerful tool for eliciting rich data on people’s views, attitudes and the meanings that underpin their lives and behaviours” (Gray, 2013 p. 370). Interviewing is a technique of data collection which requires two-way conversations between the interviewer and respondent. Interviews are regarded as the best approach to collect data for research of an exploratory nature that requires examination of feelings or attitudes (Gray, 2013). Similarly, Hay (2000) suggests that interviews are an excellent technique for gathering information about events, opinions, and experiences of people. He further states that direct communication with the participants allows researchers to better understand their opinions and experience.

Generally, there are three types of interviewing techniques: Structured, Semi-structured, and Unstructured. Among these I have selected structured and semi-structured techniques for collecting information from the participants. In a semi-structured interview the interviewer uses an interview guide with a series of questions (Bryman, 2012; Gray, 2013). The set of questions in the guide are not in a standardised form as is used in the structured interview processes. In structured interviews, the questions are set in order and each respondent is asked the same questions, whereas in a semi-structured interview the researcher has the flexibility to alter questions depending on the direction in which the interview develops. For instance, the researcher has the flexibility to cross-question, and to further question on matters that may not initially have been thought to be significant (Gray, 2013; Hay, 2000). Similar types of questions can then be asked to other interviewees as well (Bryman, 2012).

Considering the advantages of semi-structured interviews, I have used this technique to obtain information from the potential displacees, and other key informants (as shown in Figure 3.1). I had prepared six sets of interview questions targeting different groups of participants residing at the local, regional, and national scales (see appendix 7). I had initially planned to use a questionnaire for interviewing potential displacees residing in the WSHP area. However, my initial plan was changed after I reached Deura, where the locals were not willing to spend a lengthy period of time answering set questions, as they had been interviewed time and again by other researchers on the same matter. I therefore

adopted a semi-structured interview technique to acquire only the information that I felt was most necessary to obtain from the participants. The interviews were taken for 10 minutes to 30 minutes depending on the willingness of the participant. The interviews were conducted at house, agriculture field, and shop of the respondents.

Figure 3.3 Interview with a Respondent from Babina



In this research, I have used observation as a supplementary method to acquire evidence. Observation is defined as a “purposeful, systematic and selective way of watching and listening to an interaction or phenomenon as it takes place” (Kumar, 2005, p. 140). This method is used as the primary method of collecting data in ethnographic research. Hay (2000) states that the observation method is used as a tool to acquire complementary evidences before, during, and after using a formalised data collection method such as interviewing. The purpose of observation is to provide complementary evidence to other forms of data collection. I used this approach to observe the environmental and development status as well as the social life in the WSHP area. There are two types of

observation techniques. Covert observation is one such technique, where the researcher does not reveal his or her identity in order to capture authentic data; overt observation is the other technique, where the researcher reveals his or her identity (Gray, 2013). Among these two observation types, I preferred to remain a passive overt observer, considering the ethical issues involved.

I also conducted two group discussions, one with a women's group in Deura and the other with a downstream community residing in Gopghat in Doti district. Both of these group discussions were informal and unplanned. While I was in Deura, women had organised a savings and credit group meeting. I requested and received access to their meeting and discussed WSHP matters with them for half an hour. Similarly, while I was in the Gopghat area a drinking water supply users' group meeting was convened by the locals. I requested the user group members to help me with my research and conducted a half-hour discussion on WSHP issues (see Figure 3.2. for the glimpse of group discussion with the locals from Gopghat). Both discussions were spontaneously held, and hence no particular format was followed in conducting the group discussion.

Figure: 3.4 Group Discussions with Locals from Gopghat, Doti



3.4.4 Data Analysis and Reporting

Data analysis is a rigorous and logical process of drawing meanings from the data obtained through various sources (Laws et al., 2003). Bryman (2012) states that data generated through adopting qualitative research takes the form of textual material, which is rich in quality but usually large and unstructured. Initially, the raw data are in the form of questionnaires, field notes, transcripts, tape recordings, photographs, and sketches. Dealing with this data can be tedious and time-consuming. Furthermore, unlike quantitative data analysis, there are no precise rules about the ways in which qualitative data should be coded and analysed (Gray, 2013). However, different approaches are proposed by scholars to analyse the qualitative data.

Law et al. (2003) have identified seven steps as a core process of analysing qualitative data: a) familiarisation with the data; b) making a list of themes or categories that can be seen in data; c) making small notes on the text of the data to highlight the theme that the text represents; d) rechecking the list of themes or categorising and making changes if required; e) making a clear format to set the list of categories; f) rechecking the data and listing all materials related to each category under its heading; and g) going through the category to determine what the data in each category reveals.

I have modified the data analysis process suggested by Law et al. to organise and categorise data. The first step was translating and transcribing field notes and records. I had collected a large amount of data in the form of field notes, tape recordings, and pictures. The data collected was in the Nepali language, and hence it took some time to translate and transcribe this material. Larkin et al. state that “the translator has the potential to influence research significantly by virtue of his or her attempt to convey meaning from a language and culture that might be unknown to the researcher” (Larkin, de Casterle & Schotsmans, 2007 p. 468). In this study, since I am a native Nepali speaker who has lived in Nepal for 27 years, it was not difficult to understand the feelings and the meanings which the research participants expressed.

However, I faced some challenges while translating the Nepali texts into English, as it is difficult to make an exact translation of each and every metaphor which participants used to denote something. Despite this challenge, I attempted to maintain the highest level of accuracy, as it is a primary responsibility of a researcher to acknowledge these challenges and to attempt to maintain possible equivalence (Larkin et al., 2007; Temple, 2008). In

order to achieve this goal, I enlisted the assistance of two graduate-level Nepalese youth to support me in the transcribing and translation process, and to cross-check so as to ensure that the translations maintained the highest level of accuracy.

The second step was listing the key themes that can be derived from the data. I also prepared worksheets for listing themes as I had different sets of raw data acquired from different sets of participants. For instance, the data acquired from potential displacees focused on different themes than that acquired from national level civil society actors. The potential displacees were asked about their experience of living in the WSHP, whereas the information acquired from local, regional and national political leaders and civil society representatives was not confined to the issues of the WSHP area and included broader issues regarding hydropower construction and involuntary displacement in Nepal.

The third step was placing the data under enlisted themes/categories. The fourth step was revisiting transcripts and transcribed field notes and ensuring that all relevant data were covered. The fifth step was ascertaining what each category revealed. The sixth step was interpreting the content of each category.

Regarding the analysing and presenting of data, I have undertaken similar strategies to those suggested by Yin. He suggested three general strategies for analysing the data drawn from a case study: relying on theoretical propositions, thinking about rival explanations, and developing a descriptive framework for organising the case study. Among these three strategies, I have adopted the first strategy. However, I have replaced theoretical propositions with arguments, as my research is framed in terms of arguments rather than propositions. Yin states that the “proposition helps to focus attention on certain data and to ignore other data...The proposition also helps to organize the entire case study and to define alternative explanations to be examined” (Yin, 1994, p.104). In this research, arguments set in the beginning of the research have been helpful to focus attention on relevant data required to find answers to the research questions and to omit irrelevant data. The research assumptions have also been a useful base for comparing and contrasting the findings with the existing literature and coming to final conclusions.

While organising, analysing, and presenting data, paramount attention was given to the production of quality research. Guba and Lincoln (1994) have suggested two sets of criteria for judging the quality of research: *trustworthiness* and *authenticity*. Hay (2000)

suggests formulating strategies for ensuring trustworthiness from the initial stage of research, and applying these at various stages of the research process. He further proposes that, as we move through various stages, we check a number of things to ensure credibility and accuracy, such as our sources over against those of other research efforts, our processes and interpretations with our supervisors and colleagues, and our text with our research participants' community. By following these procedures, the quality of the research can be enhanced (Guba & Lincoln, 1994; Hay, 2000).

Taking these suggestions into account, a similar process was adopted in this research. The data drawn from different sources were scrutinised and compared with other relevant literature. The comparison of the data acquired from different sources and respondents helped to triangulate the data. Likewise, the initial findings and interpretation of data were shared with my supervisor and presented in seminars organised by my department at Otago University, as well as at the Public Policy in Asia conference, organised by the Lee Kuan Yew School of Public Policy, National University of Singapore. In addition, findings of this research were also shared with several respondents from Kathmandu to obtain their feedback on the research results. Due to time and resources constraints, the initial findings of this study could not be shared with the locals currently residing in the WSHP area.

3.5 Ethics

Gray (2013, p. 69) defines research ethics as the procedure of “conducting research in a way that goes beyond merely adopting the most appropriate research methodology, but conducting research in a responsible and morally defensible way.” Likewise, Miller et al. refer to research ethics as “the moral deliberation, choice and accountability” guiding the researchers throughout the research process (Miller, Birch, Mauthner, & Jessop, 2012, p. 14). Many professional research organisations, including academic institutions, have acknowledged the fact that research should be conducted in an ethical way and have issued guidelines for conducting ethical research. For the purposes of this research, I have adopted the ethical guidelines issued by the University of Otago for conducting research. This research project was also approved by the University of Otago Human Ethics Committee with reference number 13/061.

As indicated in the University's guidelines, a number of measures were followed during and after the period of conducting field research. The information was acquired from the research participants only after securing their written or verbal consent, depending on their educational status. Hay (2000) claims that not just simple consent but 'informed consent' is necessary to conduct ethical research. Informed consent implies that the participants are adequately informed about the kind of information the researcher is seeking from them, the purpose of the research, the procedures entailed in participating, the direct or indirect risks associated with participating, if any, the privacy of data, and the time required from the participants for acquiring data (Gray, 2013; Kumar, 2005). Recognising the concept of informed consent, I provided a written information sheet to all research participants and they were also verbally informed in advance about the aims of the research and the procedure of the interview. Since many participants from the WSHP area were illiterate, I read the information sheet aloud and explained the objectives and purpose of the research before conducting the interview (as shown in Figure 3.3). The participants were also informed about their rights to refuse to answer certain questions or even to withdraw from participating in the interview process if they felt uncomfortable in answering any questions.

Figure 3.5 Reading Information Sheet Aloud to Women's Group before Conducting Group Discussion



Bryam (2010) states that another important ethical aspect that the researcher should consider while conducting research is the privacy and confidentiality of the information provided by the participants. In addition, the researcher should also ensure that the participants will not be exposed to any harm by participating in the research (Hay, 2000). Thus, in order to maintain confidentiality, I have securely stored the original field notes, tapes, and transcripts. Besides participants who were willing to disclose their name and identity, such as civil society leaders, activists, and politicians, all other participants are given pseudonyms in this thesis to maintain confidentiality and privacy. The final findings of the thesis will be shared with the participants if they wish to acquire information. They were given the contact details of the researcher in the information sheet provided during the interview so that they can contact researcher during and after the research is conducted to acquire the information about the project.

3.6 Positionality in Qualitative Research

It is common for researchers to be part of certain social groups they are investigating when research takes place in a natural setting (Moore, 2012). Positionality generally refers to the position of a researcher marked by the community he/she is researching in terms of his or her real and perceived identification, such as insider/outsider, self/other,

young/old, male/female, upper/lower class, and so on. The positionality of a researcher is a critical factor in influencing social and professional relationships. It not only sets the tone of the research, but also affects its course and its outcomes (Chacko, 2004). Researching global south issues such as literacy, access, and a sense of equality may generate barriers between the researcher and the participants. If the researcher is from the area, the barriers generated by accessibility and relation may be addressed to some extent; however, the differences generated by class and educational background remain significant (Sultana, 2007).

Coming back to Nepal and conducting research in the country where I am a citizen was a privilege. Nevertheless, I was aware of the differences between the participants I would be interviewing and myself in certain locations. I was aware that I would be identified as an urban-raised, young Nepali Brahmin woman undertaking education abroad, and that this identity would be an advantage in some cases and a disadvantage in others. I was also aware that I would be identified both as an insider and outsider, depending on the context. As a Nepali citizen I was positioned as an insider in many places I visited, especially in Kathmandu, Dhangadhi, Kanchanpur, Dadeldhura, and Dipayal. In all these places, respondents openly shared their views and also helped to approach other research participants. All these places are cities or district headquarters, where people from different districts reside, and thus my identity as a non-resident of the area did not matter significantly.

At the same time, especially in the WSHP area, I found myself to be identified both as an insider, as a Nepali citizen, and an outsider, as I do not belong to those VDCs, districts, or even to the region. Local people were easily able to identify that I am not from the area from the way I speak and look. Although I spoke in Nepali, my Nepali accent and some terminologies I used were different from that of locals. Similarly, my physical appearance was different from the locals. Hay (2000) states if the researcher does not belong to the same social group as the respondents, then the researcher might encounter challenges in establishing rapport with the informants. Realising this, in order to minimise the differences during my field work in the WSHP area I wore traditional outfits that a young married woman in Nepal would normally wear. Despite this attempt, the feeling of my being an outsider came naturally to some of the locals.

The experience of my field visit to the WSHP area was quite distinct from that of my experience in other places prior to my field work in the WSHP area. As an NGO worker and as a researcher, I have visited around 25 districts of Nepal out of a total 75 districts. During these visits, both as an NGO worker and a researcher, I had always found locals keen to share their information and problems. I had similar expectations when I reached the WSHP area but I was quite surprised with the reaction of locals when I introduced myself as a researcher examining issues related to WSHP.

I found local people in the WSHP area at times suspicious of outsiders, particularly those who were inquiring about issues related to WSHP. According to locals, they have previously been cheated by a number of outsiders. Many outsiders have disguised themselves as researchers and have attempted to influence their perception of the construction of the WSHP and other related issues. According to some respondents, a few researchers from Kathmandu-based NGOs cheated them in this way a few months before my visit.

As a result, locals had doubts about my identity and as soon as I introduced myself to my research participants some of them asked me if I was linked with any organisation. As I am not from the same community it was difficult for them to believe that I was a real PhD student. In order to convince them, I asked for help from some reliable local contacts, which I had established with the help of the Informal Sector Service Centre (INSEC), a human rights organisation that is based in Kathmandu but actively works in the Mid-Western and Far-Western regions of Nepal. My student identity card and the information sheet with the university logo also helped me to convince some literate locals. I was also accompanied by a local lady who could speak the local dialect, which significantly contributed to convincing people and conducting interviews with limited hurdles.

Despite this, some locals had doubts about my motives behind conducting this research, and thus they refused to give interviews. I also had to change the data collection procedure, once I realised that some respondents were not interested in giving their views on WSHP issues. I found that some of the locals were fed up with giving interviews to researchers about WSHP. Likewise, the issue I was covering was quite sensitive to them. Anticipating life after displacement and answering questions about this is not an easy task. I therefore shortened the duration of the interviews and asked only the most important questions to the respondents, and I tried my best to obtain maximum

information relevant to my research from those who were willing to give an in-depth interview. I had also planned to conduct focus group discussions in the WSHP area, which I had to change into group discussions. With all these incidents I realised that just being a citizen of the country one is researching, or just being ostensibly an insider or an outsider, will not give one easy access to information. The sensitivity of the subject under investigation will also determine the relationship between participants and the researcher.

Another factor that I was concerned about was my Brahmin origins. Although caste-based discrimination is a decreasing trend in city areas, this practice still exists in the rural areas of Nepal. Under the Hindu caste system,² the so-called lower caste groups are usually referred to as Dalits, and are considered to be impure and are not allowed to touch the upper caste groups such as Brahmins, or Kshatriyas. As a result of this unjust practice, the discrimination and the feeling of superiority or inferiority between different caste groups exist profoundly in rural areas of Nepal. Although I do not follow caste-based discrimination, simply because I was born to a Brahmin family means that people from other caste groups, especially Dalits in the WSHP area, might have the impression that I also have the feeling of superiority and would therefore discriminate against them. In order to convince them that I was against caste-based discrimination, I purposely stayed in their houses for some time and asked for water to drink before asking them any questions. Typically, those following caste-based discriminatory practices do not eat food or drink water directly touched by Dalits. This strategy helped significantly in easing the situation and brought comfort to both sides during the interviews.

My educational background and urban-based upbringing did not matter significantly to the people of the WSHP area, as they had interacted with different national and international researchers on the WSHP issue prior to my visit. These factors of my identity were also overshadowed by their suspicion of my interest behind this research. However, I found locals having softer feelings towards me due to my gender. For instance, some respondents were concerned about my safety, some encouraged me because I was away from home and researching on a controversial issue, and some even encouraged their daughters to study like me. In addition, as a woman it was easier to have

²The Hindu caste system stratifies people into four hierarchical groups: Brahmins, Kshatriyas, Vaishyas, and Sudras. Brahmins and Kshatriyas are regarded as the high caste group whereas Vaishyas are a middle caste group and Sudras are lower caste groups. Dalits are regarded as Sudras. Traditionally, the division of labour in communities was conducted as per the caste group. Brahmins were priests and scholars; Kshatriyas were warriors; Vaishya were merchants and farmers; and Sudras were tailors, blacksmiths, clobbers, and cleaners.

an open conversation with female participants. Surprisingly, I experienced equal comfort in interviewing my male participants. I felt that I was encouraged by male participants, especially in Kathmandu, Dhangadi, and Kanchanpur, for undertaking this research.

3.7 Limitations and Challenges

Although the primary objective of this research has been met, there are some limitations that have to be considered when scrutinising the research at a microscopic level. One such limitation concerns the methodologies, approach and techniques that are adopted for conducting the research. Scholars have illustrated the limitations and benefits that each methodology, approach and technique presents to the researcher. This research embraces most of the limitations that qualitative research exhibits, such as the issues of generalisability, subjectivity, and replicability.

The findings of this research are based on a single case, which means that this research has a limitation in terms of generalisability to broader contexts. This research is also based solely on the context of Nepal, and therefore findings drawn from this research are relevant only to the WSHP and Nepal, or perhaps to similar contexts where a similar problem is encountered. The other limitation of this research is that the data has been gathered mostly through in-depth interviews. Although I managed to conduct two group discussions in the WSHP area, most of the primary data was acquired through in-depth interviews.

Further, not all of the initially targeted respondents were interviewed. This was mainly due to two reasons. First, there was their unavailability during my field visit. Some targeted respondents from Kathmandu and Kailali were not available in their respective areas during my field visits. The second reason was the unwillingness shown by some stakeholders to share information. As I mentioned above, especially in the WSHP reservoir area locals were hesitant to give interviews because they had some doubts about the sincerity of outsiders. Their negative experiences with those investigating the WSHP in the past have affected this research to some extent. Although I managed to gather adequate data from the WSHP area, I had to change my initial plan of conducting four different focus group discussions with different groups to supplement the data gathered through the interview process.

In contrast, in places like Dhangadhi and Kanchanpur most of the targeted respondents whom I had approached for an interview immediately agreed to meet and talk to me. Although some of them were initially suspicious about my identity as a researcher, they were generally eager to meet with me and share their views. I found them very keen to know about the purpose of my research. They were also eager to get hints from me about the progress on the construction of the WSHP after obtaining a license from the CTGC. Before starting each interview I had to make very clear to each research participant that I am a student researcher and my research does not link with CTGC or any other interest groups who are for or against the project.

Due to time and resource constraints, I conducted household interviews only in settlements of two VDCs of the proposed reservoir. The research findings would have been more profound if more VDCs could have been incorporated to conduct household interviews. However, I selected two contrasting VDCs to gain diverse perceptions of locals living in areas with two different situations, in terms of accessibility to facilities and services. Likewise, due to the time constraint, I could not visit the headquarters of the Baitadi district. However, I managed to conduct in-depth interviews with a few locals from Baitadi who were temporarily residing in Kailai and the Kathmandu district. Apart from the headquarters of the Baitadi district, I visited the district headquarters of all other likely-to-be affected areas and interacted with government officers, political leaders, and other concerned groups.

Often researchers encounter a number of barriers in the course of conducting their research as per its original plan. Some of those barriers are foreseen and can be avoided while designing research or planning for field visits. However, some cannot be identified until the research is conducted.

Challenges I faced while conducting field research have also affected this research. For example, it was quite challenging to talk to the locals of the WSHP reservoir area on WSHP issues. They were tired of talking about the WSHP issues for so many years and were also very frustrated with the uncertainty and dilemmas escalated by the long gestation period of the WSHP. The main challenge I faced while interviewing people at the local level was that most of them were eager to know my stand on the WSHP and whether I supported the project or was against it. However, I was very careful not to give any kind of impression of my own views to the participants, as I was aware of the fact

that some of the respondents were in support to the construction of the project and some were against it. Some people in Nepal immediately perceive that those people who talk about involuntary displacement issues are people who do not want a development project to happen. I found a similar mentality in some of the respondents I interviewed in the field.

3.8 Conclusion

In this chapter, I have delineated the methodological approach, the rationale of adopting a particular methodology, as well as the limitations of this research. In brief, this is a qualitative research endeavour which adopts a case study method for investigating the dynamics of involuntary displacement induced by large-scale hydropower projects that have a long gestation period. A semi-structured in-depth interview process was applied as the main tool to collect primary data from the WSHP area. Field observation and group discussions were conducted to supplement the data acquired from in-depth interviews. Although an attempt was made to select an appropriate methodology, tools and techniques, this study had to contend with certain challenges and limitations. However, a number of attempts were taken to produce high-quality research findings.

Chapter 4

Hydropower Development Induced Displacement in Nepal

4.1 Introduction

In the previous chapter, I presented a description of and rationale for the methods and methodologies adopted in this research. In this chapter, I provide a contextual background to the three different aspects of involuntary displacement I am investigating in forthcoming chapters. I consider that in order to understand the dynamics of large-scale hydropower projects' induced displacement in Nepal, and the progress of activities on WSHP over time, it is essential to be aware of the following: i) the current status of hydropower projects in Nepal; ii) the role of external bodies in the hydro affairs of the country; iii) civil society organisations' and activists' perceptions of the hydropower development modality of Nepal; iv) Nepal's past experience in dealing with involuntary displacement caused by major DID projects; and v) past and current policies on addressing the displacement caused by large-scale hydropower projects. In this chapter I illustrate these aspects.

It is expected that presenting this information will provide an in-depth insight into the background that surrounds the construction of large-scale hydropower projects in Nepal, along with the ways in which involuntary displacement issues are approached in Nepal. In so doing, the chapter paves the way to contextualise an assessment of why things have happened the way they have happened both in Nepal and in the WSHP. In addition, this chapter also provides general information on WSHP, the socio-economic, developmental and environmental status of the area, along with the predicted impacts on local communities and environments after the construction of the WSHP. This information on WSHP is provided in order to understand the impacts that have occurred during the pre-implementation phase on local communities and the politics that unfolded at different scales during this phase.

This chapter is divided into five sections. In the second section, following this introduction, I present a summary of the development of hydropower projects and some contemporary debates involved with this issue. In the third section, I provide an overview

of involuntary displacement in Nepal. In the fourth section, I present background information on WSHP, and finally, in the last section, I analyse and conclude the chapter.

4.2 Overview of Development of Hydropower Projects and Contemporary Debates on the Hydropower Sector in Nepal

Nepal has been generating hydropower for centuries from running traditional water mills to grind grains (Sharma & Awal, 2013). However, hydropower generation in Nepal for electricity started with the 500 Kilowatt (KW) Pharping hydropower project in 1911. The project was constructed by Prime Minister Chandra Shamsheer to light his palace. Later, in 1936, the 649 KW Sundarijal hydropower plant was commissioned to supply electricity for the rulers of Nepal (Sharma & Awal, 2013). After the downfall of the Rana regime and the establishment of democracy, Nepal was open to other countries. Prior to 1950, Nepali citizens were far removed from the economic and development discourses taking place in other parts of the world, were unaware of global issues, and thus lacked scientific and technical knowledge. Gradually, after being exposed to other parts of the world, the development process began in Nepal (Gautam & Pokhrel, 2011). Slowly infrastructure construction and medium-scale industries began and, with these developments, the need for electricity in Nepal escalated. Until the beginning of the first five-year development plan (1956-61), Nepal had the capacity to produce only 6,380 KW of energy. In order to cater to the growing needs, the government gradually began to focus on hydropower generation (Bastola, 1994).

At present, there are 11 major hydropower stations in Nepal that produce 459,150 KW of electricity, 17 small power stations that produce 473,394 KW, and 23 isolated small hydropower stations that produce 4,536 KW under the NEA.³ In addition, 230,589 KW of electricity is produced by 23 Independent Power Producers (IPPs). Altogether, 708,519 KW of hydropower is generated through hydro energy in Nepal. Apart from this, 53,410 KW of electricity is generated from thermal power and 100 KW from solar power (NEA, 2013). So far Nepal has only one water storage project, Kulekhani, which contributes 17 percent of Nepal's current hydroelectricity (Upadhyaya & Sharma, 2004). The 144 MW Kali Gandaki-A hydropower plant is the biggest hydropower project of Nepal (Sangroula, 2009).

³NEA is the responsible authority to oversee hydropower production in the country. It was formed by the Government of Nepal as an autonomous corporate body under the Nepal Electricity Board Act 1994.

Despite these endeavours, Nepal has not been able to sustain its own electricity needs. As a result, Nepalese have been enduring power cuts throughout the year since 2005. Initially, the power cuts occurred sporadically for a few hours at a time, but year by year the duration has increased. The power cuts in 2008-2009 reached up to 16 hours per day during the winter, and as a result the government declared a national energy crisis the same year. With the construction of small-scale hydropower projects and the import of electricity from India in recent years, the power cuts have decreased to 12 hours per day (Nepal Electricity Authority, 2013). The problem of the prolonged electricity crisis is affecting not only the day-to-day activities of the Nepalese people, but also affecting the economy of the country. Several industries have been closed and industrialists fear taking the risk of opening new factories due to the unreliability of the electricity supply. Industries which can manage their work with the available power supply or which can afford generators are the only ones currently functioning (Shrestha, 2010).

In order to minimise the power cuts, the government is not only importing electricity from India but also exploring the potentiality to produce wind power and solar power (Nepal Electricity Authority, 2013). However, hydropower is regarded as a cheaper and more consistent option than others. For instance, the cost of generating energy from thermal plants is considered to be expensive in Nepal as the fuel has to be imported from other countries (Pokhrel, 2013). Considering all these factors and recognising the potentiality of hydropower generation, the government is prioritising the construction of large-scale hydropower projects.

In 2008 the government, led by the Unified Communist Party of Nepal (Maoist), came up with a 38-point Electricity Crisis Resolution Plan (Dixit & Gyawali, 2010). The action plan incorporated immediate, short-term, and long-term programmes. The short-term plan was focused on solving the immediate electricity crisis by building additional transmission lines to import power from India and effectively managing and controlling the electricity supply, whereas the medium and long-term plans were focused on building large-scale hydropower projects and high-capacity transmission lines. The immediate program launched by the plan was based on a Power Purchase Agreement (PPA) at a flat rate for power plants up to 25 MW, a seven-year income tax holiday, and the provision to conduct only an Initial Environment Examination (IEE) for power projects that would be implemented by 12 April, 2011, exempting the necessity for an Environmental Impact Assessment (Water and Energy Commission Secretariat, 2010). Along with this plan, the

Maoist-led government also introduced a plan to generate 10,000 MW of electricity in the next 10 years. Soon after the dismissal of the Maoist-led government in 2009, the next anti-Maoist coalition government came up with a more ambitious aim of generating 25,000 MW of electricity (Dixit & Gyawali, 2010). With the objective of meeting the energy demand of people and exporting hydropower, the Hydropower Task Force was set up in 2010 by the government.

Table 4.1: Power Production Plans for 20 Years

Year	2010-2014	2015-2019	2020-2024	2025-2029
Power (MW)	2057	12423	5114	18034

Source: (MOE, 2010)

The table above shows the projected increase in power production under the government plan. The target to produce 2057 MW of energy in the period of 2010-2014 was not met. It remains to be seen how successful the government will be in achieving this target in coming years. However, if the government works towards achieving this target, thousands of people living in the project area and its vicinity will be directly and indirectly displaced.

These ambitious plans for hydropower development are backed up by various donors and multilateral financial institutions. Indeed, the future scenario of Nepal's hydropower development seems heavily dependent on the dynamics of donor engagements in this particular issue. The section below focuses on how donors have supported large-scale and export-oriented hydropower projects.

4.2.1 External Influence in Nepal's Development Discourse and Hydro Policy

As stated in the previous section, Nepal opened its door to external donors in 1950 (Gautam & Pokhrel, 2011). Nepal received its first foreign aid from the US government in 1951, under the Marshall Plan's Point IV agreement (Guthman, 1997). In this period, Nepal was not only behind in terms of its economic resources, but also greatly lacked skilled human resources for providing adequate services and facilities for its citizens. Soon after the US, other countries such as India, China, and the then Soviet Union started providing aid and technical assistance to Nepal, in 1951, 1956, and 1959 respectively (Gautam & Pokhrel, 2011). Later, in the decades of the 1960s and 1970s, the

governments of the UK, Switzerland, West Germany, and Japan also started providing assistance to Nepal.

In this process, Nepal's development plans, programmes and policies were heavily influenced by foreign donors. For example, Nepal's first periodic plan (1956-1961) was prepared through the direct assistance of the United Nations Advisor, and the development plan was heavily influenced by the United States Agency for International Development (USAID) (Gautam & Pokhrel, 2011). India's interest in Nepal was in its water resources and trade-related infrastructure, and thus about 91 percent of grants obtained from India were for these sectors (Guthman, 1997). China's interest in Nepal was initially focused on counterbalancing India, and later it was to increase leverage over Nepal for addressing its security concerns in relation to Tibet issues. By providing aid and other assistance to Nepal, China wanted to make sure that Nepal would not support or promote any anti-Tibet activities in Nepal (Dabhade & Pant, 2004). Likewise, the Soviet Union's interest in giving aid to Nepal was to weaken the Western capitalist influence (Gautam & Pokhrel, 2011). All these assertions justify the perspective that the development discourse of Nepal was heavily influenced by the strategic, policy, and ideological interests of foreign donors from the very beginning.

Prior to the mid-1960s, the funding priorities of the donors were on agriculture and infrastructure development. After an economic crisis in Western countries in the late 1960s, the development discourse shifted to a basic needs approach, and thus the grants and technical assistance that came to Nepal during that period were mostly targeted to fulfil basic needs, education, and health facilities (Guthman, 1997). In the meantime, multilateral development agencies began their work in Nepal. With this new development, the composition of assistance began to shift from grants to soft loans. Donors also started prioritising hydropower development.

Gradually, with the increase in loans from these multilateral agencies, their influence in development processes and conditionality for loans also increased. For instance, in 1985 the World Bank and the ADB insisted that the Nepalese government create a new entity, the Nepal Electricity Authority, reformulating the existing institutional arrangements. This was done to push their own agenda (Gyawali, 2001). In 1987 the World Bank introduced a Structural Adjustment Program (SAP) in Nepal, as in many other countries all over the world (Guthman, 1997). One of the objectives of SAP was to encourage the

government to construct large-scale hydropower projects. Until then only small and medium-scale hydropower projects were constructed in Nepal (Gyawali, 2001).

Especially after the establishment of multiparty democracy in 1990, Nepal adopted neoliberal economic policies. In the aftermath, multilateral financial institutions further encouraged Nepal to expand the private sector and direct foreign investment. They also promoted the notion that the maximum generation of hydropower and its export to India would make Nepal prosperous (Gautam & Pokhrel, 2011). As a result, the hydro-policies of the government encouraged private sector and foreign direct investment to construct hydropower projects. By 1992 Nepal's hydropower development policy had been formulated with an aim to meet the electricity demands of the country and also to encourage private and foreign investors to assist with the construction of hydropower infrastructure. The policy made provisions for private and foreign investors to invest solely or jointly with the government (GON, 1992).

In 2001, hydropower development policy was reformulated once again. This policy was developed considering "the emerging new concepts in international markets and their impacts, technological development, possibility of export of hydro energy, possibility of foreign investment and commitments in environmental protection" (GON, 2001, p. 3). In order to meet the goal, the policy has put emphasis on pursuing investment-friendly, clear, simple, and transparent procedures to promote the private sector as well as the government sector's participation in the development of hydropower. The policy also intends to attract foreign investment by providing appropriate incentives. Additionally, the policy stresses the implementation of large storage type hydropower projects and multi-purpose projects along with small and medium-sized projects (GON, 2001).

Dixit (2010) confirms that the influence of multilateral agencies in the post-1990 period increased significantly and that their influence continued even during the time of the Maoist-led government (Dixit & Gyawali, 2010). The World Bank and the ADB still have the same perceptions related to the development of hydropower projects in Nepal. For instance, the World Bank has been supporting Investment Board Nepal, formed in 2011 to construct large-scale hydropower projects. It is also facilitating power sharing discussions between Nepal, India, and Bangladesh (WB, 2014). In addition, both the World Bank and the ADB have been stressing export-oriented large-scale hydropower construction in Nepal (ADB 2014; WB, 2014), and India has been regarded as the major

consumer of hydropower produced from Nepal. In this light, it is important to understand the hydro relationship between Nepal and India, especially the role India plays in Nepal's hydro politics. The next section analyses the dynamics of Nepal-India hydro-relationships.

4.2.2 India's Take on Nepal's Water Resources in Different Political Phases

Nepal not only shares its border with two giant and powerful countries, India and China, but also trans-boundary water resources. Nepal is an upper riparian nation to India and downstream riparian to China. The Nepal-China water relationship is not much discussed and is less controversial. The water resources of Nepal are less accessible and beneficial to China due to the difficult terrain between these two countries. The snow-capped Himalayas and steep hills bordering Nepal and China mean that there is less chance for the residents of China and Nepal to interact on trans-boundary water sharing (Gyawali, 2001). However, as explained in the previous section, China has an interest in the internal affairs of Nepal, mainly to counter-balance India's influence and to nullify anti-China activities that could be organised by Tibetan refugees. In this process, in order to influence the Nepalese government, China has been generous in providing technical and financial assistance for the construction of infrastructure projects. The Chinese government has been supporting Nepal to construct roads and hospitals for a long time, and now they have also begun supporting water projects, including hydroelectricity. Thus far China has invested nearly NZD\$2,500,000 (US\$1,900,000) in various water projects. In addition, numbers of Chinese companies have also begun working on water projects in Nepal (Kumar, 2011).

Unlike China, Nepal's water relationship with India is immensely contentious and has a long history. Nepal's water resources are comparatively more accessible to India. All of the rivers originating in Nepal flow into India and contribute substantial amounts of water to the Ganga river of India. It is estimated that about 45 percent of the annual flow of the Ganga comes from the rivers that originate from the glaciers of Nepal. Most importantly, the amount of flow rises to 70 percent during the dry season (Dhungel & Pun, 2009).

The first water resource negotiation between Nepal and India occurred between 1910 and 1920, during British rule in India, to harness the waters of the Mahakali river. British India wanted to build barrages to irrigate the land of Uttar Pradesh in India. The treaty involved an exchange with India of 4,000 acres of the left bank area of the river and an equivalent forested area (Dixit, 2008). As per the treaty, Nepal was allowed to withdraw

4.25 cumecs of water in the dry season and 13 to 28.34 cumecs in the rainy season, out of a total of 650 cumecs of average annual flow in the Mahakali river. In exchange, Nepal received NZD\$674.96 as compensation.⁴ Nepali rulers did not have knowledge of the importance of the site for water resource development, and hence they happily handed it to India with the exchange of land and monetary compensation. Later, the British-India government made a barrage on the left bank and on the right bank, and a canal to irrigate land in India (Baillat 2004; Gyawali & Dixit 1999).

In the 1950s two similar treaties, the Koshi agreement and the Gandak agreement, took place between Nepal and India. The political regime had changed after the Rana rulers were overthrown and democracy was newly established. The country was in transition and the King was looking forward to establishing a friendly relationship with India to ensure its own power (Dixit, 2008). On the other side of the border, India was eagerly waiting for this agreement to happen, so that it could take control of flood plans, irrigate land, and produce electricity (Baillat, 2004). However, just as with the previous treaty, both of these treaties were highly beneficial to India and much less so to Nepal⁵ (Dhungel & Pun, 2009). In both treaties, India holds control over the projects and the territory where they are built until the termination of the agreement (Bastola, 1994; Dhungel & Pun, 2009; Dixit, 2008).

The last and most controversial treaty between Nepal and India is the Mahakali treaty, signed in 1996. This treaty was signed after the downfall of the Panchayat system and the re-establishment of multiparty democracy in Nepal. The Mahakali treaty proposed to develop an integrated water development project in the Mahakali river (including the Sharada barrage, Tanakpur barrage, and Pancheshwar Multi-purpose project), including joint hydropower, irrigation, and flood control projects, by forming a joint commission between the two countries. However, many Nepalese hydro experts and activists have been arguing that the treaty does not guarantee an equal share of the utilisation of water resources (Shrestha, 2001; Swain, 2004). Further, with this treaty Nepal is obliged to sell

⁴ @ the exchange rate 1 NZ\$= NRS 73.248.

⁵ With the signing of the Koshi agreement, India gained full control over the project site where the barrage was built and started to regulate the flow of water as per its interest. Likewise, Nepal has restricted access to the water of the Koshi river, whereas India gained an unlimited access to water that could be used for hydropower production and for any other reason. According to the Gandak treaty, regulated water from the barrage will irrigate 63,000 hectares of agricultural land in Nepal and 1,850,520 hectares of land in India. The cost of construction was borne by India; compensation was also paid to Nepal and a powerhouse with 15,000 KW was also built.

the surplus electricity generated in the Mahakali basin only to India, and only at the price India is prepared to pay. Hence, like other treaties, this treaty too is more beneficial to India than to Nepal (Gyawali & Dixit, 1999; Shrestha, 2001).

The political implications of this treaty have been immense within Nepal. The parliament was disrupted many times and a series of nationwide mass protests and strikes were held against the government's decision. Despite this uproar, the treaty was signed. Soon after it was signed, the Communist Party of Nepal (Maoist) and the United Peoples' Front led by Dr. Baburam Bhattarai declared the Maoist People's War, and one key demand of their armed struggle was to abrogate all treaties signed between Nepal and India that were considered unequal and unfair to Nepal (Gyawali & Dixit, 1999).

Despite the widespread protests, India still holds an influential role in shaping Nepal-India hydro policies. The lack of a national political vision in hydropower development, Nepal's relationships with India in broad terms, the pro-Indian mentality of national political leadership (so as to gain or remain in central power), and the lack of negotiation capacity of policymakers and bureaucrats in bilateral discussions are some of the core reasons behind India's influence in hydro policies (Gyawali, 2001; Gyawali & Dixit, 1999). In addition, India is quite interested in increasing its influence in water-rich neighbouring countries like Nepal and Bhutan to meet its own large-scale water and energy needs (Pun, 2008). There is a monopoly of Indian companies in the export oriented Bhutanese hydropower business (Uddin, Taplin, & Yu, 2007). India desires to have a similar kind of monopoly over the water resources of Nepal. Thus, whenever the political environment is favourable, India exerts its influence over Nepal.

This approach of dealing with Nepal is not limited only to trans-boundary water, but also includes other projects that lie inside Nepal. For instance, an Indian company has been insisting on retaining management and control of the proposed 402 MW Arun III hydropower project (Gyawali, 2001). In 2014 yet another controversy, namely news of India's proposal for a 'Cooperation in Power Sector,' came to the forefront with a dubious offer that does not explicitly give a clear view on two contentious issues: i) India's monopoly over Nepal's hydropower development; and ii) the requirement for Indian consent to harness Nepal's hydropower. The proposed agreement was critically analysed and questioned by civil society and water experts. Later the Minister of Energy, Radha Gyawali, stated that the agreement is still undergoing a review process and only

after that will a final decision be taken on the proposal (ekantipur, 2014). It is yet to be seen how the discussion on this matter unfolds in future.

In an official visit to Nepal from August 3-4 2014, Indian Prime Minister Narendra Damodardas Modi also laid stress on the improvement of the relationship between Nepal and India, particularly with regard to contentious issues, including an agreement to revise contested treaties and agreements between the two countries. In addition, he stressed support for Nepal's ability to harness its hydropower potential (Kathmandu Post, 2014). The verbal understanding made by the Indian Prime Minister during his visit has yet to be finalised. The visit of Prime Minister Modi was taken positively by many. However, looking at past trends, some intellectuals are sceptical about promises he has made regarding improving Nepal-India hydro relationships. Further, political analysts speculate that India has come up with new proposals to please the Nepalese government and people in order to counterbalance China's increasing influence in Nepal.

This reveals that both India and China have been competing to support Nepal in order to fulfil their respective interests. Yet this competition between India and China may not only complicate Nepal's political landscape but also Nepal's hydropower development process. In this matter, Nepal hydro-experts and activists have not given their views explicitly. However, in the past hydro activists and some civil society actors have critically questioned Nepal's hydro relationships with its neighbours and the donor-driven policies in different time periods. The section below presents the perceptions of civil society and hydro-activists on hydropower development in Nepal.

4.2.3 Civil Society, Hydro Activists, and Hydropower Development in Nepal

Hydro activism in Nepal is dominated by two broad debates. First, there is the construction of large-scale export oriented hydropower projects versus small and medium-sized hydropower projects (Gyawali, 2001). Second, there is a debate on trans-boundary water sharing mechanisms with downstream countries (Gyawali & Dixit, 1999). The perceptions of civil society, political leaders, other interest groups, and the general citizenry of Nepal are polarised on these two broader debates. Further, the debate is not limited only to these issues. Civil society and activists have been critically questioning the privatisation of public goods such as water, the centralisation of water resource management, and foreign direct investment in water projects. However, those issues are beyond the scope of this thesis. I therefore focus on the two broad debates stated above.

The proponents of large-scale hydropower projects include policymakers, political leaders, civil society leaders, project investors, and the general public. These groups argue that large-scale hydropower projects are key to achieving development and economic growth in Nepal. They believe that exporting hydropower to India will make Nepal more affluent. On the other hand, the opponents of large-scale hydropower projects consist of activists, civil society leaders, environmentalists, project affectees, and other concerned groups (Petheram, 2011). The opponents of the large-scale hydropower projects argue that these projects foster negative social and environmental impacts and require huge financial investment (Dixit & Gyawali, 2010). They also argue that Nepal will not be able to consume all the electricity produced from large-scale hydropower plants, and that selling electricity to third countries beside India is not feasible for now. Referring to the past water resource agreements with India, they further argue that Nepal has always been cheated by India; hence it is not wise to trust India and construct hydropower projects without having a concrete and equitable agreement on electricity pricing between Nepal and India (Gyawali, 2001; Shrestha, 2001).

Despite the number of issues that have come to the surface, each government formed since 1990 has been in favour of large-scale hydropower projects, introducing policies that favour the construction of mega projects (Dixit & Gyawali, 2010). In response, civil society has come forward in many instances and has actively taken part in the debate, posing critical questions regarding the significance of these projects and their long-term implications for Nepal (Shrestha, 2001). They have also been fairly successful in compelling the project developers to accept their stands.

One such example is the case of the 201 MW Arun III hydropower project that was supposed to be built during early 1990's in the Arun valley. The project was to be funded by a WB led consortium of donors. This project was opposed by civil society on the basis of a critique of the economic, environmental and social feasibility of the project. The campaigners were not only successful in winning a public interest litigation filed by Gopal Siwakoti INHURED International (International Institute for Human Rights, Environment and Development) in the Supreme Court of Nepal on the disclosure of information of the project. They subsequently filed a case with the World Bank Inspection Panel, which revealed that the project had not complied with the WB's internal policies and guidelines. The activism was supported by both national and transnational

civil society actors. In 1995, strong activism of civil society actors compelled the project developers to withdraw from the project (Clark, et al., 2003).

In spite of this, a number of large-scale hydropower projects are planned and proposed for construction, such as the 10,800 MW Karnali Chisapani and the 6,720 Pancheshwar multipurpose projects 750 MW West Seti and 900 MW Upper Karnali. Hydro activists, civil society, and project affectees are advocating against these projects and raising questions about a number of issues, such as the possible large-scale displacement caused by these projects, environmental implications, and human and water rights issues of affectees in upper riparian, lower riparian and host communities.

However, none of the governments of Nepal have exhibited serious concerns about the impact that large-scale hydro-power projects foster on local communities residing in the project area and its vicinity. They have also not given serious attention to the formulation of policies that would safeguard the rights of the locals residing in the project area. In this light, it is important to gain insight on how Nepalese governments have dealt with development induced displacement in the past. It is also essential to have an understanding of past and present policies endorsed by the government to address hydro-power induced displacement. The following section discusses this in detail.

4.3 Involuntary Displacement in Nepal

Thousands of people in Nepal have been evicted from their original locales due to the construction of infrastructure projects, such as roads, hydropower projects, irrigation schemes, and airports. In addition, the declaration of conservation sites, such as national parks and wildlife conservation areas, have also displaced many families in Nepal (Dixit, 1994). The history and extent of the displacement of Nepali people before 1970 is not recorded, and thus the number of displacees before this time is unknown (Banerjee, Chaudhury, Das, & Adhikari, 2005). Even in the contemporary period, there has been limited study on the issue of displacement caused by development projects, besides hydropower projects, national parks, and airports. Hence, systematic information and data on the issue of displacement, and in particular development project-related displacement, is limited.

In Nepal, the trend of massive displacement started in 1970 with the adoption of the Yellow Stone model⁶ by the government for the establishment of national parks and wildlife reserves. The establishment of Royal Chitwan National Park, Royal Bardiya National Park, Rara National Park, Koshi Tappu Wildlife Reserve Area, and the Royal Suklaphanta Wildlife Reserve resulted in the displacement of hundreds of people living in those areas (Bhattarai, 2001). Hydropower project induced displacement began in Nepal in the 1960s with the construction of the 24 MW Trishuli hydropower project located in the Nuwakot district of the Central Development Region. However, the numbers and other details of people displaced from this project are unknown. Table 4.2 demonstrates the number of families displaced as a result of the establishment of national parks, wildlife centres, and major hydropower projects. The table below also shows the mode of compensation provided for the affectees of the project.

Table 4.2: Involuntary Displacement in Nepal

Development Initiatives	Year	No. of displaced	Mode of compensation
Royal Chitwan National Park	1973	NA	No record of resettlement
Sagarmatha National Park	1976	NA	No record of resettlement
Royal Bardiya National Park	1988	120 families	Land for land
Rara National Park	1976	331 families	Land for land
Koshi Tappu Wildlife Reserve Area	1976	1297 families	Land for land
Royal Suklaphanta Wildlife Reserve	1973	4319 families	Land for land
Kulekhani Hydropower Project	1977	500 households	Cash Compensation
Marshyangdi hydropower Project	1986	47 households	Cash compensation
Kali–Gandaki hydropower project	1997	70 households	Cash compensation/ resettlement only for 12 Bote ⁷ families
Middle-Marshyangdi hydropower Project	2001	75 households	Land for land and resettlement

⁶ This model considers national parks as the areas set aside only for wildlife, secluding human habitats from the area declared for wildlife, and secluding human habitats from the national park

⁷One of the ethnic groups of Nepal that depend on fishing for a living.

Tanahu Seti hydropower project	2013		Cash compensation (as per the preference of locals over other forms of compensation)
--------------------------------	------	--	--

Source: (Bhattarai, 2001; Nepal Electricity Authority & Tanahu Hydropower Limited, 2012; Pokharel, 1985; Upadhyaya & Sharma 2004)

Table 4.2 demonstrates only the number of displacees from national parks, wildlife reserves, and major hydropower projects. However, the number of direct and indirect affectees of these endeavours can be predicted to be much larger than the number of displacees. Apart from these projects, small-scale projects and transmission lines have also been constructed over this period of time. However, there are no systematic records available on the number of people directly and indirectly affected and displaced by such projects.

An examination of the displacement incurred by hydropower projects indicates that, thus far, the magnitude of displacement induced by dam projects in Nepal is not as large as in some other countries, such as India, China, Sri Lanka, and Indonesia. However, the magnitude is expected to increase in coming years with the construction of hydropower projects that are in the pipeline (Dixit et al., 2005). Finally, Table 4.2 also shows that the affectees of national parks and reserves were given land-for-land compensation, whereas most of the hydropower affectees were given cash as compensation. The Table shows that the conservation induced displacement occurred prior to the displacement induced by the hydropower project. This suggests that the ways of providing compensation were different in different time periods and also varied according to the nature of projects. In light of this, it is important that we provide an overview of the legal and regulatory framework concerning how displacement is managed in Nepal.

4.3.1 Laws and Policies on Involuntary Displacement in Nepal

The constitution of Nepal declares that all citizens are equal before the law and all citizens will be equally protected by the state (Bhattarai, 2001). Hence, the people affected and displaced by development projects theoretically have the same rights as all other citizens of Nepal. They are bestowed with the rights to life, freedom of movement, liberty, residence, and the right to own private property. However, these rights are often violated during the construction of infrastructure development projects that require acquisition of land to construct such projects, as the constitution of Nepal gives power to

the state to acquire public land for public interest (GON, 1990, 2007b).⁸ In other words, the Nepalese state has constitutional authority to acquire land from the public even though their rights to liberty, residence, private property, and freedom to movement are violated.

The history of law, policies, and practices on land acquisition in Nepal reveals that the trend of public land acquisition and requisition of public property by the state began before the 1950s. However, there is not much information on the procedures applied for land acquisition and requisition during that period. In 1955, the first legislation for land acquisition was passed as the Regional Development Projects (Execution) Act 1955. In this Act, the owners of land expropriated by the state were entitled to obtain compensation only if the acquired land had not been left fallow for two years prior to the acquisition. The Act on Immovable Property Requisition (IPR) was also endorsed in 1955. This Act delineated power to the state to acquire land for public purpose and laid down procedures and rules for acquisition and fixing compensation for the land. Between 1955 and 1977, governments formulated several specific provisions, such as the Forest Act 1961, Highway (Construction) Act 1962, and Irrigation Act (1962). In 1962, the government also came up with a separate Act for compensating people. The Compensation Act 1962 authorised the government to acquire movable, immovable, tangible, and intangible property for public purpose by paying compensation in the form of stock issued by the government (Bhattarai, 2001).

In 1977, the Land Acquisition Act (LAA) 1977 was endorsed as an umbrella act for the acquisition of land for public⁹ as well as institutional purposes¹⁰ (Dixit, 1994). At present, the LAA 1977 and Forest Act 1993 are the only existing legal instruments for acquiring land from people for public purpose. When both Acts came into existence they replaced the previous Acts. The Forest Act 1993 gives authority to the District Forest Officer to demarcate the boundaries of the National Forests of concerned districts in order to conserve forest areas and, while so doing, the officer can acquire private land or a house constructed within or adjoining the national Forest. The locals are given public notice in

⁸ The meaning of public interest in the constitution is not clear. However, the meaning of public interest is considered as public use or public purpose (Bhattarai, 2001)

⁹ LAA defines public purpose as functions undertaken in the interest of or for the benefit or use of the general public.

¹⁰ LAA defines institutional purpose as functions undertaken for a company, development board, or corporation established or formed according to current law.

advance and the compensation for acquired property is paid as per the rate prevalent during the period. This act is limited to land acquisition for national forests (GON, 1993).

In terms of development purposes, including construction of hydropower and irrigation projects, the LAA 1977 was adopted for acquiring land required for such projects. According to this Act, the government can acquire any property at any place if it is considered necessary for any public purpose, by giving compensation to the property owner. If a private institution requests the government for the acquisition of land, the government can acquire the land for such institution, but all the compensation and expenses occurred must be paid by the institution willing to acquire the land under this Act (GoN, 1977). This Act sanctions greater power to the state than previous acts, since it not only authorises the state to acquire land for public purposes, but also for institutional purposes (Bhattarai, 2001).

Under this Act, the compensation has to be paid in cash. However, if any individual whose land is fully acquired under this act wishes to obtain compensation in the form of land, then he/she has to submit an application. In such cases, the government may allocate him/her any waste land, government owned land, or any other land that is going to be allocated or sold according to the existing law.

In order to decide on the amount of compensation, the Act has formed a four-member committee which includes: i) the Chief District Officer (CDO), ii) the Land Administrator or Chief of the Land Revenue Office, iii) the Project-in-Charge, if the land has been acquired for the project or, if not, any other officer nominated by the CDO, and iv) the representative of the District Development Committee (DDC). A compensation fixation committee takes into account the following criteria while determining the amount of compensation to be paid for the land:

- i) The price of the land at the time of the publication of the notice of land acquisition under Section 9,
- ii) The value of the crops, houses, walls, sheds, etc., if any acquired along with the land,
- iii) The losses which the concerned person will suffer as a result of shifting his /her residence or the place of his /her business, by reason of the acquisition of his/her land (GON, 1977, p.11).

This indicates that this Act does not take into account the loss of other resources, such as livelihood practices, common property resources, cultural and social heritages, and family and other networks. Hence, there should be a provision to compensate the affectees for this loss by providing disturbance allowance. The Act also neglects to address the psychological stress and other health implications that may arise due to the anxiety caused by the direct and indirect loss of personal and public resources. Further, the Act only highlights the compensation mechanism, and largely neglects the resettlement and rehabilitation of affected people after the acquisition of land.

The Act does give space for the person to file complaints if the affectee is not satisfied with the compensation (GoN, 1977). However, overall the entire process of land acquisition and compensation is found to be repressive. The decision of land acquisition is taken solely by the government bodies without consulting affectees and involving them in the process. This act also gives authority to the government to acquire land before the compensation is paid to the affectees. In addition, the compensation can be paid in single or multiple instalments depending on the sanctioned amount budgeted for the project (Bhattarai, 2001; GON, 2001). This indicates that the affectees may have to wait for some time to receive total compensation. In sum, the LAA 1977 is project-centric as it does not consider the benefits of the affectees and does not include them in the process as the beneficiaries of the project; rather, it victimises the affectees.

Apart from LAA 1977, the Ministry of Transport also issued a Land Acquisition Guideline 1989 for the Multi-Model Transport and Transit Facilitation project of the Ministry of Water Resources, and the same guideline was issued by the Ministry of Water Resources for the Arun III hydropower project in 1992. Both of these projects were WB projects, and hence separate guidelines were prescribed by the government as per the agreement with the WB. Unlike LAA 1977, this guideline prescribes the restoration of the income and livelihood of the affected families, even after the transition period is over. This guideline provides provisions for rehabilitation grants, compensation, employment, and training programmes for the affected families. Thus far, this guideline has been issued only for these two projects. However, research reveals that this guideline has not been adopted in any project thus far. For instance, the Arun III hydropower project was withdrawn by the WB, and the Multi-Model Transport and Transit Facilitation project ended with the land purchase (Bhattarai, 2001).

Although the guidelines prescribed for both of the above-mentioned projects were not followed, the other project constructed after the 1990s went beyond following LAA 1977. Research shows that this project followed guidelines agreed with the funding agencies to compensate the affectees of the projects (Upadhyaya & Sharma, 2004). As a result, there has been a gradual change in the way Project Affected People (PAP) of hydropower projects are being compensated. The section below highlights how the project affectees and displacees of major hydropower projects have been compensated over the period, especially after 1977 when LAA 1977 came into existence.

4.3.2 Compensation Mechanisms adopted to Compensate the Affectees of Hydropower Projects

Khulikhani Hydropower Project

The 60 MW Kulekhani hydropower project is a storage project financed by a pool of international donors led by the WB. The construction work of the project started in 1977 and was completed in 1981 (Pokharel, 1985; WB, 1975). The project acquired 233 hectares of land, displaced 500 families, and affected approximately 3,000 families. The Land Acquisition Act 1977 was adopted and cash was provided as compensation. The local villagers, including many Tamang communities, were not satisfied with the compensation and refused to sell their land to the project and protested against it. The Zonal commissioner had to use the police force to calm down the protest. The Tamang community even travelled to Kathmandu and demonstrated in front of the King's palace and the Ministry of Water Resources. This movement was dispersed once the then government promised to provide land to the resistant group, a promise which was never implemented (Pokharel, 1985).

Marshyangdi Hydropower Project

The 69 MW Marsyangdi hydropower project is a run-off-river type project constructed between 1986 and 1990 (World Bank, 1996). This project was also financed by a pool of donors led by the World Bank (Upadhyaya & Sharma, 2004). The project acquired 70.3 hectares of land, and as a result 222 households were affected and 7 displaced by the land acquisition (WB, 1996). Cash was paid as compensation to the affected people (Upadhyaya & Sharma, 2004).

The residents of the area were largely unaware of the Land Acquisition Act 1977, and thus they accepted whatever compensation was offered to them. There was not any tussle between the concerned authority and the affectees on the issue of compensation (Upadhyaya & Sharma, 2004). The literature also reveals that the affectees were unable to purchase land with the given amount of cash compensation, and the living conditions of some of the affectees deteriorated after the construction of the project.

Kali-Gandaki Hydropower Project

The Kali-Gandaki hydropower project was financed by the ADB, Japan Bank for International Cooperation, NEA, and the GoN. The project work began in December 1996 and was completed in December 2003 (ADB, 2011). The Kali Gandaki hydropower project acquired 371 hectares of land (Upadhyaya & Sharma, 2004). Overall, 1,468 families lost their land fully or partially (Rai, 2005). The land acquisition compensation mechanism adopted by the Kali Gandaki hydropower project was beyond the policy that was required by Nepali law. The steps taken by the project were more influenced by ADB policy and the agreement between NEA/GoN and the donors. The affectees were given cash as compensation for land, houses, cowsheds, and crops. The project proponents went beyond the provisions of LAA 1977 and distributed 75 percent of the price of the total value of Guthi land¹¹ to its owners and 25 percent to its informal tenants (Upadhyaya & Sharma, 2004). In addition, the project proponents also promised to employ a person from each affected household during the construction of the project. They also agreed to build 17 houses for Bote communities, one of the indigenous communities in Nepal who are also known as traditional fisherman (Rai, 2005; Sapkota, 1999).

The project was announced a few years after the establishment of democracy in Nepal. The project received overwhelming support by the local people during its pre-implementation phase, as they had high expectations for justice with the newly formed government. The affectees also trusted the project implementers and agreed to the compensation package promised to them. Even national level civil society actors did not oppose this project significantly in matters related to the construction of the project (Rai, 2005). It was only during the construction period that the locals realised that their expectations were not met and that most of the project benefits had gone to the local

¹¹ Guthi land is a type of land owned by the trust under Guthi system. Guthi System is a social organization among Newar communities, one of the ethnic communities of Nepal.

elites. The disfranchised locals gathered collectively and organised a series of protests and demanded employment opportunities, better wages, rural electrification, construction of funeral sites, adequate compensation of land, and a secure drinking water supply (Rai, 2005). The project developers fulfilled their demands to some extent. For example, in response to the protests about drinking water supply, the project provided water to the villagers from tankers during the construction phase. However, after the project ended these facilities were ceased.

Likewise, the houses constructed to resettle the Bote families by the NEA were not satisfactory. Only eight out of total 17 Bote families were given houses during the project construction phase, and the rest were not relocated even years after the project's completion (Rai, 2005). Further, the houses were not designed to suit the lifestyles of the Bote community, and some of the houses cracked soon after construction (Sapkota, 1999).

Middlie Marshyangdi Hydropower Project

The construction of the Middle Marshyangdi hydropower project began in 2001 with assistance provided by the governments of Germany and Nepal, and it was commissioned in 2008 (Nepal Electricity Authority, 2013; Upadhyaya & Sharma, 2004). By the time of the project's construction, the scenario of dealing with project affectees had further changed nationally and internationally. During this time, the WCD had come up with guidelines for large-scale dam construction in 2000. Likewise, in the national context, the Water Resource Strategy (WRS) 2002 was introduced and, for the first time, the government showed concern for the resettlement and rehabilitation of PAPs. Although WRS strategy does not explicitly suggest measures for providing compensation, resettlement and rehabilitation, it does argue that:

Project induced resettlement should be avoided or minimized; if resettlement is required, adequate and timely compensation and rehabilitation measures should be provided to fully offset social and economic losses and enable affected people to share in the overall project benefit (GoN, 2001 p.12).

The compensation mechanism adopted for the Middle Marshyangdi hydropower project was comparatively better than any previous hydropower projects constructed. The project had acquired 3,833 hectares of land and had affected 433 households, with 75 households

completely displaced. The displaced people were given extra land plots to construct houses in resettlement sites, in addition to the compensation for their land. The project authority also provided land to the families who had built houses on rented land, and to the people who were living in other people's houses. The affectees were also given compensation for houses, livestock sheds, fruit and timber trees. In addition, the displacees received a transition allowance for the loss of business for three months, a disturbance allowance for six months, and a transportation and rent allowance for four months (Upadhyaya & Sharma, 2004).

Further, rehabilitation measures such as agriculture extension and training programmes, an off-farm skill development program, a community development program, and an environmental improvement programmes were proposed (Singh, 2003). However, some of the programmes promised by the project developers were not commissioned after relocation. For instance, the project developers did not conduct alternative livelihood practices and training to the extent they had promised, nor did they fulfil their promise to construct a blacktopped road to reach the new resettlement area, or provide a proper water supply system, drainage, or playgrounds (Upadhyaya & Sharma, 2004).

This section reveals that despite some negligence from project developers, the way of dealing with displacement induced by large-scale hydropower project has improved during this period as compared to previous periods. Apart from these major hydropower projects, several other small hydropower projects have been constructed at different times. Unfortunately there is no literature that explains the mechanisms adopted to compensate the affectees of these projects. Nor is there any literature that explains whether those affected by such projects faced any problems prior to, during, or after the construction of the project.

Moreover, the literature on large-scale projects presents the experience of project affectees only during the displacement and post-displacement phases. Taking this into account, I consider that it is equally important to investigate the experience of local communities residing in the project area during the pre-implementation phase of DID projects. A particularly notable example around which to investigate this aspect is the proposed WSHP, which has been chosen as a case for this study considering its long gestation period. Chapters 6 and 7 will illustrate in greater detail the impact of involuntary displacement on the project affectees prior to the project, and civil society's

response. As a backdrop for those discussions, in the section below I provide general information on WSHP.

4.4 The West Seti Hydroelectric Project (WSHP)

This section describes the WSHP and the project area. It also gives insight into the development, socio-economic, and environmental aspects of the project. In addition, this section highlights the impacts that are anticipated to occur after the construction of the project.

4.4.1 Brief Description of the Project

The WSHP is to be built on the West Seti river that originates in the southeastern face of Rikhi Himal and flows 200 km downstream until it meets the Karnali river (Dixit et al., 2005). The project area is located at elevations ranging from 550 to 920 metres in the middle mountainous area of Nepal. The proposed dam site is situated 82 km upstream of the conjunction of the Seti and Karnali rivers. The project components, such as reservoirs, the dam site, and the project site, are planned to be located in four districts: Bajhang, Baitadi, Doti, and Dedeldhura (WSHL, 2007). Further details of these components, including headrace tunnel, power station, tailrace tunnel, re-regulation weir, switchyard, transmission line, and permanent access road will be known only after the CWE International and IBN finalise their plans. However, the reservoir is likely to submerge parts of the Seti River and five main tributaries: Chama Gad, Dhung Gad, Saili Gad, Nawaghar Gad, and Kalanga Gad (WSHL, 2007). The project activities will affect parts of 20 VDCs in four districts, ten located in Doti, five in Bajhang, four in Baitadi, and one in Dadeldhura district. In addition, five VDCs will be affected by the downstream project activities and one VDC by both downstream and upstream project activities. The construction of reservoirs will submerge parts of 15 VDCs across the four affected districts. Table 4.3 demonstrates the numbers of households and populations estimated to be displaced as per the resettlement planning conducted by the WSHL in 2006.

Table 4.3: Households and Population in the Reservoir Area in 2006

District/VDC	Below Fully Supply Level (FSL) +6m		Between FSL+6m and FSL+96m		Above FSL+96m	
	HH	Pop	HH	Pop	HH	Pop
Baitadi						
Dhungad	201	1571	7	92	45	329
Shivaling	26	210	44	430	37	338
Sigas	1	36	3	40		
Thalakanda	78	623	2	18	14	138
Sub total	306	2440	56	580	96	805
Bajhang						
Dangaji	4	28	58	476	107	954
Koiralakot	-	-	-	-	2	21
Parakatne	-	-	-	-	5	51
Rayal	130	1245	83	651	106	948
Sunkuda	13	107	6	67	15	134
Sub total	147	1380	147	1194	235	2108
Dadeldhura						
Belapur	107	1031	12	81	43	509
Sub total	107	1031	12	81	43	509
Doti						
Chhapali	38	309	20	123	10	79
Dahakaliksthan	-	-	-	-	4	28
Girichauka	79	674	5	37	70	606
Lamikhali	237	1809	16	81	10	94
Mahadevsthan	19	219	1	10	22	181
Sub-total	373	3011	42	251	116	988
Total	933	7,862	257	2,106	490	4,410

Source: (WSHL, 2008)

Table 4.3 excludes the estimates of likely affectees and displacees induced from the construction and extension of transmission lines. 9,968 locals from 1,190 households living below Fully Supply Level (FSL) +6m, and between FSL+6m and FSL+96m, are likely to be displaced by the reservoir. Although the above data is taken from the Resettlement Planning report conducted by WSHLP in 2006, the number of households and displacees are assumed to be slightly different than the number presented in the table above.

4.4.2 Historical Background of the Project

An investigation into the feasibility of a hydropower project on the Seti river was first carried out in 1980-1981. The study proposed to construct a run-of-river project with the capacity to produce 37 MW of electricity. In 1987 Sogreah, an engineering company from France, carried out feasibility study on the Seti river and proposed a 360 MW storage project with a 187-metre high dam. Again in 1992, a more detailed feasibility study was carried out, which estimated that an average energy production could be increased from 2,407 to 2,437 Gigawatt hours¹² (GWh) (Dixit, 2005).

The GoN awarded the project license to SMEC, an Australian company, in 1994 to conduct a survey and develop the project. The project license was initially issued for three years with the motive of constructing an export-oriented project and selling the electricity to India. The government had also signed a MoU with SMEC and had agreed that Nepal would get 10 percent of the total electricity produced from this hydroelectric plant. Other key provisions of the agreement included the following: First, SMEC had to submit a Detail Engineering Report (DER) with an environmental assessment of the project area within the first month of the two years of the project agreement. Second, SMEC had to arrange financial investment for constructing the project by the end of three years of the project agreement. Third, a Public Limited Company was to be established as per the laws of Nepal to operate and manage the project, and that needed to be done after the approval of the DER by both parties. Fourth, the project was to be handed over to SMEC for 30 years under the Build, Operate, Own and Transfer (BOOT) system. Fifth, in addition to royalties and export taxes as per the Electricity Act 2049, SMEC had to provide 10 percent of the total electricity produced from the plant to the government (Shrestha, 1997).

¹² 1 GWh= 1000 MWh (Megawatt hours).

In May 1997, before the completion of the three years of the agreement, the government signed the second MoU with the SMEC WSHL. The government signed this before it received the DER and EIA reports from SMEC WSHL. In the second MoU, the government and SMEC WSHL agreed to increase the total installed capacity of the project from 360 to 750 MW by raising the height of the dam from 187 m to 195 m (Dixit et al., 2005). This step was taken by the government and the project developers as the project was initially considered to be too small to attract foreign investment (Petheram, 2011).

In the second MoU, the government granted authority to SMEC to enter into the necessary power purchasing agreements with India to export energy generated from the project. The government also granted all licenses necessary for SMEC to develop, construct, own and operate the project for 30 years. In addition, some of the provisions agreed to in the first MoU were changed. For instance, SMEC could pay an amount equivalent to 10 percent of electricity instead of 10 percent of the total installed capacity of the energy (Shrestha, 1997). Another change made in the second MoU was that SMEC could pay the remuneration to the GoN only after it had earned sufficient money for payment (Dixit et al., 2005). At the same time, the government also signed a PPA and agreed that the export of electricity would be as per the PPA between SMEC-WSHL and the Power Trading Company India Limited (PTC) (Upreti, 2011).

Between 1996 and 2000 the international and local experts designated by SMEC-WSHL conducted an EIA as required by the Environmental Protection Regulation 1999 of Nepal. The EIA report contained an environmental management action plan and a resettlement action plan and was prepared by international and local experts. In 2001 the EIA report was approved by the Ministry of Population and Environment (MoPE).¹³ The budget for the construction of the project was estimated to be USD \$1.2 billion (WSHL, 2007).

In early 2000, the Maoist armed conflict in Nepal reached its peak, and thus the project work did not proceed significantly. Further, SMEC was looking for investors and also to formalise the deal with the Power Trading Corporation India. In 2006 the ADB committed to invest USD \$50 million and provide a soft loan of USD \$45 million to the GoN for the construction of the project. It also asked to commence an additional study as

¹³The MoPE does not exist now. It was dissolved in 2005 and the Ministry of Environment, Science and Technology was formed, merging the Environment Division of the then MoPE with the Ministry of Science and Technology.

per the requirements of the ADB (Petheram, 2011). Hence, in 2006/07, SMEC-WSHL conducted a household census and sample socio-economic survey and prepared sets of reports, such as an updated version of a resettlement action plan, a vulnerable community development plan, cumulative impact assessment, and disaster management plan. WSHL also updated the estimated cost for the construction of the project. The cost was increased to USD \$1.6 billion due to the ongoing delays (WSHL, 2007). In addition to the ADB, WSHL also proposed financing from a number of international investors, such as the China Export Import Bank, Bank of China, the Industrial and Commercial Bank of China, China National Machinery and Equipment Import-Export Corporation, and the Infrastructure Leasing and Finance Corporation India. However, these international investors did not formally commit to finance the WSHP. Likewise, the ADB constantly postponed confirming its investment in the project, referring to the political instability in the country (Petheram, 2011).

Meanwhile, the local and national activism against the WSHP escalated and was also supported by international advocacy groups (See Chapter 7 for more details on the evolution of activism on WSHP at different periods). In addition, financial uncertainties created doubt about the profitability of the project (Petheram, 2011). For these reasons, in 2010 the ADB withdrew from the project. The GoN was also unhappy with SMEC's inability to convince investors to assist in funding the project. As a result, the 16-year-long agreement with SMEC was terminated by the government in July, 2011 (WAFED, 2011). In March, 2012, the GoN awarded the same project license to CTGC for 35 years, and this is under the BOOT system.

As stated in Chapter 1, the major differences between the MoU with CTGC and that of SMEC are that the project will now be constructed for domestic purposes, the NEA will invest 25 percent of the total cost and CTGC will invest 75 percent, and CTGC will grant 2 to 5 percent of the shares to the local community from its 75 percent of shares. It was also agreed that the CTGC will take the responsibility of securing soft loans from Exim Bank of China for the entire investment. The GoN also agreed to sign the PPA with CTGC after it submits a detailed project report (Rai, 2012).

Soon after the MoU was signed, the Natural Resource and Management Committee (NRMC) of the dissolved Constitution Assembly stood against the government's decision to award a license to the CTGC without consulting the parliament and the NRMC. They

investigated the project, reviewed the MoU, and made certain proposals for its amendment. In August, 2012, the initial MoU was modified as per the suggestions given by NRMC, and a new Memorandum of Minutes (MoM)¹⁴ was signed with CTGC's sister organisation, CWE¹⁵ (Fast, 2013; Kathmandu Post, 2012b). In the new agreement with CWE, the initial decision of granting 2 to 5 percent of project shares to the local people from the 75 percent of CTGC shares has been increased to 10 percent, either as investment shares or in kind. The revised agreement also guarantees 150 MW of 750 MW electricity to the Far-Western region in order to develop an industrial hub in the region (Kathmandu Post, 2012b).

4.4.3 Current Status of the Project

The GoN has authorised the Investment Board Nepal¹⁶ (IBN) to oversee the WSHP and to assist CWE in the successful implementation of the project. The government and CWE agreed to begin the construction of the project by mid-2014, secure the funds by October, 2014, and complete the project by December, 2019. The developer, however, requested an extension of the project completion date by two years due to the slow development of the project, considering the intractability of certain pertinent issues such as land acquisition, resettlement and rehabilitation of the affectees, the transmission line plan, and the power purchase agreement rate for the transmission line (China Daily, 2013). CWE had initially agreed to take responsibility for land acquisition, resettlement and rehabilitation. Later it demanded a change in the initial agreements (ekantipur, 2013). The Ministry of Land Reform and Management has expressed its commitment to help CWE in resettlement planning (My Republica, 2013).

CWE completed the technical evaluation of the project on March 8, 2013 and the financial evaluation on July 30, 2013. China has agreed to provide soft and commercial loans worth USD \$1.6 billion for the construction of the project. Nepal has also requested China for a soft loan worth USD \$400 million for the construction of the transmission line (Global Times, 2014). After two years of dialogue on issues such as benefit sharing,

¹⁴The second form of agreement is a Memorandum of Minutes (MoM) rather than an MoU. However, the media and others still generally refer to it as an MoU.

¹⁵ CEW is the overseas Chinese construction contractor which CTGC uses as a platform to develop its overseas business.

¹⁶GoN has created IBN under the Investment Board Act 2068 to expedite infrastructure development. IBN was established to encourage domestic private investment and foreign investment in mega projects. It is headed by the prime minister.

land acquisition, financial issues, and a working modality between CWE and the Investment Board of Nepal, CWE received the green light to begin the construction work from the relevant authorities in Nepal. It is now said that CWE will begin geological studies in project sites before June, 2015 (Giri, 2015). With this commitment, it appears as though the implementation process of WSHP will begin soon. However, it is too early to predict how smoothly the project activities will be carried out by the project developers.

4.4.4 Socio-economic and Development Status of the Project Area

It is important to gain insight into the socio-economic and development status of the people living in the project area so as to provide an overview of the conditions in which they are currently living. This will also be helpful in furthering understanding of how they perceive the entire discourse around the project and why they are reacting to it in certain ways.

Socio-Cultural and Economic Description of the Project Site

The project site encompassing all four districts – Baitadi, Bajajang, Doti and Dadeldhura – is dominated by Hindu caste groups: Brahmin (high caste); Thakuri, and Chhetri (middle class); and Kami, Damai, and Sarki (low caste groups). The population of indigenous groups is low in the project areas. Most of the people in the low caste group are marginal landholders and are often dependent on the high caste groups for their livelihoods (WSHL, 2007; 2008a). The residents of the project area are highly dependent on the Seti river for their households, livelihoods, and religious activities. A total of 20 temples or shrines are located in the proposed reservoir area, and the locals clearly have strong religious sentiments attached to these temples and shrines.

Most people in the project area rely on subsistence farming, animal husbandry, and off-farm activities (Petheram, 2011). According to the household surveys conducted in the reservoir area from 1997-1999 and in 2006, 68.1 percent of the population above 14 years are engaged in the agriculture sector, followed by 11.3 percent in the business and service sector, and 4.9 percent in wage labour. 82 percent of females above 14 years in the project area are engaged in the agriculture sector (WSHL, 2007). Another important characteristic of the project area is the high flow of seasonal and permanent labour migration, mostly to India and other parts of the country (Poertner, Junginger, & Muller-

Boker, 2011). In addition, some of the locals have also migrated to Gulf countries for employment (WSHL, 2007).

The average annual household incomes (2006/07) in the project area ranged from NZD \$1,241 to \$1,527.71.¹⁷ The contribution to annual income from off-farm sources was 40.2 percent in the reservoir area. Income generated in the area differed by caste, ethnicity, and the gender of the head of household. Dalit and female-headed households had the lowest per capita income. The research shows that dalit among caste group 36.36 percent of Damai, 52.94 percent of Kami, and 20 percent of Sarki¹⁸, living in project area falls under absolute poverty line. In addition to agriculture, people in the area are also involved in producing ghee (liquid butter) from the *diploknema butyracea* (*Chiuri*) tree, bee-keeping, and fisheries. Fisheries is mostly a part-time job to generate extra income or for self-consumption. Livestock raising is another important economic activity in the area, mainly water buffaloes, goats, and hens. These livestock provide food, fertilizer and some cash income (WSHL, 2007).

Landholding size in the reservoir area is small. Like other parts of Nepal, the land is owned mostly by male members of the household. The average private landholding size in the reservoir area is 1.14 hectares. Low-caste groups hold 0.5 hectares or less and often depend on landowners for their subsistence (e.g., grain payments for their services, or donations). Some of these low-caste families also rent cultivatable land from large landowners (WSHL, 2007; WSHL, 2008a).

Development Status of the Project Area

The Far-Western Development Region is the least developed region of Nepal's five development regions.¹⁹ Most of the districts in the FWDR, including the proposed WSHP-located districts, are among the lowest in the Human Development Index (HDI), Human Poverty Index (HPI), and GDP per capita income values, which are below the national average (GON & UNDP, 2014). Table 4.4 below gives an overview of the values of these indicators.

¹⁷ @ exchange rate of 1 NZ= 74.04809.

¹⁸ Damai are traditionally tailors, Kami are blacksmith, and Sarki are shoe makers. All these three cast group are regarded as Dalit under Hindu caste system.

¹⁹ Nepal is divided into five development regions: Eastern Development Region, Central Development Region, Western Development Region, Mid-Western Development Region, and Far-Western region. Altogether there are 14 administrative zones and 75 districts in Nepal.

Table 4.4: Development Status of Project Area

FWDR	GDP per capita (PPP US\$)	Income Index	HDI	HPI
Nepal Average	1160	0.409	0.490	31.12
FWDR	767	0.340	0.435	34.80
Baitadi	573	0.291	0.416	39.58
Bajhang	487	0.264	0.365	45.32
Doti	774	0.341	0.407	43.57
Dadeldhura	764	0.339	0.422	35.8

Source: (GON, 2014)

The accessibility index, which measures people's access to services and facilities in their locale, shows that the FWDR ranks lowest among the five development regions of Nepal. This reflects the fact that people living in this region have less access to public services and facilities such as schools, hospitals, health posts, bus stops, paved roads, dirt roads, markets, agricultural centres, communication centres, cooperatives, and police stations (GON & UNDP, 2014). The EIA report of the WSHP states that a total of 22 schools are located in the project area, 11 of them in the riparian area (WSHL, 2007). In the reservoir area there are only eight schools, of which five are primary schools and three are secondary schools. Most of these schools are located a long walking distance from the settlement where students live and have poor classroom facilities, and a high teacher-student ratio (WSHL, 2008a). The illiteracy rate of Bajhang, Baitadi, Doti, and Dadeldhura is above the national average 40.43 percent. The adult illiteracy rate of Bajhang is 54.97 percent, Baitadi 45.15 percent, Doti 52.32 percent, and Dadeldura 42.74 percent. This reveals that large numbers of people living in the project area are illiterate (GON & UNDP, 2014).

The health services in the project area are also inadequate and in a poor condition. Locals residing in the project area have to travel 30 km or more to reach the nearest hospital. There are three sub-health posts in the reservoir area: two in Dhungad (one private and one public) and one in Deura. However, these health posts do not have doctors and are run by health assistants. Sanitation facilities in the reservoir area are also quite poor. Around 85 percent of the people do not have toilets in their homes, and thus they defecate in forests, fields, and on river banks (WSHL, 2008a).

Most people in the project area have to walk for hours to access a motorable road. Some of the VDCs of downstream riparian communities are connected by road. Deura is the only town connected to the road, with no other VDCs in the proposed reservoir area having this access. There is only one micro-hydropower plant in the reservoir area, which serves 225 households of the Thalakanda VDC of Baitadi district. Some houses have installed solar panels to light their houses. Besides these facilities, most of the WSHP areas do not have access to electricity (WSHL, 2008a).

4.4.5 Predicted Impacts of the Project

The EIA conducted by SMEC WSHL has listed possible environmental, social-cultural, and economic impacts of the project on local communities after the construction of the project. These are summarised below.

Environmental Setting of the Area and Anticipated Impact

The project catchment of the project area covers 4,250 km, including 57 percent of the total Seti river catchment, 9.5 percent of the Karnali river basin within Nepal and China, and 0.38 percent of the Ganges basin. The project area is located in the lesser Himalayas tectonic zone (WSHL, 2007). The land type in the catchment consists of rocks or snow (38.65 percent), forests (35.1 percent), agricultural areas (13.3 percent), and grassland (10.7 percent). The land allocated for the project is 2,326 hectares, out of which 34.6 percent consist of forests, 28.3 percent cultivation land, 17.6 percent riverine, 10.6 percent grasslands, 7.3 percent shrubs, and the remaining 1.6 percent consists of abandoned cultivation land, settlements, rocks and cliffs (WSHL, 2007).

The EIA report prepared by WSHL also anticipates significant impacts on hydrology, land resources, and ecosystems after the alteration of water from the Seti river and the inundation of the area. The construction of the dam is anticipated to destroy around 1,042 hectares of natural vegetation and 2,463 hectares of existing fauna habitat. Further, the project area is a home for 140 bird species, 10 mammal species, and 13 different fish species. The construction of the dam will threaten these species and the local ecosystem. In addition, the transmission line will also have impacts on the land resources and ecosystem of the area through which it passes (WSHL, 2007). Further, the alteration of river flow will directly affect the aquatic ecosystem, agricultural practices, and the household water needs of the people living in the area. The quality of water in the

reservoir may no longer be suitable for drinking. Thus the people living near the reservoir area may have to rely on other sources of water supply. In addition, the alteration of hydrology, land resources, and ecosystems will also increase the risk of natural and project-induced hazards in the area (WSHL, 2007).

Land Acquisition, Displacement, Resettlement and Social Impact

The land required for the project is approximately 2,326 hectares, of which 659 hectares of agricultural land of the locals will be acquired. The acquisition of agricultural land will affect the income of the local area. In addition, the inundation of 2,060 hectares of land that consists of water bodies, forest areas, and grassland will affect the off-farm activities of the project area. The project activities will also affect 2,125 households located in the project area. As shown earlier in Table 4.2, the acquisition of land in the reservoir area will displace 1,190 households. Additionally, people will also be affected and displaced by the construction of access roads and the installation of the transmission line (WSHL, 2008a).

SMEC WSHL had planned to relocate most of the displacees in the Terai area. The current project authorities have not yet announced the compensation, resettlement, and rehabilitation modality of the project. However, if the displacees are relocated to other areas they will not only lose their home, land, and other material assets, but will also be away from their relatives, social networks, and cultural and religious heritage. They will have to adjust to a different environment, culture, and people. In addition to displacees, other affected groups residing in the project area are also anticipated to experience several impacts. Some will lose their agricultural land, off-farm livelihood practices, social networks and religious sites (WSHL, 2007; 2008a). Further, they will encounter new groups of people who come to the project area for work. They may bring diseases with them, such as HIV and AIDS. The World Bank states that 27 % of total estimated HIV infected population in Nepal are male labour migrant (WB, 2012). Likewise, the press release of National Center for AIDS and HIV Control to mark 28th World AIDS Day reveals that around 0.3 percent of Nepalese labour migrants from Western region and 0.6 percent of labour migrants from Far Western region working in India as temporary labours are infected by HIV and AIDS (GoN, 2015). The inflow and outflow of temporary labours from Nepal and India is high due to open boarder and this might increase the HIV and AIDS cases during the project construction period in the WSHP

area. The alteration of the river is also anticipated to have health impacts on those locals highly dependent on fishing as the main source of protein intake (Petheram, 2011). The impact of the construction of the project is anticipated to be particularly high on vulnerable communities, such as women, Dalits, disabled and elderly people (WSHL, 2008b).

4.5 Analysis and Conclusion

This chapter has provided an overview of how hydropower construction began in Nepal and how different debates in the hydropower sector have gradually emerged. First, the chapter showcased how the development process began in Nepal after the establishment of democracy in the 1950s, and how gradually the Nepalese came to realise the importance of its water resources and hydropower generation. Since then the government, multi-lateral agencies, and other donors have been supporting Nepal to construct hydropower projects. This chapter also highlighted the fact that, despite this support, hydropower production in Nepal is significantly low. The GoN is not even able to generate sufficient electricity to fulfil its own domestic needs. In recent years, the government has been prioritising the construction of large-scale hydropower projects in order to meet the country's domestic needs and also to export electricity to India. Recognising the possibilities of hydropower development in Nepal, various external donors and multilateral agencies are supporting the government to fulfil these ambitious plans.

Secondly, the chapter revealed that while multilateral and bilateral agencies are supporting the government to achieve its hydropower production goals, other donors are influencing the hydro policies of the country. The chapter also demonstrated that the role of external actors, particularly that of India and even China more recently, is found to be influential in the hydropower sector of Nepal. The chapter highlighted the fact that Nepal has had a negative experience in its hydro relationship with India. As a result, the hydro experts, activists, and radical political parties are sceptical about their role in the hydropower sector of Nepal. Thus far, the role and influence of China on hydro issues has not been highly controversial in Nepal. However, it is a bit early to say how the Nepal-China hydro relationship will develop in future.

Thirdly, the chapter demonstrated how Nepalese hydro experts and activists have also been actively involved in critically assessing the government's and other external actors'

roles in hydropower development in Nepal. They are also questioning the consequences of the large-scale hydropower projects' construction. Fourthly, the chapter revealed that the government still endorses the Land Acquisition Act 1977, which this research has shown to be ineffective in addressing the contemporary challenges associated with land acquisition and involuntary displacement. Hence, in the absence of proper provisions on compensation, resettlement and rehabilitation, the project developers are dealing with these issues on an ad hoc or project-to-project basis; as a consequence, the project affectees are suffering. There is thus an urgent need to establish a concrete policy and guidelines that can provide a legal and policy framework with regard to land acquisition, displacement, resettlement, and compensation to address the problems regarding these issues.

Fifthly, the chapter illustrated the progress on WSHP in the last two decades. In so doing, the chapter revealed that there have been protracted negotiations between the project developers and the government. It also clarified the ways in which the government supported SMEC and its activities on WSHP over a long period of time. However, it was unable to convince the investors as well as the affectees to support the project; as a result, the government handed the project over to CWE International.

Sixthly, the chapter reviewed the socio-economic and development status of people living in the WSHP area. This indicated that the people living in the project area are mostly poor, socially marginalised, and living with limited development facilities. They mostly rely on agriculture, off-farm activities, and seasonal migration for their livelihoods. They are highly dependent on natural resources such as land, water, and forests available in the project areas. This reveals that the likely displacees and affectees will not only lose their homes, cultural and religious ties, but also lose their existing livelihood practices after displacement.

Finally, the assessment of the existing literature on the WSHP has also clarified that much has been written about the impacts that will occur during and after the implementation of the project. However, no such research-based information is available on the impacts that may occur among the locals during the pre-implementation phase of the WSHP. Likewise, the government and project investors have not given attention to the impacts that may occur during the pre-implementation phase and the long gestation period of any displacement project. Indeed, the existing theoretical literature on involuntary

displacement fails to address these pertinent issues, as does the literature written specifically on WSHP. The review of this literature demonstrated that the assessment of the pre-implementation phase of large-scale hydropower projects is highly relevant, both from a theoretical and a policy perspective.

In the following three empirical chapters, I provide a detailed analysis of three important aspects of involuntary displacement induced by large-scale hydropower projects. The first empirical chapter focuses on the impact on the local people in the pre-implementation phase; the second empirical chapter focuses on the dynamics of civil society activism in the pre-implementation phase; and the third empirical chapter provides an insight into the impact of civil society activism on refining the policies on hydropower development and its peripheral issues.

Chapter 5

Impact at the Local Scale: Anticipating Displacement

5.1 Introduction

In the previous chapter, I provided an overview of hydropower induced displacement in Nepal, and background information on the proposed WSHP, including the impacts that are predicted to occur during the construction and post-construction phases of the WSHP. This chapter focuses on the impact that the proposed WSHP has prompted in the lives of likely-to-be displaced communities during the pre-implementation phase, and the factors that have contributed to intensifying the impacts on affected people living in the project area. In so doing, this chapter attempts to address the first research question:

What are the impacts that occur during the pre-implementation phase of a hydropower project that induces displacement for local communities likely to be displaced, and what are the factors that heighten these impacts?

With the presentation of views and perspectives of potential displacees from two distinct VDCs of the WSHP area, this chapter aims to provide a comparative understanding of the studied topic. In order to achieve this aim, as stated in Chapter 3, I have selected two settlements, Deura and Babina. Deura is a market centre crossed by a highway and Babina is a remote settlement far from any direct transport services. I also provide a comparative perspective on how diverse groups of people representing different socio-economic backgrounds and occupational status have perceived the issue of displacement during the pre-implementation phase of the WSHP.

I put forward two arguments in this chapter. First, I argue that the consequences of displacement for diverse groups of people residing in the same project area will differ. As a result, their reactions to the project will also not be the same during the pre-implementation phase, and these differences will depend mostly on their divergent backgrounds, current conditions, and where they are residing. In this particular phase, they also possess differing fears and expectations associated with their life after displacement.

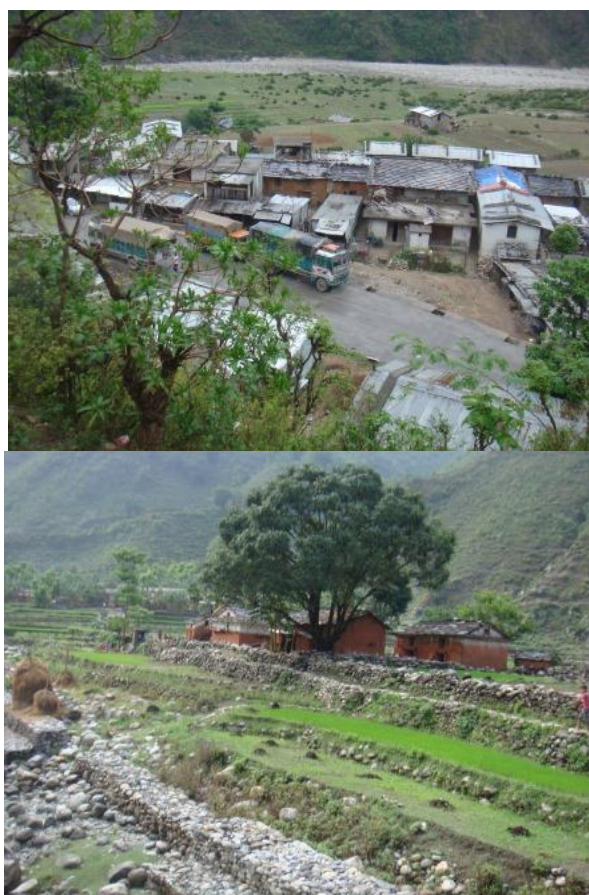
I also argue that the problems associated with involuntary displacement clearly begin in the pre-implementation phase of any DID project, and that therefore an adequate understanding of the dynamics that occur during this phase is crucial in addressing various issues related to displacement and resettlement of people likely to be affected by these projects. If the problems occurring during this period are not properly understood and addressed by the concerned actors, this will create long-term impacts on people, communities, and overall development processes in the country.

This chapter is structured in the following ways. In the first part of the chapter, I categorise the potential displacees residing in Deura, and in Babina and its vicinity, into discrete groups based on their socio-economic and professional status. I also express their reactions and concerns during the pre-implementation phase. In the second part, I highlight the impacts that occur during the pre-implementation phase of the project. In the third part, I explain the factors that have further intensified the impacts on likely-to-be displaced communities. In the last part, I provide an analysis of findings and conclude the chapter.

5.2 Potential Displacees' Reactions during the Pre-implementation Phase

People with diverse backgrounds and circumstances are residing in Deura and Babina, two locations in the WSHP area. Picture 5.1 shows the general setting of both areas. It is found that the location of people where they are currently residing and other factors, such as their occupational status and their level of vulnerability, have greatly influenced their thinking on the anticipated displacement. My research findings also demonstrate that the concerns of these distinct categories of people are also found to be different. For the systematic analysis of potential displacees' reactions and concerns regarding displacement, I have organised them into four different categories, which are elaborated in the sub-sections that follow.

Figure: 5.1: General Setting of Deura and Babina



5.2.1 On the Basis of Location

In this section, I illustrate the views and concerns of people living in Deura and Babina. As stated above, Deura is a market centre and Babina is a remote settlement. Because of these geographical differences, the living conditions of people in these two settlements vary, as do the perceptions and concerns of locals on the willingness to be relocated from their current place of residence. Table 5.1 demonstrates local people's response to this pertinent issue and the section following explains the reasons behind their different perceptions.

Table 5.1: Locals' State of Mind about Moving to a New Place if Compensation is given as per their Expectations

State of mind	Deura	Babina and its vicinity
Happy to move	8	23
Sad to move	35	15
Mixed feelings	4	6
No response	3	6
Total	50	50

Table 5.1 reveals significant differences in the feelings of people inhabiting Deura and Babina. More than half of the locals interviewed in Deura are found to be sad to leave their current area and move to a new place, whereas nearly half of the locals in Babina are happy to leave their current place of residence and move to a new place. Literature on migration suggests that people's willingness to move to a new place is often determined by certain push and pull factors (Kunz, 1973; Lee, 1966). My research findings also confirm that a number of push and pull factors have shaped the perception of locals in Deura and Babina. Most of the people in Deura prefer to remain on their ancestral land rather than moving to a new place, even if they receive good compensation. The major reason behind such motivation is the relatively sustainable living conditions of people currently living in Deura.²⁰

The locals of Deura reside either in the market centre or nearby, with easy access to motorable roads, a health centre, higher secondary and secondary-level schools, arable land, rivers, and the forest nearby. Most of the people in Deura rely on farming and small businesses for their livelihoods. The locals of Deura value their land greatly, as it is very fertile and also near the market centre and motorable road. The locals expressed the view that the land in Deura is cash producing land and its worth is immense.²¹ Hence, moving from a market centre to the Terai area or other places is perceived not to be a good deal for locals dwelling in Deura. During the interviews, some of the shopkeepers expressed the view that moving to a new place is not only about securing a better place to live, but also about sustaining one's lifestyle and livelihood in the new locality.²² One of the shopkeepers suggested the following view:

Even if we relocate to a place with all kinds of facilities, we will have problems. We do not spend lots of money here. Lots of public services we use without paying money, such as schools, forests, rivers, etc. In a new place we might not get all these facilities and might have to spend lots of money...Business can be done anywhere. However, if we shift to the city we have to face a lot of competition and have to invest a lot (Local resident, Deura, interviewed 4 June, 2013).

As shown in Table 5.1, in contrast to the opinion of people from Deura, the majority of people in Babina are happy to be relocated to a new area. The reason for this is that a number of push factors have motivated them to leave their current place of residence.

²⁰Household interview: RD7, RD9, RD12, RD20, RD30, RD37, RD39, RD42, RD23, RD44, RD47.

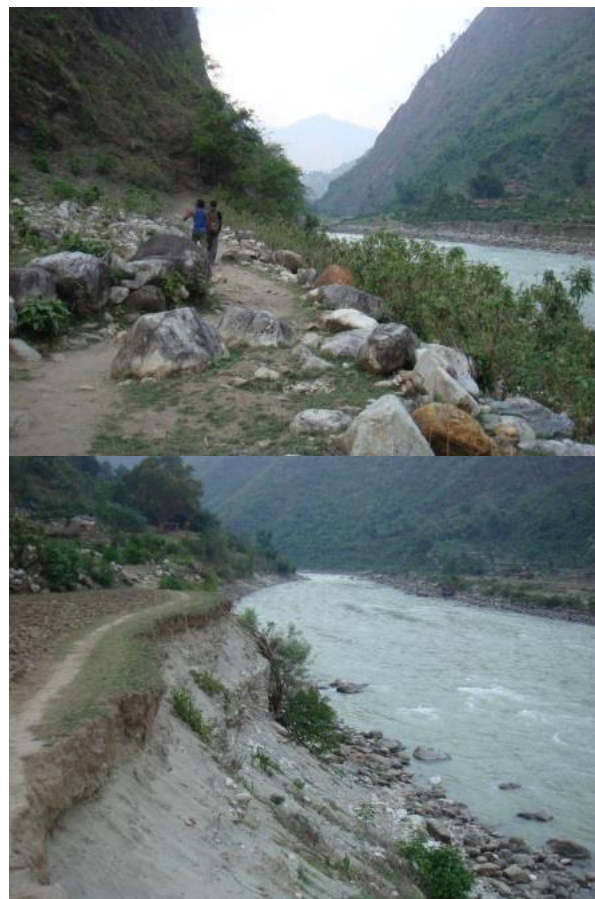
²¹Household interview: RD7, RD9, RD12, RD31, RD41, RD43, RD44.

²²Household interview: RD7, RD9, RD10, RD42, RD45.

Babina is a remote area and locals residing there are deprived of basic facilities to sustain their day-to-day existence. It takes two to three hours to walk to the nearest motorable road and market centre. There are schools and a health centre in the VDC, but for some inhabitants it takes hours to reach these service centres.²³ Figure 5.2 shows the local trail which the people of Babina have to traverse to reach the nearest market centre and school. Given these hardships, the locals of Babina have gradually made up their minds to move to new places with better facilities. Here is a statement conveyed by a woman of Babina:

I am happy to leave the hills. Children will be happier in a new place. It takes two hours to reach school...There is no road in the area. People have to walk through a fragile trail to come to this place. Stones fall from that hill when it's windy and raining. People and livestock have lost their lives due to this. We want land in the area which has a motorable road and electricity (Local resident, Babina, interviewed 14 June, 2013).

Figure 5.2: Small Trail that goes to Babina



While there are clear differences between respondents in Deura and Babina, there are also similarities. As shown in Table 5.1, many locals from both places were found to be sad to

²³ Field observation and key informant interview: Dirgh Bahadur Bhandari, Former President, WSCS, 2 June, 2013.

move. One common reason behind this sentiment is their attachment to their birthplace.²⁴ They do not want to leave the area and go to Terai. In this regard, one of the respondents from Deura stated the following:

I am not happy to move. We will not allow them to sink the area. We love this place. Gradually development activities are increasing here. We have roads here. Slowly, the area will be electrified. We are not excited to move to a new place. We will not find this environment and weather anywhere (Local resident, Deura, interviewed 5 June, 2013).

Similarly, Table 5.1 shows that some locals hold mixed feelings about moving to new places. This group of locals is very much attached to their area; however, they are willing to move due to factors such as their concern for their children's future, fear of being left out of the country's progress, and a sense of sacrifice for the country's development.²⁵

5.2.2 On the Basis of Residential Status

Not only the location, but also the residential status was found to be crucial in determining the feelings and perceptions of potential displacees/affectees towards displacement. On the basis of residential status, three types of locals were found in the area: i) permanent residents, ii) dual residents, and iii) temporary and permanent migrants. These three types of locals will be impacted differently once the construction of WSHP begins, and thus the reactions and concerns of these groups of people are also found to differ from each other during the pre-implementation phase. Table 5.3 shows the differences in levels of reliance on the project area, attachment with the place, consequences of displacement, involvement in activism, and expectations of people living in the area as per their residential status.

²⁴Household interview: RB1, RB15, RB18, RB33, RD7, RD10, RD12, RD21, RD24, RD48.

²⁵Field Interview: RD16, RD22, RD43, RD46, RB1, RB10, RB11, RB16, RB27, RB30.

Table 5.2: Differences in Feelings and Reactions towards Displacement as per the Residential Status of Locals of Deura and Babina

Factors	Permanent residents	Dual residents	Temporary Migrants	Permanent migrants
Reliance on the project area	Highly reliant on land and natural resources for their livelihood	Comparatively less reliant on land and natural resources for their livelihood	Comparatively less reliant on land and natural resources of the area, as they live in a rented house or have a small-size of property	Highly reliant on land and natural resources for livelihood
Attachment with the place	High	Moderate	Moderate	Moderate
Consequences of displacement	High	Moderate	Moderate	High
Involvement in activism	Highly involved	Some are highly involved and some are less	Comparatively less involved	Highly involved
Concerns/Demands	-All of their rights need to be secured -Adequate compensation and resettlement in the proper area, and good rehabilitation schemes should be provided	Provision of good compensation and good land in Terai areas.	Good compensation and employment opportunities	-All of their rights need to be secured -Adequate compensation and resettlement in the proper area, and good rehabilitation schemes should be provided

The permanent residents have been residing on their ancestral land for many years. Thus a pervasive sense of fear and anxiety regarding displacement is found to be high in this category of local people.²⁶ Likewise, permanent residents rely on the land and the natural resources of the project area for their day-to-day survival. Hence, the cost of displacement is going to be high for them. Considering these facts, the permanent residents have been advocating for their rights through vigorous participation in local activism.²⁷

²⁶Household interview:RD3, RD7, RD8, RD10, RD11, RD13, RD21, RD25, RD39, RD46,RD1, RB2, RB5, RB8, RB12, RB15, RB19, RB26, RB31, RB35, RB47, RB48.

²⁷Householdinterview:RD3, RD11, RD13, RD31, RD42, RD43, RD44, RD46, RD47, RB4, RB5, RB6, RB13, RB15, RB25, RB26, RB28, RB30, RB46, RB47.

The feelings of dual residents differ from those of the permanent residents, as do their expectations. The impacts of displacement on the dual residents will be less than for the permanent residents, as they have already moved to other parts of the country. What the dual residents have in the project area are some leftover properties, which in some cases have not been utilised by them effectively. Based on conversations with key informants from the reservoir area, the dual residents prefer to obtain cash compensation or land in good areas. They further claim that the many dual residents are less concerned about various issues related to displacement, resettlement, and rehabilitation, and are therefore more flexible in expressing their demands.²⁸ In other words, dual residents are in a no-risk situation. Whatever they obtain as compensation, either in cash or in the form of land, will likely be of higher value than their properties in the project area. Nonetheless, some of the dual residents have been actively participating in local activism, whereas others have not.²⁹

In contrast, the migrants have different views on displacement. Apart from Deura, the number of migrants in the project area is negligible. Migration to Deura increased after the construction of the Dadeldhura-Chainpur road. Most of the migrants temporarily moved from nearby villages and districts for employment purposes. There are also some permanent migrants who have been residing in Deura for several years.³⁰ Some of the migrants operate shops in the Deura market and some work as labourers.³¹ In comparison to permanent residents and permanent migrants, temporary migrants will not be much affected by displacement, as they still have ties with their original places of origin.

During my interviews with the migrant shopkeepers in the WSHP area, they expressed the view that they feel like outsiders and are reluctant to share their views with the locals during meetings. Some of the migrant shopkeepers and migrant labourers stated that they did not attend most of the meetings held by project concern committees in previous years.³² This indicates the poor inclusion of migrants in consultations regarding displacement. Nonetheless, during the interviews some of them stated that they should be

²⁸Key informants interview: Dirgh Bahadur Bhandari, Former President, WSCS, 2 June, 2013; and Ratan Bhandari, hydro activist, 24 August, 2013.

²⁹ In-depth Interview: Bishnu Chand, student leader, 25 May, 2013; and Dirgh Bahadur Bhandari, Former President, WSCS, 2 June, 2013.

³⁰ In-depth Interview: Dirgh Bahadur Bhandari, Former President, WSCS, 2 June, 2013; and Anonymous, school teacher, June, 2013.

³¹Household interview: RD10, RD12, RD13, RD31.

³²Household interview: RD9, RD12, RD14, RD37.

given adequate compensation when the WSHP is constructed and treated equally along with other locals in the area.³³

5.2.3 On the Basis of Occupational Status

The majority of people residing in the project area are involved in agricultural activities and some of them also run small businesses. Very nominal numbers of people from the project area are also involved in service related professions. Local people who are involved in government services will not be highly affected even after their relocation to a new location, as they already have permanent job security. Hence, this section is more focused on highlighting the reactions and concerns of farmers and small business holders during the pre-implementation phase of the WSHP.

Farmers

Most of the farmers live on the banks of the river or nearby hills of the WSHP area. They produce most of their food on their own land and sell the surplus. For generations they have had a heavy reliance on agriculture for their livelihoods, and do not possess other professional skills. They also supplement their income through off-farm activities such as livestock raising, fishing, and selling firewood, fruits, and herbs collected from the forest (WSHL, 2008a). Farmers were therefore found to be deeply concerned about the quality and location of land they will obtain as compensation.³⁴ Furthermore, they had an unpleasant experience searching for land in Terai for resettlement during the SMEC tenure. Some of the locals were taken to Terai to see the land set aside for their resettlement. According to the community leaders who accompanied the staff of SMEC to see the land, most of the land they were shown was either of inferior quality or was in an area prone to flooding.³⁵ This experience has worried the farmers. In addition, some of the farmers will be partially displaced. Their farmland will be submerged by the project whereas their houses will not (WSHL, 2008a). They are thus worried about how they will be compensated.

Small Business Holders

³³Household interview:RD9, RD12, RD14, RD29, RD37.

³⁴Household interview: RD8, RD21, RD31, RD39, RD46,RB4, RB14, RB15, RB17, RB18, RB33.

³⁵Household interview:RB4, RB35; Key informant interview:Anonymous, school teacher, Deura, 3 June, 2013.

Other than agricultural activities, some locals rely on small shops, eateries, and hotels for their income. Deura, being a market centre, has many such shops. Villagers residing nearby rely on the Deura market to sell and purchase goods. As a result, the business holders of Deura earn a reasonable amount and are satisfied with their income. It is thus not surprising that business holders are worried about their business situation after displacement. Apart from this, the shopkeepers are also worried about not getting land in existing business areas.³⁶ Unlike farmers, for shopkeepers, receiving land in residential areas or farm areas is not a good deal. The business holders stated that they will vigorously demand land or cash to start shops in market areas.³⁷ Most of the shopkeepers of Deura believe that they will not receive land in market areas, and therefore they are not happy about moving to a new place.³⁸

5.2.4 Marginal Groups

WCD (2000) states that the impacts of involuntary displacement are comparatively high on marginal groups, such as indigenous residents, women, children, and the elderly. In this section, I reveal that the impact of involuntary displacement is high for marginal groups even during the pre-implementation phase, and such impacts are predicted to be much higher after they are displaced from their current places of residence. Thus they react differently than other groups to the prospects of displacement and have different expectations. The existing literature on involuntary displacement has examined the impact of displacement on marginal groups only during and after displacement (Parasuraman, 1993; Rai, 2005; Thukral, 1996). There is virtually no research on the circumstances they confront during the pre-implementation phase of the displacement process. Hence, the section below illuminates the experience of marginal groups I encountered in Deura and Babina during my field research, highlighting their reactions and concerns.

Women

A significant amount of literature describes the impact on women of the implementation and post-implementation phases of DID projects (Parasuraman, 1993; Rai, 2005; Thukral, 1996). However, their experiences during the pre-implementation phase are barely

³⁶Household interview: RD9, RD12, RD13, RD16.

³⁷Household interview:RD9, RD12, RD16.

³⁸ Household interview:RD2, RD3, RD7, RD10, RD11, RD12, RD13, RD18, RD28, RD42.

referenced. The women of Deura and Babina were found to be suffering from fear, anxiety and uncertainty about moving to another area.³⁹ This phenomenon is comparatively higher in women compared to men, probably because women are less exposed to other places beyond their parental home and their in-laws' home. Indeed, quite a few women respondents stated that they have never been to places other than the surrounding villages.⁴⁰ They further stated that they are completely unaware of the lifestyle in Terai or other cities. Due to the lack of exposure to other places they are fearful about leaving their homes to move elsewhere. They further expressed a strong desire that, if they must be displaced, they should be resettled with the same communities in which they currently live.⁴¹

The fear of leaving their current place of residence is found to be much more severe among the women who are heading the household in the absence of their husbands.⁴² Seasonal and long-term migration to India and other countries is common in the Far-Western districts of Nepal (Thieme, 2006; Vaidya & Wu, 2011). As a result, female-headed households are common in this area. Apart from women heading households due to this circumstance, there are also a few households headed by women because their husbands are deceased. Both categories of women feel that they are more vulnerable than others and are anxious about their life after displacement. One of the female respondents who belong to this category stated the following:

All my relatives are here. There is no male member in the house now. So I fear more. Here, even though I do not have my male living with me, I have relatives around. In a new place what will happen, who will help us if we will be resettled in different places? Who will be my neighbours? My husband comes home in 2-3 years and stays a few days. I have to live on my own with my small children (Local resident, Deura, interviewed, 1 June, 2013).

This statement is one example of women's suffering in the pre-implementation phase due to different types of fears and insecurities regarding what they might have to encounter after displacement. Their socio-economic backgrounds and circumstances also determine their levels of vulnerability.

Dalits

³⁹Household interview: RD1, RD2, RD6, RD19, RD20, RD25, RD26, RD27, RD29, RD30, RB15, RB18, RB19, RB29, RB31.

⁴⁰Household interview: RB29, RB37.

⁴¹Household interview: RD1, RD2, RD25, RB15, RB18, RB19, RB29, RB31.

⁴²Household interview: RD25, RD26, RB18, RB29, RB31.

Dalits in Babina and Deura hold less land in comparison with other caste groups residing in the area. Indeed, many of them are landless (WSHL, 2008). In recent years they have worked as labourers in construction and agriculture tasks to sustain their living. However, most of the Dalits are dependent on traditional caste-based occupational relationships. In these types of relationships, upper caste groups rely on lower caste groups for specialist productions, such as clothes-making, metal work, and shoe repairs. Similarly, lower caste groups tend to be paid for their work in kind rather than cash (Rai, 2005). In Deura and Babina, being rural settlements, such practices are widespread. Hence, Dalits have a fear of losing their patrons, as they are dependent on them for their livelihood. Some of them also have emotional attachments with the patrons since they have been living together in the same community for many years.⁴³ This creates a fear of being apart from them.

Beside this, Dalits have a fear of not being well compensated. Landless Dalits living in Deura expressed a great deal of dread about the types of compensation they will receive.⁴⁴ In this regard, one of the landless Dalit women from Deura stated the following:

We are landless people. We work for others. We work on others' agricultural land. If we go to anew place, what will we do? ...Here we stay with Bista, Thakuri [patrons]. They have provided us a [piece of] land [on which] to stay. In a new place we might not get to stay with them (Local resident, Deura, Rayal VDC, interviewed 3 June, 2013).

This feeling of attachment is mutual between upper caste groups and Dalits residing in the area. For example, an upper caste man from Babina had this to say:

We have a good relationship. We discuss and keep forward our demands as a community. If even one of us will be cheated by the project we all will take revenge [because] of that...We won't let any of our community members suffer (Local resident, Babina, interviewed 15 June, 2013).

Likewise, a Dalit man from Babina made this point:

Caste-based discrimination exists here in the village. But still we help each other during happy and sad situations. We all are like one family. We all want to live together (Local resident, Babina, interviewed 15 June, 2013).

The Dalit community in Nepal has been resisting against caste-based discrimination for the last few decades and has been appealing for the establishment of a just and equitable society where everyone can live a dignified life. The Interim Constitution of Nepal

⁴³Household interview: RD2, RD10, RD20, RD39, RB34, RB38.

⁴⁴Household interview: RD1, RD10, RD26, RD39, RB34, RB38.

guarantees the right against untouchability and racial discrimination as a fundamental right and states that “no person shall be discriminated against as untouchable and subjected to racial discrimination in any form, on grounds of caste, race, community or occupation” (GON, 2007a, p. 8). It further proclaims that anyone following such discriminatory practices will be punished in accordance with the law of Nepal. However, such practices still exist in rural areas. The interviewee statements above reveal that even in the presence of caste-based discrimination in the area, the so-called upper and lower caste groups are found to be strongly linked. This is so for two reasons. First, both groups are functionally dependent on each other. Second, with the government’s decision to begin the construction of the WSHP, all locals in the project area are experiencing a common problem, which is the fear of displacement and life after displacement in a new location. As a result, their relationships are found to be strengthened, perhaps more so than might have been the case without this threat.

Elderly

In addition to women and Dalits, the sense of vulnerability among elderly people living in the WSHP area is quite high. The existing literature suggests that the anticipation of moving to a new place is very distressing to older people (Danermark & Ekstrom, 1990; Ponzetti, 2003). My research has confirmed what this research has suggested, and further confirms that place attachment among the elderly people is very strong, as they have lived in one place for their entire lives, or at least for many years. In addition, imagining that the place they love the most will soon be under water is a disheartening proposition for them, and thus the elderly people in the WSHP area are also experiencing traumatic emotions.⁴⁵ For example, one of the elderly women of Babina expressed the following sentiment:

I don’t feel good about moving to a new place. I love Seti [the river]. How can we leave Seti and go? I have been to Terai but I did not like it. I don’t like the water of Terai. There are lots of mosquitoes. I want to go to Seti when I die. I wish the project will be constructed after I die. I don’t want to leave this place and go to Terai (Local resident, Babina, interviewed, 14 June, 2013).

⁴⁵Household interview: RD8, RD39, RD18, RB15, RB28, RB37.

The above statement also illustrates the religious-cultural and geographical attachment of elderly people with the place they have inhabited. In Hindu ritual, a departed body is burnt on the banks of a holy river. Elderly people and several other locals residing on the banks of the Seti river expressed a desire that their death rituals should be conducted in this river.⁴⁶ They fear that they might have to leave this place before they die and are therefore extremely reluctant to leave the area.

5.3 Impacts During the Pre-implementation Phase

In this section I outline the impacts that have occurred during the pre-implementation phase of WSHP on potential displacees inhabiting the area. This research reveals that psychological, development-related, socio-economic, and environmental impacts have been experienced by people residing in the WSHP area during the pre-implementation phase of the project. By soliciting the views and experiences of people living in the WSHP area, this section explains why and how these impacts have affected people's lives in the project area, and which of these impacts are found to be more prominent than others for the local people.

5.3.1 Psychological Impact

The locals of the WSHP area have been experiencing years of stress from worrying about being displaced from their current place of residence. This stress has been further exacerbated due to the long gestation period of the project. Such stress has contributed to a number of psychological impacts on the local people. This section describes two different aspects of psychological impacts observed among the potential displacees.

Feeling of Uncertainty

The long gestation period of the project has prompted an immense feeling of uncertainty among the locals of both Deura and Babina. As a result, locals face dilemmas when making decisions even on basic household matters, such as the construction of a toilet or bathroom in their house, planting trees or crops for long-term purposes, repairing houses, and so on.⁴⁷ In this regard, a local from Babina expressed how the feeling of uncertainty is affecting his ability to make even minor decisions, such as the following:

⁴⁶Household interview: RD12, RD8, RD39, RD18, RD24, RB15, RB37.

⁴⁷Household interview: RD3, RD12, RD20, RD43, RD46, RB3, RB7, RB9, RB26, RB30.

It's time to re-build the wall of my house. It has been old and it will fall down soon. But I have not done the maintenance work, as it will be a waste of money if I have to leave this place soon. I am in a dilemma (Local resident, Babina, interviewed 15 June, 2013).

Similarly, a female teacher from Deura made this comment:

It [the uncertainty about relocating] has been years now. We don't have confidence even to build a compound on our land. I don't feel like planting trees on my land. I feel like it will be drowned soon, so why should I work hard? (Local resident, Deura, interviewed 4 June, 2013).

This feeling of uncertainty is not only affecting individuals making personal decisions, but also village level decision-making.⁴⁸ In most parts of Nepal, villagers work together to solve communal problems. For instance, locals manage the forest areas, construct and maintain village roads and micro hydropower plants, and embank riversides. The locals of the WSHP area stated that they are interested in solving their present-day problems, but they are in a dilemma about initiating community maintenance and development activities, as such initiatives will be worthless if the project construction begins and they have to leave. The impact of locals' hesitance to conserve forests in both Deura and Babina is one of the examples of this paralysis that can be clearly observed. There is a high level of deforestation in both areas and no one is paying attention to re-forestation them. Further, one of the respondents from Babina expressed that they are affected by river erosion, as it is taking away their land each year. He stated that they face the dilemma of whether to construct embankments or ignore the problem.⁴⁹

Feeling of Fear

The existing literature suggests that being forced to leave the place where you are comfortable and go to a new, unfamiliar place is always traumatic. The anticipation of being displaced from ancestral land and beginning life in an unfamiliar place threatens the mental well-being of potential migrants (Hwang Xi, Cao, Feng & Qiao, 2007). My research has confirmed that this feeling of fear is high among potential displacees from the WSHP areas. This section describes several of the sources of this fear.

Just as with the citizens of the whole country, the potential displacees of WSHP are concerned about the changes that may occur after a final decision is taken by the

⁴⁸Household interview: RD19, RD42, RD43, RB3, RB9, RB13, RB26, RB30, RB31, RB36, RB46.

⁴⁹Household interview: RB31.

Constituent Assembly on state restructuring. The end of civil war and the election of Nepal's first Constituent Assembly on 10 April, 2008 brought revolutionary change to Nepal's political structure. In the aftermath of this change, Nepal was declared a Federal Democratic Republic. The first Constituent Assembly was unable to take a decision on the standards of state restructuring. The major debate during this period centred on whether to restructure Nepal on the basis of ethnicity or on other criteria (Töpperwien, 2009). Now the responsibility of restructuring Nepal is in the hands of the leaders of the second Constituent Assembly.

Some potential displacees have a deeply rooted fear that the state might be restructured on the basis of ethnicity and, as a result, the places where they are most likely to be resettled – Kailali, Kanchanpur, and the Bardiya district of the Terai region – will be declared a Tharuwan state. These districts are home to the Tharus, one of the indigenous groups of Terai. The locals fear that this might change the power dynamics within the area and Tharus will become powerful and dominate them.⁵⁰

The past experience of locals also makes them sceptical about their reception in their eventual relocation site. During the tenure of SMEC, it was decided that WSHP displacees would be resettled in Terai (WSHL, 2008a). At that time, Tharus living in Kailali and Kanchanpur revolted against this decision. They argued that the fertile lands of Terai, which is home to Tharus, are already turning into a concrete jungle due to the migration of hill people. They claimed that the relocation of WSHP displacees in Terai would further increase this trend. They therefore suggested that, instead of resettling displacees of WSHP in Terai, hill areas should be developed and displacees should be resettled there. However, the non-Tharus residing in Terai claim that the primary reason behind the Tharus' revolt is their fear of becoming a minority in their own land.⁵¹ Some locals of Deura are aware of the revolt of Tharus, and thus they fear that they might not be accepted by Tharus in their areas.⁵²

⁵⁰Household interview: RD3, RD20, RD48; In-depth interview: Professor Hem Raj Pant, Far Western University, Nepal, 29 May, 2013.

⁵¹In-depth interview: Khadak Raj Joshi, Regional Co-ordinator, INSEC, and Parbat Chaudhary, Member, TWS, 20 June, 2013.

⁵²Household interview: RD3, RD20, RD48; In-depth interview: Professor Hem Raj Pant, Far Western University Nepal, 29 May, 2013.

In addition, the residents of the WSHP area have a fear that they may have cultural and economic clashes with the host communities residing in Terai.⁵³ They know that the language, culture, and lifestyle of people inhabiting the Terai are different from their own customs and lifestyle. A few expressed a fear that the host community may even restrict them from using the public resources they have had access to in their current places of residence.⁵⁴

Moving to a place with a different climate and environmental conditions is another cause for fear among the potential displacees. The WSHP area lies in the hill region with altitudes between 700 and 4,000 meters, whereas Terai, the potential place of resettlement, lies below 700 meters and is mostly a plain. As a result, weather and environmental conditions in these two areas vary drastically. Locals fear that they might not be able to adjust to the tropical climate of Terai.⁵⁵ Some were also concerned about mosquitoes and different kinds of diseases that are rampant in the Terai region due to the hot temperatures.⁵⁶

The other fear that locals of the WSHP area have expressed is the fear of being apart from their relatives and communities. Relatives and friends are the greatest assets to the people living in the WSHP area. They not only live together but also share burdens with each other during difficulties. Almost all respondents from both communities said that, among all the fears they are experiencing regarding displacement, the most frightening is being separated from relatives and friends. One of the respondents from Babina put it this way:

We are a small community. We know everyone here. We celebrate all festivals together no matter whether we are relatives or not. We help each other in difficulties. We need each other during births, marriages, and deaths (Local resident, Babina, interviewed 15 June, 2013).

The dwellers of the WSHP area are also worried that their living expenses might rise after the displacement. Currently, they have been using common property resources (CPRs) available in the forest and rivers, such as wood, fruits, fodder, medicinal herbs, drinking water, and fish, free of cost. They are naturally concerned that their expenses might rise if

⁵³Household interview: RD3, RD12, RD21, RD24, RD39, RB4, RB16, RB29, RB31, RB45.

⁵⁴Household interview: RD39, RD41, RB 2.

⁵⁵Household interview: RD24, RD46, RD48, RB16, RB15, RB29.

⁵⁶Household interview: RD39, RB15, RB29.

they have to purchase these products.⁵⁷ One of the women from Babina expressed the following:

We do not pay for water and forest here. If we want to build houses, stones and wood are free here. ...We only buy soaps, clothes, slippers, salt, and sugar. Other than these things everything is available without paying (Local resident, Babina, interviewed 13 June, 2013).

Besides the fear of losing CPRs and services, locals are also fearful that they will not be given land in a desirable area.⁵⁸ They are worried that they might be given land near India's border.⁵⁹ Residents living near the Indian border have been suffering from land encroachment by Indians (Shrestha, 2015). The potential displacees do not want to be trapped in such problems by virtue of being made to reside in a border area.

5.3.2 Development Impact

Consistent with the arguments made by Cernea, development initiatives in Deura and Babina have been suspended for a long time. One can easily blame the ten-year Maoist armed conflict as one of the crucial reasons for slow development process in this area, as in other conflict-affected parts of the country. However, as claimed by a number of respondents, political instability was not the sole reason for the lack of development initiatives in the WSHP area; rather, handing the area over to the WSHP was the major factor that led towards a slow-down in development in the region. Concerned authorities, such as the Government, NGOs, and private sector, have been reluctant to invest in the WSHP areas, believing that it will soon be submerged.⁶⁰ One of the respondents from Deura expressed deep frustration about this:

No one wants to start a bank here. The Village Development Committee building is also not built. It is working from a rented house. Even the police station is in a rented house. No one wants to invest here (Local resident, interviewed 3 June, 2013).

Furthering this view, a local leader of Deura and school teachers from both Deura and Babina claimed that the development budget allocated for the affected area was minimal

⁵⁷Household interview: RD24, RD25, RD44, RB3, RB5, RB8, RB12, RB13, RB21, RB22.

⁵⁸Household interview: RD31, RD46, RB18. Key informant interview: Indra Bhadur Bhandari, former Rayal VDC President, 3 June, 2013, and Shankar Rawal, health post staff, Deura, 12 June, 2013.

⁵⁹Household interview: RB26, RB27, RB49.

⁶⁰Household interview: RD 21. Key informant interview: Anonymous, school teacher, Deura, 4 June, 2013; and Anonymous, school teacher, Babina, 10 June, 2013.

in comparison to other VDCs in the districts. They also claimed that they even had to fight with the District Development Committee (DDC) for the budget that used to come for the operation of schools.⁶¹ The only major development infrastructure that was initiated in the area during the entire period was the road from Dadeldhura to Chainpur.

People living in the WSHP areas are themselves also reluctant to invest in businesses, personal matters, or community development initiatives. The locals are very reluctant to invest their time and money even for their own benefit. Businessmen in the area are disinclined to start any new ventures or expand businesses in their own areas; instead, some have joined other locals in migrating temporarily to cities and investing their money there.

Of course, local people living in the WSHP area could themselves initiate development work in communities without relying on other organisations and the government. In this regard, some of the locals from Babina said that they could have done a lot themselves, like other villages do for the development of their areas. However, they sadly admitted that they have not been able to work much for their community due to the uncertainties they face regarding impending displacement.⁶² For example, a few of the respondents from Babina stated that if the area had not been handed over to WSHP they would have expanded a small irrigation canal and constructed micro-hydropower to light their houses.⁶³

At the same time, in recent years some NGOs have again started working in the WSHP area and this has led to small changes. In Babina, for instance, Finnish International Development Agency (FINNIDA) worked for the improvement of sanitation conditions in the area by providing financial support for the construction of toilets. Sevak Nepal, an NGO working in Far-Western districts, worked for the maintenance of village trails, while CIYO Nepal is running a safe motherhood program. Similarly, the Poverty Alleviation Fund (PAF) is supporting Dalit communities of Deura to improve their economic condition by promoting goat farming. Deutsche Gesellschaft für Internationale

⁶¹Key informant interview: Indra Bhadrur Bhandari, Former Rayal VDC President, 3 June, 2013; Anonymous, school teachers, Deura, 3June, 2013; and Anonymous, school teacher, Babina, 3 June, 2014.

⁶²Household interview: RB4, RB12, RB16, RB26, RB29, RB30, RB31.

⁶³Household interview: RB29, RB31, RB36.

Zusammenarbeit (GIZ) is working for rural infrastructure development through the maintenance of village trails and by constructing village roads.⁶⁴

5.3.3 Socio-economic Impact

Dam projects trigger socio-economic impacts on the lives of people dwelling in the project area. The WCD (2000) states that the socio-economic impacts rise once the construction of the dam begins. Key socio-economic impacts that occur during the implementation and post-implementation phases of dam projects are listed as homelessness, joblessness, loss of livelihood practices, family separation, and loss of community life, cultural and religious practices (Cernea, 2000; Penz et al., 2011). In the case of the WSHP, direct and indirect socio-economic impacts on the local people have also been observed during the pre-implementation phase. However, the extent of such impacts caused by the project during this stage was not as extensive as would be expected during the implementation and post-implementation phases.

Regarding the economic impact, the price of land in the WSHP area increased after the announcement of the project.⁶⁵ Locals have raised the existing price of their land with a hope that they will obtain higher compensation. In Deura, the price of land has further increased following the construction of the Dadeldhura-Chainpur road. In addition, economic opportunities in Deura also increased after the construction of the road.⁶⁶ Nonetheless, the hesitation of concerned authorities and local people to invest in the development and economic activities of the area after the project was announced has triggered indirect economic impacts in the area. For instance, as mentioned above, the concerned authorities are hesitant to operate a bank in Deura, construct a micro-hydropower plant in Babina, and so on.

Both positive and negative social impacts have been observed in the WSHP area during the pre-implementation phase. One of the positive social impacts is that the locals of the area have been exposed to outsiders. In the last 17 years, many national and international researchers, consultants and activists have visited the project area. Initially the locals, especially the disadvantaged groups such as women, Dalits, and indigenous people, were

⁶⁴Household interview: RD31, RD 43; Key informants: Dirgh Bahadur Bhandari, Former President, WSCS, 2 June, 2013.

⁶⁵Key informant:Dirgh Bahadur Bhandari, Former President, WSCS, 2 June, 2013.

⁶⁶ Key informants: Dirgh Bahadur Bhandari, Former President, WSCS, 2 June, 2013; and Anonymous, school teacher, Deura, 3 June, 2013.

hesitant to interact with outsiders. Over these years, they have started to attend public meetings and rallies, and to protest for their rights.⁶⁷ The initiation of the WSHP in the area has prompted this change; however, it cannot be given the entire credit for the change. The gradual empowerment of marginal groups has grown throughout the country in the last two and a half decades, particularly after the restoration of democracy. Nevertheless, the WSHP is one of the contributors to this change in the project area.

The WSHP has also prompted a number of negative social impacts on people. For example, some degree of division among the local people can be observed. Literature on involuntary displacement reveals that such divisions begin from the initial phase of most displacement induced projects. Locals are mostly divided on the basis of their acceptance of or resistance to the project's implementation (Dwivedi, 1997). In the case of WSHP, visible divisions among locals are not overtly based on their acceptance of or resistance to the project. Still, the locals of the area have been divided into two Concern Committees.⁶⁸ Initially a concern committee was formed by locals to unite the potential affectees so that they could collectively fight for their rights. Later, some committee members had disputes and the committee was divided into two (see Chapter 6 for more details). In addition, as discussed in the previous section, the locals have also been somewhat divided on the basis of being permanent citizens, dual citizens, or migrants. Nevertheless, a sense of unity for mutual benefit was strongly observed among the locals.

5.3.4 Environmental Impact

Environmental impacts mostly occur during and after construction of hydro projects (WSHL, 2007). However, in the case of the WSHP, major negligence has already occurred related to the conservation of the forest area. In the past 17 years, the forest area of the WSHP has been highly deforested, with little attention given to conserving the forest or to reforesting it. In the future, this may cause major environmental impacts in the area. Apart from this, no other environmental impacts due to project activities were observed during the research period.⁶⁹ Figure 5.3 reflects the current state of some parts of the forest areas of Deura and Babina.

⁶⁷Women group discussion, Deura; and Key informants interview: Anonymous, school teacher, Babina, 10 June, 2013, and Anonymous, local politician, 10 June, 2013.

⁶⁸Key informant interview; Dirgh Bahadur Bhandari, Former President, WSCS, 2 June, 2013.

⁶⁹Field observation: Deura and Babina.

Figure 5.4: Forest Area of the WSHP



Photo Courtesy: Saumitra Neupane

5.4 Factors that have Heightened Impacts

In this section, I explain the factors that are responsible for triggering the impacts mentioned above. A number of direct and indirect factors can be responsible for creating adverse impacts on local communities in the pre-implementation phase of large-scale hydropower projects, which are influenced by the nature and characteristics of the project and the location in which it is going to be constructed. In the case of the WSHP, five different factors in particular have been identified: i) the flow of information; ii) the lack of meaningful participation of people during the pre-implementation phase of the project; iii) uncertainty surrounding project construction; iv) absence of concerned government authority in the project sites; and v) the political conditions of the country.

5.4.1 Flow of Information

The constitution of Nepal guarantees the right to information as a fundamental right of its citizens (GON, 2007a). In a democratic state, the government and the concerned institutions are supposed to be transparent on matters of concern to all citizens (Bhattarai, 2001). The WCD (2000) also states that the communities that are going to be affected by dam projects should be provided ample information about the proposed project in a language they understand, so that they can make informed decisions on the issues of concern to them in relation to the project. Governments and project investors, by providing adequate information prior to the beginning of a project, can also contribute to preventing local people's agitation against the relevant authorities (Herz, La Vina, & Sohn, 2007). In contrast, limited information causes locals to be sceptical about the project from its very inception (Forbes, 1999).

In the case of the WSHP, it is found that the locals have received only limited information about the project as well as about their future after the construction of the project. Ratan Bhandari, one of the hydro activists from the WSHP area, claimed that most of the local people were not aware of the project until SMEC came to the area to conduct a survey. Initially the locals were only given a few sheets of paper explaining the project, which was woefully inadequate, especially considering the high levels of illiteracy. Gradually the locals in the area formed a Concern Committee and started advocating for their rights (see Chapter 6 for more details). Later SMEC established a number of information centres in project-affected areas to address the criticisms and gain public trust.⁷⁰ However, this effort came too late to gain significant public support.⁷¹

Residing in a remote area and also being illiterate, most of the locals are getting very limited information about the project, even in the current period. For instance, most of the locals do not know the reason behind SMEC's departure. They innocently perceive that SMEC ran away because it could not meet their demands. Likewise, most of the locals are unaware of the current status of the project. Apart from some educated locals, most

⁷⁰ In-depth Interview: Anonymous, former employee of WSHL, 27 May, 2013.

⁷¹ Key informant interview: Dirgh Bahadur Bhandari, Former President, WSCS, 2 June, 2013.

people only know that the project has now been handed over to CTGC.⁷² They do not know about the new terms and conditions between the GoN and CTGC.

In addition, with the exception of a few local leaders, the locals are not very aware of the situation of the displacees from other hydropower projects. Research shows that interaction between affected and likely-to-be affected groups facilitates a good understanding of the issues surrounding displacement. For instance, Rai (2005) describes a situation in which a group of locals affected by the Middle Marshangdi hydropower project visited the Kulekhani hydropower project area to understand these locals' experience. Later, research conducted on the Middle Marshangdi hydropower project found that the locals, who learned from the experiences of the affectees of the Kulekhani hydropower project, were very successful in bargaining with the government and project investors for better compensation (Upadhyaya & Sharma, 2004).

This indicates that the practice of sharing experience among project affectees and likely-to-be affectees helps the latter to gather useful information, which could assist them in gaining confidence about how to handle any problems and how to reduce the level of fear and anxiety. However, the people likely to be affected by the WSHP are yet to be involved in interactions with affectees from other projects.⁷³ The lack of such interaction can be attributed to a number of factors, such as geographical remoteness (making it difficult to travel to other project locations), lack of information about the importance of interactions with affected population from other projects, and lack of resources to enable such interactions.

5.4.2 Lack of Meaningful Participation of Locals during the Pre-implementation Phase

Nepal's Local Self Governance Act 1999 and Water Resource Strategy 2001 emphasise the participation of men, women, indigenous groups, and the downtrodden, as well as socially and economically backward groups, in all stages of development projects (GoN, 1999; 2001). However, the locals residing in the project area often have grievances against the government as well as some of the relevant organisations, and a number of

⁷²Household interview: RD1, RD2, RD4, RD9, RD15, RD18, RD19, RD20, RD21, RD25, RD26, RD27, RD28, RD29, RD32, RD39, RD40, RD47, RD49, RD50, RB2, RB3, RB8, RB9, RB10, RB11, RB12, RB13, RB14, RB15, RB17, RB18, RB19, RB20, RB21, RB22, RB23, RB24, RB28, RB26, RB27, RB29, RB30, RB31, RB32, RB33, RB34, RB37, RB38, RB39, RB40, RB43, RB44, RB45, RB48.

⁷³ Key informant interview: Dirgh Bahadur Bhandari, Former President, WSCS; Anonymous, school teacher, Deura, 3 June, 2013.

factors contribute to increasing such grievances. In the case of the WSHP, one prominent reason in this regard was found to be the lack of meaningful and proactive consultation with local people on project-related issues. Locals interviewed in the field reported that only VDC officials and ward presidents were consulted by the project staff, government officials, and political leaders, but not those who did not hold any official or political position. The locals further stated that they mostly listened to the talks and speeches of project staff, VDC representatives, and local leaders.⁷⁴ One of the locals shared his experiences in the following way:

A few times political leaders... came from Kathmandu during the SMEC tenure. They came, they gave speeches and left. They did not talk to us... A few government employees also came. They also came, they gave speeches and left. They also did not talk to us. They only talked to a few local leaders. The project staff from Kathmandu and Kailai also came and they also talked to local leaders (Local resident, Deura, interviewed, 29 May, 2013).

Such experiences have made local people feel vulnerable. They feel that their fate is in other people's hands and that they are not valued as stakeholders.

Ratan Bhandari, the WSHP activist, also pointed out that the locals were not well consulted during the EIA surveys of the WSHP project. Ratan Bhandari and a few other key informants⁷⁵ stated that SMEC produced a false report stating that full consultation was carried out as per the ADB's standards during the EIA process. These activists claim that SMEC did not conduct public hearings in the submerged area; instead, it organised such activities in other affected areas and included it in the EIA report.

5.4.3 Uncertainty about Project Construction

Neither the locals nor the concerned authorities are confident about the construction of the WSHP. Locals feel that their life is trapped: they can neither stop thinking about the project, nor do they have confidence that the project is going to be built soon. Due to this dilemma, they are quite reluctant even to talk about the project with outsiders. They have many grievances with the concerned authorities and are eagerly waiting for the answers to questions such as whether the project will be built or not, when it will be built, where they will be resettled, and what their future will be like.

⁷⁴Household Interview:RD2, RD6, RD10, RD11, RD27, RD39, RD48, RD49, RB1, RB2, RB4, RB7, RB16, RB26, RB28, RB30, RB31, RB35, RB41, RB43, RB46.

⁷⁵Key informant interview: Dirgh Bahadur Bhandari, Former President, WSCS, 2 June, 2013; and Bhim Bhandari, local political leader, Deura, 5 June, 2013.

5.4.4 Absence of Government Authorities in the Project Sites

The locals of the WSHP area have the impression that they have been overlooked by the government. The absence of authorities in the area who could provide timely and authorised information and news about the project, and the government's lack of commitment to act as an assurance agent, are some of the reasons for locals feeling vulnerable. According to key informants, during the last 17 years of the pre-implementation phase of the WSHP the employees of the Department of Electricity and the Ministry of Electricity were present in the area only two or three times. People have bitter memories of how they had to protest and demand for the relevant government authorities to visit their area and give them information on their plans regarding WSHP and the compensation and resettlement mechanisms they were planning to adopt.⁷⁶ One of the respondents conveys this experience in this way:

We revolted and demanded for a government authority to come to the area and give us assurance about our future. Till then, all that we have been hearing and interacting was with the employees of a foreign private company. Who can rely on them? (Local resident, Deura, interviewed 29 May, 2013)

As a result of this protest, a consultation program with government authorities was held in Deura. However, the feeling of negligence is still very high among the locals. They feel that they should not be the ones demanding for government to come and talk to them; rather, concerned government agents should come on their own initiative and give them assurances regarding their future.

5.4.5 Political Condition of the Country

Last but not least, Nepal's political situation has also contributed to heightening the impact of WSHP on local communities. Nepal's political situation is still unstable and unpredictable. The failure of the first CA body has further lengthened the country's transition, and the second CA body is yet to function effectively so as to expedite the transition. In the last two decades, Nepal has been through severe political upheavals. No doubt like other citizens of the country, the affectees of WSHP are also affected by the current political situation. Indeed, the political instability has affected the progress of the

⁷⁶Key informant interview, Dirgh Bahadur Bhandari, Former President, WSCS, 2 June, 2013; and Anonymous, school teacher, Deura, 3 June, 2013.

WSHP project and has lengthened the gestation period. As a result, some of the locals from both Deura and Babina think that the project will continue to be trapped in the gestation phase until the country's political environment is stable. They believe that the political situation of the country has lengthened the period of uncertainty and has further intensified the dilemmas they are facing in their lives.

5.5 Analysis

This research has revealed that the potential displacees of the WSHP have borne adverse impacts of the project long before its implementation. The level of adverse impact has become much higher due to the long gestation period of the project. Diverse groups of people residing in the project area have long been trying to anticipate their life after being displaced from their current place of residence. Many do not envision it as being brighter than their current life, mainly because of psychological fears which they live with at present. How to remove or minimise their psychological fears is a critical policy agenda which should be brought into discussions in the course of formulating a resettlement policy for this particular hydropower project, and while formulating a national resettlement policy for the country.

The existing literature on involuntary displacement indicates that people living in the same project area often come from different backgrounds and circumstances. As a result, the consequences of displacement can also be quite different for each sub-group. They have thus been found to react differently during the implementation and post-implementation phases of any development project (Gutman, 1994; Rai, 2005). Similar to this argument, my research has also identified that diverse groups of people living in the same project area react differently during the pre-implementation phase. Their concerns are shaped and guided by their different backgrounds and the varied circumstances they have experienced during the pre-implementation phase of the project, as well as their fear of living a deprived life after displacement.

In the case of the WSHP area, two primary factors – namely, the development status of particular locations where the potential displacees are currently residing, and their degree of attachment to their current place – are found to be significant in determining their willingness to move from the area. As presented above, people living in Deura are more reluctant to move to a new place, as they are generally content with the resources,

services, and facilities available in the area. Further, they have suspicions that the place where they will be resettled may not be as good as Deura.

In contrast, many people living in Babina are happy to move because of the life of deprivation they have to endure in their current place of residence. This indicates that some communities living in the project area want to utilise displacement as an opportunity to live a better life in a new location in the future. At the same time, some communities perceive that displacement may well further degrade their way of life. This kind of dynamic among the likely-to-be displaced communities makes the displacement process complicated, with one group ready to move and another group not wanting to do so unless their core demands are fulfilled. How policymakers deal with this kind of situation is a critical issue to be considered when formulating policies on resettlement and compensation.

Clearly, people with different residential statuses have reacted differently to the potential displacement. Among the permanent residents, dual residents, temporary migrants, and permanent migrants, the permanent residents are found to be most highly concerned about their life after displacement due to their strong economic, social, cultural and religious attachment with their current location. In addition, permanent residents, as compared to other types of residents, are found to be more concerned about compensation packages and resettlement and rehabilitation provisions, and thus they are also found to be highly involved in local-level activism on WSHP related issues. This indicates that policymakers need to be highly alert about addressing the demands of permanent residents and perhaps give them preferential treatment when providing compensation and other benefit packages.

This research has found that different occupational groups living in the project areas also have different concerns. For example, the major concern of farmers residing in the project area is obtaining quality land after displacement, whereas the major concern of businesspeople is acquiring land in a market area. The most vulnerable groups, such as women and Dalits, are found to be highly concerned about the composition of the communities where they will be resettling after displacement. They fear not having a good support system in a new place. They wish to reside with the same community after displacement with whom they are currently living. Most of the elderly people simply do not want to move from their ancestral land. Policymakers need to be sensitive to these

dynamics when addressing the issues and concerns of people who are going to be displaced after the construction of the project begins. Finally, this research has revealed that the long gestation period of the WSHP has created multiple impacts on local communities. The table below summarises the types of impacts, levels of adversity, and their impacts on locals.

Table 5.3: Summary of the Impacts on Locals during the Pre-implementation Phase

Impacts	Level of adversity	Reasons
Development Impact	High	- Limited budget allocated by the government to the WSHP areas - Government, NGOs, private organisations are hesitant to invest in the submerging area - Locals are hesitant to invest in business, personal matters, and community development
Psychological Impact	High	Feeling of uncertainty, fear, dilemma, and frustration (sense of vulnerability much higher among women, Dalits, and elderly people)
Economic Impact	Moderate	- Price of land has increased - Employment opportunities increased during SMEC tenure - Economic opportunity in Deura VDC has increased after the construction of road
Social Impact	Moderate	- Locals of the area have been exposed to outsiders - People, even vulnerable groups, have started attending meetings, rallies, and protesting for rights - Division in local community could be seen (outsider vs. insider, contradictory views on modality of displacement and compensation)
Environmental Impact	Low	Deforestation

The existing literature pinpoints the fact that the social, environmental and economic impacts of large-scale hydropower projects remain high during and after the construction of the project (WCD, 2000). My research suggests that social, economic and environmental impacts are less significant during the pre-implementation phase of the project, but that the development-related and psychological impacts are much higher in this phase. Feelings of uncertainty have affected the day-to-day decision-making processes of households as well as the entire community residing in the project area. The fear of being displaced was found to be higher among vulnerable groups like women, Dalits, and elderly people.

The inadequate flow of information, lack of meaningful participation of locals, absence of government authorities, and uncertainties surrounding project construction reveal the negligence of concerned authorities in addressing the problems of the potential displacees. There is clear evidence that the locals have been excluded from project related decision-making processes even before the project is implemented. WCD (2002) states that equity; efficiency, participatory decision-making, sustainability, and accountability are the five core values that are crucial in creating the most favourable development outcomes. However, in the case of the WSHP all these core principles of ethical development practices have been violated by the relevant authorities in the pre-implementation phase of the project.

This assessment of the WSHP suggests that the project has worsened the lives of the people in the affected area even prior to its implementation. The allocation of only a limited budget and the failure to understand and cater for the needs of potential displacees has revealed that the concerned authorities have been and continue to be unjust in their treatment of the potential displacees. The feeling of being discriminated against and neglected is very profound among the potential displacees, which may foster conflict between the locals and the concerned authorities during the actual implementation of the project.

5.6 Conclusion

The actual construction of large-scale hydropower projects may begin years after the project is announced by the government and the project investors. If the project is trapped in controversies, the commencement of the project is also dragged towards increasing uncertainty and protracted conflict. Under such circumstances, the locals residing in the project area have to bear the cost of the development endeavour even prior to its construction. The mechanisms applied to compensate the affectees of development initiatives, such as compensation, resettlement, and benefit-sharing packages, commence only when the project is actually going to be implemented. Yet the potential displacees start bearing its costs well before this stage. The story of the WSHP clearly justifies this argument.

The exclusion of potential displacees from development initiatives in the name of benefiting a certain sector of society or contributing to a national development strategy demonstrates how unethically and irresponsibly development interventions are being

carried out by the government. In order to design and implement a worthwhile development philosophy, policymakers have to pay attention to the impacts that development interventions may have on the lives of people from the inception of the project. The potential displacees should be compensated even for the psychological suffering they endure prior to the construction of the project. Policymakers should also come up with special development packages for development affectees trapped because of the long gestation period of the project.

This chapter clearly indicates that the government and project developers should give attention to the likely impacts that arise from the time the project is announced and be prepared with plans to minimise the impacts that may occur at this stage. Furthermore, I suggest that the government as a responsible body must come up with interim development plans for areas affected by long gestation periods. In addition, measures to minimise the impacts that may occur during the pre-implementation phase should be incorporated into any involuntary displacement policy of the government and the project investors. In the next chapter, I focus on how potential affectees and the actors present at the national and international level claim the rights of potential displacees of the WSHP area during the pre-implementation phase.

Chapter 6

Evolution of Local Activism on the West Seti Hydropower Project and the Influence of Multiple Actors

6.1 Introduction

In the previous chapter, I attempted to highlight the impacts that occurred during the pre-implementation phase of the WSHP on diverse groups of locals residing in the project area, and the factors that contributed to heightening those impacts. In this chapter, I present the evolution of national and local activism against the construction of the WSHP and the efforts made by multiple actors residing at different scales to influence the decision taken by the government to approve the construction of the project. By so doing, I attempt to find answers to my second research question:

How do local people and non-state actors from local to international levels attempt to influence the government's decisions on the implementation of hydropower projects that induce displacement?

Soon after the government inked the MoU with SMEC, various actors situated at different scales attempted to influence the government's decision to construct the WSHP. These actors included local residents, local civil society, local political leaders, regional political leaders, regional civil society, national civil society leaders, national political leaders, and transnational civil society. These actors attempted to directly and indirectly influence matters related to the construction of the project. Against this backdrop, this chapter aims to assess three major factors: first, how localactivism unfolded at local and national scales; second, how different actors attempted to influence the locals and locallevel activism; and third, the achievements of activism related to halting WSHP. In order to explore these three factors, I highlight the voices of a) locallevel stakeholders, such as potential displacees, local activists, and local politicians; b) regional level stakeholders, such as regional activists and regional politicians; and c) national level stakeholders, such as national political leaders, and national level activists.

In this chapter I make three major arguments. Firstly, during the pre-implementation phase, as in the implementation and post-implementation phases of DID projects, diverse

stakeholders and interest groups residing in different places attempt to employ their power, networks, and positions to influence locals and local activism in terms of their interests and perceptions. While doing so, some of the actors support the locals whereas other attempts to influence the locals as per their benefits. Secondly, there are significant differences in the motives of activism conducted by the potential affectees at the local scale compared to the national scale non-state actors. These differences lead to a disjuncture between the local and national opposition processes. Thirdly, the success of civil society activism depends on the cooperation between diverse actors active in different scales.

This chapter is divided into five sections, including this section. In the second section, I describe the debate that has existed around the WSHP and the rise of national and local activism. In the third section, I describe how different actors from different scales influenced locals and their activism during the SMEC tenure. In the fourth section, I illustrate the failure of activism to alter the construction of the WSHP by SMEC WSHL. In the final section, I analyse the findings and conclude the chapter.

6.2 Conflicting Views on the WSHP and the Advent of Activism

Contrasting opinions on the WSHP emerged soon after the government signed an agreement with SMEC. A group of people strongly supported the Nepali Congress-led government's decision to allow SMEC to construct the project, and highly commended the government for constructing an export-oriented hydropower project in the country. The government and the proponents claimed that the project could be a model project for Nepal, collecting revenue from exporting electricity, obtaining 10 percent of the electricity produced without charge, and achieving ownership of the project under the BOOT system 30 years after construction (Thanju, 2009; Uprety, 2011).

In contrast, other people were against the decision taken by the government and had reservations about the agreement signed between the government and SMEC, claiming that the project was only beneficial to India and not to Nepal. They urged the government either to revise or cancel the agreement (Shrestha, 2009b). The initial opponents of the project were mainly human rights activists, former bureaucrats, civil society leaders, and national level political leaders from opposition political parties. The arguments of the opponents were not addressed by the government.

Over the course of time, yet another MOU was signed with SMEC WSHL by the right-left coalition government led by the Rastriya Prajatantra Party (RPP) and the Communist Party of Nepal-Unified Marxist Leninist (CPN-UML). As a result, a subsidiary institution was established by SMEC under Nepalese law in 1997. This time the government, represented by the CPN-UML and RPP itself, signed a second MOU with SMEC, ignoring the arguments of their own party members (Dixit & Gyawali 2010). However, civil society, human right activists, and some political leaders again opposed this decision and demanded a justification for neglecting several legal and policy provisions in accepting SMEC's proposal (Shrestha, 2009b; Thapa, 1997).

The key arguments from civil society, hydro-activists, and human rights activists covered a number of issues. One major argument was related to the violation of constitutional provisions. According to Article 126 of the Constitution of Nepal 1990, any agreement or treaty on natural resources and their distribution must be ratified by two-thirds of the members present in the parliament before it can be enacted (GON, 1990). However, the then government had not sought any approval from the parliament before signing the agreement with SMEC in 1994. The project opponents claimed that the government and SMEC deliberately bypassed the constitutional provisions by establishing a subsidiary organisation under the existing domestic law of Nepal (Bhandari, 2007). Hence, the agreement between the government and SMEC WSHL did not require endorsement from parliament since the company was considered to be Nepalese (Uprety, 2011).

Another prominent issue raised by the project opponents was related to Downstream Benefit Sharing. They claimed that India would benefit from the regulated flow of water from the WSHP reservoir to the Karnali river (known as Ghagra in India). For this reason, Nepal should be compensated by India for downstream benefits to India augmented by the project. The first claim made by the opponents was that, after the completion of the project, 90 cubic metres of water per second will be discharged from the Seti into the Karnali river and into India's Girjapur barrage. This will help India to irrigate more than 1,500,000 hectares of agricultural land (Shrestha, 2009b).

Secondly, India will benefit by the increase in water supply from the West Seti reservoir during the dry season. Opponents stated that the government should follow the principles set forth by the Columbia River Treaty and the treaty between Lesotho and South Africa on entitlement of downstream benefits (Shrestha, 2009b). Under the Columbia River

Treaty between Canada and the United States, the United States pays USD \$64,400,000 to Canada for flood control and has a half share with Canada of the power generated by the project. Taking this as an example, the opponents argued that India should compensate Nepal in response to the benefits that India will obtain from the WSHP (Gyawali 2003; Shrestha, 2009). In addition, the hydro analyst Shrestha (2009) claims that if the government of Nepal follows the principle set forth by the treaty between Lesotho and South Africa, Nepal would annually gain approximately NRs. 6 billion from India from the flow of water during dry season. The government was strongly criticised by the opponents for ignoring such benefits which the project could deliver for the country, and for signing an anti-nationalist agreement (Bhandari, 2007; Shrestha, 2009b).

The opponents also pointed out that the government ignored the prerequisites of the agreement signed between the government and SMEC in 1994. As per the 1994 agreement, SMEC was supposed to submit a detailed engineering study and financial plans before both parties proceeded to the project. However, the government bypassed the previous agreement and signed the second MOU on 19 May, 1997 and handed the project over to SMEC WSHL (Thapa, 1997).

Another pertinent issue raised by the opponents of the WSHP was related to the unfair agreement on the sharing of electricity. They argued that Nepal itself is in need of huge amounts of electricity, and that the 10 percent electricity deal is not beneficial for the people of the country (Shrestha, 2009; Thapa, 1997). Low export revenue set by the agreement was another concern of project opponents. The government agreed to export electricity to India with an average tariff of \$0.049¢ per kilowatt per hour (Shrestha, 2009). In this regard, hydro activist Shrestha (2009) states that the NEA has been purchasing electricity from independent power producers (IPPs) in Nepal at around US 8¢ per kilowatt per hour, and paying the same price for off peaks and off season on a take-or-pay basis. Furthermore, the NEA is importing electricity at around US 9¢ per kilowatt per hour from Power Trading Corporation India Limited (Shrestha, 2009b). This indicates that Nepal will export the electricity produced from the WSHP at a much lower price than it has been paying to import electricity from India. Although opponents vigorously challenged the government on this issue, the concerned authorities were silent in this regard.

The environmental, social, and economic impacts caused by the construction of the WSHP were another area of concern for civil society, human right activists, and environmentalists. They argued that the construction of the WSHP would inundate around two thousand hectares of land, destroy ecosystems, permanently alter land and water use in the area, affect more than two thousand households, and require resettlement of the displacees (Dixit et al., 2005; Thapa, 1997). In addition, both the downstream and the upstream communities will be affected by the restricted water supply in the river. The opponents of the project therefore argued that all these factors will have long-term negative socio-economic and environmental consequences on the locals and the project area (Bhandari, 2007; Shrestha, 2009b).

The opponents of the project were also unhappy about the shortened life span of the project. They claimed that by the time the project is transferred to Nepal as per the BOOT process, all the equipment of the project will be old. Like the Kulekhani hydropower project, the WSHP will then be in a maintenance phase; instead of gaining profits, huge investments will have to be made in repairing old and obsolete parts (Shrestha, 2009b).

On the basis of all these factors, the opponents argued that the project will benefit India at Nepal's expense (Uprety, 2011). In this regard, Shrestha asks, "why should Nepal sacrifice ... in order to provide (a) good quality power at low cost, (b) flood control in the rainy season and augmented dry season flow free of cost to India, and also (c) carbon offset benefit to India?" (Shrestha, 2009b, p.12). Shrestha argues that by exporting clean energy to India, Nepal is assisting India in reducing their production of CO₂ from the use of fossil fuels, and thus India should also pay Nepal for carbon emission trading as per the directives of the Kyoto Protocol.

Apart from the debate on the opposition and acceptance of WSHP, the above section also indicates that the political leaders have continued to change their stand on matters related to the WSHP. Several scholars claim that the political parties in Nepal do not have a clear perspective on hydropower development and management. They act according to their own interest and benefit. It could be perceived as a weakness of Nepalese leaders that they feel obliged to pursue Indian-friendly policies to please an influential neighbour (Petheram, 2011).

As WSHP was proposed as a model project between India and Nepal, the government did not consult about the project with the members of parliament, hydro experts, or civil

society. Concerned civil society organisations, human rights activists, and a few former bureaucrats were discontented with the hasty decisions taken by the government. Hence, they began advocating against the government's decisions at the national level. In the section below, I explain how activism against the WSHP unfolded at national, regional and local levels during the SMEC tenure.

6.2.1 Augmentation of Activism at the National Scale

The role of civil society is to advocate for the welfare of public and nation, make recommendations for policy-making on behalf of people, and if required get involved in protest so that the government functions according to the mandate given by the citizens (Chandhoke, 2013; Dahal, 2001). Indeed, NGOs such as Rashtriya Sarokar Samaj (National Concern Society), and WAFED (Water and Energy Users' Federation-Nepal), had sustained campaigned on issues related to WSHP. Likewise, hydro experts Ananda Bahadur Thapa, Dipak Gyawali, Ajay Dixit, Ratna Sansar Shrestha, and Hari Man Shrestha, human rights activist and lawyer Gopal Siwakoti, Senior engineer Rameshwar Man Amatya, and many other national level actors raised their voices against the project. These actors recommended alternatives so that the agreement is in favour of Nepal and provided suggestions to lessen the negative consequences of the project for local communities.

On 29 July, 1997, a team led by Gopal Siwakoti filed a case in the Supreme Court of Nepal claiming that the agreement between SMEC and the government had violated Articles 16 and 126 of the 1990 Constitution of Nepal. They demanded that information be provided to the public, and a discussion on WSHP be held in parliament. However, the court rejected the case, stating that the full agreement had not yet been conducted (Siwakoti, n.d.). On 9 August, 2007, a team of hydro activists including Ratan Bhandari, local resident of WSHP area and Ram Chandra Chataut, former Chairperson of WAFED, filed the same case in Supreme Court with similar arguments. Once again the verdict was given in favour of the government and the implementing agency. The agreement with WSHL was regarded as an agreement carried out with a domestic company; hence it was deemed that there was no need to have approval from the parliament. However, the court also stated that no further agreements or contracts should be made regarding West Seti until downstream riparian issues were solved (Uprety, 2011). On 17 August, 2009, Ratan Bhandari, re-filed the case at the Appellate court. As on the previous occasions, the court

gave its verdict in favour of the government and implementing organisation (Siwakoti, n.d.).

Apart from these issues, WAFED constantly advocated for the dissemination of adequate information and public participation in the project area. WAFED also demanded that the residents of the Far-Western region should be given priority to invest in the project; that displacees and affected people should be given a certain percent of shares as a benefit; that electricity produced from the WSHP should be used for the electrification and the enhancement of industries in the Far-Western region; and that only the surplus energy should be distributed to other parts of Nepal. WAFED also had a demand that the government should initiate talks with India on issues around downstream benefit sharing, and the rights of upper riparian stakeholders should also be ensured, so that they would not have to have SMEC's permission to consume water from the West Seti river and its tributary.⁷⁷

The concerned civil society actors at the national level were aware that the activism at the central level would not expand until and unless those issues were raised by the local people from the WSHP area. They therefore strategised to localise their agendas. In this process, they communicated with like-minded actors at the local and regional levels. A group of national activists also published and distributed a booklet entitled *Pashim Seti Jalbidhut Pariyojana: Faida Jati Bharat Lai, Nafa Jati SMEC lai, Noksan Jati Nepal lai* ("West Seti Hydroelectric Project: Benefit to India, Profit to SMEC, and Loss to Nepal") (Siwakoti, n.d.). This shows that the national civil society actors attempted to scale down the agenda to the local level. Literature on politics of scale suggests that cross-scale interaction and collaboration strengthens activism. It also suggests that actors often shift scale in order to enable the capacities of less powerful actors (Cash et al., 2006; Lebel et al., 2005; Williams, 1999). The section below illustrates how the national level actors collaborated with local and international actors to scale down, and up, the issues being debated on the WSHP, from the local to the transnational level. The section also investigates how successful this collaboration was in influencing the government's decisions.

⁷⁷In-depth Interview: Ram Chandra Chataut, former Chairperson, WAFED, 12 August, 2013.

6.2.2 Augmentation of Local Level Activism

The presence of SMEC and external actors increased in the project area after signing the agreement with the GoN. SMEC started conducting surveys for the Detail Engineering Report (DER), including an EIA study in the project area. Subsequently, many international and national researchers began visiting the WSHP area. This gradually fostered a sense of vulnerability among the local inhabitants. The constant interactions with outsiders, and especially news received from secondary sources about their displacement, made the locals anxious about their future. After some time, SMEC provided a few pages of fact sheets on the WSHP, which failed to answer the many questions of the local people. One WSHP activist described his own experience in this regard:

I read the fact sheet of 2 to 4 pages distributed by the project team. I was young then, studying in school. Basic things were mentioned in those pages, like 120 metres breadth dam will be made, the area will be from here to there, people will be displaced from here to there, and they had marked the drowning area, they had placed a red flag as a mark, in Deura also. We were worried that how will they compensate us ... The people who have land in the submerged area will get land in Terai, and what about others? ... For instance, the people of Deura might get something but what will the people of Chaudam get, what will the people of Motigaun, Peepalbhoot get? ... Everywhere there is an upper and lower part. There are some landless Dalit communities in some places, what will happen to them? I started thinking that way (Ratan Bhandari, interviewed 24 August, 2013).

During my field research other respondents also informed me that similar types of thoughts were revolving in their minds at that time.⁷⁸ The locals were concerned about their future while at the same time they were not much aware of the consequences of the project. The educated locals residing in the area, such as local political leaders and school teachers, tried their best to acquire more information about the project. Youth from the affected area residing in Kathmandu for different purposes were following the national level debate on the WSHP and were also inquiring about the costs and benefits of the project for the locals with the concerned organisations.⁷⁹ On the other hand, as mentioned in the previous section, the national level actors were trying to shift the national level debate to the local level.

⁷⁸Key informant interview: Indra Bhadr Bhandari, Former Rayal VDC president, 3 June, 2013; and Anonymous, school teacher, Deura, 3 June, 2013.

⁷⁹Key informant interview: Dirgh Bahadur Bhandari, Former President, WSCS, 2 June, 2013.

In the meanwhile, the national level activists came into contact with like-minded locals such as Ratan Bhandari, local resident of WSHP area, Shankar Khadka, headmaster of local school, and Dirgh Bahadur Bhandari, local school teacher. Soon a number of locals came together and formed the West Seti Concern Committee (WSCC) in Deura in 2002. These local residents, along with national level activists, remained in the forefront in domesticating the national issues and instigating local activism around the project. These local residents, along with national level activists, remained in the forefront in domesticating the national issues and instigating local activism around the project. Their experience aligned with the scholarly findings that networking and building coalitions across various scales, places and positions is an important strategy to win the debate, though they note that it is often difficult to win a polarised debate (Lebel et al., 2005).

Formation of Concern Committee and the Tragic Division of the Committee

The West Seti Concern Committee (WSCC), Deura, was formed by the locals residing in the Bajhang district under the chairmanship of Shankar Khadka, then school headmaster. The other executive members of the committee were Dirgh Bahadur Bhandari, local school teacher, and Ratan Bhandari. In a short time, WSCC, Deura was able to unite the locals of Bajhang district. Meanwhile, between 2002 and 2005 the Maoist armed conflict intensified around the country. As a result, the West Seti issues were overshadowed. However, the committee members conducted an advocacy program on WSHP related issues in Kathmandu with the support of a network called Rashtriya Sarokar Samaj. Some of these activities included: (i) an interaction program conducted by Ratan Bhandari on the plight of people from the WSHP area and people living in the Far-Western region of Nepal; (ii) publication of the committee's demands list; and (iii) a series of interaction programmes on behalf of the WSCC, with a lead role being played by Dirgh Bahadur Bhandari and Ratan Bhandari. Beyond these endeavours, the concern committee was not able to conduct many other activities.⁸⁰

Meanwhile, SMEC WSHL was in search of investors, and thus the project work progressed very slowly (Petheram, 2011). After 2006, with the end of the Maoist armed

⁸⁰In-depth Interview: Ratan Bhandari, hydro activist, 24 August, 2013; and Dirgh Bahadur Bhandari, former President, WSCS, 2 June, 2013.

conflict, the political scenario changed in the country and the issues surrounding the WSHP become more prominent. The assurance of the ADB that it would invest in the WSHP escalated the discussions on this issue, and the locals became further determined to stand up for their rights, and therefore established a new committee, the West Seti Concern Society (WSCS). This time the locals expanded the committee and incorporated the likely-to-be-affected communities from three other districts, Doti, Baitadi, and Dadeldura, along with Bajhang. The committee was formed under the presidency of Dirgh Bahadur Bhandari, along with 31 representatives of other affected VDCs. They also formed sub-committees in all VDCs, with a view to uniting the locals of all affected VDCs and to deal with the problems collectively.⁸¹

Unfortunately the committee did not last long, due to growing misunderstandings between the committee members within a short period after its formation. As a result, the committee was divided into the WSCS and the West Seti Main Concern Committee (WSMCC).⁸²Based on my conversations with Ratan Bhandari and Dirgh Bahadur Bhandari during the field research period, it is clear that the grievances between the members of committee gradually increased and became intense after Yuki Tanabe, the representative of a Japanese NGO, the Japan Center for Sustainable Environment and Society (JACSES), and Ratan Bhandari (who was now working with WAFED) visited the WSHP area to monitor the work of SMEC. The president of the committee, Dirgh Bahadur Bhandari, accompanied them to the project sites.

During the visit, the team found that the project was not moving forward as per the ADB's safeguard policy on involuntary displacement and resettlement (Tanabe, 2007). As the committee president, Dirgh Bahadur Bhandari wrote a letter to the ADB stating that SMEC (i) had not provided adequate information to the locals, (ii) had not conducted detailed public hearings, and (iii) had taken fake decisions without informing the locals. He also requested the ADB to withdraw its decision to invest in the project. Immediately, the rumours floated in the project area that the president leaked information to the representative of the Japanese NGO. This visit ended up creating a major controversy and even took a violent turn in the project area. Among other things, some locals burnt the

⁸¹In-depth Interview: Dirgh Bahadur Bhandari, former President, WSCS, 2 June, 2013;and Bishnu Chand, member, WSMCC, 25 May, 2013.

⁸²Source: Bishnu Chand, member, WSMCC, 25 May, 2013.

WSCC office. Ratan Bhandari, explaining the rumours from the opponent group, stated the following:

The president received some money from Yuki Tanabe and gave his information without the consent of our society... But what actually happened was she wrote a letter from Dhangadi [one of the districts in the far-western region of Nepal] stating that the work of SMEC is not as per the requirements of the ADB policy, so the ADB should think before investigating. I sent that letter to ADB through the postman and fax (Ratan Bhandari, interviewed 24 August, 2013).

The then president, Dirgh Bahadur Bhandari, states that, apart from the fallout from this rumour, other misunderstandings were also gradually growing in the committee, and further contributed to the division of the committee. He summarises the crisis in this way:

There was not much difference in the subject matter between us. However, some friends were guided by political ideology, some friends were real victims residing in affected areas, and some were dual residents, i.e. they live in Kathmandu as well as in affected areas or live in Dhangadi as well as in affected areas. So some kinds of misunderstanding arose between locals who are real affectees and those who are living in two places... Furthermore, the locals from the lower belt of the affected area did not want a local from the Bajhang to be the president of the committee (Dirgh Bahadur Bhandari, interviewed 2 June, 2013).

One of the committee members of WSMCC describes the outcome of this crisis as follows:

Now there are two committees here. Another committee is against the construction of West Seti Hydropower Project. It might sound like I am against them... some group members were influenced by the activists who are against the construction of West Seti. We want West Seti to be built but it should be built in our favour. However, at any cost our people should not suffer by displacement (Bishnu Chand, interviewed 25 May, 2013).

In short, as a result of misunderstanding which led to conflict, the committee was divided into two. In the aftermath of this incident, Dirgh Bahadur Bhandari resigned from his position and a new president was elected for WSCS. Likewise, WSMCC was formed with new members from the lower part of the project affected area.

The above account clearly indicates that conflict emerged between two groups mainly due to the external influences in the committee and the divergence in the interests of people residing in different parts of the project area. Other reasons can be attributed to locals' faith in different political parties and thus their interest in having representatives from their favoured political party in powerful positions in the committee. The following

section elaborates these reasons as well as the differences and similarities between the two committees' ideologies.

Similarities and Differences Between the Two Committees

Lebel et al. (2006) define politics of position as the politics between actors that arise due to dependence on their relative physical position or location. Some scholars have also identified such politics occurring among water users residing upstream and downstream, or those on different banks of a river (Bolin, 1990; Lebel et al., 2005; Molle, 2007). Similar politics can be seen among the committee members residing at different locations in the WSHP area. The members residing in Deura had different views than those of members from Mouribagar (Baitadi). As mentioned previously, the locals residing in Deura are living in a market centre with relatively better facilities, and the price of land is also comparatively higher than in other areas. As a consequence, they feel that they should receive more compensation than the affectees of other areas if they are forced to leave their place of residence, and they are more rigid in their demands.⁸³

Scholars argue that in a social network where numerous actors are involved with different perceptions, motivations, and expectations, there are fewer possibilities for cohesion within the network (Adger, Brown, & Tompkins, 2005; de Castro, 2013). De Castro (2013) claims that "although each stakeholder holds a common history and position in the social network, internal differences in motivations and perceptions among individuals strongly influence their level of cohesion" (de Castro, 2013, p. 214). Such differences, especially in perceptions and expectations, were observed among people from different backgrounds in the WSHP project area.

In addition, a group of local intellectuals was inspired by national level civil society actors. Some members of WSCS had linkages with national level human rights activists and civil society leaders from the very beginning phase of the project. A few locals, such as Ratan Bhandari and Ramchandra Chataut, even joined the national level activists' team and played an immense role in strengthening their activism on the WSHP issue from the local to the national level. Some local members had the opportunity to participate in international conferences, interacted with other displacees, and gained wider knowledge on relevant issues.⁸⁴ As a result, they were further determined that they would only

⁸³Household interview: RD5, RD16, RD31, RD 43, RD47.

⁸⁴In-depth interview: Ratan Bhandari, hydro activist, 24 August, 2013.

support the construction work of the project if their core demands were fulfilled. The critical thoughts and ties with national human rights activists and organisations, such as Gopal Siwakoti and WAFED, motivated the locals to think more critically about the construction of the project.

In contrast, the members of WSMCC had little contact with the national level human rights activists. Their thoughts on displacement also differed from WSCS. Although the committee members were advocating for the rights of potential affectees, they were not as rigid in their demands. They were in favour of the project and wanted it to be built in the area. They were thus in constant interaction with the staff of SMEC and also participated in workshops organised by SMEC at the regional level. In this regard, Bishnu Chand, former Secretary of WSMCC, stated the following;

We were promoting [the idea] that the WSHP should be built and it should be in our favour, and at any cost our people should not be hurt... First, there should be proper management of displacees, their education, health and employment should be guaranteed... the thing is that we should take everything in a positive way. Initially, we need to create an environment for West Seti to work and in a way that it is even convenient for investors (Bishnu Chand, interviewed 25 May, 2013).

Despite all the allegations levelled against each other, both committees are found to be similar in terms of their key objectives. Both committees desire to unite the locals residing in the affected areas and empower them to make claims for their rights collectively. One of the main intentions behind forming both committees was that the locals residing in the area should not have to suffer from the process of displacement; rather, they should benefit from the entire process. Further, both committees believed that they could only achieve their aims through a collective voice. The activities conducted by both committees are also similar to some extent, although there are a few differences. The table below presents the activities conducted by both concern committees at the local and national level during the SMEC tenure.

Table 6.1: Activities of Rival Concern Committees at Local and National Levels

	WSCC	WSMCC
Local Level	Awareness programmes in the area	Awareness programmes in the area
	Bargaining for compensation packages and resettlement	Bargaining for compensation packages and resettlement

	Rallies and protest programmes against the project	
National Level	Advocacy at the national and regional levels	Advocacy at the national and regional levels
	Submission of memorandum to government and letters to implementing organisations	Submission of memorandum to government and letters to implementing organisations

Source: field interviews

The table demonstrates that the local actors in both committees attempted to scale up the issues at the regional and national levels, where they have advocated for their rights. They both also submitted a memorandum to government and sent letters to the implementing organisations stating their demands. The only difference between them is that one concern committee was more radical and critical on the issues related to displacement while the other was more liberal than radical.

Locals' Views on Concern Committees

Despite the tussle between the two committees, local people have tremendous faith in the committees representing their area. The residents of the lower part of the WSHP area followed the views of the WSMCC and the upper part community followed the views of the WSCS. During my conversations with locals of Babina and Deura villages, most of them stated that the concern committees are their only platform through which they can participate, discuss and share their views. In this regard, one of the residents from Deura said:

We participate in most of the programmes organised by concern committees. We participate in meetings, protests... The concern committee is ours. We have our people there. We used to discuss about what to demand, such as compensation, land values...
(Local resident, interviewed 2 June, 2013)

Similar views were expressed by the residents of Babina. One of the locals made the following points:

We participated in meetings organised by the concern committee...we discussed about our rights, our demands, compensation, land in Terai... If we have a committee no one can cheat us, we can demand together... (Local resident, interviewed 8 June, 2013)

Regarding the new phase of WSHP, the locals also stated that just as during the period of the SMEC tenure, they prefer to discuss in the committee and put forward their demands

once the work of CTGC begins. Most of the locals also stated that they had accepted the decisions taken by the concern committees in the past and they wanted to follow the same approach in the future. The locals of the WSHP area have understood well that they have to be united and collectively demand for compensation. One of the residents of Deura came to this conclusion:

We will keep our demands through the committee. There is no point in individually demanding for rights and compensation. Who will listen to it? (Local resident, interviewed 2 June, 2013)

There are various reasons behind locals' faith in the concern committees. First, the committees were represented by the local intellectuals, such as teachers, leaders, elites, as well as other affected people from the local community, including women and Dalits. The committees were also voluntarily run and funded by locals. In the initial phase, the WSCC obtained some technical support from national level civil society organisations to organise programmes in Kathmandu. However, they did not receive any monetary support from external sources.⁸⁵ Second, concern committees were formed by locals to help themselves to become more aware, unite, and advocate for their own rights. Apparently the meetings organised by the concern committees became the primary platform for locals to share their thoughts and to learn about their rights.⁸⁶ Third, the committees became the medium of linkage between locals and national level actors. The locals of the area did not have direct access to communicate with regional and national actors (political leaders at the district, regional, and national level; government employees; and district and national level civil society actors). Hence, the members of concern committees became the representatives to take their voice to the national level.

6.2.3 Augmentation of Activism on a Regional Scale

Besides the Dadeldhura, Bajhang, Doti and Baitadi districts, where the actual dam and project office are proposed to be located, several other districts around the Karnali basin will also be affected due to the directed flow of water in the river basin after the construction of the WSHP. In addition, some other districts will also be affected by the construction of other project components, such as transmission lines and resettlement sites. SMEC WSHL had planned to construct transmission lines in Dhangadi and Kanchanpur districts that would eventually pass into India. They had also planned to

⁸⁵In-depth interview: Dirgh Bahadur Bhandari, former President, WSCS, 2 June, 2013.

⁸⁶Household interview: RD3, RD13, RD15, RD31, RD41, RB4, RB5, RB7, RB13, RB15, RB36.

construct resettlement sites in Kailali, Kanchanpur, and other districts in the Far-Western region (WSHL, 2007; 2008a).

All of these factors encouraged activism against the WSHP, particularly in the Kailali and Kanchanpur districts, a regional hub of the Far-Western region of Nepal. Kailali and Kanchanpur are relatively developed districts in the region, where regional offices of government, NGOs, and other organisations are based. Also, many people from the WSHP area have temporarily or permanently migrated to these districts. Hence, these two districts became the strategic centre for both the project implementers and the activists. For example, SMEC had established an information centre in Kailali and some of their staff were based there. WSMCC likewise had good visibility in these two districts. Similarly, an organisation called the Forum for Local Development (FOLD) is based in Kanchanpur. Along with community development work, this organisation is also advocating on water related issues. Thus, a number of WSHP related programmes were organised at the regional level by SMEC WSHL, as well as the CSOs and activists. In this regard, an ex-staffer of WSHL stated the following:

In one period of time we organised lots of seminars, workshops on matters concerned with WSHP in Kailali. We organised orientation and discussion programmes for the government staff, NGOs, media persons, and politicians based in the regions. Likewise, we had also organised discussion programmes for potential affectees, concern committee members and local interest groups (Anonymous, Ex-staff SMEC WSHL, interviewed 27 May 2013).

Similarly, Rishi Raj Lumsali, a hydro-activist, local politician, and chairperson of FOLD, had this to say:

We had organised seminars, published booklets on WSHP related issues, as well as organised protests claiming for the rights of potential affectees... We also advocated on downstream benefit sharing issues.... Our staff has also visited the WSHP area to make people aware on different issues related to the construction of the WSHP (Rishi Raj Lumsali, interviewed 29 May, 2013).

Apart from these regional actors, major activism that took place in Kailali and Kanchanpur district was on issues related to the resettlement of potential displacees in Terai. The Tharu Welfare Society (TWS), an organisation established by the Tharu community, was against the idea of resettling the locals of the WSHP area in Terai. As mentioned in Chapter 5, people from Terai protested against the project decision to resettle the WSHP

displacees in their area, for fear that the population of Terai would increase to an unmanageable level and the fertile agricultural land in the area would decrease. In this regard, Parbat Chaudary, a member of TW, stated the following:

This West Seti project is a very good project for us. We are not against the project construction but we are against the resettlement of displacees in Terai. The population density in Terai has already increased drastically. The project staff said that they will shift the displacees into Terai and provide them facilities, such as schools, drinking water, even banks, electricity and all. So what we said was that the people living here since generations have not got many facilities. So will the people shifted from the WSHP area be given such facilities? So don't do this. Rather, develop the hill areas and resettle them there. If they are resettled there, the area will be developed, as roads, schools, health posts, and banks will be constructed there. We want them to develop the hill region instead of overcrowding the Terai area. But they perceived that the Tharu are against the construction of the WSHP. It is not like that. It will be beneficial for us as well if it is built.... Our other demands are that the benefits of the project should also be distributed to the Terai region, the affectees of the transmission line should be adequately compensated, and employment opportunities should be given to the people of the Terai area instead of bringing the workforce from India (Parbat Chaudary, interviewed 20 June, 2013).

This statement clearly reveals that the TWS did not want the people from the WSHP area to be resettled in Terai, and that they wanted the SMEC WSHL to compensate affectees of the transmission line adequately. TWS was also annoyed with SMEC WSHL for stating in their report that the project would present no harm to the indigenous community.⁸⁷ Hence, TWS and other opponents of the project constantly revolted against the project for violating the International Labour Organization (ILO) convention 169, on the Rights of Indigenous Peoples, especially for not sharing adequate information about the project with indigenous groups (Kemp, 2009). TWS even submitted a memorandum to the government with their demands.⁸⁸ The members of TWS also participated in the annual meeting of the ADB organised in Bali, Indonesia, and placed their grievances before the assembly (Kemp, 2009). This shows that TWS also jumped up the scale to bring the issues to a wider audience and to make their collective voice stronger. However, while the potential affectees jumped up the scale to reach a wider audience, the external agents were attempting to scale down, so that they could influence the locals and local activism as per their interests, as the next section shows.

⁸⁷In-depth Interview: Parbat Chaudary, member, TWS, Kailali, 20 June, 2013; and Ratan Bhandari, hydro activist, 24 August, 2013.

⁸⁸In-depth Interview: Parbat Chaudary, member, TWS, 20 June, 2013.

6.3 External Influence on Locals and Local Activism

It is clear from the above section that committee members were influenced by a number of external forces. In this section I outline the attempts of different national level actors and transnational actors to influence the locals residing in the project area and their activism. In addition, I offer insight into the extent to which the external forces were successful in influencing locals and local activism.

6.3.1 Civil Society Organisations and Activists

National level civil society leaders, activists, and concerned organisations are centred in Kathmandu. However, they could localise some of the ongoing national debate around hydro issues through various means. The formation of the concern committee became a major step in localising the issues. In this process, national level NGOs and hydro-activists provided opportunities to local actors to participate in different workshops and seminars in Kathmandu which helped them to gain deeper insights into these issues. In a few workshops, some of the concern committee leaders also had an opportunity to listen to the experiences of affectees from different hydropower projects in Nepal, as well as other South Asian countries. The concern committee members relayed that knowledge to the local people to some extent by organizing awareness programmes in the project area.

At present, even the illiterate and marginalised groups are aware of their rights to some degree. For example, during my field research some of the locals stated that they will demand compensation not only for their own personal goods, but for the loss of public goods, as well as cultural and religious losses. Most of them also stated that they will ask for land and employment opportunities instead of cash.⁸⁹ While listening to the demands of locals, one can easily conclude that they are aware of the losses they will incur from displacement. It can also be reasonably argued that they would not demand such a comprehensive compensation package if they did not have insight into this issue. The locals also stated that the concern committee has played an immense role in giving them greater awareness regarding what kind of compensation they should bargain for.

This demonstrates that the concern committee leaders were successful in relaying the knowledge they have gained from different national and international sources. In other

⁸⁹Household Interview: RD14, RD16, RD31, RD34, RD39, RD41, RD43, RD48, RB1, RB4, RB9, RB11, RB14, RB15, RB18, RB26, RB31, RB34.

words, the cooperation between local and national level actors and institutions has played a crucial role in raising awareness among local people on issues around displacement, resettlement, and compensation. However, most of the locals residing in the project area did not have much insight about other issues, such as downstream benefit sharing, the government's ignorance on constitutional provisions during the previous agreement with SMEC, and the electricity sharing deal and revenue to be gained from it.

At a later stage, especially after the visit of Yuki Tanabe to the WSHP area, many rumours circulated in the project area, as noted previously, and the relationships of locals with Ratan Bhandari and Dirga Bahadur Bhandari became diluted. Likewise, many rumours floated around against WAFED; hence the organisation and the people representing it were mostly looked on with suspicion. In this regard, one of the locals raised this point:

Do you know Gopal Chintan Siwakoti? You might have heard of him, who is a big player in favour of not constructing West Seti. He is tied up with the petrol mafia, who do not want a hydropower project so that the price of petrol will increase. He has influenced some of the locals too (Local resident, Deura, interviewed 4 June, 2013).

The above statement indicates major two things. First, national activists were centred in Kathmandu, and hence they could not make the locals understand their point of view on the WSHP, even though they were advocating for the rights of locals. Second, some actors who were not in favour of WSHP were spreading rumours to weaken the activism around WSHP. Such statements from locals, which reflect how things unfolded after Yunki Tanabe's visit, show the destabilising effect of the spread of rumours in the WSHP area.

6.3.2 Transnational Actors and Organisations

Transnational actors collaborate on environmental and human rights problems with concerned stakeholders located at multiple jurisdictions across nations. By crossing scales they have been able to pressure governments to act according to their interest in some instances, but have failed in others. However, they play a significant role in scaling up local issues to a wider audience (Fox & Brown, 1998; Reed & Bruyneel, 2010). In the case of WSHP, WAFED and the Japan Centre for Sustainable Environment and Society (JACSES) played major roles in bringing the issue of WSHP to a wider audience.

For instance, after the visit of Yuki Tanabe from JACSES, two reports were written and sent to ADB stating that the Bank should not finance the WSHP, as it violated ADB policy on involuntary displacement (Tanabe, 2007). As mentioned earlier, one of the reports was sent by Dirga Bahadur Bhandari and another was sent by Yuki Tanabe. After the visit, JACSES also collected a survey of public opinion in Japan, and pressured the ADB and the Japanese Ministry of Finance to withdraw from the project. Besides JACSES, the NGO Forum on ADB, International Rivers, Both ENDS, and the Environment Defence Fund also supported the national campaign in Nepal against the construction of the West Seti project.⁹⁰ In addition, transnational organisations incorporated some national level activists and a few local activists in international workshops, seminars and meetings on related issues. This kind of exposure to international workshops further influenced national and local activists, as well as helping to scale up the issue to the international level.

6.3.3 National Political Actors

National and local political actors also attempted to influence locals during the SMEC tenure. During the Maoist armed conflict, the Maoists had control in the project area to some extent, and they were against the construction of the WSHP. They became successful in uniting some local leaders and local people against the project.⁹¹ On the other hand, local leaders from other parties were mostly away from the project area during the period of armed conflict, as their lives were threatened by the Maoists.

After the termination of armed conflict in November 2006, with the signing of a peace agreement between the Maoists and the government of Nepal, mainstream political parties, mainly the Nepali Congress and the CPN- UML influenced the formation and function of the concern committees formed in the WSHP area to some extent. The influence was basically in the form of appointing their local cadres to the main committee and sub-committees. However, this tendency could not influence the overall motive of the committees. Moreover, the committees were formed in such a way that they had representatives from all major political parties. According to Dirgh Bahadur Bhandari, it was difficult for any one party to guide the committee as per their ideology. He went on to say:

⁹⁰In-depth Interview: Ratan Bhandari, hydro activist, 24 August, 2015.

⁹¹In-depth Interview: Bhim Bhandari, local leader, 4 June, 2013; and Anonymous, former staff, WSHL, 27 May, 2013.

The committee was comprised of locals from all major parties, and hence there was equal representation of locals having all kinds of ideologies... However, at times some of the members were sent letters from a central level political person and were given direction on what they should do within the concern committee. Such cases did influence the committee at times. However, the motive of forming the committee and the ideology behind the formation of the committee could not be influenced by the political parties (Dirgh Bahadur Bhandari, former chairperson of WSCS, interviewed 2 June, 2013).

The statement of Dirgh Bahadur Bhandari clearly demonstrates that political parties have tried to influence the concern committee and locals, but that they were not very successful. The relationships between the locals and the VDC and district level political leaders were generally cordial, mainly because the local political leaders understand the local context and were closer to local people. However, as claimed by many village and district level politicians, the voices of local leaders are ignored by the national level political leaders. Dharma Deuba, former secretary of Chapali VDC, made this point:

We understand what local people want; we understand how they are feeling now and what they had felt in the past. We are also from same area so we understand. We also know how the locals are suffering from the last 17 years...but who will listen to us [local level political leaders]? Big leaders are centred in Kathmandu...decisions are taken there...National level political leaders do not consult us... (Dharma Deuba, former VDC secretary, Chapali VDC, interviewed 31 May, 2013).

This statement strongly supports the view that there has been no formal consultation between national and local political parties cadres, especially on the issues related to the WSHP. This shows weak inter scale connectivity between national and local political actors, especially on water issues; and despite the wide network of political parties, the access of local level leaders to the central level is limited. Further, their voices are not heard by higher level politicians and authority.

6.3.4 Snowy Mountains Engineering Corporation

SMEC also made a significant effort to influence both concern committee leaders and locals. A few respondents accused SMEC of trying to influence the committee leaders and locals by offering certain benefits. They also claim that although, during its tenure, SMEC succeeded in influencing a few locals and local leaders, it could not influence the majority of the local leaders and the wider community. In this context, one of the respondents expressed the following:

SMEC WSHL had attempted to influence us. Some locals were influenced by them and used to advocate for them. However, the staff of SMEC WSHL were not able to influence most of the locals as they did not have much hold in the project area (Local resident, Deura, interviewed June 2, 2013).

This section has disclosed that both the opponents and proponents from different scales have endeavoured to influence the government's decisions as well as local communities, through different mechanisms. However, only civil society actors and activists were successful in influencing the decisions of the government, as well as the locals to some extent. As suggested in the literature, the strategy to take advantage of and shift across scales determines the success of actors and is important to any movement (Cox, 1998; Williams, 1999). In the case of the WSHP, civil society actors and activists took this challenge seriously and were successful to a degree. The section below describes the achievements of activism on WSHP issues.

6.4 Achievements of Local and National Activism

The inhabitants of the WSHP area have tried their best to fight for their rights. The tussle between the locals and the implementers continued throughout the SMEC tenure. The constant pressure from the locals did not allow the project implementers to conduct activities as per their interests. The institutionalisation of the committee by registering it in the respective District Administration Offices and the support of locals for the concern committee made it a strong entity. All of this meant that the implementers could not avoid the committee or the local people's concerns which it represented. A statement from one of a former local WSHL staff member further justifies this assertion:

We used to conduct meetings with concern committee leaders and discuss compensation packages. We had also taken committee leaders to see resettlement sites in Terai. They had locals' support; hence there was no point in ignoring them and their views. At one period they were very strong...We had also taken them as a medium to reach to the locals (former local staff, WSHL, interviewed 27 May, 2013).

Apart from this, a few other demands of the locals and concern committees were addressed by SMEC WSHL, such as their demand to make a presentation to the senior government employees in the project area to inform them about the WSHP. This was done, although locals did not consider it to be a very productive event.⁹² In addition, constant pressure from the local and national activists forced SMEC WSHL to establish

⁹²In-depth interview: Dhirgha Bahadur Bhandari, former President, WSCS, 2 June, 2013.

an information centre in the local area. However, it is worth noting that there were also other reasons for the establishment of the information centre. SMEC WSHL wanted to show the ADB that they were accountable and transparent, so that they could impress the ADB in order to secure funds for the project.⁹³ All these initiatives taken by SMEC WSHL to appease the locals were only nominal achievements in comparison with their major demands.

As disclosed in Chapter 4, in 2010 ADB withdrew from the project. The growing voice of locals against the SMEC and constant campaigning of local, national, and transnational hydro activists was seen as the major reason behind the ADB's withdrawal. This was regarded as one of the major achievements by activists and civil society members, and the decision of the ADB was widely welcomed by them.⁹⁴

On 27 July, 2011, Minister Gokarna Bista revoked the license of SMEC for not being able to secure the necessary investors during the 16 years since obtaining their license.⁹⁵ The cancellation of the SMEC agreement was taken as a success of the campaign by the opponents against the WSHP that had gone on for 15 years. To mark the occasion, WAFED issued a press release, which stated:

[WAFED] welcomes the latest decision of the government to scrap the construction license of the Australian multinational, Snowy Mountains Engineering Corporation (SMEC) as a result of our 15 years of massive campaign... WAFED has also been demanding that the total supply of 750 MW hydropower be used for the electrification and industrialisation of the underdeveloped Far West in particular, and to mitigate the load-shedding-hit country in general. WAFED with local people have been protesting the export of West Seti electricity to India. WAFED now urges the Nepali government not to resume the West Seti project without resolving these problems and without redesigning it as a multi-purpose project for electricity, irrigation and flood management (WAFED, 2011).

Later the government handed over the WSHP to CTGC. This time the agreement signed between Nepal and China was taken positively by the water campaigners. They stated that the WSHP would now be built for electrifying Nepal, which was one of their core demands. Moreover, they were happy with the investment and benefit sharing

⁹³In-depth interview: Ratan Bhandari, hydro activist, 24 August, 2013.

⁹⁴In-depth interview: Ratan Bhandari, hydro activist, 24 August, 2013; and Ram Chandra Chataut, former President, WAFED, 12 August, 2013.

⁹⁵In-depth Interview: Gokarna Bista, former Minister of Energy, 27 August, 2013.

mechanisms incorporated into the agreement. In this regard, long-time water campaigner Gopal Siwakoti states that the WSHP project has been ‘Nepalised.’ However, he also insists that the GoN still has to take the initiative to claim for downstream benefit rights with India (Siwakoti, 2012). He further asserts,

For those against the project, it is a shock to see people like me supporting West Seti now. We always did. We would have never supported West Seti if the deal with Australian Snowy Mountains Engineering Corporation (SMEC) were no different than what we have with Three Gorges International Corporation (TGIC) now... But this West Seti deal with TGIC is totally different—no comparison with the SMEC terms. It is a domestic project with 30 percent Nepali ownership, with the possibility to rise up to 49 percent. It will consider a multipurpose component, and help mobilise soft loans. The rest, we should negotiate when we make further agreements—on power development, licensing and power purchases (Siwakoti, 2012).

Similarly, Dipak Gyawali the long-time water campaigner, commented:

My 60 percent of grievances with the WSHP is over. Now my remaining concerns are on the price of electricity; how much do I have to pay for it?... Another concern is, will my displaced brother and sister receive respectful compensation and will the project be a multipurpose project? (Gyawali, former Minister of Energy and hydroexpert, interviewed 25 August, 2013).

Likewise, Ratan Bhandari concluded,

Whatever issue we raised at that time has been addressed in present. For example, the main issue that arose was that Nepalese citizens are deprived of electricity... so why don't we produce electricity from this project for us? It's a storage project and electricity can be produced like non-seasonal vegetables.⁹⁶ We can even sell excess electricity after consumption. Now the project will be built for us. I can feel that it's my project only if it gives something to me. Otherwise drowning my land and houses and lightning India... how can I take it as development?... Now the government has announced that 200 MW of electricity will be separated for the development of the Far Western Region and 200 MW for industrialisation of the project area. Distribution of shares to the public has addressed our concern of including the locals as a beneficiary of the project. Now, if I invest there today, my son and grandson will get benefit from it tomorrow. This way not just the company but people will also get direct benefit (Ratan Bhandari, hydro activist, interviewed 24 August, 2013).

This section has revealed that the hydro experts and activists who were against the construction of WSHP initially not only welcomed the government's decision to scrap the agreement with SMEC but also applauded the government's new agreement with CTGC. Clearly, this time the government had come up with better conditions in signing an

⁹⁶He is using this metaphor to explain that electricity can be produced anytime of the year.

agreement with CTGC, and this was why the national level civil society actors and activists commended the government's decision. At the same time, they also ignored the fact that the government did not consult with the parliament before signing the deal with CTGC, as in the case of SMEC. This shows that both parties moved one step ahead and accepted the new agreement.

As claimed by the hydro activists and experts, the growing protests against the project from multiple scales contributed to a large extent to the ADB's withdrawal from the project. The inter-scale collaboration of different actors from multiple scales clearly contributed towards the step taken by the ADB. In addition, SMEC's inability to secure investors for years made the government scrap its license. However, with the present government came another opportunity to have a new agreement, this time with CTGC. As mentioned, the new agreement ostensibly has much to offer to the country and locals residing in the project area. That said, it can be claimed that one of the reasons the government came up with better conditionalities with the CTGC was due to the lessons learned from the past. This time the government not only looked for national benefit but also for the benefit of local people. Hence, it can be said that the government came to have a greater awareness that it had to come up with a better deal in order to convince the project affectees, activists, and experts. This indicates that the activism related to WSHP by local, national, and transnational actors contributed to some extent to the government's decision to come up with a new and improved package of agreements while negotiating with the CTGC team on WSHP. After WSHP, the government has also recently refined the previous agreement with the project developers constructing the Upper Karnali hydropower project located in the same region.

Nevertheless, there are certain issues around compensation and resettlement for likely affectees that still need to be addressed by the government and implementers while constructing the project. Until the government and project developers announce their plans on compensation and resettlement measures, it is difficult to say how the hydro experts, activists, and likely affectees and displacees will react on these issues.

6.5 Analysis

It is apparent from the section above that many controversies on the construction of the WSHP began from the initial phase, which resulted in multi- and cross-scale interaction. Divergent views on the construction of the WSHP occurred soon after the announcement

of its construction. As a result, various actors located at the national scale began acting and reacting on the contentious issues related to the construction of the WSHP.

Some scholars argue that policy and decision-making entities are typically detached and located away from actual resource users (Adger et al., 2001; Lebel et al., 2005; Penz et al., 2011; Power, 2000). Even in the case of the WSHP, the resource users and the potential affectees are located far away from the central authority where policies are made and decisions are taken. As a result, most of the locals did not know about the construction of the project until some time after it was announced. The activism at the local scale began only after the interaction and cooperation between local and national civil society actors and activists. Transnational actors also played an influential role in this process. Lebel et al. (2005) express the view that actors use various mediums to influence decisions as per their interest, such as through media releases, lobbying, protests, debates, and technologies. Such tactics were also used by local, national and transnational actors to pressure the government in the case of the WSHP.

Whether the actors are successful or unsuccessful in influencing a project is determined by their own ability to work across scales (Moss & Newig, 2010). In the case of the WSHP, interactions and inter-cooperation of multiple non-state actors across scales made it possible to scale down the debate to the project area and to scale up the debate to the international arena, which in turn helped to pressure the ADB to withdraw from the project. Because of this unity across scales, the project proponents, including SMEC, could not take much advantage of their scale to influence the locals as per their interests.

The activism against the WSHP also demonstrates the differences in the motives and interests of different actors across the scales. Analysing this broadly, it can be seen that local, regional, national and transnational actors were all advocating against the same project. However, if we analyse more closely, it is also the case that the motives behind activism by all these actors differ. Table 6.2 presents the motives behind the activism by each actor from each scale.

Table 6.2: Motives and Debates of Actors at Different Scales

Actors	Focus	Debate
Local scale: concern committees, local activists, and others local groups	• Specific to local context • Specific to their problems	• On which condition to accept or resist the project • Compensation package • Local benefit sharing mechanism • Employment opportunities • Resettlement • Local participation in all stage of project • Adequate information
Regional scale : Regional level civil society organisations, activists, and Tharu Welfare Society	• Regional issues • Specific to <i>Tharu</i> welfare	• Resettlement sites • Adequate and correct information sharing • Compensation to the affectees of transmission lines • Benefit sharing of the project for regional development • Employment opportunities to the locals form the FWDR • Nepal-India hydrorelationship
National scale: National level civil society, activists, other concerned actors, and WAFED	• National level issues • Issues directly questioning the government laws and policies	• Downstream benefit sharing • Violation of constitution • Low tariff revenue • Socio-economic and environment impact • Information flow • EIA process and participation of locals • India-Nepal hydro relationship

The table shows that the concerns raised by the each non-state actor at particular scales have raised the issues closest to their interests and the scale in which they are located. For instance, the issues raised by local actors were related to the specific problems likely to be faced by them. Likewise, apart from the Nepal-India hydro relationship, most of the issues raised by regional actors were more related to the regional context. In contrast, the issues raised by national level activists and civil society actors were focused on broader issues that question government laws and policies. By challenging the construction of the WSHP, they were not only campaigning about the particular project, they were also protesting against the government's policies that support such endeavours. Their major effort was directed towards influencing the national hydropower policies on the basis of the WSHP. In addition, they were equally concerned about the hydro-politics between India and Nepal and were conscious of the likelihood that India would take advantage of this deal as it has done with previous water treaties and agreements.

There are several reasons for this difference in motives across the different scales. The first reason is the inadequate flow of information to the local scale. Most of the local

people were not only unaware of the debate going on at the national scale on the issues related to the WSHP, but were also unaware of the broader issues related to water resources and the politics associated with it. Hence, they could not understand the wider consequences of the project. Matters such as who is going to produce the electricity, who will benefit from the electricity production, for whom they are paying the cost of displacement, and other long-term consequences of the project were not a serious concern for many local people. As a result, their activism was more concerned about their rights, place attachment, and the security of their future. In comparison to local actors, regional level actors were much more aware of such issues, mainly because they had better access to information.

The second reason is a weakness in the strategy of national level actors in reaching out to the locals. Although national level activists tried their best to connect with locals and make them aware of different issues, they only partially succeeded. They could only sensitise locals about their rights as residents of the area and issues related to compensation, resettlement, and other benefits. One of the reasons behind this was that the national and regional level activists were in contact with only a handful of local activists. The other reason is that the national level activists were mainly based in Kathmandu and thus, apart from a few activists, such as Ratan Bhandari and Ram Chandra Chataut, most had not visited the project area. This limited national and regional level activists to understand the real experience of the affectees living in the WSHP area. Hence, this reveals that there is a need for better communication strategy to work two ways.

The limited presence of national level activists and concerned organisations at the local level also led to mistrust and the division of the committees. For instance, the locals did not understand the reason behind the visit of the JACES representative. As a result, it became easier for other interest groups to mislead the locals. Literature indicates that different actors attempt to strengthen or weaken cross-scale linkages so that they can take advantage of and influence the process as per their interest (Adger et al., 2005; Cash et al., 2006). The proponents of the project attempted to weaken the cross-scale linkage and relationships between locals, regional, and national activists and they were successful to some extent. The rumours spread in the WSHP area about local and national activists, and the subsequent division of the concern committee reflects this. While the growing suspicion and mistrust of national level civil society actors and activists in the WSHP area

did not seem to affect the decision of the government and the ADB to withdraw from the project, it did weaken the relationship between actors across the scales and will have an effect in future inter-scale cooperation if the national level actors do not resolve the misunderstanding.

The construction of the WSHP has not yet begun. Even though most of the issues raised by national level actors have been addressed, the issues raised by local and regional actors, especially on compensation, resettlement and rehabilitation, have yet to be addressed. These issues will rise once the implementation process begins. At that time, once again the national level actors might have to join hands with local actors. However, it is yet to be seen how the cross-scale cooperation and collaboration will take place in that eventuality.

6.6 Conclusion

The case of WSHP demonstrates that multiple actors across multiple scales have attempted to influence government decisions as per their interest during the time period under discussion. In this process, the actors scaled the issues down, up, and out. The cooperation and interaction between actors across the scales played a significant role in influencing government decisions. However, the lack of adequate information and miscommunication between the actors weakened the relationships between the actors across the scales and this can have long-term implications for future activism. For this reason, the actors across scales need to come up with better strategies to overcome these issues and strengthen the inter-scale relationships.

This chapter has indicated that the resistance of non-state actors compelled the ADB to change its decision and the government to come up with conditions that are more beneficial for Nepal when signing the new deal with CTGC. Despite this, the issues related to involuntary displacement by the WSHP have not yet been resolved. In this context, the next chapter examines how the government has responded to the resistance of affectees and non-state actors on involuntary displacement induced by hydropower projects in Nepal, and examines whether the actions and reactions of non-state actors can help in refining involuntary displacement policy in the longrun.

Chapter 7

Government Response to the Resistance to Hydropower Induced Displacement

7.1 Introduction

The previous chapter exposed how multiple actors residing at different scales attempted to influence the government's decision to construct the WSHP. This chapter explores: i) how the mechanism of dealing with involuntary displacement practices in Nepal has changed over time; ii) how the activism of civil society and affectees has contributed to refining the mechanisms for dealing with involuntary displacement practices; and iii) why the GoN has not implemented an involuntary displacement policy despite its requirement to do so. By addressing these issues, this chapter attempts to find answers to the third research question:

How has the GoN responded to the involuntary displacement practices over time? And are the project affectees and non-state actors able to contribute to refining policies on involuntary displacement?

As presented in Chapter 2, international scenarios demonstrate that worldwide activism on the construction of large dams has forced dam builders to refine their policies on involuntary displacement. Among the South Asian countries, India implemented a resettlement and rehabilitation policy in 2007 as the result of intense pressure from civil society and project-affected communities. However, other countries, such as Nepal, Bangladesh, Pakistan, and Sri Lanka, are yet to come up with policies to address the issue of project affected people (Dawson & Farber, 2012).

Chapter 2 also demonstrated that Nepal has experienced different political regimes in its recent history and that civil society's engagement in the country's affairs has also changed during these political regimes and their associated social upheaval. Against this backdrop, it is important to understand how the GoN has responded to the involuntary displacement issue at different periods of time. In addition, I am also interested in understanding how civil society actors have taken forward the involuntary displacement issue and how successful they have been in influencing the government during different

political regimes. Drawing on the interviews conducted during my field research with hydro experts, activists, and bureaucrats who are actively involved in the hydro debate in Nepal, I attempt to find answers to these questions in this chapter.

As well as drawing extensively on key informants, the chapter is also situated within the literature on the politics of scale. The literature claims that not only in autocratic states, but also in democracies, the state remains the central authority in regulating other entities, formulating national policies, and decision-making (Morrill, 1999; Norman & Bakker, 2009). I advance the argument that although the government holds the foremost power to take decisions, regulate entities, and make policies, the activism by non-state actors can contribute to refining and amending policies in the long run. In addition, the country's political situation and external influences can play a significant role in refining such policies.

This chapter has seven sections. The following section illustrates how the mechanisms for addressing hydropower induced displacement have changed over different political regimes in Nepal. The third section presents the views of civil society actors and bureaucrats on the need for an involuntary displacement policy in Nepal. The fourth section showcases the attempts of the government to formulate an involuntary displacement policy. The fifth section highlights the reasons behind the delay in formulating an involuntary displacement policy in Nepal. The sixth section analyses the discussion and findings of the chapter; and, finally, the seventh section concludes the chapter.

7.2 Evolution of Dealing with Hydropower Induced Displacement over Different Time Periods

Nepal has gone through several dramatic changes in recent decades that have played an important role in the way involuntary displacement issues are being dealt within the present context. First, there have been changes in the political system of the country over the period of time. Second, there has been increasing involvement of external actors, such as multi-lateral agencies, bilateral agencies, and other countries, in the development and political affairs of the country. Third, Nepali citizens have also become more educated, empowered, exposed to the outside world, and sensitised. All of these factors have had direct and indirect impacts on the way hydropower induced displacement is dealt with by the government.

Table 7.1 summarises and illustrates the changes that have occurred in addressing involuntary displacement practices in Nepal and in the international arena since the first hydropower induced displacement occurred in Nepal. The table clearly illustrates that there has been gradual progress in approaches to dealing with involuntary displacement issues in Nepal. It also highlights the fluctuation of civil society activism on involuntary displacement issues in Nepal. Drawing on the summary illustrated in Table 7.1, this section presents how government and civil society have responded to involuntary displacement issues during the Panchayat period (1960-1990), the multiparty democracy period (1990-2006), and the post-monarchy period (2007 onwards) in Nepal.

Table 7.1. Activism and Provisions to Safeguard Hydropower Project Affectees in Nepal during Different Political Periods

Political Period	Activism on involuntary displacement issue inside Nepal	Changes in National Policies	Changes in International Arena	Hydropower projects	Compensation mechanism
Panchayat System: (1960-1990)	-Contestation only by some project affectees -Civil society inactive	-LAA 1977	-WB policy on dam safety - Banks Resettlement Policies	Kulekhani	Cash
				Marshyangdi	Cash
				Other projects	Unknown
Multi-party Democracy (1990-2006)	-Affectees as well as civil society were actively involved in debate, networking, collaboration inside and outside the country	-EPA 1996 -LSGA, 1999 -WRS 2002 -Drafts on involuntary displacement policy	-Banks refined Involuntary Resettlement Policy/ Policies on Indigenous People/ Policies on Safety of Dams -Inspection Panels -WCD report	Kali Gandaki	Cash, employment
				Middle Marshyangdi	Cash, land, employment
				Other projects including transmission lines	Unknown
Post-Monarchy (2007-onwards)	-Civil society was active in early phase to some extent but inactive in later phase -Contestation mostly by the project affectees	-Drafts on involuntary displacement policy - Draft on new LAA	Nothing specific as such	Chameliya	Cash
				Upper Seti	Cash compensation (as per the preference of locals over other forms of compensation) and rehabilitation programmes
				Other projects including transmission lines	Unknown

Panchayat Period (1960-1990)

The Panchayat system was introduced in 1960 by King Mahendra Bir Bikram Shah Dev, endorsing a party-less political system in which the nation operates through the leadership of the King. During this period political parties were banned, and civil rights and press freedoms were restricted. As a result, people were not allowed to raise their voices against the government or to form any organisations, alliances, or networks. In this political scenario, two major hydropower projects, 60 MW Kulekhani and 69 MW Marsyangdi, were built, which displaced and affected people to a greater extent than previous projects.

Looking back to the Panchayat period, hydro expert Ajay Dixit states that only a very small number of government officials and journalists questioned the appropriateness of hydropower induced displacement during this period. As he explains,

Until that period, a very small number of people had an understanding of the environmental and social consequences of large-scale infrastructure or development projects. People perceived development simply as the construction of large-scale infrastructure projects and industries...I also had a similar perception and so did many others... It was only during late 80's when I visited the Marshyangdi Hydropower Project area that I realised that the life of people affected by the project had worsened after its construction... Likewise, the research by Jagadish Chandra Pokhrel on the Kulekhanai hydropower project had also opened the ground for the debate on the impact of involuntary displacement caused by large-scale projects (Dixit, hydro expert, interviewed 12 September, 2013).

Dipak Gyawali, former Minister of Water Resources and a hydro expert, highlights the fact that the government was autocratic, and that even the educated classes were too frightened to express their views strongly. He makes this point:

During that period there used to be an individual protest or protest within ministries... Once in a while some articles would come out against the government activities in tabloid papers like *Desantar* and *Bimarsa*. In those papers disciplined civil servants would publish articles under a pseudonym and that would shake the society, and the government would ban the paper and search for the person who leaked the secret information. Such was the scenario, and in such a situation people were scared to protest against displacement and ask for better compensation (Gyawali, hydro-expert, interviewed 25 August, 2013).

These observations clearly indicate that, under the Panchayat system, government officers and other educated people were hesitant to speak out or take action against the government's decisions and were also largely unaware of the consequences of

involuntary displacement on local communities. Likewise, most of the locals were frightened and therefore could not demand for better compensation packages; instead, they just accepted whatever was given to them. As shown in Chapter 4, although some of the affectees of the Kulekhani hydropower project were not satisfied with the compensation given to them and asked for better alternatives, their request was not met and that ended their efforts.

It is very clear that people were suppressed during the repressive Panchayat period. As a result, people were looking for changes in the political system of the country. They therefore gradually started supporting underground political leaders and collectively raised their voice for democracy. This dissatisfaction found expression in the People Movement-I⁹⁷ that came to prominence in 1990. This movement succeeded in establishing a democratic system and transforming the absolute monarchy into a constitutional monarchy, reducing the King's power.

Multi-Party Democracy (1990-2006)

A broader debate on the construction of large-scale hydropower projects developed after the political change of 1990. As discussed in Chapter 2, the end of the Panchayat system and the restoration of democracy in April 1990 safeguarded citizens' rights to organise and opened the door for establishing activist organisations and for critical questioning on various issues (Gellner, 2010). The democratic system enabled civil society to flourish in the country. In the changing scenario, the newly formed government extensively supported the emerging ideologies of the Western world, such as privatisation, globalisation, and liberalisation.

In this environment, the idea of exploiting water resources was taken as one of the best ways to earn foreign currency and to uplift the economic situation of the country. Within the framework of this objective, many large-scale hydropower projects were proposed and some of them were constructed. During the same time period, the debate on dam construction and involuntary displacement was gaining momentum in the international arena. This directly influenced the newly formed civil society of Nepal. As a result, civil society started actively debating issues surrounding the construction of large-scale

⁹⁷ A populist uprising that took place in Nepal in 1990. The movement supported the political parties to establish constitutional democracy in Nepal, reducing the power of the Monarch.

hydropower projects and their social, economic, and environmental implications for local communities and the country's economy (Dixit & Gyawali, 2010).

Dipak Gyawali looks back to the early 1990s and describes how civil society came to the forefront and began to question the government's and project developers' decision to construct the Arun III hydropower project. He expresses this view:

The Arun III hydropower project is a classic case because democracy had just begun and civil society had just begun actively participating in the country's development and political affairs... In 1993 the first civil society meeting ever took place and the discussion was on Arun III. That was the first public hearing on water issues in Nepal. So that was a big event. Many of us, such as Bikash Pandey, Arzu Rana, Gopal Siwakoti, Rajendra Dahal, and Arjun Karki...raised questions on the project... and eventually we succeeded (Gyawali, hydro expert, interviewed 25 August, 2013).

As mentioned in Chapter 4, the debate on the Arun III hydropower project went beyond the issues of displacement. It opened the ground for hydro activists, hydro experts, human rights activists, and social activists to come together and question various aspects related to the construction of large-scale hydropower projects. During this period a number of NGOs working on water issues sprouted in Nepal. In this regard, Dixit makes the following observation:

The 1990s revolution brought more liberalised political space which opened space for alternative ideas and allowed civil society to function. During this time debate on involuntary displacement around the world, as well as inside Nepal, was strong... Several programmes and debates on different water related issues, including involuntary displacement issues, were held by NGOs and others in Nepal during this period. The government had also gradually started to pay attention to environmental and social issues and introduced some provisions... (Dixit, hydro expert, interviewed 12 September, 2013).

Indeed, as alluded by Dixit, the worldwide criticism of dam projects in the late 1980s had forced the big investors to come up with new policies to deal with the consequences of large dams. As a result, the agendas and principles around development were changing in the international arena, which had a direct influence on Nepal's policies. For instance, the 1992 UN Rio Declaration on Environment and Development had established principles that were to be followed globally and locally in order to achieve sustainable development. Nepal began incorporating these principles into its policies. One of the joint secretaries working in the Water and Energy Commission functioning under the GoN reflects on the changes made by the government during this period:

During the 1990s and early 2000s, along with other hydro policies on hydropower development, the government introduced the Environment Protection Act 1996. The Act for the first time introduced IEE and EIA, and made it mandatory to conduct these prior to the implementation of any development work or physical activities that may bring changes in environmental conditions... In case of involuntary displacement, the Water Resource Strategy 2002 shows a concern for the resettlement and rehabilitation of PAPs; however, it does not state much about how it should be dealt [with] (Anonymous, Joint Secretary, Water and Energy Commission, interviewed 5 September, 2013).

It is clear that the government introduced new provisions during this period (as shown in Table 7.1), with the motive of addressing the environmental and social concerns of the people. The government had also introduced the LSGA 1999 with the objective of decentralising development activities and enhancing the participation of ethnic communities, indigenous people, the downtrodden, and socially and economically disadvantaged groups in mobilising and allocating the means for development activities in their locales (GoN, 1999).

Meanwhile, in the international arena the WCD established guidelines for large-scale dam construction in 2000. Nepalese hydro experts were actively involved in discussing and analysing the WCD guidelines in the Nepali context. As Dixit notes,

A yearlong dialogue was conducted with various stakeholders, including the bureaucrats, on dams and development processes in Nepal. We had come to a certain consensus on how water resources projects in Nepal should be constructed and published a report out of the dialogue (Dixit, hydro expert, interviewed 12 September, 2013).

Projects such as Kali-Gandaki and Middle Marshyangdi were constructed during this period of time. As shown in Chapter 4, the compensation provided to the project affectees was better than in earlier projects. However, the experience of these projects also reveals that the project developers did not implement all the programmes they had promised to the locals, and in the end the locals felt they had been deceived by the project implementers. Several scholars also claim that the provisions introduced by the government, such as EIA, IEE, and LSGA 1999, were not effectively implemented.

From early 2000 to late 2000, immense political changes took place in Nepal. The political parties' inefficiency in delivering the expectations of the people and the never-ending tussle between them for power gave rise to the Maoist Armed Conflict. Further, the massacre of the Royal family and the re-introduction of an autocratic regime by the new monarch escalated the Maoist Armed Conflict. This gave birth to the People's

Movement- II⁹⁸, which ultimately succeeded in abolishing the monarchy and establishing Nepal as a Federal Republic. During this time of political upheaval, the investors were reluctant to invest in medium and large scale hydropower projects hence, the construction of hydropower projects, as well as activism on involuntary displacement issues, slowed down. The section below demonstrates how the activism on involuntary displacement evolved after this period.

Post Monarchy (2007- 2014)

After the end of the Maoist armed conflict with signing Comprehensive Peace Accord in 21 November 2006, the construction of hydropower projects has once again thrived in the country. During this period, projects such as WSHP became highly controversial on issues around compensation, resettlement, and rehabilitation, and this resulted in its cancellation. Likewise, many other projects that are in the pipeline, such as the Pancheshwar multi-purpose project, Karnali-Chisapani multi-purpose project, Burhi Gandaki project, and Sapta Koshi, have been caught up in controversies regarding the issues around displacement for some time (Dixit et al., 2005).

Sudhirna Sharma, lecturer and researcher on development issues, has made the following observation about the role of civil society during this period:

Apart from a few instances, national level civil society has not been seen coming to the forefront and questioning on the issues on involuntary displacement and other impacts of hydropower projects on local communities, as they used to do before. The activism on involuntary displacement has faded in recent years (Sharma, Lecturer and Development Researcher, interviewed 28 August, 2013).

Ajay Dixit draws on his personal experience to explain why civil society activism on involuntary displacement has faded over time. According to Dixit, after 2005 the political and development discourse in Nepal was dominated by the Maoist narrative, and after the Maoists were defeated the dominant narrative has favoured the private sector and unrestrained development. He offers this assessment of the context in which civil society activism has faded around the issues of hydro projects and displacement.

... Prachanda visits the Tehri dam [in India] and says mechanisms like that of Tehri should be used in Nepal. Private sector enters and says these environmental conditions are

⁹⁸ People Movement- II: a populist uprising that took place for 19 days in Nepal in 2006. The movement was called by the political parties of Nepal to overthrow the martial law introduced by King Gyanendra on 1 February 2005, suspending the Parliament. The other objectives of the Movement were to abolish the Monarchy and to hold a Constitution Assembly

hindrances to us; remove them. Baburam becomes aartha [finance] minister, and says we do not need any environmental assessment, these are the things to be done by developed countries, and narrates that we only need development. Then you look at all these and someone like me. How long could I continue repeating same story? Whom do I say all this to? Political parties are not willing to listen to what I am saying. My constituency is getting smaller and smaller and I am repeating the same argument that I made 20/25 years ago, which is not really nice. People think this man talks unnecessarily. Not only nationally even globally the constituency of people advocating for rights of affectees has become weak, especially after WCD. There are other similar social movements taking place but they are weak. The private sector started becoming dominant. I haven't compromised anything. I still make the same argument. Previously I used to do so directly, these days I do it a little indirectly. It's not politically attainable, nobody listens. What to do? (Dixit, hydro expert, interviewed 12 September, 2013).

A similar opinion was given by Dipak Gyawali:

Nobody is interested in the involuntary displacement issue. Yes, many hydropower projects will cause displacement. Here the main political parties have sold out. Rather than addressing these issues they are advocating for constructing large hydropower projects and exporting energy to India. They assume that by selling energy we will be rich and anybody opposing that is anti-development, ultra-nationalist, and so on (Gyawali, hydro expert, interviewed 25 August, 2013).

The above statements from two hydro experts reveal that in recent times the political environment has not been conducive to debate on involuntary displacement. The political parties are not supporting the activist agenda, but instead are in favour of building large-scale hydropower projects and exporting power to India, bypassing the existing rules. Further, as in other parts of the developing world, hydro activists in Nepal are suffering from the stigma of being “anti-development.” During my field research, when I mentioned a few hydro activists to the bureaucrats and project affectees, some of them said that this group of people is against the development of the nation. In this regard, one of the respondents even stated,

Gopal Siwakoti, Ratna Sansar, Dipak Gyawali, they all are creating hype for no reason. It is because of them that the country is suffering from the load shedding [power cut-offs]. If Arun III was built we would not have suffered this much. Do you know people dislike Gopal Siwakoti so much? ... Now people know who they are and no one listens to them much (Anonymous, MoE, interviewed 16 August, 2013).

Indeed, the criticism of and rumours about some hydro experts and activists in recent years have been so extensive that they face difficulties in gaining support, even from the

locals in project areas who are being or will be adversely affected by such projects. For instance, as discussed in Chapter 6, several locals accuse Ratan Bhandari and Ram Chandra Chataut (chairperson of WAFED) of being misguided by other national level activists. They also suspect that the hydro activists are close to the petrol mafias and are against the construction of hydropower projects for that reason. Scholars argue that activists throughout the developing world are marked out as radical and irrational because their campaigns and protests are more concerned with the human and environmental impacts than with how the construction of large infrastructure projects might advance economic growth (Bose, 2004; Dwivedi, 2002). This is found to be the case in Nepal as well, where the constant voices of these groups against the unbeneficial treaties with India, and their activism for the rights of locals, has marked them as anti-development and unreasonable.

Sudhindra Sharma argues that the ongoing energy crisis in Nepal is one of the primary reasons for this criticism, and for the decline in activism on involuntary displacement issues. He states:

In today's situation, load shedding has affected all the people and no one is interested to ask serious question on the construction of large hydropower projects and their consequences on local communities. This has also limited the periphery of activism and advocacy on involuntary displacement. In addition, people criticise them [activists] for cancelling and obstructing the construction of hydro-power and blame them for the increased load shedding [power cut-offs]. (Sharma, Lecturer and Development Researcher, interviewed 28 August, 2013).

The above comments are personal observations regarding why activism on involuntary displacement issues during this period has declined. As mentioned previously, the People Movement-II brought about many progressive changes, such as the abolition of the monarchy, a civilian appointed as head of state, the formation of an inclusive Constitution Assembly, and the declaration of Nepal as a secular state. The movement was broadly supported by political parties and civil society. The changes were also supported by the international community. As a result, this period was expected to produce fertile ground within which civil society could operate, people could raise their voices openly, and campaign on various issues collectively during the constitution drafting process to establish more just laws and regulations in the country. However, the first Constitutional Assembly failed to meet the expectations of the people and the result of the second Constitution Assembly is yet to be known. In this situation, when we examine the way the

involuntary displacement issue has evolved during this period, it can only be concluded that the state has ignored the issue, civil society has become weak, and the people's voice has remained unheard. Further, as demonstrated in Chapter 6 and in this section, the misunderstanding and mistrust between local and national level civil society actors has increased during this period, particularly with regard to involuntary displacement issues.

At the same time, the issues related to involuntary displacement have been more extensive. Currently, 11 hydropower projects under NEA and 66 projects under private companies are under construction (Nepal Electricity Authority, 2013). Among these projects, some will displace people whereas others will not. Projects such as the Upper Tamakoshi hydropower project and the Rishuli hydropower project have displaced only a negligible number of people, while other projects, such as the Upper Seti hydropower project, have displaced 86 households so far (NEA & THL, 2014).

Other than hydropower projects, the construction and extension of transmission lines has also become controversial. Locals likely to be affected by transmission lines have been opposing their construction by raising issues of compensation for land acquisition. For instance, the construction process of the 25 KM Thankot-Bhaktapur transmission line, the 75 KM Khimt- Dhalkebar transmission line, and the 46 KM transmission line required for the Upper Trishuli hydropower project is currently disrupted by affectees demanding adequate compensation for the land acquired (ekantipur, 2014; Nepal Energy Forum, 2013). Likewise, the construction of a substation for the Kali Gandaki Corridor transmission line is also disrupted by locals due to a dispute over land acquisition (ekantipur, 2013).

In summary, we can see clearly that there have been changes in the governmental and civil society response to involuntary displacement issues. The nature of the evolving political system has affected civil society activism in addressing involuntary displacement issues. During the Panchayat period, civil activism was inactive, whereas during the multiparty democratic system the activism was profound. In this latter period, new policies that addressed social and environmental issues around infrastructure projects, including hydropower, were introduced by the government. In contrast, in the post-monarchy period, civil society activism has declined. The dam affectees have been fighting for their rights largely on their own, without any strong support from civil society or any other entities. In the absence of strong mechanisms to address the issues related to

compensation, resettlement, and rehabilitation, the project developers and affectees are negotiating compensation on their own. The following section illustrates the perspective of multiple stakeholders on the need for an involuntary displacement policy in Nepal.

7.3 Perspectives of Multiple Stakeholders on the Need for an Involuntary Displacement Policy in Nepal

Based on my field interviews, this section presents the views of hydro-experts, bureaucrats, staff of multilateral financial institutions, and affectees from the WSHP area on the formulation of an involuntary displacement policy in Nepal.

It is yet to be decided what mechanisms will be adopted to compensate the affectees of the WSHP. However, some respondents expressed the view that the LAA 1977 is outdated and cannot address the needs of affectees. In this regard, Dirgh Bahadur Bhandari, former chairperson of WSCS, stated:

LAA, 1977 is very old. It is not an affectee-friendly policy... Paying cash as compensation is not a good practice and it does not include compensation for the loss of public goods...The rules and regulations are also not affectee-friendly. It gives more trouble to the affectee... The government should come up with a new and affectee-friendly policy that provides adequate compensation, good resettlement, and a rehabilitation system...and the rules and regulations also should not hassle the affectees in getting compensation (Bhandari, former WSCS chairperson, interviewed 2 June, 2013).

Hydro expert Dipak Gyawali also states that an involuntary displacement policy that addresses all the issues regarding displacement should be formulated and implemented properly. He further reflects on the tragic situation of the affectees, as well as on questions concerning how the government is planning to resettle the displacees of large-scale hydropower projects in coming years:

From each of the large-scale hydropower projects, such as West Seti, Pancheshwar, Karnali-Chisapani, BuriGandaki....thousands of people will be displaced. How is the government going to deal with it? And if you go through the report ... you will see that the implementer of the Kali-Gandaki hydropower project did not even resettle those 20 Bote families whom they have assured for years...So this reveals how the problems related to displacement are dealt with in Nepal. Government does not care how the project implementers are handling the affectees... [No one cares] apart from the affectees and a few activists who are talking about their issues (Gyawali, hydro expert, interviewed 25 August, 2013).

Gopi Mainali, Joint Secretary of the National Planning Commission (NPC) of Nepal, reveals that the absence of a resettlement policy is not only affecting the project affectees, but also the project developers. He further argues that the policy gap is hindering the overall development of the nation.

In the 12th plan (2067-2070), we had set the plan to extend a total 404 km of transmission lines in different parts of the country. However, the target could not be met because of the dispute on land acquisition between the government and local populations. We could only manage to extend it to 500 metres.... Now you can imagine the situation. This is just an example; there are many such cases...Many development projects have been halted due to such disputes (Mainali, Joint Secretary, NPC, interviewed 27 August, 2013).

The government officials also agree on the urgency of a concrete compensation, resettlement, and rehabilitation policy because, in the absence of such a policy, the affectees are motivated to demand extra sums of money. Gopi Mainali stated that at times the affectees bargain in such a way that the investors are forced to compensate for things that have not been affected by the project. He further claimed that in the process of negotiating with locals, the project work often gets disrupted by the locals for months or even years. He detailed this in the following way:

First, people demand an airport. When the government decides to build an airport, suddenly the locals raise the price of their land. If the land is worth 20 lakhs (USD \$20,000)...they hike the price to 1 crore (USD \$100,000). This has been a common trend in Nepal (Mainali, Joint Secretary, NPC, interviewed 27 August, 2013).

Multilateral financial institutions, such as the ADB and the World Bank, have also laid stress on the need for the formulation of a new safeguard policy, since they believe that the existing LAA 1977 is very weak and ignores many issues related to involuntary displacement. In this regard, Laxmi Subedi, the safeguard officer of the ADB Nepal Resident Mission, makes this comment:

If a safeguard policy will be formulated by the government it will not only benefit the locals but also the government. Construction of infrastructure projects will be smoother. Currently there is a huge gap between what government policy offers and what the affectees demand. Hence, at times the project developer wins and sometimes the people win the negotiation process. As a result, at times the affectees have been suffering and at times the developer, due to the demands of 10 to 20 times more compensation than the current existing market value (Subedi, safeguard officer, ADB, interviewed 5 September, 2013).

Based on the above views of concerned stakeholders, it is clear that not only the affectees and non-state actors but also the bureaucrats and the multi-lateral financial institutions are emphasising the need for a national policy to safeguard the project affectees. In the absence of such a policy, not only the affectees but also the project constructors are suffering due to delays in work and high demands of the affectees. All the actors stressed that LAA 1977 is an outdated policy and does not adequately address the needs of the affectees in the present context. Thus, a policy that serves as an umbrella policy needs to be formulated to cater for the issues related to compensation, resettlement, and rehabilitation of project affectees. Despite the pleas of all these actors, such a policy has still not been formulated. The section below reflects the government's efforts to form the policy.

7.4 Government's Attempt to Formulate an Involuntary Displacement Policy

The government is in the process of formulating an involuntary displacement policy. The ADB has been supporting the GoN since 1998 to formulate a safeguard policy according to its objective to strengthen the safeguard systems of developing member countries so as to address environmental and social issues related to development projects (ADB, 2012). In 1998 the ADB provided financial assistance to the GoN to conduct research on resettlement practices in Nepal, with the objective of coming up with measures to improve the land acquisition system and resettlement practices. Again, in 2000, the ADB also provided technical assistance to prepare a draft Land Acquisition Act. However, the amendments did not materialise, with the government claiming the need for further consultation.⁹⁹

In 2004 the ADB provided assistance to the Ministry of Population and Environment to develop a national resettlement policy framework. Given structural changes and divisions occurring in the Ministry of Population and Environment, the responsibility was handed over to the NPC. The NPC organised several consultation programmes with concerned ministries and also organised workshops in different parts of Nepal to get feedback from regional and district level stakeholders (ADB, 2012). After a few years of intensive work and consultations with a broad range of stakeholders, the resettlement and compensation policy was finalised by the NPC. The policy was also approved by a ministerial working

⁹⁹In-depth interview: Gopi Manali, NPC, 27 August, 2013.

committee in 2008. However, the cabinet did not endorse it. Nevertheless, the ADB (2012) states that the draft policy was better than the provisions offered by LAA 1977 and closer to the ADB's safeguard policy.¹⁰⁰

In the 24th National Problem Solving Meeting organised by the Prime Minister's Office in October, 2011, bureaucrats from the different ministries complained to the Prime Minister, Baburam Bhattarai, about the difficulties they faced in meeting development targets as planned due to the frequent disputes between project developers and project affectees on issues related to land acquisition and compensation. They stressed the need for proper mechanisms to deal with the affectees to avoid frequent disruptions in project activities. As an outcome of this meeting, a working committee was formed to redraft the safeguard policy for PAP in coordination with NPC.¹⁰¹

In 2012 the ADB again provided technical assistance to the NPC in order to refine the previous framework, assess the financial implications, and design a safeguard policy to protect development affectees. The project was to be completed by 2013 (ADB, 2012). However, the project was still ongoing during my field research period. The concerned authorities were in the process of organising consultation programmes in different development regions to hear the viewsof concerned stakeholders. Apart from this, the Nepal Law Commission, a statutory body established to draft and reform laws in Nepal, drafted a Land Acquisition Act 2011 with the aim to amend and integrate the existing Land Acquisition Act 1977. However, the Maoist-led government asked for further modifications of the draft Act (ADB, 2012). The current NC-led government has also been asked to revise the draft policy on involuntary displacement modified by the working committee and to amend some provisions related to compensation. The modified policy was expected to be approved by the government. However, until now the policy has not been approved.¹⁰²

When I asked the stakeholders who have been advocating for a proper involuntary displacement mechanism for decades about their participation in the recent drafting process, they said that they have not been involved in the policy formulation process.¹⁰³

¹⁰⁰In-depth interview: Laxmi Subedi, safeguard officer, ADB, 5 September, 2013.

¹⁰¹In-depth interview: Gopi Manali, Joint Secretary, NPC, 27 August, 2013; and brief informal interview to update the status on involuntary displacement policy, 12 February, 2015.

¹⁰²In-depth interview: Gopi Mainali, Joint Secretary, NPC, 27 August, 2013.

¹⁰³In-depth interview: Ratan Bhandari, hydro activist, 24 August, 2013; and Ajay Dixit, hydro expert, 12 September, 2013.

This shows that activists and advocates who have been raising the issues related to involuntary displacement for a long time have not been part of the involuntary displacement policy formulation process. This may have implications in future as these groups may or may not approve of the policy brought forward by the government without their participation.

The above description reveals that more than a decade has passed since the first attempt was made to refine the Land Acquisition Act 1977 and to come up with a resettlement policy framework. Neither provision has yet been sanctioned. The policy formulation process has been very slow and none of the governments formed so far have shown a serious commitment to come up with safeguard policies. There are a number of reasons behind the slow progress in the formulation of the resettlement policy. The section below presents some of these key reasons.

7.5 Reasons for Delay in Formulation of Involuntary Displacement Policy in Nepal

Interviews with hydro experts, bureaucrats, and staff of multilateral financial institutions suggested the following as explanations for the delay in the formulation of an involuntary displacement policy in Nepal.

7.5.1 High Cost of Development Projects

The joint secretary of the NPC expressed the view that the increase in the cost of development projects is one of the major reasons behind the government's delay in the formulation of an involuntary displacement policy,

We had sent a draft to the government and to cabinet but it has been rejected all the time...One of the reasons why the government is hesitant to pass the policy is because the cost of development projects will rise... Government is not financially in a strong position to pay large sums of money until they get support from other donors (Mainali, Joint Secretary, NPC, interviewed 27 August, 2013).

Laxmi Prasad Subedi, safeguard officer of ADB, agreed that cost is a key concern:

The draft policy was made as per the ADB standard... The draft policy had lots of things to offer which GoN has been ignoring, such as social impact assessment, compensation for non-title holders... If the policy was endorsed the government would have a huge financial implication and the cost of government funded projects would also increase... That is one of the major concerns of the government (Subedi, safeguard officer, ADB, interviewed 5 September, 2013).

Gokarna Bista, former Minister of Energy, states a number of money-related reasons for the slow progress in endorsing an involuntary displacement policy:

There are two or three matters. First, people expect to get 10 times, 20 times more prices from the project than the market price; as a result, the project costs become expensive. Second, if the compensation is given as per the rate of the government then people will [experience] a loss. There is a danger of people being disappointed. This might cause protests. Therefore there should be a clear measurement in place and it takes time to come up with such a policy (Bista, former Minister of Energy, interviewed 3 September, 2013).

The statement by the former Minister Gokarna Bista indicates that the government is yet to work out measures to provide fair compensation to the affectees. However, the above statements of Laxmi Prasad Subedi, safeguard officer of ADB, and Mainali, joint secretary, NPC, indicate that the increasing cost of projects is a major reason behind the GoN frequently shifting the endorsement process of the involuntary displacement policy. It is undeniable that, if the policy is passed, significant amounts of money may have to be spent in paying compensation for land acquisition, resettlement and rehabilitation due to the construction of large-scale projects. Governments, especially from developing nations like Nepal, often have poor financial means, and thus it is likely that they see compensation, resettlement and rehabilitation of project affectees as a financial burden, rather than a necessary cost associated with infrastructure development.

7.5.2 Development Approach Adopted by the Government and Political Parties

Both the civil society leaders and bureaucrats criticise the government, yet many political leaders have been consistently advocating for the construction of hydro-power projects, while at the same time they are not showing a genuine commitment to safeguard the rights of project affectees. Dixit, the hydro expert, asserts that Nepal's government and political leaders are influenced by Western development ideologies, especially since 1990, and are also driven by the belief that hydropower generation is the passport for eradicating poverty in Nepal. He sums up his perspective in this way:

The entire story of involuntary displacement is lost in development talks... After 1990 neoliberalism became a kind of big agenda and all that mattered was the growth rate and privatisation. Issues related to social and environmental impacts of large projects became secondary to the government's [perspective] led by all parties... I think if we view this largely, it has something to do with our political system too. Nepali Congress never raised the issue of involuntary displacement. At times UML considered the issues... but later they used the environmental movement to argue and hit Nepali Congress as an opposition. After they reached power and position they also ignored it. Then came the

Maoists. They also acted to listen so that they could attack Congress and UML on this issue and gain the sentiments of disadvantaged groups and rural populations. When the Maoists came into power, they also ignored the issues...they are just in a hurry to announce big projects but are ignoring the social and environmental impact of the projects...[Having] only pressure from civil society and the affectees will not work out...Until and unless politicians realise the importance and pressurise the government it is difficult to resolve this issue (Dixit, hydro expert, interviewed 12 September, 2013).

Similarly, the hydro expert Shrestha shares his experience and views on the responses to this issue by political parties and the government. He concludes:

Neither the government nor the political party leaders are concerned about involuntary displacement issues. They do not care about formulating policies that benefit affectees. They only care about how to stay longer in their position. I will tell you my experience...When the Maoists were not in the government they used to support our ideas. They even called me [to address] their program and I gave my views on different issues related to hydropower construction, and they commended my speech and said it [the policy] needed to be contextual... But then their party member became Prime Minister twice and now they view those ideas to be irrational and not contextual (Shrestha, hydro expert, interviewed 9 September, 2013).

Like Dixit and Shrestha, Gyawali also criticises political parties for not taking a proper stand. Gyawali states that, at one time, the Maoist leaders opposed large-scale dam projects, but as soon as they reached power, just as with the other parties, they too favoured it. Gyawali suggests that there are two reasons for this:

Our political leaders announce large hydropower projects when their party is in the government to show that they are so much development-centric. However, they do not assess critically the implications of such projects for the nation in the long run. Secondly, Nepalese political leaders have a strong belief that they cannot remain in power for a long time without political and moral support from the Indian government. Thus, to please the Indian government they announce large hydropower projects which benefit them (Gyawali, hydro expert, interviewed 25 August, 2013).

7.5.3 Involuntary Displacement Issues Overshadowed by Geopolitical Factors

Some scholars are of the opinion that the hydro relationship between Nepal and India frequently comes to the forefront in water debates and so overshadows the involuntary displacement issue. As stated in Chapter 4, the history of the Nepal-India water relationship reveals that India has always been reaping advantages from the relationship and, in contrast, Nepal has always been exploited in the relationship (Petheram, 2011). Hence, Nepal-India water treaties, agreements and any other hydro-related matters have

been a contentious issue which has been critically analysed by media, civil society actors, and politicians in Nepal. In this regard, Jeewan Thanju, editor of *Hydro Nepal*, states:

If you look carefully in recent years... civil society has been raising questions mostly [about] water projects or deals that have ties with the Indian government or Indian companies. Similarly, the political leaders also raise questions only in the projects that have ties with India. These debates have disguised the issue of displacement (Thanju, interviewed 7 September, 2013).

Indeed, as Thanju notes, in recent years civil society and media have been raising questions mostly on the projects that have ties with India. Even if we take the example of the West Seti Hydropower Project, its construction was protested by the hydro activists, raising the issue of involuntary displacement, until such time as the energy produced from the project was meant to be exported to India. However, once the project was awarded to CWE International, and intended to be built for energy consumption within Nepal, the issue of involuntary displacement was suddenly ignored by many. Currently, there are not many questions raised about these issues.

7.5.4 Civil Society Activism Focused on Large-scale or Export Oriented Projects

A few respondents also pointed out that civil society activism has been focused only on large- and medium-scale or export oriented projects. In this regard, a staff member of the Ministry of Energy stated,

There are not only large-scale hydropower projects that induce displacement, transmission lines also induce displacement and many small and medium-scale projects also affect local communities. But have you ever seen someone standing up for them? NGOs or activists only raise their voices for projects like Melamchi Water Supply, West Seti, Pancheshwore, Arun III, Upper Karnali (Anonymous, Ministry of Energy staff, interviewed 5 September, 2013).

Similarly, JeewanThanju, editor of the journal *Hydro Nepal*, claimed that

There is no one assessing and questioning about the displacement or other effects caused by small and medium-scale projects and the projects constructed for internal consumption. The focus is mostly on exportoriented or large-scale projects (Thanju, interviewed 7 September, 2013).

This indicates that the displacement induced by the construction of small-scale projects is often ignored. The issues related to benefit sharing, indigenous people's rights,

transparency, and accountability surrounding small-scale hydro-power projects do not come to the forefront. Likewise, the displacement caused by the construction of transmission lines is often ignored. Usually the magnitude of displacement induced by small projects is less intensive than that associated with the bigger hydropower projects. However, I consider that the affected people from the construction of small-scale projects are generally more vulnerable, since they are fewer in number and do not have large groups of people to organise collectively and bring out their voices to a larger audience. In such situations, it seems that they are forced to accept whatever is offered to them.

7.6 Analysis

This research has clearly identified that the political environment has played a dominant role in the way involuntary displacement issues have been dealt with in Nepal. During the autocratic Panchayat period, potential displacees and other actors had very limited or no voice to speak for their rights, and thus they were compelled to accept the compensation they were offered by the government. In addition, the level of awareness among the people regarding involuntary displacement issues, as well as their rights as citizens of the nation, was very limited.

After the establishment of democracy in 1990, the way of dealing with the involuntary displacement issue has changed to a large extent. The rise of civil society, the changes taking place in the international arena to address involuntary displacement issues, and the increasing awareness amongst the potential displacees made the project developers and government more conscious of the need to address involuntary displacement issues. This was also reflected in the government's changing policies. For instance, the government introduced provisions like IEE and EIA, and also endorsed more participatory and inclusive development policies.

Surprisingly, there has not been much progress in the way of addressing involuntary displacement issues since the political changes that took place after the end of the monarchy. Excluding a few projects constructed by multilateral and bilateral organisations, in most of the other projects protests, bargaining, and negotiation between affectees and project developers have become the major way of arriving at compensation. As a result, many large-scale hydropower projects are trapped in controversies and the construction processes have been halted.

This chapter has clearly demonstrated that civil society activism on the involuntary displacement issue has declined during this period. The chapter also revealed that the government has been postponing the involuntary displacement policy process despite the constant suggestions of civil society, multilateral donors, project developers, and bureaucrats regarding timely formulation. This indicates that the government is being rigid in its own decisions and is not listening to the suggestions of other concerned authorities. This forces us to think about the quality of democracy that has existed in Nepal in recent years.

Reflecting upon these findings, the experience of Nepal demonstrates that no matter how liberal or democratic the government, the state remains the key or sole decision-maker. As in the case of water governance in South Africa illustrated by Batterbury and Fernando, and the case of community based environmental governance in Australia illustrated by Marshall, this study also shows that the entry of external agents, a thriving civil society, and the decentralisation of authority did not dilute the power of central government in decision-making and policy formulation (Batterbury and Fernando, 2006, Marshall, 2007). It continues to assume the supreme position in decision-making and policy formulation.

Nevertheless, this chapter clearly shows that the activism of civil society and affectees has contributed to refining the mechanisms for dealing with involuntary displacement issues. The initial rise in civil society activism and in the level of awareness in the project affectees forced the project developers to come up with better compensation packages after the establishment of multi-party democracy in the country. Particularly during the 1990s and early 2000s, when civil society was actively debating on involuntary displacement issues, the project developers did begin to improve the way they dealt with involuntary displacement issues. However, the level of progress that occurred during this period of time is not noteworthy. Apparently, the lack of support from the political leaders and government, changes in development discourse, and growing mistrust between the affectees and the national level activists are some of the reasons behind the decline in civil society activism on involuntary displacement issues.

7.7 Conclusion

Despite decades of contestation by affectees and civil society against the government's mechanisms to deal with the affectees of DID projects in Nepal, there has not been

satisfactory progress. This chapter has disclosed that the government's motives, politicians' attitudes, and weak civil society activism are key reasons behind the delay in the formulation of involuntary displacement policy in Nepal. Hence, in order to compel the government to come up with better mechanisms to address the involuntary displacement issues, the activism of civil society and project affectees must become profound. My research has clearly identified that the fluctuating civil society movement, the gap between the local and national level civil society actors, and the lack of collective activism on involuntary displacement are some of the key reasons behind the unsuccessful civil society movement on involuntary displacement issues. In order to overcome this, civil society must find a way to minimise the existing gap between national and local civil society actors, form a strong network with project affectees, and collaboratively advocate for better provisions to address the issues of involuntary displacement.

Chapter 8

Findings and Conclusions

8.1 Introduction

The overarching objective of this study was to explore the dynamics of involuntary displacement induced by hydropower project in Nepal. This thesis was guided by the belief that the reason for Nepal's unsuccessful experience of protecting the affectees of hydropower projects from their adverse effects can be understood by investigating the complex hydro affairs that have occurred as a result of the politics that takes place at a range of scales, between a variety of actors, in various periods of time, and in different phases of hydropower projects.

In order to achieve this objective, I analysed the case of the WSHP and assessed four different aspects related to large-scale hydropower construction and involuntary displacement issues in Nepal. First, this study explored the impacts that have occurred for likely-to-be displaced communities prior to the construction of the WSHP. Second, this study assessed how diverse actors, such as project affectees, civil society organisations, hydro activists, and transnational organisations from different scales have attempted to influence the project as per their interests prior to the construction of hydropower project. Third, analysing the experience of the government's response to involuntary displacement during different political regimes, this study investigated how the state has responded to the activism on involuntary displacement. This study also assessed the contribution of affectees' and non-state actors' activism in formulating a national policy on involuntary displacement and refining the relevant policies. Finally, the study identified factors that are hindering the policymaking process on involuntary displacement in Nepal. While assessing these four aspects, this study has arrived at several new insights into this topic.

A critical assessment of the literature on involuntary displacement caused by development projects, particularly induced by dam projects, helped me to identify that most of the literature on DID has assessed either the implementation or post-implementation phases of DID projects. Likewise, the literature on impact assessment only predicts the impacts that occur during the implementation or post-implantation phase. In other words, the existing literature neglects assessment of the pre-

implementation phase of projects that induce displacement. Further, there is no significant literature on projects that are trapped in a long gestation period. In this context, this thesis has attempted to incorporate the impacts as well as the politics that occur during the pre-implementation phase of hydropower projects, and to highlight the degree of effectiveness of the government's efforts to safeguard the project affectees of hydropower projects.

Since the research was specifically about the context of Nepal and, more precisely, the case of the WSHP, the results of this study have a more obvious significance for that country. Nevertheless, a number of findings and recommendations from this thesis have contributed to deepening the theoretical and policy debate on various issues related to the pre-implementation phase of large-scale hydropower projects, the impacts of long gestation periods of projects on local communities, the contribution of inter-scale coordination and collaboration among non-state actors residing at various scales, and the role of affectees and civil society in pressuring the government to develop or refine an involuntary displacement policy.

This thesis was based on the broad belief that, in order to gain deep insight into the thesis topic, it was necessary to understand a number of factors, such as: a) Nepal's past experience in dealing with involuntary displacement caused by major DID projects; b) past and current policies on addressing the displacement caused by large-scale hydropower projects; c) the government's hydropower development plans; d) the involvement of external bodies in hydro affairs; and e) civil society organisations' and activists' responses to the hydropower development modality of the country. A critical assessment of these issues in Chapter 4 of this thesis provided insight into the background of large-scale hydropower construction in Nepal and paved the way to contextualise why things happened the way they happened, both in Nepal and in the WSHP. Drawing on this background information, I have argued that the way hydropower induced displacement is dealt with currently in Nepal is the result of how the government, political leaders, local, national and transnational civil society, multilateral bilateral financial institutions and other funding agencies, and affectees have approached the issue over the time period. I consider that the current practices of addressing involuntary displacement issues can be reformed if these diverse actors cooperate and collaborate to come up with better mechanisms to address issues related to involuntary displacement.

The review of literature on Nepal's hydropower sector reveals that Nepal's hydropower sector is highly influenced by multilateral financial institutions, donors, and the lower riparian neighbouring country, India. Guided by the interests and influences of these actors, governments formed after 1990 have adopted a neoliberal approach, encouraging national and foreign private investors to construct hydropower projects. Since then the governments formed by different political parties have been advocating for the construction of export oriented large-scale hydropower projects built to sell electricity to India. In the process, they have also been giving a green light to most of the hydro agenda pushed by India, accepting most of its proposals without considering the future implications for Nepal. This is often done to gain support from the Indian government so that the Nepalese government can hold on to power and remain in the government for an extended period of time.

Despite the insufficiency of LAA 1977 in addressing the involuntary displacement issue, successive governments have not made any reforms in the LAA 1977 nor formulated a national policy to address the issues of compensation, resettlement and rehabilitation of project affectees. In recent years most often the issue of involuntary displacement is found to be dealt with by the government and project developers on an ad hoc or project-to-project basis. As a consequence, there is no uniformity in the mechanisms and processes for addressing involuntary displacement practices in Nepal. Projects that are constructed with the assistance of the WB and ADB have adopted their own institutional policies, whereas projects constructed by other project developers have either followed the LAA 1977 or are dealt as per agreements with the GoN. This clearly shows that the GoN has been largely neglecting the consequences of such projects on local communities residing in project areas.

As mentioned above, in order to understand the dynamics of hydropower induced displacement in Nepal this thesis assessed four different aspects related to hydropower construction and issues associated with displacement induced by hydropower projects. The section below presents the findings on these aspects in detail.

8.2 Chapter-Specific Findings

Chapter 5 attempted to answer the first research question, namely:

What are the impacts that occur during the pre-implementation phase of hydropower projects for locals likely to be displaced? What are the factors that heighten these impacts?

The first argument made in Chapter 5 was that the impact of DID projects on local communities begins from the pre-implementation phase. In addition, these impacts are immense on the communities residing in those project areas when such projects are not implemented for a long period of time.

This research has shown that psychological impacts, development impacts, socio-economic impacts, and environmental impacts on the local communities occur even during the pre-implementation phase of the project. Among the various impacts, psychological impacts and development impacts were found to be much higher during the pre-implementation phase than other impacts; however, such impacts either go unnoticed or are paid little attention by the government and project investors. In the case of psychological impacts, feelings of uncertainty and fear were found to be immense among potential displacees. In my field research, locals from both Deura and Babina were found to be facing dilemmas when they have to take decisions on basic household matters and community development initiatives. This is mainly because the dam project has been trapped in controversies for years and the progress on the construction of the project is such that it is difficult for the locals to be assured that it will be constructed, or when. In such a scenario, the project affectees are uncertain, fearful, and unable to plan for their present and future life.

Locals were also found to be frightened about various aspects of the resettlement process, such as losing relatives and friends, their relationships with host communities, the environmental conditions in the relocation area, and their possible economic condition after displacement. Research participants' articulation of these concerns revealed that they have doubts about the motives of the government as well as project developers, and are not fully assured that they will compensate them or resettle and rehabilitate them in a fair manner. This uncertainty and doubt leads them to experience anxiety about the nature and quality of their lives after displacement.

The second argument made in the chapter was that the consequences of displacement on diverse groups residing in the same project area will differ depending on the group, and this means that they will react differently during the pre-implementation phase. The

chapter demonstrated that diverse groups residing in the same project area have different perceptions, concerns, and expectations regarding involuntary displacement issues. The factors determining these differences among affectees were their current residential location, occupation, residential status, and degree of vulnerability. For instance, people living in a market centre, Deura, and a remote settlement, Babina, were found to have different perceptions and concerns regarding displacement. In comparison to Deura, many people from Babina were more positively inclined to move, with the hope of resettling in a better area. In contrast, many people from Deura were more concerned with the commercial value of the land they will receive after displacement. Since they are living in a market centre they want to be placed in a similar area. However, looking at the experience of past hydropower projects constructed in Nepal, no such sectorial policies and programmes are found to be implemented to address the needs and concerns of people from diverse backgrounds and ways of life.

Likewise, the permanent residents were found to be more affected during the pre-implementation phase and more attached to their current place of residence than the migrant residents or dual residents. As a result, they have been more involved in activism on project matters than others. Dual residents were found to be comparatively less involved in activism than the permanent residents. Dual residents were also more flexible on compensation packages. This indicates that people who are likely to be highly affected are more concerned about claiming for their rights and better compensation packages than those who are less affected.

In the WSHP area, people involved in different occupations were also found to have dissimilar concerns and views regarding displacement, resettlement, and compensation. For example, farmers from the WSHP area were found to be highly concerned about the quality of land they would get after displacement, whereas shopkeepers and petty traders were concerned about not getting land in a market area. They wanted cash, either to start a business or to buy land in a market centre.

The chapter also verified that, as in the implementation and post-implementation phases of DID projects, the impact of involuntary displacement during the pre-implementation phase is also comparatively higher for marginal groups, such as women, Dalits, and elderly people. The women from Deura and Babina were found to be less exposed to other places outside the district than their male counterparts, and thus they were suffering

from greater fear, anxiety, and uncertainty in terms of facing the prospect of moving to another area. In addition, women who are heading the household in the absence of their husbands were found to have greater anxiety, and therefore they are highly concerned about the challenges of settling down in a new place in the absence of a male family member.

Most of the Dalits were found to be dependent on local elites for their economic activities; hence they were concerned about their source of income after displacement and were worried about being apart from their landlords. The concerns of most of the elderly groups were different from those of the other women and Dalits. They were very attached to their place of residence and were not willing to move to a new place. Cultural and religious factors played a role in this attachment.

These findings suggest that the government and project developers need to be more aware of the concerns, needs and demands of different categories of locals residing in the project area in order to make them satisfied with the compensation, resettlement, and rehabilitation process. The findings also indicate that marginalised groups should be given special attention, in the form of context-sensitive compensation packages, to lessen the impacts of the project during pre-implementation, implementation, and post-implementation periods.

Chapter 5 also identified that factors such as inadequate flow of information, lack of meaningful participation, uncertainty of project construction, absence of concerned government authority in project area, and the political situation in the country have heightened impacts during the pre-implementation phase. In the midst of these realities, the concerned authorities have been unjust in their treatment of the affectees of WSHP. Indeed, their approach to the WSHP does not seem to adopt any of the values that are supposed to be taken into account while building dam projects, such as equity, efficiency, participatory decision-making, sustainability, and accountability (WCD, 2000).

Reflecting on the case of the WSHP, Chapter 6 assessed the impact of the actions and reactions of potential affectees and civil society members after the announcement of the WSHP by the government. This chapter also analysed the attempts made by diverse actors located at different scales to influence the government's decision on the construction of the WSHP. In so doing, the chapter attempted to give an answer to the second research question:

How do the local people and non-state actors from local to international levels attempt to influence the government's decision on the implementation of hydropower projects that induce displacement during the pre-implementation phase of the project?

The first argument made in the chapter was that, during the pre-implementation phase, diverse stakeholders and interest groups residing at different scales attempt to employ their power, network, and position to influence local people and local activism as per their interests and perceptions. The case of the WSHP has demonstrated how the government, civil society organisations, and political leaders have influenced the locals of the WSHP area and their activism using their power and position. I have summarised this in detail in paragraphs below.

This chapter also illustrated the attempts by civil society organisations and activists to alter government decisions. In the process, civil society and activists networked with like-minded individuals located at local, national, and international scales and pressured the government and project developers to change their decisions. In so doing, national level civil society organisations and activists scaled down their activism to the local level and scaled up their activism to the international level. As the literature on politics of scales confirms, the scaling up and scaling down process helped local, national and transnational actors located at different scales to collaborate and push forward their agendas and bolster their movement by giving a wider shape to it (Lebel, Garden, & Imamura, 2005; Molle, 2007; Sneddon, 2002). For example, these actors participated in different events organised at national and international levels and played an immense role in exposing and highlighting the issue on the WSHP to a wider audience. Transnational actors also collaborated with local and national level civil society activists and played an important role in pressuring the concerned authorities to withdraw from the project.

As a result of all these factors, the collaboration of actors located at different scales contributed to making the activism successful, at least in the earlier stage of the WSHP project development. In contrast, the project proponents, including SMEC, could not take much advantage of the local scale, and hence could not influence the locals as per their interests. This justifies the claim that inter-scale collaboration between civil society actors can play an important role in influencing the government's and project developers' decisions about the construction of hydropower projects. In addition, the success of the

activism depends on the co-operation and collaboration of different actors residing at different scales.

The chapter also argued that the motives and interests behind activism may differ among actors located at different scales and advocating against the same project, which may lead to a disjuncture between local and national opposition. The case of the WSHP justified this argument. For instance, the activism of local people residing in the WSHP area was focused on issues around compensation, resettlement, and rehabilitation, whereas the activism of regional actors was focused on relocation sites, benefit sharing at the regional level, and social problems that may arise in the region. National scale actors' activism was not confined to local and regional issues; rather, they were more focused on broader issues that interrogate the government's laws and policies. By challenging the construction of the WSHP, they not only campaigned around the particular project, but also advocated against the government's policies that support such endeavours. Their major effort was directed towards influencing national hydropower policies on the basis of WSHP. In addition, they were equally concerned about Nepal-India hydro politics and were worried that, as with earlier agreements, most of the benefits of the project would be augmented to India while the social, environmental, and economic costs would be borne by Nepal.

The chapter also revealed that differences in the motives of activism among the actors arise due to various factors and that this weakens the relationships among different actors located at different scales. In the case of the WSHP, although the activism became successful, the inadequate flow of information and miscommunication between the civil society actors and activists located at national and local scales escalated mistrust between locals, local activists, and national civil society actors and activists. In addition, the weak strategy of national level actors in reaching out to locals and their limited presence at the local level contributed to weakening the relationship between national and local civil society actors. As a result, although national level activists tried their best to raise awareness amongst locals on different issues, they only partially succeeded. In addition, even though the activism was successful (in the sense of helping to bring about the cancellation of the initial project contract with SMEC), the national civil society actors and activists did not leave a good impression on the project area. This will certainly have an impact on any inter-scale cooperation between these actors which may be required in

future, when the project construction actually begins and the compensation, resettlement and rehabilitation issues arise.

This indicates that, when advocating for a certain project, civil society and activists must look for sustainable relationships with the local people that last for the long term. To further this goal, they should increase their presence in the local area; they should try to have direct face-to-face communication with locals, and create proper mechanisms for the flow of information. Otherwise, the local people will not have faith in them and this is a major loss for any civil society and activist movement. This experience of the WSHP, including the nature of inter-scale collaboration to bring about meaningful activism, can be a major learning experience for activists and civil society actors advocating on similar issues related to DID projects in Nepal and elsewhere.

Chapter 7 of this thesis assessed three aspects of involuntary displacement induced by hydropower projects. First, it examined how the state responded to the actions and reactions of project affectees and non-state actors against involuntary displacement induced by hydropower projects in Nepal, from the past to the present. Second, this chapter examined the efforts and contributions of project affectees and activists in formulating and refining involuntary displacement policies in the country. Third, this chapter explored the reasons for the delay in the formulation of an involuntary displacement policy in Nepal. In so doing, the chapter endeavoured to answer the third research question of this thesis:

How has the GoN responded to involuntary displacement practices over time? And are the project affectees and non-state actors able to contribute to the refining of policies on involuntary displacement?

The core argument of this chapter was that, although the state remains the central authority in terms of making decisions, regulating entities, and formulating policies, the activism of affectees and non-state actors can play a crucial role in refining the involuntary displacement policy in the long run. In addition, the country's political situation and external influences also play an important role in refining the policy.

Chapter 7 revealed that, despite the thriving of civil society and the introduction of a Decentralisation Act, the central authority of the state still remains the most powerful entity in promulgating policies and making decisions. Without significant commitment

from the central level governmental bodies, the efforts of civil society and affectees only lead to gradual, piecemeal or minimal changes in the mechanisms for addressing the issue of involuntary displacement. Likewise, the dispersed activism of affectees and civil society contributes to the slow progress in formulating a concrete national policy on issues around involuntary displacement. This research highlights the need for collective pressure from different scales, and suggests that coordination and collaboration among civil society leaders, hydro-activists, political party leaders, and the affectees of different projects are essential for the formulation of a people-centric policy on involuntary displacement.

As a confirmation of the arguments made by Morill, and Norman and Bakker, Chapter 7 demonstrated that not only during Nepal's autocratic regime but also during democratic regimes, the state has retained the central power in taking decisions and formulating policies (Morill, 1999; Norman & Bakker, 2009). Nepal's experience in involuntary displacement issues shows that the state has consistently had the utmost power to promulgate and enforce its decisions, whether during the autocratic Panchayat regime or during successive democratic regimes of differing orientations. The chapter also reveals that during democratic regimes the government has become somewhat more liberal and open in its handling of involuntary displacement issues.

During the Panchayat regime, the government restricted its citizens in terms of being organised and forming civil society movements. Further, during this time the project affectees were unaware of their rights. With the establishment of democracy in 1990 the project proponents' and opponents' ways of dealing with the issue of involuntary displacement changed. During this period, civil society flourished and actively participated in debates and activism around involuntary displacement issues, along with many other development, social, and political issues. The pressure from civil society worldwide also compelled the government and multilateral financial institutions to change their previous mechanisms for dealing with involuntary displacement.

To a large extent, the influence of the change in international policies on environmental and development issues can be observed in Nepalese policies formulated after the 1990s. Provisions such as EIA and SEA and the introduction of more participatory and inclusive development approaches in national policies are some examples in this regard. Likewise, the impact of activism from project affectees, hydro activists, and civil society

organisations compelled the project developers to provide better compensation packages to the project affectees. For example, although the project developers did not fulfil all the promises made to the locals before the construction of the projects, the affectees of Kali Gandaki and Middle Marshyangdi hydropower projects were provided better compensation packages in comparison with past projects. This reveals that the active involvement of civil society during this phase on issues regarding large-scale hydropower projects and their consequences compelled the concerned authorities to refine their practices.

The chapter also confirmed that, particularly after the political transformation that took place after the II People Movement in 2006, significant changes occurred in Nepal. It was expected that these changes would foster a fertile space wherein civil society could operate and the people could participate in different political, development and social debates. However, this expectation of people has not yet been met, and the country is still trapped in a transitional phase. My research found that civil society activism, specifically on involuntary displacement issues, has declined during this period.

On the other hand, protests, bargaining, and negotiation have been used by hydropower project affectees as a common approach to fix compensation. It is found that if the negotiation process does not meet the demands of project affectees, they become confrontational through protesting and halting the project construction process. In several parts of the country, project affectees have disrupted project works time and again, demanding better compensation and benefit packages (ekantipur, 2014; Nepal Energy Forum, 2013; Pangen, 2014). This has resulted in delays in the construction work and increases in the cost of the project. In this sense, project developers are also affected by the absence of a national policy on involuntary displacement. The lack of a policy has promoted anarchy in the country, where negotiation between the project affectees and the project developers are not based on policies and mechanisms, but on the use of power. In such a situation, in some cases project affectees may win the negotiation process and in other cases the developers will win.

Chapter 7 also revealed that organisations such as the WB and ADB, as well as bureaucrats in the relevant government ministries, have been urging the government to formulate an involuntary displacement policy. The ADB has been providing technical and financial support to the government to formulate an involuntary displacement policy for

over a decade. Despite all these efforts, the government is delaying the involuntary displacement policy formulation process. This indicates that until and unless government is strongly compelled or committed to reform the policy, it will continue its present inadequate practices. This is a perfect example which showcases that, regardless of how autocratic or democratic the political system is, the government holds the utmost power to take decisions, regulate entities, and formulates policies. The findings of this research also corroborate the argument of some scholars that the entry of external agents and the thriving of civil society does not dilute the power of government in decision-making and policy formulation on involuntary displacement (Batterbury & Fernando, 2006; Mirumachi & Van Wyk, 2010).

Finally, the chapter further exposed that the government is worried about the rising cost of development projects if policies on involuntary displacement are formulated that minimise the negative consequences of involuntary displacement on project affectees. The chapter also pointed out that none of the major political parties are motivated to address the issue of involuntary displacement. Rather, they are supporting the construction of large-scale hydropower projects to please the Indian government and to be known as development- focused politicians. In the process, they fail to pressure the government to formulate an equitable involuntary displacement policy. I argue that this is mainly because they do not view the problems associated with involuntary displacement as serious problems, and they do not understand how devastating involuntary displacement can be for the affectees.

The chapter makes it clear that, despite more than two decades of activism, there has been very slow progress in dealing with involuntary displacement issues. The reasons behind this are insufficient, fluctuating and dispersed civil society activism. In this regard, I have highlighted the existence of a huge gap between local and national civil society actors and local civil society actors as a major reason for the feeble activism on involuntary displacement. The chapter clarified that Nepal-India water agreements have been a contentious issue for decades and, as a result, the debates on this issue have overshadowed civil society activism on involuntary displacement. Unfortunately, not much attention is given at all to how affectees of small-scale hydropower projects are treated and compensated. In this regard, I claim that the affectees of small-scale hydropower projects are equally or even more vulnerable than affectees in other hydropower projects. For the most part, the problems faced by affectees of such projects

go unnoticed as only small numbers of people are affected. This indicates that there is a need for a civil society entity as well as a government body that functions as an umbrella organisation to support the affectees of all infrastructure projects. In addition, the findings of Chapter 7 indicate that in order to pressure the government, civil society activism must be profound, constant and collaborative.

8.3 Recommendations to Government and Policymakers

The findings related to WSHP demonstrate that the government and project developers should give greater attention to the likely impacts that arise as soon as the project is announced and be prepared with plans to minimise the impacts that may occur due to long gestation periods. In this regard, the government as a responsible body should come up with interim development plans for areas affected by projects that are trapped in long gestation periods. In addition, measures to minimise the impacts that may occur during pre-implementation phases of hydropower projects should be incorporated into an involuntary displacement policy.

The chapter in the thesis have presented how irresponsible and insensitive GoN has been and continues to be on the issues of involuntary displacement and to the affectees of such projects. The way affectees of hydropower projects are treated reflects the fact that the project is constructed only for those who are targeted as the beneficiaries of the project. What goes on in the lives of affectees during the pre-implementation, implementation, and post-displacement phases is rarely considered. In such a scenario, I argue that the government should not devastate the lives of some in order to give benefits to others. Instead, I suggest that the government should either follow the approach prescribed by WCD or follow the ethical development approach and incorporate the measures it recommends while formulating policies around displacement.

Being displaced from their usual place of residence is not a positive decision for a significant number of people. Although this study has identified that some people are happy to move to a better place because of their deprived life in their current location, there are still a significant number of people in the project areas who are either sad or have mixed feelings regarding their potential displacement. This indicates that many people, regardless of their socio-economic status, do not want to move from their usual place of residence. At the same time, it is acknowledged that there are situations where

governments have to build hydropower projects to meet the development needs of their citizens. In such cases, project developers and governments must come up with compensation and benefit sharing packages that will attract the affectees to embrace voluntary displacement.

However, as has been argued in the existing literature, compensation should not be given on the basis of the price of their current land and property in the project area, but rather on the basis of the costs they will incur to buy new property. As recommended by IFC Performance Standard 5 the compensation for loss of asset should be provided in replacement cost, the market value of the assets plus transaction cost. Likewise as recommended both by the WCD and IFC Performance Standard 5, the government or project developers should ensure that the affectees' lives are better off than in their prior location when providing compensation, adequate housing for displaced and restoring livelihood measures. Project affectees should also be provided a certain level of ownership of the project, and this could be done by making each affectee a shareholder in the proposed hydropower project, based on the loss of their land, property, and livelihood opportunities. This provision could benefit both landholders and landless people in the long run. Moreover, those who are going to lose their livelihood opportunities after displacement, particularly those involved in agriculture and local business should be employed by project authorities in the construction process based on their capacities.

One pertinent issue that emerged from this research, and which is also expressed in the existing literature, is that local people living in the project area have a fear of losing their relatives and friends after displacement. This issue can be resolved by adopting the policy of mass relocation of a particular community to a new place. If mass relocation is not possible, then at least people could be relocated into a small number of areas to give them a sense of community belonging. While doing so the likely displacees should be consulted and involved in entire process from resettlement planning to the implementation phase. My research has suggested that displacees' relationship with the host community is a crucial challenge in the resettlement process of project-affected people. Thus it is recommended that social and cultural awareness programmes be conducted for people from the host community, as well as in the community of relocation. Organising cultural festivals could be an opportunity for hosts and displacees to engage in cultural exchange so as to better understand each other's culture. Pre-relocation visits

could be another strategy to help displacees gain a good sense of the host community, and vice versa.

This thesis has demonstrated the need for the government to formulate comprehensive and flexible policies on involuntary displacement, as at the moment there is a lack of such a policy to address this issue. National policy on involuntary displacement should clearly articulate the conditions and processes for land acquisitions, compensation distribution schemes, resettlement and rehabilitation plans for project-affected populations, and proposals for addressing the psycho-social needs of project-affected populations, both in the short and long run. While formulating policies on involuntary displacement, the government and policymakers should interact with local people who are likely to be affected and are already affected by the construction of large-scale hydropower projects, in order to become more aware of the interests, needs and concerns of people from different backgrounds living in various locations of the project area. My research has identified that the interests and demands of people are quite diverse; once the government and concerned stakeholders are aware of the multifaceted demands and interests of likely-to-be displaced and affected people, they can then come up with a solid displacement plan and a resettlement and compensation package that can satisfy most of the affectees. The policy should be flexible so that it can be modified as the contexts and circumstances change.

In order to accomplish this goal, the government should establish a separate entity as a monitoring authority for assessing the proper implementation of the proposed compensation, resettlement, and rehabilitation programmes. The monitoring entity should also have the responsibility of assessing the implementation status of EIA and SIA reports, as well as other policy measures prescribed to safeguard the project affectees. The government should also establish a data bank to keep accurate and updated information on potential project affectees and displacees, as well as those who have been displaced and affected in the past. This data bank could be used for various purposes, such as for resettlement and resettlement programmes as well as to monitor the status of the affectees and displacees of past projects.

8.4 Future Research

This study can be considered as an in-depth and possibly a first-of-its-kind attempt to meticulously investigate the pre-implementation phase of large-scale hydropower projects

that are trapped in a long gestation period. This thesis has also assessed how different actors attempt to influence DID projects from the pre-implementation phase, and has examined whether civil society and affectees of the project are able to refine involuntary displacement policy in the long run. Despite being a country-specific and hydropower project-specific study, a number of the findings and recommendations of this thesis are relevant in terms of understanding this topic in a broader context, which could deepen our understanding on DID projects and their impacts. This study has thus opened up avenues for future research, which not only provides additional support to this study but also broaden our knowledge and understanding on this particular topic. The following are some issues or areas which merit further exploration:

- Since this study is based on the study of the pre-implementation phase of one hydropower project, future studies on this topic can be conducted on either multiple projects from the same country or a cross-country study, so that we would have more evidence to support or justify the findings of this research.
- This study has constructed a theoretical framework, which demonstrates the impacts on local communities during the pre-implementation phase of large-scale hydropower projects. I have identified that psychological and development impacts are much higher than socio-economic and environmental impacts. Another study, based on this theoretical framework, would be valuable for verifying or justifying whether this theoretical framework can be representative or relevant to other contexts.
- In the case of Nepal, there are not any comparative studies conducted on different forms of displacement, such as that induced by development, conflict, disasters, and environmental crises. Such studies could be important in developing policies and programmes on displacement, resettlement and rehabilitation issues.
- A comparative study on civil society activism on involuntary displacement issues and other development or environmental issues could be conducted in other geographical contexts, in order to assess how successful civil society actors have been in pushing forward an agenda to develop national policies around these issues.
- Thus far, existing studies have been focused on the impacts of large-scale infrastructure projects on project affectees. There is also a need to examine the impacts that are induced by small-scale infrastructure projects. Likewise, there is a

need to study how affectees of such projects are coping with the impacts of the projects and how have they been advocating for their rights.

8.5 Concluding Remarks

This thesis has pointed out several specific reasons behind Nepal's unsuccessful experience of protecting the affectees of hydropower projects. I would like to conclude by summarising these reasons in three broad categories, and I would like to suggest that the concerned authorities consider these suggestions.

First, there is clearly a lack of understanding about the consequences of involuntary displacement for local communities that may occur during different phases of DID projects. Hence the government, project investors, civil society, and hydro-activists must assess and understand how local communities struggle from the very inception of such projects. A better understanding of these realities will contribute to addressing issues related to involuntary displacement in a constructive and less confrontational approach.

Second, there is a lack of effective coordination and cooperation among civil society actors and affectees located at different scales. This study suggests that a constructive and cooperative engagement of civil society organisations and hydro activists from various scales is extremely crucial to pressuring the government to formulate affectee-friendly policies as well as to monitor the implementation of such policies on the ground.

Third, the conventional approach of the state towards involuntary displacement issues is inadequate. The government still endorses policies that are beneficial to some without recognising the harm they may cause to others. The government thus needs, as a matter of priority, to design and implement policies which result in a win-win scenario for the project affectees as well as the project beneficiaries. I believe that this situation is possible to achieve if affectees of the projects are kept at the centre of deliberations while formulating policies on involuntary policy. I also suggest that there is a clear need for a coordinated and harmonious tripartite relationship between the state, civil society, and local people, in the formulation of policies on hydropower development processes as well as in the resolving of issues related to the compensation and resettlement of people who are going to be displaced because of large-scale hydropower projects.

While advocating for reforms in addressing involuntary displacement issues in Nepal, we should also give attention to the current political environment of the country and the possibility of reforms given the current practices surrounding involuntary displacement issues. As we have seen, Nepal is currently in a transitional phase. The changes that took place after the People Movement-II created high hopes in the people. The entry of the country into a new political system has brought various political, social, and development issues to the forefront. However, the government and concerned authorities have not been able to address these issues as per the expectations of the people. The first Constitution Assembly failed to formulate a new constitution for the country, and the second Constitutional Assembly has likewise not been able to make significant progress in the constitution-making process. This has lessened the faith of people in the current government and political leaders, and has weakened the state. This reflects the fact that Nepal is currently in a very challenging situation. However, if we analyse Nepal's situation broadly, we can have hope for a better future, as the country is still involved in the constitution-making process and in the difficult challenge of reforming laws, policies, and acts in an ever-changing scenario. Viewed through this lens, perhaps this transformational period is an appropriate time to debate involuntary displacement issues and endorse better mechanisms to compensate, resettle and rehabilitate project affectees.

BIBLIOGRAPHY

- ADB. (1995). Involuntary Resettlement. Retrieved 5 June, 2012, from ADB
<http://www.adb.org/sites/default/files/institutional-document/32515/files/involuntary-resettlement.pdf>
- ADB. (2009). Safeguard Policy Statement. Retrieved June 20, 2013, from ADB
<http://www.adb.org/sites/default/files/institutional-document/32056/safeguard-policy-statement-june2009.pdf>
- ADB. (2011). Project Performance Evaluation Report on Loan 1452-NEP (SF): Kali Gandaki "A" Hydroelectric Project in Nepal Retrieved 8 May 2015, from ADB
<http://www.adb.org/sites/default/files/evaluation-document/35901/files/pper-kaligandaki-nepal.pdf>
- ADB. (2012). NEP: Strengthening Involuntary Resettlement Safeguard Systems in Nepal. Retrieved 5 July 2012, from ADB <http://www.adb.org/projects/documents/strengthening-involuntary-resettlement-safeguard-systems-nepal-dpta>
- ADB. (2014). Country Operation Business Plan. Retrieved 28 May 2015, from ADB
<http://www.adb.org/documents/nepal-country-operations-business-plan-2015-2017>
- Adger, W. N., Benjaminsen, T. A., Brown, K., & Svarstad, H. (2001). Advancing a political ecology of global environmental discourses. *Development and Change*, 32(4), 681-715.
- Adger, W. N., Brown, K., & Tompkins, E. L. (2005). The political economy of cross-scale networks in resource co-management. (1708-3087). Retrieved 7 October 2013
<http://www.ecologyandsociety.org/vol10/iss2/art9/>
- Agnew, J. (1993). Space, scale and culture in social science. In J. Duncan & D. Ley, (Eds.), *Place, Culture, Representation* (pp 251-271). London and New York: Routledge.
- Agrawal, A., & Redford, K. (2009). Conservation and displacement: an overview. *Conservation and Society*, 7(1), 1-10.
- Asthana, R. (1996). Involuntary resettlement: survey of international experience. *Economic and Political Weekly*, 31(24), 1468-1475.
- Atkinson, R., & Flint, J. (2001). Accessing hidden and hard-to-reach populations: Snowball research strategies. *Social research update*, 33(1), 1-4.
- Baillat, A. (2004) 'Hydropolitics in Small Mountainous States - Two Cases of CrossAsymmetries: The Kingdom of Lesotho and the Republic of South Africa, the Kingdom of Nepal and the Republic of India', Working Paper 04/03, Graduate Institute of International Studies, Geneva, <http://www.hei.unige.ch/publ/index.html>

- Banerjee, P., Chaudhury, S. B. R., Das, S. K., & Adhikari, B. (2005). *Internal Displacement in South Asia: The Relevance of the UN's Guiding Principles*, New Delhi: Sage.
- Bastola, S. N. (1994). *Water Resources Development of the Mighty Himalayan Rivers: Indus, Ganga-Yamuna, Brahmaputra Rivers*, Nepal: Sunil Bastola.
- Batterbury, S. P., & Fernando, J. L. (2006). Rescaling governance and the impacts of political and environmental decentralization: an introduction. *World Development*, 34(11), 1851-1863.
- Bhandari, R. (2007). Pashim Seti Ayojana: Bhram ra Bhastabikta. Kathmandu: WAFED.
- Bhatta, C. D. (2008). *Challenges of State-building in Nepal*, Kathmandu: Friedrich Ebert Stiftung.
- Bhatta, C. D. (2012). Unveiling Nepal's civil society. *Journal of Civil Society*. 8(2): 185-199.
- Bhattarai, A. M. (2001). *Displacement and Rehabilitation in Nepal: Law, Policy, and Practice*. New Delhi: Anmol Publication Pvt. Ltd.
- Bhattarai, A., Thapalia, A., Thapa, M., & Ghimire, S. (2002). Civil Society in Nepal: Some Self-Reflections: A Research Report prepared as a part of a research project carried out in collaboration with Institute of Development Studies, University of Helsinki, Finland. Kathmandu: Nepal South Asia Centre.
- Biernacki, P., & Waldorf, D. (1981). Snowball sampling: Problems and techniques of chain referral sampling. *Sociological Methods & Research*, 10 (2): 141-163.
- Bisht, T. C. (2009). Development-induced displacement and women: the case of the Tehri dam, India. *The Asia Pacific Journal of Anthropology*, 10 (4): 301-317
- Bolin, I. (1990). Upsetting the power balance: Cooperation, competition, and conflict along an Andean irrigation system. *Human Organization*, 49 (2): 140-148.
- Bose, P. S. (2004). Critics and experts, activists and academics: Intellectuals in the fight for social and ecological justice in the Narmada Valley, India. *International Review of Social History*, 49 (12), 133-157.
- Brenner, N. (2004). Urban governance and the production of new state spaces in Western Europe, 1960–2000. *Review of international political economy*, 11(3), 447-488.
- Brown, L. D., & Fox, J. A. (1999). Transnational civil society coalitions and the World Bank: lessons from project and policy influence campaigns. *Hauser Center for Nonprofit Org. Working Paper* (3).
- Bryman, A. (2012). *Social research methods*, London: Oxford university press.
- Bulkeley, Harriet. (2005). Reconfiguring environmental governance: towards a politics of scales and networks. *Political geography*, 24(8), 875-902.

- Burt, N., & Watts, J. H. (1996). *Barrages: engineering, design and environmental impacts*, UK: John Wiley & Sons.
- Cash, D. W., Adger, W. N., Berkes, F., Garden, P., Lebel, L., Olsson, P., & Young, O. (2006). Scale and cross-scale dynamics: governance and information in a multilevel world. (pp. 1708-3087). Retrieved 10 November 2013
<http://www.ecologyandsociety.org/vol11/iss2/art8/>
- Castles, S. (2003). Towards a sociology of forced migration and social transformation. *Sociology*, 37(1), 13-34.
- Cernea, M. (1994). Population Resettlement and Development. *Finance and Development*, Vol.31 (3), 46-49.
- Cernea, M. (1996a). Public policy responses to development-induced population displacements. *Economic and Political Weekly*, 31(24), 1515-1523.
- Cernea, M. (1996b). Studying Refugees & Development Oustees. In T. Allen (Eds.), *Search of Cool Ground: War, Flight & Homecoming in Northeast Africa*, New Jersey: Africa World Press, Inc.
- Cernea, M. (1996c). Understanding and preventing impoverishment from displacement In C. McDowell (Eds.), *Understanding impoverishment: the consequences of development induced displacement* Retrieved from
https://books.google.co.nz/books?hl=en&lr=&id=0fM_bO-XbQ8C&oi=fnd&pg=PA13&dq=Understanding+and+preventing+impoverishment+from+displacement.+Understanding+impoverishment:+the+consequences+of+development+induced+displacement.+&ots=1YP7R2cP8i&sig=bInp7fjQMF_7oop_8HnFdVnwYAU#v=onepage&q=Understanding%20and%20preventing%20impoverishment%20from%20displacement.%20Understanding%20impoverishment%3A%20the%20consequences%20of%20development%20induced%20displacement.&f=false
- Cernea, M. (1999). *The economics of involuntary resettlement: Questions and challenges*, Washington DC: The World Bank
- Cernea, M. (2000). Risks, safeguards and reconstruction: a model for population displacement and resettlement. *Economic and Political Weekly*, 35(41): 3659-3678.
- Chacko, E. (2004). Positionality and Praxis: Fieldwork Experiences in Rural India. *Singapore Journal of Tropical Geography*, 25(1), 51-63.
- Chandhoke, N. (2013). The Promises and the Limits of Civil Society. Retrieved 17 November from ASD <http://asd.org.np/wp-content/uploads/2015/03/transcript-of-neera-chandhoke.pdf>

- China Daily. (2013). Nepal addresses Chinese hydropower contractor's concerns Retrieved 2 July 2014, from http://www.chinadaily.com.cn/business/2013-12/12/content_17168963.htm
- Clark, D., Fox, J. A., & Treakle, K. (2003). *Demanding Accountability: Civil Society Claims and the World Bank Inspection Panel*, England: Rowman & Littlefield Publishers.
- Cox, K. R. (1998). Spaces of dependence, spaces of engagement and the politics of scale, or looking for local politics. *Political Geography*, 17(1), 1-23.
- Dabhade, M., & Pant, H. V. (2004). Coping with challenges to sovereignty: Sino-Indian rivalry and Nepal's foreign policy. *Contemporary South Asia*, 13(2), 157-169.
- Dahal, D. R. (2001). *Civil Society in Nepal: Opening the Ground for Questions*, Nepal: Center for Development & Governance.
- Danermark, B., & Ekstrom, M. (1990). Relocation and Health Effects on the Elderly-A Commented Research Review. *Journal of Sociology & Social Welfare*, 17, 25-50.
- Dawson, G., & Farber, S. (2012). *Forcible Displacement throughout the Ages: Towards an International Convention for the Prevention and Punishment of the Crime of Forcible Displacement*, Boston: Martinus Nijhoff Publishers.
- de Castro, F. (2013). Between cooperation and conflict: The implementation of agro-extractive settlements in the Lower Amazon flood plain. In E. S. Brondizio & E. F. Moran (Eds.), *Human-Environment Interactions* (pp. 213-234), USA: Springer.
- Delaney, D., & Leitner, H. (1997). The political construction of scale. *Political geography*, 16(2), 93-97.
- Deo, N., & McDuie-Ra, D. (2011). *The politics of collective advocacy in India: tools and traps*. India: Kumarian Press.
- Denzin, N. K., & Lincoln, Y. S. (1994). *Handbook of qualitative research*. Thousand Oaks, CA: Sage
- Dhungel, D. N., & Pun, S. B. (2009). *The Nepal-India water relationship: challenges*. USA: Springer.
- Diamond, L. J. (1994). Toward democratic consolidation. *Journal of democracy*, 5(3), 4-17.
- Dixit, A. (1994a). Water projects in Nepal: Lessons from displacement and rehabilitation. *Water Nepal*, 4(1), 89-103.
- Dixit, A. (2008). *Dui Chimekiko Jalyatra*. Kathmandu: ActionAid Nepal & Nepal Water Conservation Foundation.
- Dixit, A., & Gyawali, D. (2010). Nepal's Constructive Dialogue on Dams and Development. *Water Alternatives*, 3(2), 106-123.

- Dixit, A., Tumbahangfe, A., & Bisangkhe, S. (2005). *Involuntary Displacement and Livelihood: An Analysis of Nepal's Proposed Five High Dam Projects*. Kathmandu: ActionAid Nepal.
- Dore, J., & Lebel, L. (2010). Deliberation and scale in Mekong Region water governance. *Environmental Management*, 46(1), 60-80.
- Drydyk, J. (2007). Unequal Benefits-The Ethics of Development-Induced Displacement. *Georgetown Journal of International Affairs*, 8(1) 105-114.
- Dwivedi, R. (1997). Why some people resist and others do not: local perceptions and actions over displacement risks on the Sardar Sarovar. *ISS Working Paper Series/General Series*, 34. The Neatherlands: ISS
- Dwivedi, R. (2002). Models and Methods in Development–Induced Displacement (Review Article). *Development and Change*, 33(4), 709-732.
- ekantipur. (2013a). Power line project held up by land acquisition row Retrieved 26 August, 2014, from <http://www.ekantipur.com/2013/08/13/top-story/power-line-project-held-up-by-land-acquisition-row/376358.html>
- ekantipur. (2013b). West Seti completion date pushed back further. Retrieved 9 July 2014, from Kantipur Publications Pvt. Ltd <http://www.ekantipur.com/2013/09/01/top-story/west-seti-completion-date-pushed-back-further/377337.html>
- ekantipur. (2014a). Failure to acquire land hits power line project Retrieved 26 August 2014 from <http://www.ekantipur.com/2014/01/05/business/failure-to-acquire-land-hits-power-line-project/383434.html>
- ekantipur. (2014b). Nepal seeks clarity on Indian proposal Retrieved 21 July 2014, from <http://www.ekantipur.com/2014/07/21/top-story/nepal-seeks-clarity-on-indian-proposal/392455.html>
- Fast, T. (2013). Another Dam Development Project? Development-forced Displacement and Resettlement in Nepal, Retrived 17 April 2014 from <http://lup.lub.lu.se/student-papers/record/3990958>
- Forbes, A. A. (1999). The importance of being local: villagers, NGOs, and the World Bank in the Arun Valley, Nepal. *Identities Global Studies in Culture and Power*, 6(2-3), 319-344.
- Fox, J. A., & Brown, L. D. (1998). *The struggle for accountability: The World Bank, NGOs, and Grassroots Movements*. USA: MIT press.
- Fukuyama, F. (2001). Social capital, civil society and development. *Third World Quarterly*, 22(1), 7-20.
- Gasper, D. (2012). Development ethics–Why? What? How? A formulation of the field. *Journal of Global Ethics*, 8(1), 117-135.

- Gautam, M. S., & Pokhrel, B. (2011). *Foreign Aid and Public Policy Process in Nepal A Case of Forestry and Local Governance*. Kathmandu: South Asia Institute of Advance Studies.
- Gellner, D. N. (2010). *Varieties of activist experience: civil society in South Asia* (Vol. 3). India: Sage.
- Gerring, J. (2007). Case study research. *Principles and Practices*. New York: Cambridge.
- Giri, S. (2015). IBN okays West Seti bid from Chinese firm Retrieved 16 April 2015, from Kantipur Publications Pvt. Ltd <http://www.ekantipur.com/2015/04/14/top-story/ibn-okays-west-seti-bid-from-chinese-firm/404061.html>
- Global Times. (2014). Nepal seeks 400 mln USD soft loan from China to fund transmission line project Retrieved 2 July 2014, 2014, from <http://www.globaltimes.cn/content/855460.shtml>
- GoN. (1977). *Land Acquisition Act, 2034 (1977)*. Kathmandu: Law Books Commission Board
- GoN. (1990). *The Constitution of the Kingdom of Nepal 2047 (1990)*. Kathmandu: Law Books Management Board.
- GoN. (1992). *Hydropower Development Policy 1992*. Kathmandu: Ministry of Water Resources.
- GoN. (1993). *Forest Act 2049 (1993)*. Kathmandu: Law Books Management Board.
- GoN. (1997). *Environment Protection Act, 1997*. Kathmandu: GoN.
- GoN. (1999). *Local Self-Governance Act 2055 (1999)*. Kathmandu: Ministry of Law and Justice.
- GoN. (2001a). *The Hydropower Development Policy, 2001*. Kathmandu: Ministry of Water Resources.
- GoN. (2001b). *Water Resources Strategy*. Kathmandu: Water and Energy Commission Secretariat
- GoN. (2005). *National Water Plan*. Kathmandu: Water and Energy Commission Secretariat.
- GoN. (2007a). *Interim Constitution of Nepal, 2063 (2007)*. Kathmandu: Nepal Law Commission.
- GoN. & UNDP. (2014). *Nepal Human Development Report 2014*. Kathmandu: GoN, UNDP.
- GoN. (2015). Ending the AIDS Epidemic as part of the Sustainable Development Goals. Retrieved 7 December 2015, from National Center for AIDS and STD Control <http://www.ncasc.gov.np/uploaded/Press-release-2015/HIV-Facts-for-WAD2015-press.pdf>
- Goulet, D. (1996). *A new discipline: development ethics* (Vol. 231): Helen Kellogg Institute for International Studies, University of Notre Dame.
- Gray, D. E. (2013). *Doing research in the real world*. London: Sage.

- Guba, E. G., & Lincoln, Y. S. (1994). Competing paradigms in qualitative research. In N. K. Denzin & Y. S. Lincoln (Eds.), *Handbook of qualitative research* (pp. 105-117): Thousand Oaks, CA: Sage
- Guthman, J. (1997). Representing Crisis: The Theory of Himalayan Environmental Degradation and the Project of Development in Post Rana Nepal. *Development and Change*, 28(1), 45-69.
- Gutman, P. (1994). Involuntary resettlement in hydropower projects. *Annual review of energy and the environment*, 19(1), 189-210.
- Gyawali, D. (2001). *Water in Nepal*. Kathmandu: Himal Books
- Gyawali, D. (2003). What Makes " Environmentalist" a Southern Pejorative? The Role and Influence of the Social Carriers of Technology. *Environment Across Cultures*, 19, 55-71.
- Gyawali, D., & Dixit, A. (1999). Mahakali impasse and Indo-Nepal water conflict. *Economic and Political Weekly*, 34(9), 553-564.
- Hachhethu, K. (2006). Civil society and political participation. *Nepal: Quest for participatory democracy*. New Delhi: Adroit.
- Hay, I. (2010). *Qualitative research methods in Human Geography*. London: Oxford University Press.
- Heaton, C. (2001). 'Our differences don't make a difference': practising 'civil society' in Nepal's non-governmental sector. School of Oriental and African Studies, University of London.
- Herz, S., La Viña, A. G., & Sohn, J. (2007). *Development without conflict: the business case for community consent*, Washington: World Resources Institute.
- Horowitz, M. M. (1991). Victims upstream and down. *Journal of Refugee Studies*, 4(2), 164-181.
- Hunter, D. (2003). Using the World Bank Inspection Panel to defend the interests of project-affected people. *Chicago Journal of International Law*, 4 (1), 201-212.
- Hwang, S.-S., Xi, J., Cao, Y., Feng, X., & Qiao, X. (2007). Anticipation of migration and psychological stress and the Three Gorges Dam project, China. *Social Science & Medicine*, 65(5), 1012-1024.
- IFC. (2012). Performance Standard 5 Land Acquisition and Involuntary Resettlement. Retrieved 8 January 2015 from IFC
http://www.ifc.org/wps/wcm/connect/3d82c70049a79073b82cfaa8c6a8312a/PS5_English_2012.pdf?MOD=AJPERES
- Jay, S., Jones, C., Slinn, P., & Wood, C. (2007). Environmental impact assessment: Retrospect and prospect. *Environmental Impact Assessment Review*, 27(4), 287-300.

- Kathmandu Post. (2012a). Govt, China company ink West Seti MoU. Retrieved 12 June 2012, from Kantipur Publications Pvt. Ltd
- Kathmandu Post. (2012b). West Seti Project: Investment Board, China firm to ink revised MoU. Retrieved 6 March 2013, from Kantipur Publications
<http://kathmandupost.ekantipur.com/news/2012-08-26/west-seti-project-investment-board-china-firm-to-ink-revised-mou.html>
- Kathmandu Post. (2014). Joint Press Statement on the official visit of the Prime Minister of India, His Excellency Shri Narendra Modi, to Nepal. Retrieved 8 October 2014, from Kantipur Publications <http://kathmandupost.ekantipur.com/news/2014-08-05/joint-press-statement-on-the-official-visit-of-the-prime-minister-of-india-his-excellency-shri-narendra-modi-to-nepal.html>
- Kaviraj, S., & Khilnani, S. (2001). *Civil society: history and possibilities*: Cambridge Univ Pr.
- Kemp, Melody. (2009). Dammed If You Do. *Dissent* (31), 41-47.
- Kaviraj, S., & Khilnani, S. (2001). *Civil society: history and possibilities*, USA: Cambridge University Press.
- Kumar, R. (2005). *Research Methodologies: a step-by-step guide for beginners*. London: Sage.
- Kumar, S. (2011). China's Expanding Footprint in Nepal: Threats to India. *Journal of Defence Studies*, 5(2), 77-89.
- Kunz, E. F. (1973). The Refugee in Flight: Kinetic Models and Forms of Displacement. *International Migration Review*, 7(2), 125-146.
- Larkin, P. J., de Casterlé, B. D., & Schotsmans, P. (2007). Multilingual Translation Issues in Qualitative Research Reflections on a Metaphorical Process. *Qualitative Health Research*, 17(4), 468-476.
- Laws, S., Harper, C., & Marcus, R. (2003). *Research for development: a practical guide*. London: Sage
- Lebel, L., Garden, P., & Imamura, M. (2005). The politics of scale, position, and place in the governance of water resources in the Mekong region. Retrieved 7 November 2013
http://digitalcommons.usu.edu/unf_research/32/
- Lee, E. S. (1966). A theory of migration. *Demography*, 3(1), 47-57.
- Liamputtong, P., & Ezzy, D. (2000). *Qualitative research methods*. Melbourne: Oxford University Press, Melbourne.
- Marston, S. A., Jones, J. P., & Woodward, K. (2005). Human geography without scale. *Transactions of the Institute of British Geographers*, 30(4), 416-432.

- McDowell, C., & Morrell, G. (2013). *Displacement beyond conflict: challenges for the 21st century*. New York: Berghahn Books.
- Miller, T., Birch, M., Mauthner, M., & Jessop, J. (2012). *Ethics in qualitative research*. London: Sage.
- Mirumachi, N., & Van Wyk, E. (2010). Cooperation at different scales: challenges for local and international water resource governance in South Africa. *The Geographical Journal*, 176(1), 25-38.
- MoE. (2010). *20 Years Hydroelectricity Development Plan*. Kathmandu: Ministry of Energy
- Molle, F. (2007). Scales and power in river basin management: the Chao Phraya River in Thailand. *The Geographical Journal*, 173(4), 358-373.
- Moore, D., Dore, J., & Gyawali, D. (2010). The World Commission on Dams+ 10: Revisiting the large dam controversy. *Water Alternatives*, 3(2), 3-13.
- Moore, J. (2012). A personal insight into researcher positionality. *Nurse Researcher*, 19(4), 11-14.
- Morgan, R. K. (2012). Environmental impact assessment: the state of the art. *Impact Assessment and Project Appraisal*, 30(1), 5-14.
- Morrill, R. (1999). Inequalities of power, costs and benefits across geographic scales: the future uses of the Hanford reservation. *Political Geography*, 18(1), 1-23.
- Moss, T., & Newig, J. (2010). Multilevel water governance and problems of scale: Setting the stage for a broader debate. *Environmental Management*, 46(1), 1-6.
- My Republica. (2013). IBN receives green signal to West Seti Retrieved 5 February 2014
http://www.myrepublica.com/portal/index.php?action=news_details&news_id=66110
- Moss, T., & Newig, J. (2010). Multilevel water governance and problems of scale: Setting the stage for a broader debate. *Environmental Management*, 46(1), 1-6.
- My Republica. (2013). IBN receives green signal to West Seti Retrieved 5 February 2014
http://www.myrepublica.com/portal/index.php?action=news_details&news_id=66110
- Nepal Electricity Authority. (2013). *Annual Report A Year in Review-Fiscal Year 2012/2013*
 Kathmandu: Nepal Electricity Authority.
- Nepal Electricity Authority, & Tanahu Hydropower Limited. (2012). Resettlement and Indigenous Peoples Plan (Draft). Retrived 11 September 2014 from ADB
<http://www.adb.org/sites/default/files/project-document/74154/43281-013-nep-remdp-01.pdf>
- Nepal Electricity Authority, & Tanahu Hydropower Limited. (2014). Resettlement Framework
NEP: Tanahu Hydropower Project. Kathmandu: Nepal Electricity Authority

Tanahu Hydropower Limited.

Nepal Energy Forum. (2013). Construction of Khimti-Dhalkebar transmission line to complete in March Retrieved 26 August, 2014, from <http://www.nepalenergyforum.com/construction-of-khimti-dhalkebar-transmission-line-to-complete-in-march/>

Nepali, M. (2012). Vague Civil Society advocacy in Nepal: a context of under-cared peace process. Retrieved 8 January 2015, from Ground Report <http://www.groundreport.com/vague-civil-society-advocacy-in-nepal-a-context-of-under-cared-peace-process/>

Norman, E. S., & Bakker, K. (2009). Transgressing scales: water governance across the Canada–US borderland. *Annals of the Association of American Geographers*, 99(1), 99-117.

OECD. (1992). OECD Development Assistance Committee Guidelines on Aid and Environment *Guidelines for Aid Agencies on Involuntary Displacement and Resettlement in Development Projects*. Paris: OECD,

Oliver-Smith, A. (2001). *Displacement, resistance and the critique of development: From the grass roots to the global*. In C.J. Wet (Eds.), *Development Induced Displacement: Problem, Policies and People*. New York: Berghahn Books.

Outhwaite, W., & Turner, S. (2007). *The Sage Handbook of Social Science Methodology*. London: Sage.

Pangeni, R. (2014). Land Dispute delays Thankot-Bhaktapur transmission line. Retrieved 10 November 2014 http://www.myrepublica.com/portal/index.php?action=news_details&news_id=74158%20219

Parasuraman, S. (1993). Impact of displacement by development projects on women in India. *ISS Working Paper Series/General Series*, 159, 1-12.

Pariyar, M. P. (2003). Water and poverty linkages in mountainous areas: A case study from Nepal. *Water and poverty linkages: case studies from Nepal, Pakistan and Sri Lanka*, International Water Management Institute, Sri Lanka, 5-50.

Patkar, M. (2004). River linking: A millennium folly. *National Alliance of Peoples' Movements (NAPM) and Initiative*. India: National Alliance of People's Movements and Initiative.

Penz, P., Drydyk, J., & Bose, P. S. (2011). *Displacement by development: ethics, rights and responsibilities*. New York: Cambridge University Press.

Picciotto, R., Van Wicklin, W., & Rice, E. E. (2001). *Involuntary resettlement: Comparative perspectives*. USA: Transaction Publishers.

- Poertner, E., Junginger, M., & Müller-Böker, U. (2011). Migration in Far West Nepal: intergenerational linkages between internal and international migration of rural-to-urban migrants. *Critical Asian Studies*, 43(1), 23-47.
- Pokharel, J. C. (1985). *Large Scale Resource Development Projects and the Problem of Displacement Compensation and Resettlement: With Reference to the Kulekhani Hydroelectric Project in Nepal*. University of Hawaii at Manoa.
- Pokhrel, D. (2013). Energy Revolution 2014, from <http://www.ekantipur.com/the-kathmandu-post/2013/02/05/oped/energy-revolution/244957.html>
- Power, Sharing. (2000). Dams, Indigenous Peoples and Ethnic Minorities. World Commission on Dams: Thematic Paper. Moreton-in-Marsh: Forest Peoples Programme.
<http://stage.fpp.iskra.net/sites/fpp/files/publication/2010/08/damsipsethnicminoritiesnov00eng.pdf>
- Pun, S. (2008). Paraguay, Bhutan and Nepal: Landlocked but Hydropower Rich. *Hydro Nepal: Journal of Water, Energy and Environment*, 1, 4-8.
- Putnam, R. D. (1995). Bowling alone: America's declining social capital. *Journal of democracy*, 6(1), 65-78.
- Rai, D. (2012). In Search of Light Retrieved 1 July 2014, 2014, from <http://www.nepalitimes.com/blogs/thebrief/2012/03/08/in-search-of-light/>
- Rai, K. (2005). *Dam Development: the dynamics of social inequality in a hydropower project in Nepal*. Gottingen: Cuvillier Verlag.
- Rai, O. A. (2014). The cost of relying on diesel Retrieved November 2014, from My Republica http://www.myrepublica.com/portal/index.php?action=news_details&news_id=69271
- Reed, M. G., & Bruyneel, S. (2010). Rescaling environmental governance, rethinking the state: A three-dimensional review. *Progress in human geography*, 34(5), 646-653.
- Richter, B. D., Postel, S., Revenga, C., Scudder, T., Lehner, B., Churchill, A., & Chow, M. (2010). Lost in Development's Shadow: The Downstream Human Consequences of Dams. *Water Alternatives*, 3(2), 14-42.
- Rothman, F. D., & Oliver, P. E. (1999). From local to global: the anti-dam movement in southern Brazil, 1979-1992. *Mobilization: An International Quarterly*, 4(1), 41-57.
- Sadler, B., Verocai, I., & Vanclay, F. (2000). Environmental and Social Impact Assessment for large dams. *Final version. World Commission on Dams (WCD). WCD Thematic Review*, 2: Nairobi: WCD
- Sangroula, D. P. (2009). Hydropower development and its sustainability with respect to sedimentation in Nepal. *Journal of the Institute of Engineering*, 7(1), 56-64.

- Sapkota, N. (1999). Impoverishment Risks and Evaluation among Seriously Project Affected Families in the Kali Gandaki Hydropower Project. *Nepal, Beltari: KGEMU*.
- Scudder, T. (1993). Development-induced relocation and refugee studies: 37 years of change and continuity among Zambia's Gwembe Tonga. *Journal of Refugee Studies*, 6(2), 123-152.
- Scudder, T. (2006). *The future of large dams: Dealing with social, environmental, institutional and political costs*. London & Sterling: Earthscan.
- Shah, S. (2008). *Civil society in uncivil places: soft state and regime change in Nepal*: Honolulu: East-West Center.
- Sharma, R. H., & Awal, R. (2013). Hydropower development in Nepal. *Renewable and Sustainable Energy Reviews*, 21, 684-693.
- Shrestha, A. M. (2001). *Bleeding Mountains of Nepal*. Kathmandu: Ekta Books.
- Shrestha, B. N. (2015). Nepal: Petition filed in SC, Susta border dispute with India Retrieved 2015, from Telegraphnepal.com <http://www.telegraphnepal.com/views/2015-02-25/nepal:-petition-filed-in-sc-susta-border-dispute-with-india.html>
- Shrestha, C. H. (2012). Introduction To Special Issue on Civil Society In Nepal. Retrieved 17 May 2014 from Nepal Policy Research Network http://nepalpolycynet.com/images/NewAngle/Vol%202/New%20Angle_Issue%202_Final%20Papers/Celayne%20Heaton%20Shrestha.pdf
- Shrestha, H. M. (1997, 1 June 1997). Pashim Seti Smriti Patra: Girdo Manastithile Rastrako Heet Gardaina. Kathmandu: Deshantar Saptahik
- Shrestha, R. S. (2009a). Arun-III Project: Nepal's Electricity Crisis and its Role in Current Load Shedding and Potential Role 10 Years Hence. *Hydro Nepal: Journal of Water, Energy and Environment*, 4, 30-35.
- Shrestha, R. S. (2009b). West Seti Hydroelectric Project: Assessment of its Contribution to Nepal's Economic Development. *Hydro Nepal: Journal of Water, Energy and Environment*, 5, 8-17.
- Shrestha, R. S. (2010). Electricity crisis (load shedding) in Nepal, its manifestations and ramifications. *Hydro Nepal: Journal of Water, Energy and Environment*, 6, 7-17.
- Sims, H. (2001). Moved, left no address: dam construction, displacement and issue salience. *Public Administration and Development*, 21(3), 187-200.
- Singh, D. B. (2003). Nepal Case Study on Environmental Assessment of Middle-Marsyangdi Hydro-Electric Project. Retrieved 15 April 2015, from Department of Electricity Development <http://www.sari->

energy.org/training/eia/course_files/casestudies/NEPAL_CASESTUDY2_Hydro_Electric_Project.pdf

- Siwakoti, G. (2012). Unparalleled Opportunity 2013, Retrived 2 February from <http://www.ekantipur.com/the-kathmandu-post/2012/03/22/oped/unparalleled-opportunity/232949.html>
- Siwakoti, G. (n.d.). *Nepalma Jalshrot tatha Jalbidhut bikash aviyan: Samikshyatmak Tipadhi*. Nepal.
- Sneddon, C. (2002). Water conflicts and river basins: the contradictions of comanagement and scale in Northeast Thailand. *Society & Natural Resources*, 15(8), 725-741.
- Stanley, J. (2004). Development-induced displacement and resettlement. Retrieved 26 June 2012 <http://www.forcedmigration.org/research-resources/expert-guides/development-induced-displacement-and-resettlement/fmo022.pdf>
- Sultana, F. (2007). Reflexivity, positionality and participatory ethics: Negotiating fieldwork dilemmas in international research. *ACME: An International E-Journal for Critical Geographies*, 6(3), 374-385.
- Swain, A. (2004). *Managing water conflict: Asia, Africa and the Middle East*. New York: Routledge.
- Szablowski, D. (2007). *Who Defines Displacement? The Operation of the World Bank Involuntary Resettlement Policy in a Large Mining Project*. In. Peter Vandergeest, P. Idahosa, and P.S. Bose (Eds.), *Development's Displacement: Economies, and Cultures at Risk*, (pp.33-60). Canada: UBC Press.
- Tamang, S. (2002). Civilizing civil society: donors and democratic space. *Studies in Nepali History and Society*, 7(2), 309-353.
- Tanabe, Y. (2007). Report on the West Seti Hydroelectric Project and ADB Policy Violations. Japan: Japan Center for a Sustainable Environment and Society
- Temple, B. (2008). Narrative analysis of written texts: reflexivity in cross language research. *Qualitative Research*, 8(3), 355-365.
- Thanju, J. P. (2009). West Seti Hydro-electric Project. *Hydro Nepal: Journal of Water, Energy and Environment*, 3, 1-2.
- Thapa, Y. B. (1997, 16 May 1997). West Seti: Riparian issues and institutional flaws *The Kathmandu Post*. Kathmandu: Kantipur Publications
- Thieme, S. (2006). *Social networks and migration: Far West Nepalese labour migrants in Delhi*. Münster: LIT.

- Thukral, E. G. (1996). Development, displacement and rehabilitation: Locating gender. *Economic and Political Weekly*, 31(24), 1500-1503.
- Töpperwien, N. (2009). Drawing the federal map of Nepal. *Federations Magazine*, 11-13.
- Towers, G. (2000). Applying the political geography of scale: Grassroots strategies and environmental justice. *The Professional Geographer*, 52(1), 23-36.
- Turton, D. (2006). Who is a forced migrant? In C.J Wet (Eds.), *Development Induced Displacement: Problems, Policies and People* (pp.13-27). New York: Berghahn Books.
- Udall, L. (1995). The international Narmada campaign: a case study of sustained advocacy'. *Fisher, Toward Sustainable Development*, 201-227.
- Uddin, S. N., Taplin, R., & Yu, X. (2007). Energy, environment and development in Bhutan. *Renewable and Sustainable Energy Reviews*, 11(9), 2083-2103.
- Upadhyaya, S. K., & Sharma, K. (2004). *Displacement, Resettlement, and Rehabilitation Issues in Hydropower Projects* (Vol. 4). Kathmandu: Winrock International.
- Uprety, K. (2011). Nepal's West Seti Project Imbroglio: The Supreme Court Speaks. *Beijing Law Review*, 2(1), 17-24.
- Vaidya, N. K., & Wu, J. (2011). HIV epidemic in Far-Western Nepal: effect of seasonal labor migration to India. (1471-2458). Retrived 2 March 2014 from <http://www.biomedcentral.com/content/pdf/1471-2458-11-310.pdf>
- Vandergeest, P., Bose, P. S., & Idahosa, P. (2007). *Development's displacements: Ecologies, economies, and cultures at risk*. Vancouver: UBC Press.
- WAFED. (2011). WAFED Welcomes Government Decission to Scratch West Seti License to SMEC. Retrieved 18 August, 2014, from <http://www.jacs.org/sdap/westseti/wafedpr201107.pdf>
- Walliman, N. (2006). *Social research methods*. New York: Sage.
- Warf, B. (2006). *Encyclopedia of Human Geography*. London: Sage
- Water and Energy Commission Secretariat. (2010). *Energy Sector Synopsis Report Nepal*. Kathmandu: Ministry of Energy.
- WB. (1975). Nepal Appraisal of the Kulekhani Hydroelectric Project. Retrieved 8 May 2015 from WB http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2000/10/05/000178830_98101901374179/Rendered/PDF/multi_page.pdf
- WB. (1996). Nepal - Marsyangdi Hydroelectric Power Project. Washington, DC: WB.
- WB. (2001a). OP 4.12 - Involuntary Resettlement Retrieved 20 April 2015, from WB <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTPOLICIES/EXTOPM>

ANUAL/0,,contentMDK:20064610~menuPK:64701637~pagePK:64709096~piPK:64709108~theSitePK:502184,00.html

- WB. (2001b). OP 4.12, Annex A - Involuntary Resettlement Instruments Retrieved 20 April, 2015, from WB
<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTPOLICIES/EXTOPMANUAL/0,,contentMDK:20066696~menuPK:64701637~pagePK:64709096~piPK:64709108~theSitePK:502184,00.html>
- WB. (2012). HIV/AIDS in Nepal. Retrived 5 December 2015 from WB
<http://www.worldbank.org/en/news/feature/2012/07/10/hiv-aids-nepal>
- WB. (2014). Country Partnership Strategy for Nepal FY2014-2018. Nepal: WB.
- WCD. (2000). The Report of The World Commission on Dams *Dams and Development*. London and Sterling: Earthscan Publications Ltd.
- Weist, K. M. (1995). Development refugees: Africans, Indians and the big dams. *Journal of Refugee Studies*, 8(2), 163-184.
- Williams, R. W. (1999). Environmental injustice in America and its politics of scale. *Political Geography*, 18(1), 49-73.
- WSHL. (2007). Environmental Assessment Report *Summary Environmental Impact Assessment*. Kathmandu: West Seti Hydro Ltd.
- WSHL. (2008a). Resettlement Planning Document *NEP: West Seti Hydropower Project Reservoir Area and Downstream Project Components* (Vol. 3). Kathmandu: West Seti Hydro Ltd.
- WSHL. (2008b). Vulnerable Community Development Plan *Resettlement Planning Document*. Kathmandu: West Seti Hydro Ltd.
- Yin, R. K. (1994). *Case Study Research: Design and Methods* (2nd ed.). USA: Sage
- Yin, R. K. (2003). Case study research design and methods third edition. *Applied social research methods series*, 5. USA: Sage

APPENDICES

Appendix 1: WCD Framework for Decision-making on Dam Construction

Core Values			
1.	Participatory decision making	2.	Equity
3.	Efficiency	4.	Accountability
5	Sustainability		

Key Decision Points			
1.	Need Assessment	2.	Selecting Alternatives
3.	Project Preparation	4.	Project Implementation
5.	Project Operation		

Strategy Priority		
1.	Gaining Public Acceptance	
	-Stakeholder Analysis	-Negotiated Decision-Making Processes
	-Free, Prior and Informed Consent	
2.	Comprehensive Options Assessment	
	-Strategic Impact Assessment for Environmental, Social, Health and Cultural Heritage Issues	- Project-Level Impact Assessment for Environmental, Social, Health and Cultural Heritage Issues
	- Multi-Criteria Analysis	-Life Cycle Assessment
	-Greenhouse Gas Emissions	-Distributional Analysis of Projects
	-Valuation of Social and Environmental Impacts	-Improving Economic Risk Assessment
3.	Addressing Existing Dams	

	-Ensuring Operating Rules Reflect Social and Environmental Concerns	-Improving Reservoir Operations
4	Sustaining Rivers and Livelihoods	
	-Baseline Ecosystem Surveys	-Environmental Flow Assessment
	-Maintaining Productive Fisheries	
5	Recognising Entitlements and Sharing Benefits	
	-Baseline Social Conditions	-Impoverishment Risk Analysis
	-Implementation of the Mitigation, Resettlement and Development Action Plan	-Project Benefit-Sharing Mechanisms
6.	Ensuring Compliance	
	-Compliance Plans	-Independent Review Panels for Social and Environmental Matters
	-Performance Bonds	-Trust Funds
	-Integrity Pacts	
7	Sharing Rivers for Peace, Development, and Security	
	-Procedures for Shared Rivers	

Appendix 2: Household Respondents from Deura and Babina

Code	Place	Name	Date of Interview
RD1- RD50	Deura	Anonymous	1-6 June 2013
RB1-RB50	Babina	Anonymous	7-12 June 2013

Appendix 3: Key Informants from Deura

Number	Name	Designation/Organization	Date of Interview
1	Dirgh Bahadur Bhandari	School teacher, Former President ,WSCS	2 June 2013
2	Anonymous	School teacher	3 June 2013
3	Anonymous	School teacher	3 June 2013
4	Indra Bhahadur Bhandari	Former VDC President	3 June 2013
5	Bhim Bhandari	Local political leader	4June 2013
6	Anonymous	Local political leader	4June 2013
7	Anonymous	Member, Women group committee	12 June 2013
8	Shankar Rawal	Health post staff	12 June 2013

Appendix 4: Key Informants from Babina

Number	Name	Designation/Organization	Date of Interview
1	Anonymous	School teacher	10 June 2013
2	Anonymous	School teacher	9 June 2013
3	Anonymous	Local political leader	9 June 2013

Appendix 5: List of Informants from Dadeldhura, Baitadi, Doti, Kailali, and Kanchanpur

i) Dadeldhura

Number	Name	Designation/Organization	Date of Interview
1	Anonymous	District level political leader	30 May 2013
2	Anonymous	District level political leader	30 May 2013
3	Anonymous	District level political leader	30 May 2013
4	Anonymous	District level political leader	16 June 2013
5	Anonymous	Local Development Officer	16 June 2013
6	Anonymous	Chief Development Officer	16 June 2013
7	Anonymous	School teacher	15 June 2013
8	Chatra Saud	Journalist	30 May 2013
9	Anonymous	Hydro Activist	15 May 2013
10	Anonymous	Member, Federation of Nepalese Chamber of Commerce and Industry	30 May 2013

ii) Baitadi

Number	Name	Designation/ Organization	Date of Interview
1	Bishnu Chand	Student leader, member, WSMCC (Interview taken in Kailali)	25May 2013
2	Anonymous	Student from Baitadi studying in Kathmandu (Interview taken in Kathmandu)	14 August 2013

iii) Doti

Number	Name	Designation/ Organization	Date of Interview
1	Anonymous	District level political leader	31 May 2013
2	Anonymous	District level political leader	17 June 2013
3	Anonymous	District level political leader	17 June 2013
4	Anonymous	Staff of District Development Committee	31May 2013
5	Anonymous	District Forest Office	31May 2013
6	Anonymous	Local Development Officer	31May 2013
7	Anonymous	Journalist	17 June 2013

iv)Kailali

Number	Name	Designation/ Organization	Date of Interview
1	Anonymous	District level political leader	25 May 2013
2	Anonymous	Staff of Local Development Office	25 May 2013
3	Anonymous	Staff of Chief Development Office	25 May 2013
4	Bhoj Raj Joshi	Journalist/ staff INSEC	24 May 2013
5	Man Mohan Swar	Journalist	7 September 2013 (Interview taken in Kathmandu)
6	Anonymous	Hydro Activist	26 May 2013
7	Khadga Joshi	Regional Coordinator, INSEC, Kailali	24May 2013
8	Mohan Raj Joshi	Former staff of WSHL	27 May 2013
9	Anonymous	Former staff of WSHL	27 May 2013
10	Parbat Chaudhary	Member, Tharu Welfare Society	20 June 2013

v) Kanchanpur

Number	Name	Designation/ Organization	Date of Interview
1	Anonymous	District level political leader	29 May 2013
2	Anonymous	District level political leader	29 May 2013
3	Anonymous	District level political leader	29 May 2013
4	Hem Raj Pant	University Professor	20June 2013
5	Anonymous	University Lecturer	20June 2013
6	Rishi Raj Lumsali	Hydro Activist and Chairperson FOLD	20June 2013
7	Bishnu Awasti	Hydro Activist and Staff FOLD	20 June 2013

Appendix 6: List of Respondents from Kathmandu

Number	Name	Designation/Organization	Date of Interview
1	Bishwo Prakash Pandit	Secretary, Ministry of Energy	16 July 2013
2	Anonymous	Ministry of Energy	5 September 2013
3	Anonymous	Department of Electricity Development	13August 2013
4	Gopi Mainali	National Planning Commission	27 August 2013 and 12 February 2015
5	Anonymous	National Planning Commission	27 August 2013
6	Anonymous	Nepal Electricity Authority	9 September 2013
7	Satish Joshi	Staff, Nepal Investment Board	8 September 2013
8	Anonymous	Water and Energy Commission	5 September 2013
9	Ajay Dixit	Hydro Expert	12 September 2013
10	Dipak Gyawali	Former Minister of Water Resources of Nepal and Hydro Expert	25 August 2013

11	Ratna Sansar Shrestha	Hydro Expert/ Analyst	9 September 2013
12	Santa Pun	Hydro Expert	17 July 2013
13	Jeewan Thanju	Hydro Expert	7 September 2013
14	Ratan Bhandari	Hydro Activist	24 August 2013
15	Ram Chandra Chataut	Hydro Activist	12 August 2013
16	Gopal Siwakoti (informal interview)	Hydro Activist	22 May 2013
17	Sudhindra Sharma	Lecturer, NEPA School of Social Science, Development Researcher	28 August 2013
18	Brian Harding	International Consultant	5 August 2013
19	Gokarna Bista	Former Minister of Energy	27 August 2013
20	Laxmi Subedi	Safeguard Officer ADB	5 September 2013
21	Parthapriya Gosh	Senior Social Development Specialist, World Bank	6 September 2013

Appendix 7: Semi-structured Questionnaires

i) Questionnaire for household interview

Personal Details:

S.No:	Age:
Caste:	Education:
Ward:	VDC:

1. How many people do you have in your family?

Elderly people (above 60):	Adults:	Children (below 15):
----------------------------	---------	----------------------

2. What is the major source of income of the family?

.....

3. How many people in your family are literate and how many are illiterate?

Literate:	Illiterate:
-----------	-------------

4. Who are literate and who are not literate?

.....

Level of awareness about the project/civil society's work in the area / compensation, displacement and resettlement issues

1. What do you know about the project?

.....

2. What are your expectations from the project?

.....

3. Do you know who is constructing (which company) the project?

.....

4. Do you have any idea about the type of compensation you are going to receive?

.....

5. Do you know where are you going to be resettled?

.....

6. How are you feeling about the changes that are going to happen in coming days?

.....

7. Are you prepared for the change?

.....

8. What are your expectations/demands regarding

i) Compensation:

.....

ii) Resettlement:

.....

9. What are your assumptions regarding the new places? How will it be like? What service do you think that you will receive?

.....

10. Is everyone in the family happy about moving to new place?

Yes:

No:

If yes, why and if no, why?

.....

11. Do you know about any other hydropower project that has been constructed and has displaced large number of people in Nepal?

.....

12. Do you know what did they receive as compensation, where are they resettled and how are they living now?

.....

13. Do you have any preference on the area you want to be resettled?

Yes:

No:

14. Why?

.....

15. Do you have any other demands?

.....

16. What mechanism are you adopting for negotiating your rights?

.....

17. How are the locals organized as a group in your VDC?

.....

18. Was there any protest organized in the area in recent years demanding for the locals rights?

Yes:

No:

If yes, how many?

19 Did any one of your family member you participate in the protest?

.....

20. Have any member from your house taken part in any of the group consultation that has been organized in the area/district/region/national?

If yes, how many times?

Where?.....

What kind of public consultations are taking place?.....

21. How is the behaviour of following groups in the area:

i) Project staffs:

.....

- ii) Local leaders:
.....
- iii) Political leaders:
.....
- iv) NGO staffs/members:
.....

Impact Analysis

About the project

1. How do you feel about the construction of the project in your area?

.....

If I ask you in short term, how can I describe your feeling:

- i) Very excited ii) excited iii) not excited

Why are you very excited/excited or not excited?

.....

2. Do you have any anxiety due to uncertainty about your future after being displaced?

Yes:

No:

If yes, what are your fears?

.....

If no, why?

.....

3. Do you have any fear about following things?

- i) social/cultural change:
- ii) fear of losing friends/relatives:
- iii) loss/gain of aspiration about future of self or children:
- iv) fear about jobs/new livelihood practices:
- v) fear about jobs/new livelihood practices:
- vi) fear of worsening of economic situation, level of income and property value:
- vii) Any pressure from any other group members or family members:

Impact on Development Initiatives

1. Over the last 12-13 years, how many development projects have been conducted in your VDC?

- i) School
- ii) health post
- iii) road construction
- iv) What else?

Social Impacts

1. Are there any changes in social activities over the last 12-13 years?

- i) Marriage pattern:
- ii) Family decision making pattern (who takes decision):
- iii) Family relationship:
- iv) Migration to India/Middle East/other countries (Increase/ Decrease):

2. Do you have any issue rising in the family regarding distribution compensation/ resettlement etc?

.....

3. How is your relationship with neighbors and relatives in recent years? Has it changed due to project related issue?

.....

4. Is there any division in the community (for eg: division between those who support the project and those who do not)?

.....

5. Who participates in different community meetings?

Husband:

Wife:

Daughter:

Son:

If yes: Is their voice heard?

Economic Impact

1. Have you changed your occupation recently? If yes why?

.....

2. Is there change in job availability situation?

Increase in job:

Decrease in job:

3. Has anyone migrated to other district or country for job from your family?

Yes: where..... No:

4. Is she or he planning to return back in near future (due to job opportunity in area during the construction of hydropower project)

Yes:

No:

5. Are there any new comers in the area?

Yes:

No:

i) What do they do?

.....

ii) Do you feel insecure due to their presence?

.....

6. Is there any change in the price of the land in the area?

Yes:

No:

If Yes, Price of the land before:

Price of the land now:

7. What are you planning to do with the money you receive as compensation?

.....

ii) List of questions for key informant at local level

1. How are the locals organized? In what form (in groups/ as committee/ as organizations) are they organized?
2. What kind of local civil society organizations exist in the area?
3. What have been their roles in claiming the rights of locals?
4. How active are these organizations or actors?
5. How do these civil society organizations emerge? Local self-initiatives? External influences? Political parties' influences?
6. Is there solidarity between different organizations and groups advocating for the rights of likely to be affected population? What forms of solidarity do they have?
7. Is there any division of the groups/organizations in terms of political ideology or in terms of project ideology (for and against dam)? If yes, why their ideologies are different and in which sense
8. How inclusive are these organizations or civil society groups in terms of gender and caste, and ethnicity?
9. How active is Concern Communities and what are their major demands?
10. What is your stand on the resettlement and rehabilitation issues?
11. What mechanism Concern Communities are adopting for negotiating their rights? Dialogue or protests, or lobbying or policy advocacy or any confrontational means?
12. What kind of public consultations are taking place in the affected area? To what extent the likely to be affected people are aware of their rights and bargaining power?
13. Have you participated in consultation group meetings that are organized in the district, regional and national level?
14. How do the existing government bodies in the area taking this project? What are their current roles? What are their stands on the resettlement and rehabilitation issues?
15. Are you satisfied with the current change in the project structure?

16. What are your expectations with the new implementing agencies?

iii) List of questions for local civil society actors/activist

1. How do you observe West Seti hydropower project?
2. What motivated you to advocate for West Seti project?
3. Are you still involved in advocating for the rights of the locals?
4. What are your demands?
5. Is there solidarity between other local activists and local civil society organizations existing in the area?
6. Is there any division of the groups/organizations in terms of political ideology or in terms of project ideology (for and against dam)? If yes, why their ideologies are different and in which sense?
7. What is your stand on the resettlement and rehabilitation issues?
8. How are you advocating for the rights of the locals?
9. How are the locals organized? In what form (in groups/ as committee/ as organizations) are they organized?
10. What kind of public consultations are taking place in the affected area? To what extent the likely to be affected people are aware of their rights and bargaining power?
11. Have you participated in consultation group meetings that are/were organized in the district, regional and national level?
12. Do you have link with any international/ national/regional and district level civil society organization/government and political leaders?
13. Do you receive any financial support?
14. Have you been consulted by the concerned authorities on compensation, resettlement, employment, and benefit sharing?
15. How do the existing government bodies in the area taking this project? What are their current roles? What are their stands on the resettlement and rehabilitation issues?

16. Are you satisfied with the current change in the project structure?

17. What are your expectations with the current implementing agencies?

iv) List of questions for the district level civil society actors/organizations

1. What kind of local civil society organization exists in district level working on hydro-power issues?

2. What has been their role regarding claiming the rights of locals?

3. How active are these organizations or actors?

4. What influence these actors to be organized?

5. Is there solidarity between different organizations and groups?

6. Are these groups politically influenced?

7. Is there any division of the groups/organizations in terms of political ideology or in terms of project ideology (for and against dam)? If yes, why their ideologies differ and what are their demands?

8. How inclusive are these organizations or civil society groups in terms of gender and marginalized communities' involvement in the organization/group?

9. What are their demands?

10. Have these organization organized protest regarding the issue related with the project? What were the reasons of the protest?

11. What are their stands on the resettlement and rehabilitation issues?

12. What mechanism are they adopting for negotiating their right?

13. What kind of public consultations are taking place in the affected area? Are likely to be affected people aware of their rights and bargaining power?

14. Does district civil society actors/organization have access to international/national/regional and district level civil society organization/government and political leaders?

15. Are these groups consulted during major decision when major decisions regarding projects are taken in district/regional or national level?
16. Have these groups taken part in district/regional and national level meeting organized by different stakeholders?
17. Does this group receive funds from external actors to be organized?

v) List of questions for national level government officers

1. How do you perceive WSHP project?
2. What are your expectations with the project?
3. How do you perceive the current change if project implementing agency?
4. What do you think about current compensation, rehabilitation and resettlement mechanism?
5. How is compensation amount fixed for hydro-power related projects?
6. What kind of discussion occurs in national level regarding compensation, resettlement and rehabilitation and any other benefit sharing issues with the donor agencies?
7. How are these issues negotiated?
8. Are political parties/ civil society actor/ hydro experts consulted during this process?
What role do they play?
9. What kind of pressure/demands do you get from a) locals, b) local civil society actors, c) local political leaders, d) national civil society actors and organizations, e) national political leaders, f) transnational civil society actors and g) donor agency?
10. Is there any influence in decision making process by powerful actors? If yes, who influence the decision making process? (National/ international politics)

vi) List of questions for national civil society actors/hydropower experts

1. How do you observe West Seti hydro power project?
2. What are your expectations with the project?

3. How do you perceive the current change if project implementing agency?
4. What is do you think about current compensation, rehabilitation and resettlement mechanism?
5. How is compensation amount fixed for hydro-power related projects?
6. What kind of discussion occurs in national level regarding compensation, resettlement and rehabilitation and any other benefit sharing issues with the donor agencies?
7. How are these issues negotiated?
8. Are political parties/ civil society actor/ hydro experts consulted during this process? What role do they play?
9. What kind of pressure/demands do get from a) locals, b) local civil society actors, c) local political leaders, d) national civil society actors and organizations, e) national political leaders, f) transnational civil society actors and g) donor agency?
10. Is there any influence in decision making process by powerful actors? If yes, who influence the decision making process? (National/ international actors)