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Conflict, Combatants, and Cash: Economic Reintegration and Livelihoods of Ex-combatants in Nepal

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Summary. — In post-conflict peacebuilding, the significance of reintegration programs for ex-combatants and the manner of how their success or failure ameliorates or deteriorates conditions for peace is now less debatable. However, there is little theoretical or empirical documentation regarding the such critical questions as: Can a cash-based approach reintegrate ex-combatants? What formal or informal mechanisms do ex-combatants engage in to earn a living in a post-conflict society? How can we understand and assess economic reintegration of ex-combatants in a situation where a cash-based scheme substitutes for reintegration programs? Using a case study of the Maoist ex-combatants from Nepal, this paper addresses these questions.

Key words — combatants, cash, economic reintegration, livelihood, Maoist, Nepal

1. INTRODUCTION

Reintegration of ex-combatants is an important element in any disarmament, demobilization, and reintegration (DDR) program. This is a long-term transformative process by which ex-combatants gain sustainable employment and income, and gradually acquire civilian status (UN, 2006a, 2006b). Reintegration has two dimensions—economic and social. In economic reintegration, ex-combatants are provided with skills to enable them to take up viable economic opportunities and options needed for developing a sustainable livelihood (Body, 2006; Colletta, Kostner, & Wiederhofer, 1996; ILO, 2009). Social reintegration, on the other hand, involves formal as well as informal processes and mechanisms that aim to provide emotional and psycho-social supports to ex-combatants and thereby enable them to build relationships with their families and communities where they return (Annan & Cutter, 2009; Özerdem, 2012). Economic and social dimensions of reintegration are not mutually exclusive, but mutually reinforcing; at times they become mutually interdependent. While acknowledging the importance of the social dimension, in this paper, I particularly focus on economic reintegration of the Maoists ex-combatants in Nepal.

The elements of an economic reintegration program are circumstantial and cannot be generalized, as they depend on the causes of preceding conflict, the needs and capacities of ex-combatants themselves, and the overall economic conditions in the post-conflict society. Nonetheless, in a DDR program, the emphasis of an economic reintegration program is placed on improving the employability of ex-combatants through providing them with vocational training as well as an enabling economic environment that can absorb as many ex-combatants as possible into the market (ILO, 2009; Specht, 2010).

Failed or incomplete economic reintegration is considered to be an incubator of renewed conflict, having potential implications for post-conflict security (Colletta *et al.*, 1996; Collier, 1994). Knight and Ozerdem (2004) stress that post-war countries may return to armed conflict, if demobilized combatants are not provided with a comprehensive reintegration strategy. Echoing their view, Colletta *et al.* (1996, p. 18) warn that failed reintegration can result in considerable ex-combatant-led insecurity threats at the societal and individual levels. Collier (1994) identifies the security threats from micro (community) to macro (national or regional) levels. The significance of reintegration programs for ex-combatants and the manner of how their success or failure ameliorates or deteriorates conditions for peace is less debatable. What is often contentious, however, is how to choose viable policy options to reintegrate combatants back into their communities.

Use of cash is one of many potential policy options used in DDR programs. Cash transfer is, however, used mainly in disarmament [1] and reinsertion [2] stages of DDR program, rather than using it as an alternative to rehabilitation and reintegration (Isima, 2004). In disarmament, there are cases in which guns are swapped with cash, vouchers, and goods. For instance, the United Nations (UN) has implemented weapons "buy-back" scheme in countries like Liberia, Mozambique, Somalia, and Cote d'Ivoire (see Tanner, 1996). In Macedonia, a lottery system was introduced in 2003 in order to encourage ex-combatants to submit guns: those ex-combatants who surrendered arms were provided with ticket for a lottery with chances of winning prizes like cars, scooters, computers, mountain bikes, cell phones and so on (Wood, 2003). In Sierra Leone, fighters who returned their weapons received US dollar 150 cash reward (Edloe, 2007, p. 15). In Liberia, ex-combatants received USD 300 for each gun surrendered, although they received USD 150 only after attending a week-long demobilization training (Alusala, 2011). A general rationale behind the "weapon buy-back" scheme is to replace the economic value one might get by holding the gun with the cash incentives paid directly to ex-combatants. There is, however, risk that paying cash to ex-combatants may provide them with more financial resources to buy new weapons (Colletta, Kostner, & Wiederhofer, 2004). As a "reinsertion support," cash is provided as a "safety net" to ex-combatants between their demobilization and full reintegration phase (Ozerdem *et al.* 2008, p. 7). Reinsertion should not be confused with reintegration,

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which is a long-term support intended to support ex-combatants re-entry into civilian life.

Although use of cash in DDR is common, experiences are both positive and negative (Ozerdem *et al.*, 2008). The community of ex-combatants is heterogeneous, with divergent individual needs, interests, and aspirations. Proponents of the cash option argue that cash can be more adaptable to the needs of individual beneficiaries, as this allows an individual recipient more dignity, flexibility, choice, and freedom to utilize the cash-based assistance (see Ozerdem *et al.*, 2008; Willibald, 2006). Cash can also help revive local development and have positive ripple effects on the local economy (see Specker, 2008; Willibald, 2006). A survey conducted in Mozambique showed that cash not only benefitted individual ex-combatants but also assisted in sustaining their extended families (Hanlon, 2004, p. 377).

Contrarily, it is contended that cash involves the inherent risk that the money can be misused for anti-social purposes, although South Africa was an exception where there was no evidence of cash being spent on either alcohol or gambling (see Ozerdem *et al.*, 2008, p. 14). Evidence suggests that combatants who spent several years in fighting would lack the skills and capacity for utilizing cash productively (Peppiatt, Mitchell, & Holzmann, 2001). Ex-combatants tend to use the money for household items and consumption; therefore, a cash payment may not necessarily enable them to earn a sustainable livelihood (Lundin, Chachiua, Gaspar, Guebuzua, & Mbilana, 2000). Beneficiaries of cash payments tend to invest the money in social and productive investments, only after their basic needs are met, and thus a cash payment should only be regarded as a "transitional safety net," as it does not necessarily solve the problem of reintegrating ex-combatants (Ozerdem *et al.*, 2008, p. 14).

A cash-based scheme takes an ex-combatant focused approach as it offers money exclusively to ex-combatants. Such benefits can aggravate the sentiments of the other war affected and vulnerable social categories such as unemployed youth, internally displaced persons (IDPs), war-widows, war-victims, and the discrepancies between the ex-combatants and the victimized or vulnerable communities can be the source of new conflict (Annan & Cutter, 2009, p. 10). Recognizing the limitation of ex-combatant focused reintegration, the recent discourse of DDR programs, also known as "Second Generation DDR," emphasizes community-centered approach to reintegration. At the heart of this approach lies the assumption that balancing the attention between supporting ex-combatants' specific needs and the needs of the wider community helps to prevent resentment (Kingma & Muggah, 2009; UN, 2010; UNDP, 2005). The shift has radically changed the practice of reintegration by locating it as part of wider post-conflict recovery (Porto, Alden, & Parsons, 2007). It is believed that reintegration can help a community to collectively recover from effects of armed conflict and to promote social cohesion (Fearon, Weinstein, & Humphreys, 2009). For instance, in Tajakistan ex-combatants were not given individual support but reintegration was considered as a part of reconstructing social and economic infrastructures. Reconstruction projects were chosen according to their priorities for communities and had to include the employment of both ex-combatants and civilians (Porto *et al.*, 2007).These included agriculture, community-based organizations, education, health, roads, and bridges. If reintegration program provides ex-combatants with marketable skills and knowledge, it could contribute to human capital which in return, can have positive effects for post-conflict economic recovery, development, and peacebuilding (see Spencer, 1997).

The relationship between reintegration and post-conflict peace building is well established. However, research on economic reintegration in situations where ex-combatants return home after war with cash but without any linkages to an accompanying reintegration program is limited. This is the case in Nepal. Even in formal DDR programs, where combatants are paid cash, research and policy analysis concentrates largely on whether the recipients used or misused cash, and there is little theoretical or empirical documentation regarding such critical questions as: Can cash-based approach reintegrate ex-combatants? What formal or informal mechanisms do ex-combatants engage into earn a living—in a bid to build up a livelihood in a post-war society? Using a case study from Nepal, this paper attempts to answer these critical questions. In this regard, Nepal presents an interesting case, in that a cash-based scheme was substituted for a reintegration program.

This paper contends that merely examining the use or misuse of the cash payments, as has been the research tradition in the DDR literature, is insufficient to assess economic reintegration of the Maoist ex-combatants Nepal. I argue here that in a situation where cash is used, economic reintegration of ex-combatants can be understood in terms of how or whether the cash helps ex-combatants to earn a living and establish livelihoods. The livelihoods of ex-combatants, in this case is a basic variable that we can analyze by examining the livelihoods capitals of ex-combatants. However, this paper also maintains that we need to conceptualize reintegration schemes by taking into account the needs and aspirations of ex-combatants, the causes and drivers of the preceding armed conflict, and the political economy of war to peace transition.

2. METHODOLOGY

The methodology of this study is based on a grounded theory approach to research. As opposed to a traditional top-down method of building theory through hypothesis testing, the grounded theory method proposes a bottom-up process of discovering "theory from data" (Glasser & Strauss, 1967, p. XX). The inductive approach enables a researcher to "derive a general, abstract theory of a process, action or interaction which is grounded in the views of the participants in the study" (Creswell, 2003, p. 14). According to Strauss and Corbin (1998) this process requires multiple stages of data collection, refinement, and interrelationship formation of the categories emerging from the information collected in the field.

The fieldwork was conducted in Jhapa and Morang districts (eastern region), Kathmandu, Lalitpur, and Chitawan districts (central region), and Dang and Banke districts (western region) in Nepal from December 2012 to February 2013. The selection of the districts was made to maintain a geographical balance across the study area and to cover the districts where the concentration of the Maoist ex-combatants was relatively higher.

A total of 50 in-depth interviews were conducted with ex-combatants in the various districts. Additionally, in order to incorporate the perspectives of community people, 36 in-depth interviews were conducted with the noncombatant respondents and these included the ex-combatants' family members, civil society leaders, business people, and political party leaders. In Chitawan, Dang, and Banke districts, the author also observed the ex-combatants' livelihood-related activities such as how the ex-combatants carried out micro-enterprise activities using the cash they received at the time of their voluntary retirement.

Since the grounded theory method emphasizes the constant comparison of data with emerging categories (Creswell, 2003; Strauss & Corbin, 1990), the theoretical categories observed in one field work district were compared with categories identi-