

The Federal government should take the authority over the Natural Resources

Author's photo

Sunil Kumar Pokhrel

Initially, the caste identity issue was the major demand for the emergence of the federalism in Nepal. Later, language and cultural identity were added in the demand. During this time the economic issues were not given importance. If we see the history of federalism in the world what we see that after the cultural identity issues managed in federal structure, the economic and resource issues start getting in surface. If we analyze the current civil war of 22 countries in the world, the underneath cause of the civil wars in all these countries are laid on ownership and use rights over the natural resources. The demand of caste, language, and cultural identity in the restructuring of state that emerged during the constitution writing process will be without doubt addressed in the new constitution. Later, the economic issue will be prevailed. The natural resources issue is the major part in the economic subject. It is extremely difficult for Nepal to enter into industrialization by competing on the skill, technology, and expertise with developed countries. Our agriculture production capability could not compete with Europe or even India. Hence for Nepal, extractions of the natural resources are vital for the development of the country. Therefore, the issue and the distribution mechanism of the natural resources among Federal, Provincial, and Local should be clearly and impartially written in the new constitution to avoid probable future conflicts.

Now, Nepal could able to extract around one percent of the natural resources. Thus, this issue was not given special importance by stakeholders yet. However, when we could able to extract 25-30 percentage of the natural resources, then the severe conflicts over the ownership and use rights will be aroused in the country. This study mainly, covers six types of natural resources availability in Nepal. These are Minerals, Hydropower, forest products, Herbs, Stones and sand, and income from National parks. Considering these six natural resources, Karnali and Mahakali Zones have abundant amount of the natural resources in Terai as well as in mountain. There are high possibility of herbs in Mountain, hydropower in Terai, and minerals in Hill in the far-west part of Nepal. In mid-part of Nepal, the natural resources are available in the western part of Kathmandu. In the eastern part of Nepal, the natural resources are available from Dolakha to Taplejung in north and Jhapa in Terai. Similarly, the natural resources are available in large quantity in Dang, Banke, Kailali, and Kanchanpur.

Kathmandu, east and middle Terai, and Rupandehi are the highly populated area in Nepal. But, the natural resources are available more in the Hills and Mountain where population density is low. If the concentration of the natural resources and the population density are diverged in different point then there will be the high change of emergence of conflicts.

If the state restructuring is done based on the demand of caste and cultural group then the properly distribution of the natural resources could be most difficult. It will be foolishness if we restructured the state based on caste and cultural groups' aspect only. It is advisable to support the identity and respect to all caste and culture. In addition, it is also advisable to make a suitable mechanism so that all people of Terai, Hills, and Mountain should get equitable rights and opportunities from the natural resources. For example, it is danger to put the condition that a resident of Saptari district of Terai does not have access and opportunity on the natural resources

of Dolpa or Sankhuwasabha or Kailai. Additionally, each people from any district have equal rights and have equal opportunity over the available natural resources of any part of the country. However, it is better to provide priority to the local affected people so that local conflicts can be managed properly.

Based on the economic prospective, the demand of “One Terai – One Province” is not feasible. Because the main resource of Terai is agriculture product and state does not impose tax on agriculture. The state can make adequate tax from mines, herbs, hydropower etc. but very less tax income from agriculture. Therefore, the tax income in Terai districts might be very low which will negatively impacts on the social responsibility and infrastructure development of the districts of that province. And, because of this, Terai province has more dependent on central fund. My major focus of the research is also on the redistribution of the fruits of the natural resources from abundant areas to scarce area.

If the natural resources can be 100 percentages extracted then the per capita royalty income of peoples of Dolakha, Manang, Sankhuwasabha and some others have NRs. 500000.00 and can be continuously extracted for 500 more years. In addition to higher per capita income, the local people can also get other facilities. Whereas, some districts of Terai, have very low per capita royalty income like a couple of thousand NRs. This is very danger variation on the availability of the natural resources. The discrimination based on the high/low availability should be reduced for the conflict less society.

The federal structure should mainly, addressed two issues. Firstly, the authority over the natural resources should be kept in the central government. Secondly, 30 percentages of the royalty should be given back to the province where the natural resources laid. Out of the 30 percentages,

nine percentages should be redistributed to the local government of the natural resources areas. This nine percentage royalty looks small but because of the low population density, this royalty also enough for the local developmental work. Making this royalty distribution mechanism, because of the low population density in mountain and high density in Terai if the disparity between resource rich people and resource less people is still high then some limitation should apply so that future conflicts can be managed.

(Sunil Pokhrel, Manager of Nepal telecom, is doing research on the natural resource issue under the financial support of the Program on negotiation, Harvard University.)