

## SOUTH ASIA MONITOR



Number 133  
September 1, 2009

## Permanently on the Brink?: Nepal Strives for Stability

Taylor Salisbury

*In the nearly two decades since the end of absolute monarchy, Nepal has stumbled forward as a nominal democracy. Ethnic divisions, a Maoist insurgency, a royal massacre, and perennially unstable governments have continually dampened optimism about future progress. In the last year, the country has taken several promising, yet tenuous, steps forward. In Nepalese politics, old divisions routinely threaten to derail the entire process and old leaders continue to shape the agenda. However, if the politicians can resolve a few key issues—army integration, ethnic incorporation—long-term stability is fathomable.*

**A year and a half to remember:** After a decade of civil war and two years of uncertainty, Nepal emerged from Constituent Assembly elections in April 2008 with a surprising result. The Communist Party of Nepal (Maoist), which had spent the better part of the previous decade fighting a guerilla war against the government, garnered a plurality of 220 out of 601 seats in the interim parliament, besting the next two largest parties by more than a hundred seats. This set up a four-month-long power struggle in which the smaller parties, led by the Nepali Congress Party, repeatedly blocked the Maoists' efforts to form a government.

This interregnum was not, however, wholly without progress. In May 2008, the Constituent Assembly, the body responsible for interim governance and writing the new constitution, declared Nepal a republic and abolished the monarchy, thereby removing for good one of the long-standing contenders for political power. In rejecting the polarizing King Gyanendra—who had dismissed parliament in 2002 and taken absolute control in 2005—the Constituent Assembly satisfied one of the foremost demands of the insurgent Maoists and opened the way for the election of a new head of state. The Constituent Assembly then voted on July 21, to install Ram Baran Yadav as the first president of Nepal. A few weeks later the months of political wrangling finally came to an end when Maoist leader Pushpa Kamal Dahal, known as Prachanda or "the fierce one," became prime minister.

Despite their violent and divisive history, the Maoists were well positioned to field a prime minister and lead the Nepalese government. Its members reflected the ethnic, caste, and religious diversity of Nepal better than the other national parties and the ethnically-based parties. At the outset, the Maoist government pledged to revamp not only Nepal, but also the Maoist organization. A senior leader announced that party would no longer allow its officials who were serving in government to concurrently serve in the party's People's Liberation Army (PLA). Moreover, property that the party had seized during the civil war would be returned to the proper owners. Prachanda himself tried to soften the Maoist image by shedding his army fatigues and donning a suit.

**Renewed turbulence:** Unfortunately, the Maoist government proved no more stable than any of the other dozen governments Nepal has had since 1990. After just eight months in office, on May 4, 2009, Prachanda resigned the prime ministership in protest of President Yadav's decision to overturn his (Prachanda's) move to sack Nepal's army chief. While many of the other parties in the Constituent Assembly had backed the Maoist leader's decision to fire Gen. Rookmangud Katawal, standing in solidarity

with the Maoists was far less enticing than jockeying for position to lead or be a part of the new government. Three weeks later Madhav Kumar Nepal of the Communist Party of Nepal (United Marxist Leninist, UML) emerged as the new prime minister after his party cobbled together a loose alliance of 22 parties.

**Avoiding gridlock?:** Since the May shakeup, Prime Minister Nepal has attempted to move the government forward despite continued resistance from the Maoists, who have refused to join his coalition. In July, his government, in conjunction with the United Nations Mission in Nepal (UNMIN), secured a six-month extension of the UN mandate in the country. The UNMIN's current program for monitoring Maoist and Nepalese Army weapons caches, past electoral assistance, and past ceasefire monitoring have provided stability for the ongoing peace process. The UNMIN mandate's continuation will help reduce friction between the negotiators, providing a less contentious atmosphere for debate on the most important issues.

The current coalition spans a broad spectrum of political parties, and its cohesiveness, however precarious, was affirmed by the July passage of the budget—despite not having received a single Maoist vote. However, surviving the budget vote does not seem to have bought the coalition much political capital. In the intervening month and a half since then, the Constituent Assembly has remained deadlocked. Prime Minister Nepal has tried to expand his coalition's reach by adding cabinet positions and offering the new posts to members of non-coalition parties. This strategy has limited potential, though, considering that the cabinet roll already consists of 30 members. The best hope for speeding the Constituent Assembly's work is for the coalition and the Maoists to come to some sort of understanding about the parliamentary agenda. With the battle lines hardening, this will be difficult.

**Maoist confrontation:** Though they have gradually entered the mainstream of Nepalese politics in the last few years, the Maoists still rely heavily on obstructionist tactics and rhetoric, especially now that they are no longer in charge. When the current government's actions are not to their liking, they readily question its legitimacy. The Maoists were the most vocal and ardent proponents of the creation of a republic and the institution of voting by proportional representation for Constituent Assembly elections. Despite this fact, now that they no longer control the agenda, they have not show a willingness to accept the strictures of democratic majority rule. Rather than cooperate, they seem to be biding their time, waiting for a chance to seize the reins once the current coalition fatally fragments.

Though their intransigence is disconcerting, in the three years since the peace accord, the Maoists have not returned to violence. Many of their criticisms of the current system are couched in rhetoric about the constitutionality of certain government actions. Taken together, the eschewing of violence and the language of constitutionalism indicate that the Maoists are serious about long-term peace. Still, for them to maintain a stake the process, one key issue will have to be resolved: army integration.

**Two armies, one country:** The 2006 peace accord that brought an end to Nepal's decade-long civil war brought the Maoists into the political process and took away their firepower by barracking their People's Liberation Army (PLA) fighters in 28 cantonments around Nepal. As part of the peace process, the Maoists and other parties agreed that the fighters would eventually be integrated into the Nepalese Army. However, three years later, the 19,000 fighters remain detained in their UN-monitored sites without a plan for their integration. The responsibility for drawing up a program rests with the Army Integration Special Committee, but the body has had trouble making progress. Deliberations of the committee were derailed this spring when then-Prime Minister Prachanda resigned. His resignation stemmed from his inability to fire army chief Gen. Katawal, who had started a recruitment drive for the Nepalese Army against the instructions of the prime minister and reinstated generals who had been on their way to retirement.

Though Prime Minister Nepal reconstituted the integration committee this summer, the Maoists question the legitimacy of the committee now that Prachanda no longer chairs it, making substantive progress difficult. Without solving the army integration issue, the chances diminish that the Maoists will stick with the peace process in the long-term. And if they do not, the prospects for the process are not bright.

**Constitution on the rocks:** Behind the political turmoil enveloping Nepal is the main issue at stake in the peace process, the writing of a new constitution. With the drama of day-to-day of governance crowding out other concerns, the Constituent Assembly, led by Prime Minister Nepal's government, has made little substantive progress on the drafting of the new constitution. The interim document's mandate runs out in May 2010—just nine months from now—but the drafting process has been stalled by the elevation of the Constitutional Committee chairperson, Mr. Nepal, to the prime minister's post. The subcommittees charged with drafting the constitution's components have missed multiple deadlines as they continue to debate a new system of governance and the constitutionally appropriate allocation of resources.

As the process drags on, it appears the government may need to utilize the emergency provision in the interim constitution allowing for a six month extension. Even if a draft materializes before the May 2010 deadline, the Constituent Assembly must pass the new constitution by a 2/3 majority. Given the fractious political environment, this is indeed a daunting hurdle, particularly when one considers that the dissatisfied Maoists control more than 1/3 of the Constituent Assembly's seats.

**An all-inclusive Nepal:** Aside from power politics between the government and the Maoists, another issue holding up progress on the constitution is the question of how to incorporate minority groups into the structure and society of the Nepalese state. While urban Katmandu and the surrounding valley are dominated by a high-caste Hindu elite, the rest of the country is a mix of ethnic and linguistic populations living in mostly rural, often remote settings. These groups, many of whom found a voice in the Maoist cause, feel neglected by the Katmandu-centric government and blame it for their continued underdevelopment.

The Madhesi people of the Tarai region and *adibasi janajati*, or indigenous nationalities, have been especially vocal in pressing their demands for increased representation along ethnic lines. Since the peace accord they have staged widespread—and often economically crippling—*bandhs*, or strikes. The *bandh* mentality has become pervasive, often making daily life difficult, but it is one of the few mechanisms available to petition the often unresponsive central government. Given that local communities provide, out of necessity, much of daily needs of the people of Nepal, the new constitution should provide for a more decentralized governance structure with better ethnic representation. Some devolution of power to the regions and localities might go a long way towards improving relations between the periphery and the center, but this will be a tricky proposition in Nepal given the weakness of the institutional structure. It might be more productive for the constitution writers to focus more on improving minority participation in the central government rather than creating an ineffective federal governance structure.

**Looking next door:** Beyond the domestic front, the foreign affairs agenda of Nepal's new government has centered on the giant next door, India. Landlocked on one side by India and on the other side by China, it is towards the former that Nepal has traditionally gravitated. Culturally, the two countries are much closer and amity between the Nepalese Army and the Indian Army has always strengthened Indo-Nepalese relations. Though India is clearly dominant in this asymmetric relationship, it has security reasons for taking an interest in the developments in its smaller neighbor. The Indian Maoist, or "Naxalite," movement, one of India's top internal security threats, has ties to the Nepalese Maoists. As a result, at the height of insurgency, India provided military hardware to Nepal at a 70 percent subsidy. Naturally, the Nepalese Maoists are, by predisposition, wary of the Indian approach to Nepal. A July visit to Delhi by the Nepalese defense minister provoked outrage when the Maoists accused the government of restarting arms-purchasing talks with the Indian government.

President Yadav, speaking on behalf of Prime Minister Nepal's government, has said that improving ties with India is a priority for the current administration. In June, the government, in conjunction with the Indian foreign minister's visit, announced the creation of a "high-level joint mechanism" between Nepal and India to solve the remaining border disputes between the two countries. In July, Nepal's finance minister revealed plans for the construction of a high-voltage cross-country transmission line for energy imports and exports as part of a joint venture between Nepal and India.

**U.S.-Nepal Relations:** Developmental aid has long guided U.S. engagement in Nepal—USAID began operating in Nepal before the United States even opened an embassy—and this year the United States will

provide approximately US\$70 million in assistance. U.S. policy strongly supports the current peace process and would like to see the constitutional draft completed on time. Despite the fact that the Nepalese Maoist organization is listed on the U.S. State Department's Terrorist Exclusion List, the U.S. has acknowledged the importance of the Maoists to the success of the peace process and has advocated their continued inclusion in it. Overall, the U.S. would like to see a stable Nepal where internal problems do not spill over into a South Asian region already burdened by cross-border discord.

**Out with the "Old," in with the "New" Nepal:** The emerging Nepal certainly does not reflect the pre-democracy nationalist slogan "ek bhasa, ek bhash, ek desh"—"one language, one form of dress, one country." Nevertheless, the tumultuous nature of Nepalese politics has kept the country on an unsure footing—many members of the current political elite derive their motivations from decades spent operating outside the political system entirely either in hopeless opposition or, sometimes, in jail. Luckily, though, Nepal's political actors seem to have a knack for going to the brink of government collapse and renewed conflict, but not actually going over the precipice. Success and reconciliation could very well be within reach. But for Nepal to remain conflict free, the army must be integrated, ethnic minorities incorporated, and the new constitution written. The next few months will determine whether the "New" Nepal is a reality or, sadly, a mere illusion.

*Taylor Salisbury is research intern with the South Asia Program at the Center for Strategic and International Studies in Washington, D.C.*

---

**South Asia Monitor is published by the Center for Strategic and International Studies (CSIS), a private, tax-exempt institution focusing on international public policy issues. Its research is nonpartisan and nonproprietary. CSIS does not take specific policy positions; accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the author(s).**

© 2009 by the Center for Strategic and International Studies. All rights reserved.