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Nepal: Caught Between Expectations and Anxieties

The new coalition government in Nepal, led by Maoist leader Prachanda, faces the formidable challenge of amending the recently-crafted Constitution for ushering in national reconciliation, besides the onerous tasks of reconstructing the quake-hit areas and raising the quality of administration. A silver lining, for now, is Prachanda's recognition of the ground realities such as the compulsions of coalition politics and the need for a balanced Nepali foreign policy towards India and China.

S D Muni¹

There is yet another new government in Nepal, the third since the last Constituent Assembly-cum-Parliament elections in November 2013. This change is the one that was deferred in May 2016.² The Maoist leader, Pushpa Kamal Dahal, 'Prachanda', is leading the new government with the support of the largest party, the Nepali Congress (NC), and smaller Madhes (Southern Terai region of Nepal)-based parties. This is for the second time that Prachanda is assuming charge of the country since the

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² See S D Muni, *Nepal: Unfolding Internal Contradictions*, ISAS Brief No. 425, 11 May 2016, Institute of South Asian Studies, National University of Singapore, Singapore, <http://www.isas.nus.edu.sg>

establishment of a republican Nepal. The new government faces formidable challenges in the fields of amending the new Constitution, adopted last September, so as to make it acceptable to the Madhes and the marginalised tribal groups (*Janjatis*). These groups have been agitating to get their rights and federal aspirations enshrined in the new constitution. After that, the so-amended constitution has to be implemented, as there are many provisions that need to be translated into appropriate legislation and streamlined through necessary procedures. Some 800,000 families affected by the severe earthquake of April-May 2015 are still awaiting relief and reconstruction support. Besides, there are some pending issues of the peace process to be resolved and reconciled. These relate to the consequences of Nepal's ten-year-old (1996-2006) insurgency. The victims of insurgency are still waiting for justice and support. Ordinary Nepalese who struggled and made sacrifices for the success of the 2005-2006 Peoples' Movement (*Jan Andolan*) have been looking for good governance, efficient day-to-day administration and socio-economic development under the republican order. Above all, there is also the challenge of restoring the balance in Nepal's relations with India and China that was seriously eroded under the previous Prime Minister K P Sharma Oli due to his excessive India-bashing and flashing of the China card to assert his 'nationalist' image. There are high expectations as well as deep anxieties surrounding the question whether the new government of Nepal, under the Nepali Congress-Maoist coalition, will be able to meet these challenges.

Expectations from the New Government

The expectations from the new government arise from the statements made by the new Prime Minister Prachanda wherein he claims to have learnt from his past mistakes and experiences and takes this second opportunity as the last chance to prove himself. In an interview to an Indian daily, he admitted that he made mistakes because "last time I was inexperienced in the ways of competitive democracy. We still had a mind-set from the insurgency years". Referring to the breakdown of the political understanding and power-sharing arrangement between the Maoists and the Nepali Congress in 2008, he said "...we got diverted but I (have) returned to the point of origin and roots now and am in partnership with Nepali Congress". Regarding the difficulties that the Maoists and Nepal have had with India, his view was that "It is for the Indian establishment to think about its record. But I can say from Nepal's side, there is need for balance. We

have to take the (political) transition process to a logical conclusion. And for this all stakeholders have to come together”. He admitted that India was a stakeholder in Nepal’s political transition, adding that “our geopolitics dictates that we have to take a balanced view”.³ Prachanda and his party know that failure to adhere to these claims will prove to be extremely costly for their political future. The Maoists’ failure to deliver a constitution during the first Constituent Assembly (2008-2013) resulted in their serious electoral drubbing in 2013,⁴ the party’s political fragmentation and the erosion of the credibility of its leaders including Prachanda himself.

Accordingly, the new Prime Minister is making politically correct and careful moves in addressing the major challenges. Delivering on promises made is a matter of political survival for him. He has reached out to the Madhesi and other marginalised groups assuring them of their political and social accommodation. Possible administrative moves have been initiated to redress their grievances related to the hardships they suffered during their agitation against the constitutional exclusion of their rights and aspirations. A three-party task force, consisting of the Maoists, the Nepali Congress and the Madhes parties, has been appointed to evolve a consensus on constitutional issues. Prachanda has promised to release the first instalment of quake relief/reconstruction amount of Rs 50,000 to some 533,000 affected families within 45 days. He has also succeeded in enlisting the support of a number of smaller parties and groups like the Rastriya Prajatantra Party (RPP), and Bijaya Kumar Gachchhadar’s Madhesi Peoples’ Rights Forum that were in the outgoing coalition.

In relation to Nepal’s neighbours, Prachanda dispatched two of his senior-most cabinet colleagues and Deputy Prime Ministers as Special Envoys, respectively to India and China to reassure them that Kathmandu’s relations with one will not be allowed to hurt those with the other. Prachanda is known for his political resilience, tactical manoeuvrability and dynamism. His party and his coalition partners hope that he will

³ Prachanda’s interview with Prashant Jha in *The Hindustan Times*, 26 July 2016.

⁴ From the top position of having secured more than 200 seats in 2008 elections for Constituent Assembly, the Maoists were reduced to a poor third in 2013 elections getting only 80+ seats. Prachanda himself lost from one of the constituencies, Kathmandu-10 and could barely win from the second one, Sirha-5. Detailed results were published by Nepal’s Election Commission. For a commentary on Maoists’ defeat, see Eric Randolph, “Maoists Ousted” *Foreign Affairs*, December 4, 2013.

meet the challenge. If not fully, at least to the extent of restoring the credibility of his leadership and of the new government.

The Underlying Anxieties

These hopes in no way mitigate the underlying anxieties of the ordinary Nepalese as well as those in the international community that want to see a stable and progressing Nepal. Notwithstanding Prachanda's claims, the loss of credibility he suffered during his previous tenure at the helm – due to his leadership style on account of rash decisions, and allegations of corruption, inefficiency and unethical manipulations in high places – will be bridged only by his concrete actions that are keenly awaited. The difficulties of the new government, however, go beyond Prachanda's personal leadership – the other key factors are the stability and strength of the present coalition to carry out required constitutional changes, the resources available for reconstruction work, the administrative efficiency and commitment of the Nepalese bureaucracy, and the pressures of foreign policy.

The main coalition partners, the Maoists and the Nepali Congress, do not have a reassuring record of partnership. Surely, they together brought about Nepal's major political transformation; the success of the 2005-06 *Jan Andolan* that ushered in the republican democracy. Their coalition also smoothly completed the initial transition of preparing Nepal for a new constitution. However, as soon as the Maoists emerged as the strongest outfit after the first Constitutional Assembly elections of 2008, the power-sharing arrangement, mutually and informally worked out between the NC and the Maoists, broke down. Prachanda has referred to that as a mistake on his part, as noted earlier. Since then both these parties, like the rest of the Nepali political spectrum, have suffered serious internal fragmentation and/or erosion of their leadership. Hunger for power has seeped deep down within their respective organisations resulting in factionalism and rivalries, distorting their respective national agenda.⁵ This is evident presently in the difficulties of Prachanda and the NC leader Sher Bahadur Deuba in selecting even their respective ministerial nominees.⁶ Both the leaders will require

⁵ For Nepal's internal political fragmentation see, Prashant Jha, *Battles of the New Republic: A Contemporary History of Nepal*, Hurst & Company, London, 2014.

⁶ Prachanda has managed to nominate all the Maoist ministers, though not without discontent in the ranks of the party cadres. The NC leader Deuba has not been able to do that; the present cabinet, with only one NC representative as yet, is still incomplete.

exceptional political clout and skills to keep their cadres satisfied and the coalition stable at least until the next elections scheduled to take place in 2018.

Prachanda has only a limited time of nine months, as per his deal with the NC, to deliver on his promises. The NC is expected to take the governmental leadership for the next nine months. He and his ruling coalition have to complete elections at three levels; local, provincial and national by January 2018, which looks daunting. Many legislative provisions – for defining constituencies at different levels, and explaining/elaborating different concepts and terms like ‘minorities’, ‘backward areas’ – have to be carried out before election schedules can be firmly drawn. The NC-Maoist coalition is short of the two-third majority required for key constitutional changes for accommodating the Madhes demands on federal boundaries, or legislation for implementing the constitution. In the prime ministerial elections, Prachanda secured 363 votes in a House of 602. His coalition needs at least 37 votes more for constitutional changes that may not be easy to muster.

The opposition led by the outgoing Prime Minister Oli’s Communist Party of Nepal (United Marxist Leninist -UML) has left no one in doubt that it would like to see this government fail. There may be divisions within the UML party but not on the question of a tough stance on the Madhes issue. To meet this challenge, the UML has to be isolated, which may not be impossible as it counts for less than 1/3 of the total parliamentary strength. Or, the ruling coalition has to persuade the Madhes and other groups, seeking constitutional changes for their accommodation, to moderate their stance and be prepared for changes in instalments. Both these possibilities are easy to state but hard to execute.

In meeting the challenge of reconstruction of quake-affected areas, not all donors have delivered their promised contributions, and the total commitments fall short of the actual resources needed. The Nepal Government on its part has been able to assess only the worst-affected 11 districts for the extent of damage. The other districts, numbering about 20, are still being surveyed. There have also been reports earlier of political manipulations in allocating reconstruction funds. There are also questions about the

bureaucratic and engineering processes in undertaking necessary reconstruction projects, even if political and resource issues may be sorted out.⁷

Lastly on the foreign policy front, China appears to be very firm and focused on its push into South Asia both economically and strategically. In recent years, China has displayed strong political will, invested generous economic resources and deployed assertive diplomacy in India's neighbourhood. In Nepal, it has spread its presence across political parties, reaching out also to various social and cultural constituencies. It is upgrading border passes and contemplating mega infrastructure projects to consolidate and reinforce its presence. This makes India uncomfortable as its strategic space in the Himalayan neighbourhood may be encroached upon. China has subtly exploited the trust deficit between Kathmandu and New Delhi to its advantage. This trust deficit has a long history, rooted in Nepal's displeasure with India on the issues of the 1950 Treaty, trade and transit, border disputes, and cross-border crimes, while India has been uneasy about the flow of terrorists and fake currencies through Nepal.

In the last few years, Nepal has been strongly protesting against India's alleged interference in its internal political and constitutional affairs. On the question of India's support for the Madhes demands, relations between the two countries hit their rock-bottom last year. The new government in Kathmandu will require exceptional diplomatic skills to bridge the trust deficit with India and bring this relationship back to the level of a creative and close engagement without giving up on the promised economic upsurge in Nepal's relations with China.⁸ New Delhi can considerably facilitate Kathmandu's efforts in this respect if it reworks its Nepal policy by factoring in the reality of a new, republican, growingly self-confident and aspiring Nepal.

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⁷ For a detailed account of the difficulties in quake-affected reconstruction, see Dr. Govind Pokhrel, "*Kanha Chukyo Puner Nirman*" (in *Nepali - Where Did the Reconstruction Fail?*). [www.ratopati.com/photo-news/70145/satta ko agenda; kanha chukyo puner-nirman/](http://www.ratopati.com/photo-news/70145/satta-ko-agenda;kanha-chukyo-puner-nirman/). Accessed on 15 August 2016.

⁸ For some perceptive commentaries on India-Nepal-China trilateral relations in Nepal media see, Krishna Khanal, "*Naya Sarkar, Cheen re Bharat*" (in *Nepali - New Government, China and India*), *Kantipur* (Kathmandu- Nepali Daily), 14 August 2016; Shambhuram Simkhada, "Three friends", *Kathmandu Post* (Kathmandu), 15 August 2016.