

Continuing turmoil in Nepal after king appoints new government

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11 July 2003

Political turmoil is continuing to mount in Nepal just weeks after King Gyanendra installed a new prime minister on June 4 to do his bidding. Opposition protests against the king's dismissal of the elected government last October persist; social unrest is growing over the country's economic decline; and, while a ceasefire is holding, talks with Maoist guerrillas have produced no results.

The resignation of the former Prime Minister Lokendra Bahadur Chand, appointed by the king last October, followed weeks of opposition protests. Five political parties—the Communist Party of Nepal-Unified Marxist Leninist (UML), the Nepali Congress (NC), the Nepal Workers Party, the People's Front of Nepal and the Sadbhavana Party—all demanded that Chand resign and that the king reconvene parliament or hold fresh elections under an interim government of all parties.

The protests reached a high point in late May when Chand stepped down, saying his resignation would pave the way to “solve the conflict”. The king called on opposition parties to submit the name of a replacement. But when they proposed UML secretary Madhav Kumar Nepal, the king ignored them and instead appointed Thapa, leader of the rightwing royalist National Democratic Party (RPP). Thapa appealed for other parties to join his government but was turned down.

Opposition parties have since held a number of protests demanding an end to direct monarchical rule. On June 13, a demonstration of more than 5,000 people in Kathmandu chanted, “Restore democracy” and “We don't approve the king's regressive steps”. A week later, another protest involving several thousand opposed the king's assumption of executive powers last year. On July 4, members of the deposed parliament gathered in the National City Hall in Kathmandu to protest against the king's anti-democratic methods.

King Gyanendra's ability, thus far, to ignore the opposition is due in part to the tacit approval of the US, European countries and India. The International Crisis Group, a Brussels-based think tank, noted in April that the

“international community” was overlooking “the increasingly undemocratic nature of the government in hopes that a strong king is best positioned to secure a peace”.

After he was appointed last October, Chand initiated talks with the Communist Party of Nepal-Maoist (CPN-M), which resulted in a ceasefire, but no substantive steps have been taken toward a political solution. The Bush administration has used the insurgency to push for a more direct US role in Nepali affairs. While supporting negotiations, verbally at least, Washington has provided the Nepalese army with substantial military aid and increased the pressure on the Maoist rebels.

Three senior US officials, including Secretary of State Colin Powell, have visited Nepal since early last year. In March, Deputy Assistant Secretary of State Donald Camp told the right-wing Heritage Foundation in Washington that Nepal was on the list of “US foreign policy challenges”. He claimed that the CPN-M decision to negotiate was a “foreign policy success”—that is, the result of US intimidation—and warned that Washington would support the Nepalese government “whether or not the ceasefire holds”.

The Bush administration increased the pressure on the Maoists rebels further by provocatively adding the CPN-M to the US list of terrorist organisations on April 30, even though the Maoists had agreed to talks. Just days before, US ambassador Michael Malinowski signed a five-year agreement “for cooperation in fighting terrorism and preventing possible terror attacks” with Nepal's Home Secretary Tika Dutta Niraula.

Washington provided \$US14 million in military aid to Nepal in 2002 and announced the delivery of 3,000 M-16 rifles in January as part of a total consignment of 5,000. By beefing up the Nepalese army with political and material support, the US is also boosting the autocratic monarchy, which traditionally has rested heavily on the military.

Malinowski told the BBC on May 6: “The US interest in Nepal now is greater than ever because of the insurgency crisis in the country.” Washington may have concerns about

the impact of instability in Nepal on the Indian subcontinent as a whole. But the major reason for growing US military ties with Nepal is the country's strategic position—adjacent to China and Central Asia. Washington has a series of military arrangements with countries bordering China, stretching from its new bases in the Central Asian republics through South East Asia to its formal allies in North East Asia—Japan and South Korea.

India, which is developing strong ties to Washington, is also backing the Nepalese monarchy and strengthening the army. While making empty appeals for a “multi-party regime” in Nepal, Indian Prime Minister Atal Behari Vajpayee nevertheless congratulated the royal appointee Thapa. New Delhi has provided substantial military aid to Nepal. Indian army chief N.C. Vij visited the country last April and promised a further 1.87 billion rupees in assistance.

CPN-M leader Pushpa Kamal Dahal (also known as Prachanda) has indicated his willingness to hold talks with the Thapa government, declaring it no different from the previous one. The rebels are clearly concerned about growing US involvement in Nepal. Deputy leader Baburam Bhattarai told the *Guardian* in May: “They (government forces) can't crush us. They can't defeat us militarily... But the US is the world's biggest terrorist. The US has been threatening us openly. We want to avoid that scenario.”

Like other Maoist groups, the CPN-M is based on the Stalinist “two-stage” theory that subordinates the struggle for democratic rights to the capitalist class and relegates any fight for socialism to the distant future. In entering talks, the Maoists have distanced themselves from their own limited demands and indicated their willingness to embrace open market restructuring.

After signing a code of conduct with the government on March 13, the CPN-M chief negotiator Krishna Bahadur Mahara indicated that the party would consider retaining the king. “If the people accept the monarchy, there is no problem. If they reject it, it should go,” he said.

A week later, Mahara fielded questions at a big business form entitled “Peace for Economic Revolution” organised by the Federation of Nepal Chambers of Commerce and Industry. He promised to make the party's policies public but to reassure his audience added: “Our economic model is a free economy with sound competition and a level playing field for all the players.”

After the first round of discussions on April 27, a CPN-M delegation visited US, European Union and Indian diplomats in Kathmandu to press its case for greater recognition. According to India's *Frontline* magazine, Mahara held “frank and positive” talks with Indian and EU diplomats but received a frostier welcome at the American embassy.

The Thapa government has appointed two cabinet members to prepare further talks with the CPN-M. Both sides agreed in early July to hold informal talks prior to a third round of negotiations. These discussions take place against a backdrop of deepening economic crisis and rising social tensions.

A BBC report last December stated that the Nepalese economy hit a 20-year low last year. The economy contracted by 0.63 percent in the 12 months to July 2002, according to the Central Bureau of Statistics. Trade, manufacturing output and tourism fell by 11, 10 and 27 percent respectively.

While about 1.5 million of Nepal's 23.1 million people are classified officially as unemployed, 47 percent of the labour force is categorised as under-employed. A report in May explained that out of 300,000 to 350,000 youth who enter the job market annually, only 10 percent find work.

President of the Central Carpet Industries Association, A.G. Sherpa, said the carpet industry had cut half its work force, which employed 550,000 in 1992. The garment sector's workforce of 60,000 to 70,000 has been halved over the past few years.

Social unrest is on the rise. Protesters took to the streets in Kathmandu in March over the raising of petroleum prices by 65 percent. On June 13, bonded labourers from rural areas filed a memorandum at the prime minister's office demanding cultivable lands and equitable resettlement. They warned that if their demands were not met they would launch protests.

The king and his government are clearly looking to incorporate the CPN-M as part of the political status quo as a means of containing popular resentment. Should that tactic fail, however, the security forces are being strengthened, with the support of the US and India, in preparation for a crackdown not only on the Maoist guerrillas but on broader anti-government opposition.



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