Nepal’s Maoist prime minister walks a tightrope between India and China

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Nepal’s parliament in Kathmandu elected Pushpa Kamal Dahal, or Prachanda, the chairman of the Communist Party of Nepal-Maoist-Centre (CPN-MC), as the prime minister of a newly-formed coalition government early this month. The previous government headed by K. P. Oli was ousted in a regime-change operation backed by India, which opposed his growing relationship with China.

The turmoil in the small landlocked country, wedged between India and China, has been driven by rising geo-political tensions across Asia, as the United States enlists countries to diplomatically isolate and militarily encircle China. Indian Prime Minister Narendra Modi is supporting the American “pivot” against China, intended to establish US hegemony throughout the region. At the same time, New Delhi in supporting the toppling of Oli also sought to strengthen its own strategic interests.

Under Oli’s government, relations between Kathmandu and New Delhi were bitterly strained and Oli tried to promote ties with Beijing in order to avert Indian pressure. The Maoist CPN-MC was the main partner in Oli’s Communist Party of Nepal-UML (CPN-UML)-led government, but withdrew its support and struck a power-sharing agreement with the right-wing Nepal Congress (NC). Under the deal, Prachanda will be prime minister for nine months, then NC leader Sher Bahadur Deuba will replace him.

Prachanda first became prime minister in August 2008 after his party joined Nepal’s political establishment, abandoning a guerrilla war, under an Indian-brokered deal in 2006 to derail the intense popular opposition to the country’s monarchy. Prachanda was compelled to resign in May 2009 due to opposition within the political and military establishment to his sacking of the then army chief, General Rookmangud Katawal.

Having returned to the premiership, Prachanda boasted in parliament about his credentials for stabilising capitalist rule amid growing opposition from working people and rural toilers. He declared: “As someone who raised guns, I feel I am the person that history has moved forward to work for this country.”

The CPN-MC and NC also signed a three-point agreement with the Madeshi-based parties, promising some concessions for the Madeshi elites, which claim to represent the population in the southern areas of Nepal bordering India. The deal includes redrawing Madeshi provincial borders through constitutional amendments.

The Oli government confronted a serious political crisis due to protests led by the Madeshi parties, which included a five-month Indian-backed blockade of supply routes from India. New Delhi supported the Madeshi campaign as a mean of exerting pressure on Kathmandu to keep it within India’s strategic orbit. The Indian government also calculated that a stronger presence of the Madeshi elites, who have ethnic ties to India, in Nepal’s political establishment would boost India’s influence.

In order to strengthen his own eroded political base among CPN-MC members, Prachanda also wants the withdrawal of criminal cases against them for their role in the armed Maoist rebellion from 1996 to 2006. However, like the Madeshi constitutional amendments, that would require a two-thirds majority in parliament, where the CPN-MUL is the second largest party, holding 175 out of 601 seats. The NC and CPN-MC have 196 and 80 seats respectively, with the remaining seats divided among smaller parties, including the Madeshi Front.

In this fragile political situation, the Indian

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government quickly indicated its support for the new coalition. According to Prime Minister Modi's tweet message, Modi immediately spoke to Prachanda, "congratulated him" and "assured him of our full support & invited him to India."

Washington also welcomed the shift. The US Embassy in Kathmandu said: "The United States looks forward to continuing to partner with the people and government of Nepal to build a more democratic, prosperous, and stable nation that can carry out the important tasks of constitutional implementation, reconstruction, and economic development."

With the Indian government's assistance, Washington is clearly seeking to integrate Kathmandu into its strategic orbit in the Asia-Pacific region, undercutting China's influence. At the same time, while aligning more with New Delhi, Prachanda is still trying to balance between India and China. Prachanda assured Beijing that he would honour the "understandings and agreements" that Oli signed with China.

One of the poorest countries in the world, Nepal has been compelled to depend on both of its large neighbours. On top of experiencing decades of civil war and political instability, the country faces a deepening economic crisis because of the world slump. Annual growth is expected not to exceed 1.5 percent this year. A quarter of Nepal's population is living in extreme poverty, existing on less than $US2 a day. Under these conditions, Nepalese governments have turned to China for investment.

After taking office, Prachanda immediately sent his two deputy prime ministers to China and India.

On August 15, Deputy Prime Minister and Finance Minister Krishna Bahadur Mahara arrived in China with an invitation to Chinese President Xi Jinping to visit Nepal. Xi accepted, resuming plans for a visit that was being prepared when Oli's government was toppled.

The Oli government had signed several economic agreements with China, including on trade and transit. Chinese Prime Minister Li Keqiang told Mahara that China was ready to deepen cooperation with Nepal on trade, investment, connectivity and infrastructure, and offer greater assistance. Beijing is obviously anxious to maintain what it regards as strategically significant opportunities in Nepal opened up under Oli, in order to counter Washington's sweeping offensive.

Bimalendra Nidhi, the other deputy prime minister, arrived in India on August 18 to prepare for a visit to Nepal by Indian President Pranab Mukherjee, and trips to India by Prachanda and Nepal's President Bidya Devi Bhandari.

Despite such efforts, Prachanda and the new coalition government will not bring political stability to Nepal. Instead, the country is increasingly being dragged into the maelstrom of geo-political rivalry between China, India and the US.

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