



THE NEW HIMALAYAN REPUBLIC

A WORLD-HISTORIC EVENT OCCURRED in a small South Asian country on 23 December 2007, when the toppling of the centuries-old Nepali monarchy and its replacement by a democratic federal republic was codified by the country's interim parliament.¹ The political force principally responsible for this achievement has been the Communist Party of Nepal (Maoist). Starting from the early 1990s the CPN-M had embarked, against all received wisdom, on a strategy of underground armed struggle which, within a decade, propelled it to the very forefront of Nepali politics. Militarily, it had fought to a stalemate—at the very least—the Royal Nepal Army. Politically, it had redefined the national agenda with its central demand for an elected Constituent Assembly, to draw up a constitution that would in turn ensure the formation of a new kind of Nepali state—republican, democratic, egalitarian, federal and secular.

In 2005, at the peak of its military influence, the CPN-M made a strategic turn to seek a permanent peace settlement and forge an alliance for democracy with Nepal's mainstream parliamentary parties, against the dictatorial rule of King Gyanendra. In so doing, it opened up a completely new phase in the turbulent political history of Nepal and paved the way for the remarkable mass upsurge of April 2006, known to Nepalis as the Second Democratic Revolution—Jan Andolan II. Beginning on April 6, with the declaration of a 4-day general strike and rally for democracy, the Jan Andolan turned into a 19-day uprising that brought over a million people into the streets of Kathmandu and the other cities, braving tear gas, baton charges, plastic bullets, arrests and, eventually, an 18-hour 'shoot-to-kill' curfew. The strike was soon declared indefinite and joined by shop-keepers, drivers, civil servants and even bankers, the cities soon running short of food, fuel and cash. The Royal Nepalese Army shot dead at least 15 protesters—by most estimates many more. Finally,

faced with the threat of a 2-million-strong march on the Palace, King Gyanendra capitulated on April 24. The monarchy was stripped of its special executive powers and its very existence made subject to the rulings of a prospective Constituent Assembly.

Negotiations in the aftermath of the uprising have often been fraught. On the political front, an initial set of agreements between the Maoists and the new Interim Government, headed by the veteran Nepal Congress leader Girija Prasad Koirala, had laid out a roadmap for elections to the new Constituent Assembly, originally scheduled for June 2007. The Assembly was to have 497 seats, with 240 to be decided by a first-past-the-post constituency-based system, another 240 by proportional representation based on party lists, and the remaining 17 filled by 'eminences' nominated by the Cabinet. In the meantime, there would be an interim parliament where division of the total tally of 330 seats would approximate the proportions of the 1999 elections to the then lower house of 205 seats, with an extra allocation to the Maoists who had not stood in 1999. This meant over 100 seats for the Nepal Congress, the oldest bourgeois party, around 80 for the centre-left Communist Party of Nepal (Unified Marxist-Leninist), and the same number for the CPN-M.

On the military front, the Maoists' People's Liberation Army duly handed over 2,857 weapons to the UN Mission in Nepal on 7 March 2007, the Nepal Army having agreed to hand over an equal cache; each force would keep the sole key to its arms locker, which would be guarded by the UN. The joint agreement stipulated that the Nepal Army would remain in its barracks, and the combatants of the PLA would be confined to seven cantonments, where their upkeep was to be the responsibility of the Interim Government. Most importantly, it was agreed that a process of 'Security Sector Reform' or 'Democratization of the Army' would be initiated, which would integrate the soldiers and officers of the Nepal Army and the PLA.²

¹ This brings the number of monarchies recognized as UN states down to 27. I am greatly indebted to Anand Swaroop Verma and Pramod Kaphley for their practical help, without which this article could not have been written. I have benefited from their sound advice on many matters, but of course responsibility for the views presented here is mine alone.

² The Maoists have padded their camp numbers by sending in supporters otherwise struggling to subsist, as well as under-age fighters. There is an informal consensus that UN verification will weed out several thousand of these, leaving around 15,000 to be integrated. Security sector reform thus also entails provision of education and skills training, and for many, 'golden handshakes'.

On this basis, the CPN-M joined the Interim Government on 1 April 2007, expecting that this would bring them both domestic and international legitimacy. The message was driven home to Nepal's state bureaucracy that it had better come to terms with these new masters, and several European capitals were obliged to remove the Maoists from their 'terrorist' lists. But the general euphoria of the CPN-M in the immediate aftermath of Jan Andolan II gradually gave way to consternation as, with belated but accumulating force, the logic of electoral politics began to hit home. With full proportional representation, each of the main parties—the Maoists, the NC and the CPN-UML—might expect to get roughly a third of the seats in a Constituent Assembly election. Under the mixed electoral system to which the Maoists had initially given their consent, however, they were likely to come a poor third to their main rivals. With regard to the 240 (out of 480) elected seats that were due to be filled on a first-past-the-post constituency basis, the other two parties were amply endowed with what the Maoists lacked: well-funded campaign coffers, long-standing patronage structures and readily identifiable candidates. As the leading forces in the new Constituent Assembly, these two parties would be strongly placed to garner most of the credit for the republic that the Assembly would declare, and to shape the actual content of the new constitution and of future government policy. Maoist representation might be reduced to a sixth of the Assembly's seats. Understandably, this prospect caused deep dismay and anger within CPN-M ranks, especially among the sections that had always been unhappy with the 'strategic turn'.

On 18 September 2007 the Maoists pulled out of the Interim Government and threatened public agitation to back their call for a full proportional-representation voting system for all 480 elected seats in the Constituent Assembly, and for the Interim Government itself to declare the Republic of Nepal forthwith. These were cardinal demands, but went back on written commitments that the CPN-M leaders had already given. Unsurprisingly the CPN-M were widely accused in Nepal and abroad of irresponsibility and untrustworthiness, in seeking to derail a process that they had themselves endorsed once they realized that they might not achieve sufficient electoral support within the rules agreed.

But if on the surface this seems obvious enough, there is a deeper reality. In the transition from being an armed revolutionary 'outsider' to working within the established Nepali state framework, the Maoists have

discovered grave unanticipated dilemmas caused not just by their own mistakes and arrogance, but by the duplicity and machinations of various forces opposed to them. In addition to their own-goal in agreeing to an unrepresentative voting system that could only benefit the established parties with well-oiled electoral machines, the key issue has been that of military reform. In the months following Jan Andolan II, Prime Minister Koirala adamantly refused to sack any of the RNA's top 25 generals, who bore responsibility not just for the April 2006 shootings but for thousands of civilian deaths during the civil war, and who were besides deeply compromised by their close association with the dictatorial King. The upshot is that although it was the Maoists, far more than any other force, that were responsible for the new and highly positive transformation of Nepal's political trajectory, it is likely that their gains will not be at all commensurate with their contribution. Their new demands were an attempt at least to narrow this gap.

How things came to such a pass, and where the Maoists go from here, however, are questions that must be situated in a wider understanding of Nepal's polity and economy, of the external forces at play, and of the country's extraordinarily complex internal patchwork of class, caste, linguistic and ethnic divisions. Nepal was never directly colonized, so its autocratic and highly conservative form of monarchical rule did not have to face the 'energy from below' of a rising national liberation movement during the colonial era. As a de facto tributary kingdom, first to the British Raj and then to post-Independence India, Nepal had no cause to undertake the reforms necessary to create the pre-conditions for a sovereign nation-state: a modern standing army, a centralized civil-service bureaucracy, a system of secular and unifying jurisprudence, country-wide taxation and infrastructural development aimed at creating a national market. It was, of course, the country's extreme underdevelopment that finally allowed a classic, peasant-based and Maoist-led 'revolutionary upsurge from below' to flourish, following a strategic path of countryside encircling the cities; moreover, the Maoist leaders were well aware that their project for a 'people's democracy' had to reckon with the fall of communism and the end of the Cold War. Nepal's geo-political location and the strength of external pressures, direct or indirect, exerted either by colonial or by major post-colonial powers, have been determining factors in this formally independent state. Nevertheless, it is the internal play of forces, operating within the wider geo-political dynamic, that may yet

play a crucial role in deciding the character of Nepal's governing institutions and overall political trajectory.³

Land, people, economy

Nepal is a roughly rectangular slab of 147,000 sq km, bordered on three sides by India along a perimeter of 1,746 km, and along its mountainous northern length of 1,100 km by the more inaccessible Tibetan plateau. Its population—around 28 million, comparable to that of Afghanistan—is overwhelmingly rural: barely 15 per cent of Nepalis are town-dwellers, and around 75 per cent earn their living through subsistence farming; equally, 75 per cent of fuel consumption is firewood. Geographically, the country comprises three ascending ecological belts. To the south, adjacent to India, is the fertile low-lying strip of the Tarai or plains region, home to 48 per cent of the population, mainly Madhesis. The central hill region—with altitudes ranging from around 600 to over 4,000 metres—including Kathmandu, has long dominated Nepali politics; it contains around 44 per cent of the population. Finally, there are the precipitous peaks of the north—Everest, etc—rising along the frontier with the People's Republic of China. The western hill and mountain regions have always been the poorest parts of the country and the strongest base of Communist support.

³ In a historical perspective Nepal belongs to a category of third world countries—Thailand, Afghanistan, Ethiopia and even Iran—that were never colonized, had monarchical feudal-type rule but faced immense pressures, external and internal, in the course of the 20th century to carry out capitalist modernization. This would create potentially explosive socio-political tensions between the royal house and other rising elites as well as between dominant and exploited classes. But despite this common structural feature the actual trajectories, economic and political, taken by these countries have diverged sharply, leaving little ground for any fruitful comparative study. Thailand has undergone substantial capitalist development and retains a powerful constitutional monarchy in a semi-democracy. The greatest urban mass movement and insurrection of the last century swept away the monarchy in Iran only to replace it with an enduring and authoritarian clerical regime, overseeing capitalist expansion pivoted on indigenous oil and gas wealth. Ethiopia and Afghanistan experienced anti-Western urban-based revolutionary coups by radicalized sections of the military which sought to put in place policies of a 'socialist orientation', including radical land reform. But these never took off and today the two countries are ruled by pro-US authoritarian regimes. Nepal alone has experienced a classical peasant-based revolutionary upsurge that has overthrown monarchical rule, and carries a stronger promise of institutionalizing a more thoroughgoing democratic political system.

Nepal's ruling class has historically been drawn from the Newars, the indigenous elite of the hill region (5 per cent of the population, mainly based in Kathmandu) and from upper-caste Bahuns (Brahmins) and Chettris (Kshyatriyas), populations produced by the immigration to the region of Hindus from the south many centuries ago. Nepali, and its Devnagari script, spoken today by just over half the population, was derived from their Indo-Aryan languages. The indigenous peoples—now starting to define themselves as of 'pre-Aryan, Mongoloid stock'—live mostly in the hills but also in the Tarai, and speak Tibeto-Burman languages. Originally they followed Buddhist, Shamanist or Animist beliefs and practices, but today some of these groups have accepted a Hindu self-description, so that roughly 80 per cent of the population are now considered Hindu. These indigenous groups, known as Janajatis, now make up around 37 per cent of the total population; they were placed in the 'middle' of the caste system, below the Bahuns (12 per cent) and Chettris (19 per cent), and above the Dalits ('untouchables').⁴ After the 1999 elections, the literate Bahun/Chettri/Newar category occupied 75 per cent of all cabinet posts and 61 per cent of all parliamentary seats. There was virtually no representation for Dalits (13 per cent) or Muslims (4 per cent). The Bahun/Chettri/Newar also hold 90 per cent of all positions in the civil services.⁵

In the Tarai region live the Madhesis or plains people of Indian origin, many of whom retain close ties with relatives across the border. Since landholdings here are larger, and feudal-type relations stronger, there are serious class contradictions among Madhesis, but these tend to be subsumed by the common cultural and social discriminations that all Madhesis face at the hands of hill peoples, whether B/C/N or Janajatis. They are often not seen as 'true' Nepalis and are subject to discrimination in employment by the state apparatus. Since 1990, there has been an explosion of groups taking up the Madhesi cause, as well as the rise

⁴ In 2002, the government listed the existence of a total of 37 languages, and classified 59 Janajati groups for whom there would be reserved positions in education and administration.

⁵ While the Chettris and scions of the Rana dynasty have dominated the upper echelons of the Royal Nepal Army, Dalits and Madhesis are effectively excluded, and members of the ethnic hill groups mostly make up the middle and lower ranks. The Gurkha regiments of Britain and India have come mainly from five such groups—the Magars (also a key support base for the Maoists), the Gurungs, the Limbus, the Tamangs and the Rais. Compared to their ambivalent status at home Gurkhas receive a more unequivocal respect and admiration abroad that reinforces their sense of loyalty to foreign employers.

of independent groups and older parties seeking to cash in on the grievances of Janajatis, Dalits and women.

One third of the Tarai population are immigrant hill peoples. Over 60 per cent of Dalits live in the hills, disproportionately more in the Mid- and Far West than in the East; the rest are in the Tarai. They remain basically landless and dependent on work in upper-caste owned larger terraced farms. In the West there is a larger proportion of Mongoloid ethnic groups who have subsistence plots than in the Eastern hills; many of these cannot ensure their families' livelihoods, hence their migration in substantial numbers to the Tarai and elsewhere. Their socio-cultural traditions make them more independent-minded, so feudal-type relations of personal servility are weaker.

Landholding patterns remain unequal: the richest 5 per cent of households own nearly 37 per cent of land, while some 47 per cent of landowning households own around 15 per cent of land, with an average size of 0.5 hectares. Though the average landholding of small farmers is slightly higher in the Western hills (0.52 hectares) than in the Eastern (0.47 hectares), the East is more agriculturally developed, with superior access to credit and investment, irrigation, fertilizers, technology, and so on. There has also historically been a significant regional difference in the degree of central government control, always weaker in the upper West than in the upper East; the early Nepali Communism of the 1950s first took root in the Western hills, a history of continuous left activism which benefited the Maoists later on. Of course, the CPN-M understood the necessity of expanding into the Central and Eastern regions so as to preclude any possibility of the Royal Nepal Army merely concentrating its military assaults on these Western strongholds. In more recent years, the Maoists have extended their social base from the rural poor to include lower level government servants, industrial labourers, small-scale businessmen, teachers, students and unemployed graduates. There are some 100,000 rural youth who fail their high school board exams every year, while a significant portion of the 500,000 youth thrown yearly onto the job market do not get the jobs they feel qualified for.

According to the latest statistics available (2003–04), 31 per cent of Nepalis are below the poverty line, but this figure rises to 46 per cent of Dalits and 44 per cent of hill Janajatis, while geographically the figure is 45 per cent in the Mid-Western region and 41 per cent in the Far-Western

region. If the international comparative measure of \$2 a day (purchasing power parity) is used, then 66 per cent of Nepalis are poor. Whatever industry exists is largely in the Tarai, with few backward linkages. The informal sector (urban and rural) accounts for 90 per cent of all employment. In the countryside 16 per cent are totally landless while 63 per cent of the agricultural workforce are self-employed on the little land they have, or else engaged in rural work for others. These are the rural poor.

A post-colonial monarchy

The kingdom of Nepal was forged in the late 18th century by Prithvi Narayan Shah, ruler of the Gorkha principality (in present-day West Nepal), who captured Kathmandu in 1768 and absorbed the neighbouring rival states; today's royal family are his descendants. Originally stretching from Kashmir to Bhutan, Nepal was reduced to roughly its current size by the Sugouli peace agreement, following defeat by the forces of the British East India Company in the wars of 1814–16. In 1846, the pro-British Jang Bahadur carried out a Palace massacre and established a hereditary Rana premiership, in which successive members of the Rana dynasty ruled for personal wealth and power in the name of the titular king. The British, henceforth supplied with suicidally loyal Gurkha troops for their imperial wars, were happy to condone the Ranas' policy of isolating Nepal politically and economically from the outside world.

It was only after Indian Independence that Rana rule was finally overthrown, with Delhi's backing. A unified Nepal Congress party was formed in exile and, with King Tribhuvan's support, waged an armed struggle against the Rana government. In November 1950 the royal family took refuge in the Indian Embassy in Kathmandu, and were subsequently flown to Delhi. On 7 February 1951, caught between Indian pressure and armed opposition at home, the government agreed to the 'Delhi compromise', by which the King's powers were restored, and the Congress party and the Ranas formed a joint interim government, to establish a Constituent Assembly that would draw up a democratic constitution—a promise that has not been fulfilled to this day.⁶ The 1854 Muluki Ain or 'country code' remained in force, establishing a single legal system but institutionalizing differential caste and sub-caste privileges and obligations, which persisted even after the government formally abolished

⁶ As a measure of how strong Indian influence was at that time, New Delhi effectively set up the Royal Nepali Army and Nepal's civil services.

caste discrimination in 1963. The inequities associated with ethnic diversity and caste cleavages, far from being recognized and redressed, were ignored and subsumed in the name of a Nepali nationalism whose father-figure was the King and whose 'cultural unity' was expressed in the partisan symbols associated with the practices and values of upper-caste hill society.

Both Tribhuvan (1911–55) and his son Mahendra (1955–72) consolidated royal authority, assuming powers to appoint and dismiss the prime minister and cabinet. When a constitution was finally promulgated in 1959—a week before general elections—it vested maximum powers in the King. The Nepal Congress won a two-thirds majority under a first-past-the-post system and sought to implement a mild programme of state-led redistribution, including limited measures of land reform. This was enough to alarm the landed elites. On 15 December 1960, King Mahendra used his emergency powers to dissolve Parliament, arrest the Prime Minister, B. P. Koirala (elder brother of the current octogenarian Prime Minister G. P. Koirala) and ban all political parties, thereby laying the foundations for three decades of 'party-less' rule, sustained after Mahendra's death by his son King Birendra (1972–2001). The system, known as Panchayati Raj, involved a three-tier system of village, district and zonal assemblies—*panchayats*—which indirectly elected a national assembly with only advisory capacity to the King. Representative bodies for the five 'classes' of peasantry, women, youth, workers and ex-servicemen were permitted to exist under supervision, while there was also a firm separation between 'public' bodies controlled and monitored by the Palace and 'private' bodies such as newspapers, clubs, societies, professional associations, etc., which were excluded from political activity and subject to censorship and scrutiny. All this was sanctified by a new 1962 constitution, later somewhat amended after a mass student upsurge in 1979 and a subsequent 1980 referendum—widely believed to have been rigged—on the Panchayati Raj, which returned a narrow majority in favour of the existing system.

For obvious geographical, historical and cultural reasons, India has always been by far the most important political influence on Nepal; but any *pro forma* Indian objections to the consolidation of royal dictatorship in Nepal were modified by the Sino-Indian conflict in 1962, which also made it easier for New Delhi to accept CIA-supported bases of Tibetan Khampa rebels in two Nepali districts. For its part, Beijing's perspectives

were clear: Nepal lies in India's 'sphere of influence' and this will not be challenged; but nor should Nepal become a haven for Tibetan dissidents or a base for interfering with China's control of the plateau. After the 1972 Sino-US entente these camps were closed, and Nepal-China political relations resumed on an even keel. Both Mahendra and Birendra sought to balance Indian influence through improved relations with China, and even in Mao's heyday Beijing was always more concerned to stabilize relations with the Palace in Kathmandu than to support popular struggles against it.⁷

Oppositions

Slowly, however, processes of modernization began to make inroads. The spread of educational and health facilities—if all too often of poor quality—helped raise the literacy level from 2 per cent in 1951 to 40 per cent in 1990. A professional middle class emerged in the towns and cities, demanding more socio-political space, while caste rituals and injunctions also weakened. The arrival of radio and the entry of foreign-aid missions helped put an end to the country's seclusion and created growing awareness of Nepal's comparative underdevelopment and lack of democracy, while expansion of the road network promoted internal and external migration. At the same time, the Palace project of heavy-handed unification and modernization from above could not but exacerbate social tensions. Banned parties went underground and continued their activities both within and outside the Panchayati system.

⁷ Nor has the existence of Nepali Maoism hampered state-to-state relations or trade with China, even including occasional arms purchases to be used against the Maoists. As recent as September 2005 there were reports of China having supplied \$22 million of arms and ammunition and in November 2005, 18 trucks carrying military hardware were reported crossing the Nepal-Tibet border. This is not surprising. Nepali Maoism arose when Mao was in decline in China, and Nepali Maoists have never had serious organizational links with 'fraternal' parties outside, even in India. The CPN-M has helped set up a Coordinating Committee of Maoist Parties and Organizations of South Asia (CCOMPOSA) which has allowed some ideological interchange to take place, but even this body is largely inactive. Indian talk about a 'red corridor' of Maoism running from Nepal through central India down to the southern states is self-serving misinformation designed to exaggerate the 'Maoist threat' and justify repressive measures by New Delhi and state capitals, while diverting attention from development failures. The state governments also hope to attract greater financial largesse from the centre in the name of combating 'Naxalite terrorism'. Indian Maoism has expanded but is nothing like as widely and strongly rooted as is made out.

Nepali Communism, whose most distinctive characteristic has been its combination of endurance and fragmentation—in the late 1980s there were fifteen Communist parties, now reduced to half-a-dozen—provided a common if not a unified focus for agitation and growth.

The original Communist Party of Nepal was founded in 1949 under the leadership of Pushpa Lal Shrestha, and had strongly denounced the 1951 ‘Delhi compromise’, seeing the Nepal Congress as a stooge of India and the King. In 1956, however, the CPN switched tack and recognized the King as constitutional head of state. Initially outlawed, the Party was now legalized, but has been bedevilled ever since both by personality clashes and ideological differences over the issue of reform versus revolution. The Sino-Soviet split had a greater and more lasting effect in Nepal than in India, where the 1964 break between the Communist Party of India and the Communist Party of India (Marxist) had more to do with differing orientations towards the Indian National Congress.

Broadly speaking, one could describe three basic trends within Nepali Communism. The first was a pro-Moscow Stalinism that over time mutated into a form of social democracy—though retaining a Communist label—with its primary ambition the establishment and stabilization of a parliamentary system in which it could pursue a more or less ‘safe’ reformist politics. By 1989, its principal legatee was the CPN-Marxist, which was soon to lose its rural poor base in its original strongholds of the upper Western region to the Maoists, even as it sought to secure support from rural and urban middle classes elsewhere. The initially more leftist pro-Beijing grouping split in two: one section later drifted towards social democracy and parliamentary reformism, mainly organized in the CPN-Marxist-Leninist, while the other remained true to its radical-Maoist origins. In the early 1970s, the Maoist upsurge in the Naxalbari region of West Bengal inspired a Nepali version of armed peasant rebellion against big landlords in the hilly Jhapa district of Eastern Nepal. Though eventually subdued, this is seen as the founding moment of Nepali Maoism, after which there would always remain a current of fluctuating strength committed to guerrilla struggle and the creation of rural ‘base areas’. This third current was largely consolidated by 1989 as the CPN-Unity Centre, under the leadership of Pushpa Kamal Dahal, later better known as ‘Prachanda’. A history of Nepali Communism would have to trace these three trajectories and

their inter-relations, replete with the fission and fusion of groups, parties and fronts, and including political-ideological crossovers.

First Jan Andolan

Against this backdrop, various other developments paved the way for the mass upsurge known as the Jan Andolan of February 1990, which would lead to the collapse of the dictatorial Panchayati Raj. An important factor was the hardship caused by the Indian trade blockade imposed by Rajiv Gandhi's Congress government—as a rebuke for Kathmandu's import of Chinese arms and failure to clamp down on cross-border smuggling—when the 1950 Trade and Transit Treaty, vital for landlocked Nepal, came up for renewal in 1989. If the decision to squeeze Nepal through prolonged blockade initially created widespread resentment against India, the public mood soon changed to one of increasing anger, not just at the Palace's failure to resolve matters with New Delhi but against the whole monarchical system. At the same time, the broader struggles for democracy in the second half of the 1980s—the successful overthrow of the Marcos regime in the Philippines in 1986, the emergence of glasnost and perestroika, Tiananmen, the East European movements of 1989—had a very substantial resonance in Nepal, especially among the urban intellectuals and activists who were key drivers of the upsurge.

Internally, the most important development began with the establishment of a working unity between the two biggest left parties, the formerly pro-Moscow CPN-Marxist and the formerly pro-Beijing CPN-ML.⁸ Along with some smaller groups, these formed a United Left Front which in turn, through the autumn and winter of 1989, forged an alliance with the Nepal Congress and announced the launching of a Movement for the Restoration of Democracy, to begin on 18 February 1990, the anniversary of the 1951 overthrow of Rana rule.⁹ What the leaders of the MRD never anticipated was the remarkable response they received from the

⁸ The CPN-ML's initial stronghold was in the Eastern hills among small and middle peasantry—the Jhapa legacy. This base was transferred to the merger of the two parties, the CPN-Unified Marxist-Leninist. The CPN-UML subsequently shifted towards representing the interests of the middle class and petit-bourgeois of town and country, and then those of the higher professionals and sections of the upper classes. The social base of the CPN-UML overlaps with that of the Nepali Congress and CPN-Maoist, more so with the latter.

⁹ This pattern of prior collaboration between left and right to promote an anti-monarchical democratic mass movement was to repeat itself in the run-up to the 'second democratic revolution' of April 2006.

public, with widespread mass demonstrations and strikes by students, teachers, government employees, workers and medics. In the course of this movement, to the dismay of the Palace, the V. P. Singh government in India as well as London and Washington gave formal support to the MRD, though China remained warily aloof.

The turning point came on 6 April 1990, when half a million people came out on the streets in a victory celebration, after King Birendra had announced the formation of a new cabinet that would begin negotiations with the MRD leaders. When a section of the crowd in Kathmandu began marching toward the Palace, the Army opened fire, following this with shooting elsewhere as other demonstrations broke out with new force. No accurate account of the death toll has emerged. But this bloodbath created such public horror and anger that the King effectively capitulated, to save his status as a father-figure of the nation. By 13 April the ban on parties had been lifted and political prisoners released, a new interim cabinet was installed with Congress and Communist members, and the basic institutions of Panchayati Raj were completely dissolved.

In November 1990 a new constitution was finally promulgated, reducing the powers of the King but still retaining provisions that ensured that the changes would remain partial and unsatisfactory. Above all, the three cornerstones of the old regime—monarchy, Nepali language dominance, Hinduism—remained intact. The King was still Commander-in-Chief of the Royal Nepal Army and retained wide-reaching emergency powers. The multi-ethnic and multi-lingual character of Nepal was recognized but Nepali remained the only state language, and Hinduism the state religion. That this was too limited an outcome soon became evident, since the MRD had unleashed a powerful new dynamic of lower-caste and ethnic mobilizations that would have to be addressed if a unified and truly democratic state was eventually to emerge. It would take another sixteen years for an even wider and deeper mass movement to arise, aiming to complete the project of a democratic restructuring of the Nepali state, and this time demand not, as in 1990, the constitutionalization of the monarchy, but its complete abolition.

The period from 1990 to 2002 has been described as ‘anarchic democracy’.¹⁰ For the first time political parties were allowed to function, and

¹⁰ The term is that of Kanak Mani Dixit, editor of *Himal*, perhaps the most widely known internationally of Nepal’s political journals.

civil-society groups and leaders emerged; ethnic and caste consciousness escalated, along with a determination to eradicate discrimination. Income disparities were also growing: between 1995 and 2004, the Gini coefficient rose from 34.2 to 41.4, with larger gaps opening up between the rich and the middle-income layers, as well as between the middle and the poor. Migration—above all to India, but also to East and South-East Asia and the Arab countries—increased dramatically: the real total of remittances, official and unofficial, was estimated at some 25 per cent of GDP. While domestic development continued to stagnate, Nepal was becoming a remittance economy par excellence.¹¹

The 1991 national assembly elections, the first since 1959, were won by the Nepal Congress with 38 per cent of the votes and 110 seats, out of 205. More surprising were the 69 seats won (with 28 per cent of the vote—the first-past-the-post disparities speak for themselves) by the newly united Communist Party, the CPN-Unified Marxist-Leninist. In the 1994 elections, the CPN-UML won 88 seats to the Nepal Congress's 83 and formed the first-ever Communist-led national government in South Asia—although it was brought down within a year as coalition alliances shifted in favour of the Nepal Congress. The CPN-UML itself then split, with both factions now competing to enter governing coalitions with the Nepal Congress. All in all, the period from 1990 to 2002 saw thirteen changes of government, accompanied by unscrupulous displays of power-brokering and self-centred party manoeuvres, with no real attempts to address the immense problems facing the country; it is hardly surprising that the appeal of the radical left should have grown.

The Maoists of the CPN-Unity Centre, meanwhile, had used the platform of the 1991 elections to expose the inability of parliamentary politics to

¹¹ India is said to have 65 per cent of all Nepali migrants, with a further 18 per cent in Arab countries, about 2 per cent in the UK, and the rest in Malaysia, Bhutan, China, South Korea, Hong Kong, Japan and the US. There are no accurate figures for how many Nepali migrants there are in India, as against Indians of Nepali origin, which migrants may in due course become; estimates vary between 2 million and 6 million. Officially, remittances in 2003–04 came to approximately \$800 million or 12 per cent of Nepal's GDP. However, if illegal inward flows and Indian currency simply brought over the border are added—Indian rupees are legal tender and accepted everywhere—the real total of remittances would be more than double that. Officially, in 2003–04, 35 per cent of this came from Qatar, Saudi Arabia and UAE, compared with 30 per cent from India. *Resilience Amidst Conflict: An Assessment of Poverty in Nepal: 1995/96 and 2003/04*, prepared by the World Bank, June 2006, pp. 51–8.

resolve the basic problems of land reform, Dalit and gender discrimination and oppressed nationalities; they called for a new 'democratic revolution', based on the dictatorship of the proletariat and peasantry, to do this. They won 9 seats (on 4 per cent of the vote), thus emerging as the third party in Parliament. But the group—which would change its name to CPN-Maoist in 1995—was already making political and organizational preparations, internally and externally, for a turn towards protracted people's war, formally announced on 13 February 1996. The armed struggle started in the traditional Communist/Maoist strongholds of the Mid- and Far-West. The CPN-M began by attacking local banks, burning loan papers to indebted farmers, stealing money, attacking police stations, accumulating small arms and making cross-border black market purchases of more sophisticated weaponry; later, they would assault Royal Nepal Army district headquarters and acquire machine guns and rocket-launchers. By 2000, they were emerging as a force at national level.

Initially, neither King Birendra nor the Parliamentary leadership had taken the CPN-M's declaration of armed struggle too seriously, thinking police action would be enough to crush such adventurism. From 2000 onwards, however, both India and the US urged the more cautious King to send the RNA to confront the Maoists directly. Finally in April 2001 Birendra dispatched his troops against the Maoist villages, in the (most un-Nepali) name of an 'Integrated Security and Development Programme'.

Murder at the palace

Two months later, on 1 June 2001, came the extraordinary royal blood-bath at the Palace in Kathmandu, when the 'crazed' Crown Prince Dipendra allegedly murdered his father, King Birendra, along with his mother the Queen, and his royal sister and brother, before shooting himself in the head. Birendra's brother, Gyanendra, was duly crowned King of Nepal on June 4th. The circumstances surrounding this episode were sufficiently murky for the overwhelming majority of the Nepali people to believe, rightly or wrongly, that the whole thing had been a conspiracy hatched by Gyanendra. The new King lost little time in displaying his ruthless authoritarian character, or political ineptitude: within six months of his coronation his Congress Prime Minister, Bahadur Deuba, had been instructed to impose emergency rule, citing among other things the Maoist threat.

Washington and Delhi fully supported King Gyanendra's November 2001 declaration of emergency—adding substance to the view that they had also been party to a conspiracy against Birendra. From then until Gyanendra's February 2005 Palace coup, both capitals gave sustained political-military support to his efforts to crush the Maoists. India provided some \$90 million worth of arms; the top echelons of the Royal Nepal Army have always had close relations with their counterparts in the Indian army and its main intelligence agency, known as the Research and Analysis Wing. For its part, the US consolidated relations with the RNA in the 2001–04 period, when Christina Rocca was Assistant Secretary of State for South Asia. In mid-2001 an 'Office of Defense Cooperation' was set up at the US Embassy in Kathmandu, US military advisers arrived to help plot the defeat of the Maoists and a programme of sending RNA officers to US army colleges and training centres was established. In this period Washington collaborated with the BJP-led Delhi government, which assented to such co-ordination despite India's long-standing policy of seeking to monopolize external influence over the RNA. In January 2002 Colin Powell became the highest-ranking American government official ever to visit Nepal, and afterwards \$12 million of a promised \$20 million was released for arms purchases. In the course of the civil war that followed, the Royal Nepal Army quadrupled in size, to over 90,000 troops, and spread to areas of the country where it had never ventured before.

Waging people's war

Despite this onslaught, by the beginning of 2005 the Maoists had spread to all but two of the country's seventy-five districts, and claimed to control 80 per cent of the countryside. During this period the CPN-M sustained a highly organized underground political structure, topped by a Standing Committee of seven members, below which was a Politbureau of fifteen, then a Central Committee of forty to fifty, which oversaw five regional bureaux of the East, Centre, West, Kathmandu and Abroad (mainly India-based supporters). The first three regional bureaux each supervised three sub-regions, and there were district committees at the base.¹² In the regions they controlled, the Maoists set up base areas and people's committees at the levels of ward, village, district and sub-region, and carried out local development work and social programmes

¹² Since the CPN-M emerged from underground, the top two rungs have been replaced by an eleven-member Central Secretariat, with the former Central Committee reduced to thirty-five members and renamed the Central Organizing Committee.

of inter-caste marriage, widow remarriage and temperance campaigns, with varying degrees of effectiveness. From 2003 the Maoists moved into the Tarai border regions, where they spread like wildfire, since they more than any other political force had long articulated the demand for equality of ‘nationalities’ such as the Madhesis. But the very speed with which they widened their appeal, even as it emboldened and assured them in a strategic sense, also blinded them to the underlying reality. A powerful new Madhesi dynamic had been unleashed, which in due course would escape the Maoists’ control and benefit other forces with much deeper historical roots that had stronger class, caste and patronage structures working for them, once they too began taking up Madhesi grievances and demands.

Throughout the whole period of armed struggle there was also legal work through various front organizations of workers, peasants, ‘nationalities’, oppressed castes, students, intellectuals and women, expressing the Maoists’ demands and their overall political vision. Amid all the talk of having proceeded steadily through the successive phases of strategic defence and strategic balance to finally reach the phase of strategic offensive, it is notable that the Maoists never tried to hold on to the district capitals they attacked. Accurate estimates of Maoist armed strength are hard to come by. One source says that by 2005 the Maoists had a highly motivated force of 10,000 trained and armed guerrillas—the People’s Liberation Army divided into some nine brigades, in turn subdivided into battalions, companies and platoons—plus a further 20,000 armed militia divided into a secondary force of mobile squads and more stationary base forces.¹³

Strategically, the CPN-M was perhaps most strongly influenced—apart from by Mao’s own classic perspective—by the Sendero Luminoso’s near success in Peru, seeing its final failure as reflecting a ‘left deviationism’, just as it sees the Sandinista defeat of the late eighties after achieving power as the failure of a ‘right deviationism’. Its ideological vision of the path to socialism has been shaped by a positive interpretation of the Great Proletarian Cultural Revolution, which despite its excesses is perceived as a crucial attempt to prevent bureaucratic degeneration through a ‘mass line’ approach, hence the enduring admiration for Mao himself. It has also been affected by the subsequent experiences of the

¹³ International Crisis Group, ‘Nepal’s Maoists: Their Aims, Structure and Strategy’, 27 October 2005.

former Communist world, to the point where Nepal's Maoists have formally and publicly adopted a position in favour of genuine multi-party competition even in the 'socialist phase', as well as accepting the existence of independent trade unions and their right to strike. On the current experiences of the Latin American left, in Venezuela and Bolivia, the leadership's position is that these are on the whole positive, but it needs to know more. Hesitant to advise their Indian comrades, the farthest that Prachanda and Bhattarai—the top two leaders—will go is to say that in the more industrially developed India, much more attention has to be paid to organizing in the cities and open mass work.¹⁴

Royal coup

Even as Maoist influence grew, King Gyanendra continued to concentrate power in his own hands. In May 2002 he dissolved Parliament; he dismissed the Deuba ministry five months later and replaced it with his own appointees. Finally, in February 2005, a parade of unelected governments was ended when the King sacked the Prime Minister and Cabinet, vested their executive powers in himself, arrested the country's political leaders and suspended civil liberties. Gyanendra succeeded in making himself the most hated king in Nepal's history. If a substantial majority of the population now want a republic, this is because a weaker but more general dissatisfaction with the monarchical system has fused with a real contempt for Gyanendra to create a deep hostility to the institution itself. So strong is the current revulsion that even the Nepal Congress, a key repository of varied royalist convictions, publicly declared its commitment to republicanism on 6 September 2007.

The CPN-M itself came close to a split in 2004–05, with differences over strategic issues exacerbated by an emerging personality cult around Prachanda. The rift focused around the balance between political and military action, which in turn related to a long-standing divergence within the party as to whether the struggle against the Nepali monarchy should take priority, or whether it should be subordinated to the needs of a national-popular defence against 'Indian expansionism'; a strong current within the CPN-M had long seen King Birendra as a Sihanouk-like 'royal nationalist' and potential ally against the great power to the south. The

¹⁴ Personal conversations in October 2007 with Prachanda and Baburam Bhattarai. Prachanda comes from a poor peasant background and Bhattarai from a middle peasant background. Both were radicalized as students in the late sixties or early seventies.

debate was finally settled in favour of the anti-monarchist position, itself powerfully vindicated when Gyanendra turned against the mainstream parties in February 2005. The latter's struggle for survival effectively pushed them towards the Maoists, who were quick to grasp the exceptionally favourable shift in the domestic and international relationship of forces that had taken place, as the King continued to isolate himself both domestically and internationally. By mid-2005 the Indian government was becoming conscious of the changing internal situation in Nepal, and the futility of continuing its support for Gyanendra. It now changed tack and sought to 'tame' the CPN-M, by bringing them into a stabilized electoral and parliamentary process, while retaining its longer-term perspective of working to finally eliminate the Maoist threat. The US, much slower to understand the changes, opposed the November 2005 Memorandum of Understanding, partly brokered by India, between the Maoists and the mainstream parties, and continued to keep the Maoists on its terrorist list; but even Washington eventually decided to oppose Gyanendra's blatantly dictatorial turn. It would have been folly not to take advantage of such conditions.

In discussions with the author in October 2007, Prachanda gave two reasons for not seeking to seize state power militarily in 2005, when it seemed within their grasp, but instead turning to negotiate a permanent peace settlement, involving a long-term strategic alliance with the mainstream parties to fight for a 'democratic republic'. First, given the international balance of forces, the Maoist leadership believed that, while they might capture state power, they would not be able to retain it. Second, by abandoning the path of armed struggle for peaceful mass mobilization they hoped to achieve a new legitimacy, domestically and internationally, that would afford them greater protection in the long run. This turn was one that many of the CPN-M's own cadres, educated in the belief that they were fighting for a thoroughgoing people's democracy, found hard to swallow. The new line that was finally accepted was that the democratic republic, though seemingly bourgeois in form, was actually a transitional phase towards a future people's democracy, and that progress along this 'peaceful' path would be gauged by the extent to which the key tasks of overcoming class oppression (above all, the question of land reform), eliminating caste and gender oppression, and resolving the 'nationalities' question (federal restructuring of the state) were actually carried out.

However, this strategic shift was almost certainly influenced by the awareness that to try and achieve a climactic military victory against a force of 15,000 to 20,000 stationed to protect Kathmandu would be bloody and uncertain. As it was, some 13,000 had died in the civil war, of which 7,000 to 8,000 were probably civilian third parties. If most of these deaths were caused by the Royal Nepal Army, the Maoists were far from blameless.

Second Jan Andolan

Urban opposition to Gyanendra's February 2005 coup was first organized by trade union groups, progressive NGOs, and teachers' and lawyers' associations. An umbrella organization, the Citizens' Movement for Democracy and Peace, brought together some of the country's leading public intellectuals,¹⁵ and pushed the mainstream parties to unite in the campaign for democracy. In mid 2005, the Seven-Party Alliance (SPA) was formed.¹⁶ On 22 November 2005, with Indian government backing, the SPA and the Maoists concluded a twelve-point Memorandum of Understanding: both sides would unite to end monarchical autocracy, restore Parliament, establish an all-party interim government, call for a Constituent Assembly, acknowledge past mistakes and allow each other freedom of political activity everywhere; and—with the help of 'appropriate international supervision'—work to end the conflict between the Royal Nepal Army and the PLA.

In March 2006, the SPA and the Maoists agreed to launch a joint Jan Andolan II on 6 April, commemorating the climax of the 1990 Jan Andolan I. For tactical reasons, and to obviate fears of a Maoist takeover, the CPN-M encouraged the SPA to lead the mass mobilizations in Kathmandu and the other cities, while they provided large-scale logistical support and brought in huge numbers of their own supporters.

¹⁵ These included Devinder Raj Pandey, a former cabinet minister and leader of the civil society movement; Krishna Khanal and Mahesh Maskey, professors at Kathmandu's Tribhuvan University; Shyam Shrestha, respected journalist and his wife Mukta Shrestha, well-known social worker; Khagendra Sangraula, poet and literary critic; and Shanta Shrestha, a famous human-rights activist campaigning since the 1950s.

¹⁶ These were the Nepal Congress, the breakaway Nepal Congress (Democratic), the CPN-UML, the left-wing Janamorcha Nepal (People's Movement Nepal), the Tarai-based Nepal Sadbhavna Party, the Nepal Workers' and Peasants' Party, and the United Left Front. On 25 September 2007 the NC and NC(D) merged, making it now a six-party alliance.

The former Nepal Congress prime minister, G. P. Koirala—the crafty and experienced ‘grand old man’ of Nepali politics, with no love for the Maoists—was nonetheless seen as one of the key leaders of a movement created mainly, but not only, by this inter-party collaboration.¹⁷ There was widespread and spontaneous involvement of popular groups, which increasingly began to include the middle classes, and finally even the cadres of such key state institutions as the Reserve Bank of Nepal.

The remarkable 19-day upsurge of Jan Andolan II, which at its height on 23 and 24 April 2006 brought over a million people into the streets, pushed well beyond the goals envisaged by New Delhi. Despite differences between the Congress and non-Congress prime ministers in India—I. K. Gujral, V. P. Singh, Chandra Shekhar—both sides have usually operated a ‘two-pillar’ approach with regard to Nepal, working both through the Nepal Congress and the Palace. This had allowed India to shift its emphasis from the Palace to the parliamentary system and back again as circumstances were deemed to dictate: to appear as both pro-monarchy and pro-democracy. Such meddling backfired badly when, at the height of the 2006 Jan Andolan agitation, New Delhi sent a scion of the former royal family of Kashmir, Karan Singh, to King Gyanendra, in the hope of getting him to offer some compromise formula and thus save one ‘pillar’, the monarchy. On 21 April Gyanendra duly invited the SPA to name a new prime minister, an offer roundly rejected by the Alliance which declared that it would organize a two-million-strong march on the Palace on 27 April.

On the 24th, the king capitulated. He conceded all the main demands of the twelve-point Memorandum of Understanding, agreeing to shed all executive powers and restore Parliament. The SPA and the public hailed this as a great victory, while the Maoists, concerned that this might be the end of the process rather than just the beginning, expressed their concerns at a possible ‘betrayal’. However, such was the public mood and pressure that in May 2006 Parliament was restored, Koirala became Prime Minister of an interim SPA government, Nepal was formally declared a secular state, the RNA was brought under civilian control and

¹⁷ Despite Koirala’s well-deserved reputation for being pro-India and for unscrupulous trickery, he had burnished his credentials through his unwavering opposition to Gyanendra since 2002, and as Nepal Congress president had expelled Prime Minister Deuba from the party after the latter had dissolved Parliament at the King’s behest in May 2002.

renamed the Nepal Army, and negotiations were opened between the government and the Maoists.

Dilemmas of transition

The heady optimism of the Maoists in the immediate aftermath of Jan Andolan II soon gave way to a sense of alarm. As noted above, the preponderance of first-past-the-post, constituency-based voting in the planned Constituent Assembly elections, to which the Maoists had at first consented, was liable to leave them with perhaps a sixth of the seats and scant influence in determining future policy outcomes. In the triangular power game played out since May 2006 between the Congress, the CPN-UML and the CPN-M, the latter two are programmatically closer but, for that very reason, also have substantially overlapping social bases. The Maoists worry that the CPN-UML will eat into their actual or potential electoral base, while the leaders of the CPN-UML are concerned that the radicalism of the Maoists will attract much of their cadre and that the Maoists, despite their current call for left unity, have a longer-term plan to split their party. During the drafting of the interim constitution, Prime Minister Koirala as the head of the SPA could make use of these tensions to outmanoeuvre the Maoists. Not only did the interim constitution, declared in mid-January 2007, enshrine a mixed, parallel voting system—the CPN-UML had to content itself with a dissenting note in favour of full proportional representation—but it made no specific reference to federalism, only committing itself to put an end to the unitary state. These two lapses seriously undermined Maoist influence among the indigenous groups, including the Madhesis of the Tarai.

At the news of the interim constitution's failure to enshrine a federal basis for a future Nepali state, a spontaneous and angry mass movement erupted among the Madhesis, in which all kinds of forces participated—ex-Maoist leaders who had formed their own groups; the Nepal Congress; and the Hindu right, backed by its Indian counterparts, who saw in this upsurge the chance to undermine popular support for the Maoists. Major landowning and politically powerful families in Uttar Pradesh and Bihar, often with criminal links, have long been intervening to substantial effect in the politics of the Tarai, while the Hindutva forces of India have seen the world's only Hindu kingdom as an expression of a Hindu *rashtra* which—unlike India itself—has not been tainted

historically by Muslim or Christian invasion and rule.¹⁸ In early 2007, forty people were killed by police gunfire during the 21-day mass uprising in the Tarai. The protests were led by an ex-Maoist, Upendra Yadav, who had formed the Madhesi Jan Adhikar Forum (Madhesi People's Rights Forum) as the main rival to the Maoists' own Madhesi Mukti Morcha (Madhesi Liberation Front).

If the Maoists were embittered by these 'pretenders' now usurping their agenda, they hardly helped matters by advocating a tough law-and-order line by the central government against these and subsequent Madhesi mobilizations. In the following months the Tarai was largely to escape Kathmandu's control. With a defunct administration, a political vacuum had opened that was filled by some twenty-two armed groups, many of them criminal. Armed clashes including the killing of activists took place between the Maoist organizations and other groups. Other sources of tension were between the state and the Madhesis, among Madhesi groups themselves, and between Madhesis and settlers of hill origin, especially as there also emerged extreme Madhesi groups demanding expulsion of these settlers from the Tarai and even independence from Nepal. In all this could be seen the hand of India, keen to promote hostility to the Maoists. After inordinate delay Kathmandu finally agreed in September 2007 to some key Madhesi demands: a commission of inquiry into the police shootings, compensation payments, and an assurance that it would be constitutionally sensitive to the Madhesis' desire for respect and equality. But there has been no forward movement on this score, and the Tarai continues to simmer. Indeed, a new Tarai party has been formed led by a few parliamentary defectors from the NC and CPN-UML, while violence escalated towards the close of 2007.

¹⁸ The connection between Nepali and Indian politics takes place at a number of levels, although it is the Indian state that has always been the crucial factor. Hindutva forces have always had a link with the Palace, but the enduring weakness of the Hindu right in Nepali civil society—understandable given the country's diversity and its history of monarchical authoritarian rule—has always posed huge problems. The Hindu right has so far not been able to seriously shape Nepal's politics, although it can cause mischief. On 1 September 2004, after twelve Nepalis were abducted and killed in Iraq, the Nepali Hindu right engineered attacks on Muslims, the first time Kathmandu had witnessed such communal riots in which it is believed that the Palace silently acquiesced. No credible investigation was held nor were the culprits ever found.

Elsewhere, in Kathmandu and other towns, the revival of the Maoists' Young Communist League in late 2006 has proved to be double-edged. The idea was to provide an outlet for their radical cadre, including many of their ex-militia and PLA activist-leaders; to have an electoral mobilizing force, and an organization that would gather mass support through social work and progressive campaigns. Despite some success in unearthing public scandals, the YCL—some 200,000 strong and comprising Maoist cadre-members of all kinds, including newly recruited opportunist goons in towns and villages—has also succeeded in alienating large sections of the public through the still militarized mindsets of too many of their activists and leaders and, in places, resort to extortion, partly for electoral purposes. The CPN-M does not receive financial backing from business and wealthy elites in the way that the Congress and CPN-UML do. These two parties are also accused of illegally diverting international aid money, and it is widely believed that New Delhi also does its bit for them. However, this does not justify YCL high-handedness, and on 26 November 2007 in the *Kathmandu Post*, Prachanda had to give a public assurance that the YCL would change its behaviour and shed its negative image.

But if Maoist reservations, ruthlessness and ineptitude are one part of the explanation for the difficulties of the transition, the more important part resides with those still unwilling to give up the option of ultimately isolating and eliminating the Maoists. Here, the absolutely key issue is that of 'security sector reform'. Koirala, as we have seen, refused to take the action that was within his power in the aftermath of Jan Andolan II. Although the interim government carried out a shake-up of the police and paramilitary forces, the Prime Minister refused to make any changes within the upper echelons of the Army, claiming that any such move would 'destabilize' Nepal's political situation. Nor has he taken any steps to 'democratize' the armed forces or move towards an eventual merger of the Nepal Army and PLA, though long-term peace is only possible if an assured and honourable place is found for members of the latter. In fact, over the course of 2006 it became increasingly evident that he had done a deal with the Army top brass. They will assure Koirala and the Congress of their support in return for his leaving the existing military leadership in place, along with its freedom to make defence contracts, and deferring any merger with the PLA. In short, Koirala, Delhi and Washington have so far remained united in their determination to keep

the army as their weapon of last resort against the Maoists.¹⁹ As long as this is the case, the prospect of a permanent peace is being subordinated to the retention of the military option, even if this means another round of civil war.

A breakthrough in reform of the security sector might now have to follow a more general forward movement in the overall political situation. This means that the SPA–Maoist alliance, tension-filled though it is, needs to be sustained. A division at this time would make much more difficult a peaceful fulfilment of the key joint demands pertaining to a constitutionally sanctioned restructuring of the state. In this regard the special session of the Parliament on 4 November 2007 played an important role in creating positive momentum. The CPN-M and CPN-UML united to jointly pass by simple majority a resolution demanding a full PR voting system, while leaving open the issue of an immediate declaration of a republic. This resolution could not come into constitutional force without a two-thirds parliamentary majority, i.e., without Congress support. But Koirala was isolated and outmanoeuvred. Over the next one-and-a-half months, amidst warnings of starting a Jan Andolan III to fulfil the ‘majority will’ expressed in Parliament, a deal was finally struck between the ‘big three’ and the interim constitution amended by the requisite two-thirds Parliamentary vote at the end of December 2007. An immediate declaration abolished the monarchy; this act was to be ratified (without voting) by the future elected Constituent Assembly, which would now have a total of 601 seats, of which 240 would remain first-past-the-post constituencies, 335 seats would be decided by PR and the remaining 26 appointed (through consensus) by the Prime Minister; thus representing a roughly 56: 40 breakdown, well short of the 100 percent PR demanded. The Maoists also rejoined the interim government, reclaiming the five people-oriented Cabinet portfolios—physical planning and housing, local development, forestry, communications, women, children and social welfare—they had earlier given up, and gaining two junior ministries. Security sector reform (as had long been promised) would now,

¹⁹ Most Nepalis will support the recent extension of the UN Mission in Nepal to July 2008, to continue to monitor the peace process and oversee the CA elections if and when they take place. But both China and India feel uneasy about the prolonged presence of UNMIN, fearing this might set dangerous precedents for possible UN involvement in Kashmir and Tibet, where widespread human rights abuses certainly exist.

Koirala said, definitely be initiated even if only completed well after the Constituent Assembly elections, now scheduled for 10 April 2008.

What, then, have the Maoists got from this new compromise settlement? Undoubtedly their greatest gain is that they garner the fullest credit for establishing a republic. By pushing the Congress to accept this declaration before the elections they have greatly reduced, though not eliminated, the danger of a royalist army coup, as well as what is called the 'Bangladesh Option'—military rule behind a civilian façade (provided above all by the Congress), posing as a necessary 'stabilizer' and 'protector' in a situation of 'unacceptable' anarchy. Despite the small increase in PR the CPN-M will in all probability remain the third party after the elections. But there is now more chance of it being able to accumulate enough seats to be a 'balancer' between the Congress and CPN-UML, both in the Constituent Assembly and the future governmental coalition.

Is it possible that the rescheduled elections—already twice postponed—could again be derailed? Should this happen it would be an unmitigated disaster. The SPA–Maoist alliance would most probably break up. Royalist groups particularly, and anti-Maoist forces generally (including the Nepal Army), would get fresh impetus as the country plunges into deep uncertainty, with the resumption of civil war and greater anarchy in the Tarai becoming much more likely.

There are three possible sources for such a dangerous denouement. First, security sector reform must begin, or alternatively the Maoists be convinced that this process will become unstoppable after the Constituent Assembly elections. Second, current Madhesi turmoil has created a powder-keg situation in the Tarai. If Madhesi grievances are not seriously addressed, holding elections in the Tarai (and therefore nationally) may prove impossible by the scheduled date. Third, the 'big three' have repeatedly subordinated wider public interests to their particularist ambitions, as reflected in the various political manoeuvrings and shifting tactical alliances in which each has engaged. The public image of all three parties has consequently suffered. Besides widespread hope there is also a significant measure of disillusionment. It remains to be seen how these will play out when the most important elections in the history of Nepal are finally held.

1 February 2008