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# THINK SOUTH ASIA 15

NEPAL: PROBLEMS,  
PROMISES,  
PROSPECTS

## EDITORIAL



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Dear Think South Asia Readers,

In this, our 15th edition, the bulletin seeks to shed light on socio-political and socio-economic realities of Nepal. In the past Nepal has been a reoccurring topic on the agenda of the South Asia Democratic Forum. In late 2011, SADF conducted a survey in cooperation with the Global Poling institution 'Gallup Europe' in which it carried out 1.000 face-to-face interviews with randomly selected Nepalese citizens. Among many intriguing and revealing facts, the 'Insight South Asia-Nepal' survey highlighted the will of the Nepalese to pursue regional integration, which would not only benefit their own country but South Asia as a whole. The report in its entirety can be downloaded on the SADF homepage <http://sadf.eu/home/2012/04/17/insights-south-asia-nepal-survey-2011-results/>.

For many Nepal is most known for its

mountains, the infamous Mt. Everest or the K-2 to name a few. Before abolishing monarchy in 2008, Nepal was also regarded as the only Hindu Kingdom in the world. Some might also know Nepal as the birthplace of the elite Ghurkha soldiers, who are so skilled that six regiments in the Indian and four regiments in the British Army have come into existence.

Nepal's past has been truncated by conflicts along class, caste, ethnic, political and ideological affiliation and has been scarred by the loss of 13 000 of its citizens during a ten year insurgency from 1996 to 2006. Although the abolishment of the monarchy was a first big step in the long march towards democratization, there is still a long way to go. The constitution is still in a limbo, minority groups fear exclusion and many are afraid that the war crimes and human rights violations of the civil war will not be punished.

But Nepal does not only have hurdles, it also has vast prospects especially with regards to its role in regional integration. Not only does Nepal have a young and relatively well-educated population with a median age of 23 (EU: 42), it also hosts the world's second richest inland water resources with approximately 6000 rivers, rivulets and tributaries. Additionally Nepal has the potential to generate extremely large amounts of hydropower for the rising energy hungry economies of South Asia, it can also assist in combatting the growing water scarcity within the region. In India, water scarcity is increasingly becoming the major problem of urban life. According to the Indian government 22 of 32 major cities have to deal with daily water shortages. Bangladesh, a country especially vulnerable to climate change, cyclones and tropical storms is experiencing a drop in fresh water reserves due to diminished dry season water flow.

Nepal however lacks the infrastructure to exploit its reserves. Its own population suffers from energy deficiency although improvements have been made. During the several crises of Nepal several foreign companies from the energy sector have pulled out of the country. A democratic Nepal that harbours a fair and inclusive constitution could attract overseas FDI and expertise once again, which would enable the country to improve its energy security infrastructure and act as a resource hub for South Asia. But in order to live up to its potential regarding the foreign realm it must further pursue the process of democratization.

Before this editorial comes to an end and you can dive into the thoughts of our authors and interviewees, I would like to sway your attention to the situation of Maldivian journalist Ahmed Rilwan who works for 'Minivan News' and who has been missing for almost two months now, after reportedly being abducted outside of his apartment at knife-point and pushed into a car. This incidence is a sad reminder of the pressure put on the free press in the Maldives, which is reminiscent of the clashes during the last presidential election. We would like to urge you to support the cause of finding Ahmed Rilwan and help in any way you can.

I hope you all enjoy Think South Asia 15 and that it enriches your day in some way or form. Please feel free to contact me at [djan@sadf.eu](mailto:djan@sadf.eu) if you wish to comment on our published articles or would like to publish an article\* with "Think South Asia" yourself.

Yours Truly,  
Djan Sauerborn

\* The views expressed in the articles are those of the authors and not of SADF. The authors are responsible for the content of their work.

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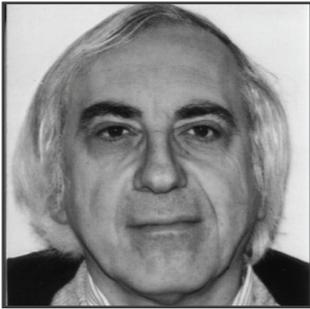
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## Politics of government and opposition and the rule of law?



### Dr. Karl-Heinz Krämer

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Almost ten months after the election to a second Constituent Assembly (CA) Nepal once again finds itself in a serious domestic crisis. Various aspects come into play here: the ineffectiveness and disunity of the government, the lack of competence and the health problems of the Prime Minister, the disregard of the interim constitution and corresponding decisions of the Supreme Court (SC) by government and opposition, the oligarchic approach of the party leaders, the renewed non-participation of traditionally marginalized groups in society and the violation of their legitimate concerns, lack of political will to overcome differences on the contentious core areas of the new Constitution, the inability of the predominantly male high caste leaders to move away from the single ethnic identity of the central state, the preference of impunity for perpetrators of crimes from the time of the Maoist insurgency against the aspect of justice for the victims, the continued neglect of the local political level, the rampant nepotism and corruption of politicians, non-appointments to commissions and offices, the party-internal turf wars of factions, the uncontrolled violence against women in society, etc. Some of these points are subsequently discussed.

#### Weakness of Prime Minister Koirala's government

26 MPs were still missing when the second CA first met on January 22 of this year. According to the Interim

Constitution they should already have been nominated by the interim government of Khil Raj Regmi. Nevertheless, this still incomplete CA on February 10, 2014 elected the Chairman of the Nepali Congress (NC) as the new Prime Minister following difficult coalition talks between NC and CPN-UML. Thus, the political power in Nepal was democratically legitimized for the first time since the failure of the first CA in May 2012.

Besides the two major parties, the right-wing RPP-Nepal (RPP-N) is also the fourth-largest party in the CA, and is part of the government, though this rarely becomes obvious. It is barely visible that the RPP-N has a minister of state within the current government cabinet and there has yet to be a coalition agreement. This RPP-N, that faces fierce factional fighting, opposes the creation of a federal state and advocates the return to monarchy and the Hindu state. The coalition with such a party seems somehow strange, since NC and CPN-UML allegedly have fundamentally different views.

In the following weeks and months, the government with its skimpy two-thirds majority in the CA, that also functions as the parliament, adopted a series of laws with which the numerous constitutional and statutory violations that had been committed by the politicians of the major parties in 2013 to conduct the elections for a second

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*“From the outset, the government of Prime Minister Koirala proved to be indecisive and got nowhere fast.”*

CA, were subsequently legitimized. Constitutionally, this was certainly a very questionable approach, especially since a more constitutional procedure would have been possible in 2013. Most of these subsequent legitimation measures were endorsed by the leading opposition party, the UCPN-M, which, had been involved in the procedure in 2013 as well.

From the outset, the government of Prime Minister Koirala proved to be indecisive and got nowhere fast. First, it took more than two weeks before the coalition partner CPN-UML sent its ministers into the race. To date, six ministries are still vacant. Sushil Koirala has always been a party man in the first place, who has never held public office. This inexperience is clearly visible in all his activities.

Half of the diplomatic missions of Nepal are without ambassadors, partly for over a year. Many government

bodies and commissions are still not occupied, including the National Human Rights Commission (NHRC). The consequence is that many envisaged and partly urgently needed reforms cannot be tackled.

In addition, Koirala was already in poor health when he took office. In summer, he was diagnosed with lung cancer. For medical treatment he spent weeks in New York and also after his return to Nepal he continues to suffer under severe health problems. Overall, he did not see his work desk for two months in this critical period of Nepalese history.

Koirala's inactivity applies not only to his mandate as prime minister, but also to his role as chairman of the NC. Important party committees have been vacant for months and upcoming congresses of sub-organizations of the party have been postponed time and again. On the rare occasions where

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*“After the first meeting of the new CA on January 22, 2014, the leaders had declared that the new constitution would be adopted within one year.”*

Koirala really makes a decision, whether as Prime Minister or party chairman, he mostly does so without consulting with the coalition partners or other factions within his party.

As a result, there is a crisis both in the government and in his own party today. The CPN-UML is increasingly becoming agitated because significant points of the coalition agreement are easily dismissed as unimportant by Koirala. Worth mentioning here is the re-legitimation of President Ram Baran Yadav by the second CA, which is also considered necessary by almost all legal experts. In his own party, it is especially Sher Bahadur Deuba, who played a mostly inglorious role in the failed political system of 1990, who would like to replace Koirala as Prime Minister and party leader today rather than tomorrow. Koirala looks like a lame duck, though there is currently no real alternative to his government. There is no time for a change in government, if Nepal still wants to finalize the new constitution. Ultimately, the latter is not to be prepared and adopted by the government but by the CA.

#### **Unpredictable opposition**

We have to distinguish between a parliamentary and a non-parliamentary opposition. The biggest party of the parliamentary opposition is the UCPN-M. It occasionally forms alliances with a number of smaller regional or ethnic parties by identifying itself with their concerns. Besides, there are small or smallest right, left, regional and ethnic parties. The extra-parliamentary opposition is the camp of those 33 parties led by the CPN-M,

the radical Maoist party of Mohan Baidya that boycotted the elections of November 19 last year. Baidya wants to prevent a new constitution that is adopted by the second CA. Instead, he suggests a round table of all parties that should then take charge of writing the new constitution.

Pushpa Kamal Dahal, chairman of the UCPN-M, has repeatedly tried to initiate the participation of the CPN-M in the working process on the new constitution. He, either favoured Baidya's demand for a round table or tried to push the reunification of UCPN-M and CPN-M. As it became clear in early September that the deadline for the elimination of all differences on the new constitution could not be met, the three major parties agreed on actually holding such a round table conference, probably before September 19.

Dahal's latest attempt aims at reanimating the High Level Political Committee (HLPC), a committee of the leaders of the major parties, which exercised the real executive power in the time of the transitional government of Khil Raj Regmi in 2013. Apart from the fact that the HLPC even then violated the interim constitution and the rule of law, such an institution is absolutely unnecessary today. Firstly, there is a democratically elected parliament and a legitimate elected government, on the other hand, there is the Political Dialogue and Consensus Committee (PDCC) within the CA, that is responsible for the elimination of differences in constitutional affairs: It is led by Dahal's intraparty rival Baburam

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Bhattarai. NC and CPN-UML have nevertheless signalled their readiness to form such a HLPC, but they want to limit this to the three major parties, which sounds like the will to implement an oligarchy. But Dahal disagrees with this suggestion of NC and CPN-UML. He would like the CPN-M and Madheshi parties from the Tarai to participate, all this, of course, under his chairmanship. Dahal's demand for an HLPC exactly burst into the growing crisis, when it became clear that the envisaged date of adoption of the new Constitution, January 22, 2015, would not be met.

#### **Work on the new constitution**

After the first meeting of the new CA on January 22, 2014, the leaders had declared that the new constitution would be adopted within one year. To achieve this, a detailed timetable was set up for the constitution drafting process. The compliance with this schedule was not a major problem as long as it was merely revolving around the work-up of the agreements of the first CA. A consensus to less contentious issues of the new constitution could be found relatively quickly as well. But the time schedule left less than four weeks for a compromise on those parts of the constitution which could not be cleared at the time of the first CA, i.e. the issues that finally led to the failure of the first CA. An agreement should have been reached in this respect until September 6, if the plan to adopt the constitution on 22 January of the next year, actually should be adhered to. This deadline has already passed. Amongst the most controversial areas, is the question whether Nepal in future should have a

presidential or a parliamentary system of government. In general, the parties disagree on tasks, status and election of the President. The design of the parliament is controversial as well. It currently seems that the party leaders most likely intends to agree on a two-chamber parliament. The Lower House should have 235 deputies, of which 118 are to be determined by a direct ballot system. The remaining 117 members of the Lower House are to be determined by proportional representation lists (PR). In the elections for both CAs, the PR lists had to make sure, that all major social groups were represented reasonably well in the CA. The now envisaged system would reduce the number of MPs elected through the PR lists from 60 per cent to merely hardly 50 per cent. In any case, the PR system had already been misused by the high caste party elites in the elections to the second CA for the introduction of relatives and other clients of top politicians.

As in the first CA, the design of the federal state is the most serious problem. It turns out that the attitude of the parties has remained unchanged in this regard since the dissolution of the first CA. This is not surprising, because this topic has not received any attention after May 2012. At that time there was a lack of ability to compromise a number of basic issues as the number of federal provinces, the borderlines and the names of the future federal provinces. Besides, the attention to ethnic factors played a major role. These differences exist even today. Unmistakably, the safeguard of the interests and privileges of the male-

***“After the first meeting of the new CA on January 22, 2014, the leaders had declared that the new constitution would be adopted within one year.”***

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dominated state elite that is composed of members of a few castes is to the fore. Fears are being fanned that the future federal provinces probably may have relative majorities of traditionally disadvantaged and marginalized ethnic groups and cultures. It is stated that this would endanger the unity of the country and lead to the emergence of separatist movements.

Such fears are promoted by misinterpretations of ethnic interests and demands. The fact is that the current centralized unitary state has been created about 250 years ago by the military subjugation of numerous small states and areas inhabited by larger ethnic groups. This unitary state has been identified exclusively with the culture and language of a few so-called high Hindu castes of the hills, whose prominent position was further strengthened by a modification of the

caste system and enshrined in the laws of the country. All other groups in society had and have to this day not been offered equal opportunities in this system.

Nepal today is not only in its entirety a multiethnic, multilingual and multicultural country, but also all future federal constituent states will have these aspects, no matter how their names may be and how their borders may be drawn. The current state elite paints the spectre of so-called “single ethnic identity based federal states” on the wall and denies that the existing system is a “single ethnic identity based central state”. It is with reference to this thinking that the current state elite speaks of endangering national aspects and criteria.

The design of the federal state will be crucial for the future of the country.

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*“All other groups in society had and have to this day not been offered equal opportunities in this system.”*



It has to be struck between economic rationality and better social inclusion and integration. How the parties want to manage this balancing act is not visible at the moment. Definitely, this task will not be solved within the self-imposed time frame. It requires intensive participation of traditionally excluded groups. Such inclusion, however, is also not in sight, although it is one of the key messages of the interim constitution. But who of the leading party politicians really cares about the contents of the interim constitution?

#### **Continued disregard for the Interim Constitution**

Even the last two and a half years of the first CA were characterized by disregard of the interim constitution. According to this interim constitution, the new constitution has to be drafted, discussed and adopted by the democratically elected and inclusively composed CA. By no later than early 2010, the leaders of the major parties seized this task. The proposals on the new constitution that had been drawn up by the first CA were never discussed.

With the second CA, political leaders set up where they left off in dispute in May 2012. Not the proposals of the first CA, but the former agreements of the high-caste leaders were now accepted as the achievements of the first CA. Unlike the first CA, further clarification of the differences lies with the male leaders of the three major parties right from the beginning. These elites more or less lack understanding of the concerns of the great mass of traditionally marginalized groups in society who make up at least 85 per cent of the total population. But

according to the Interim Constitution the inclusion of traditionally excluded groups should be one of the main concerns of the new constitution.

If particular evidence for such continued disregard of constitutional principles was needed, then the recent actions of the major parties in the attempt to nominate the missing 26 deputies of the CA are the best example. The Interim Constitution provides that these seats will go to members of non-represented minorities or to well-deserved persons of civil society, all without party affiliation. The SC had redefined this a few months ago and also pointed out that no person should be nominated who has previously competed as direct candidate or has been on the PR lists.

Of course, the political leaders once again decided for a violation of the interim constitution and shared these 26 seats according to the election results to the parties: 9 for the NC, 8 for the CPN-UML, 4 for the UCPN-M, 1 for the RPP-N and 4 for smaller parties. So far, only NC, CPN-UML and RPP-N have nominated their representatives. Nepotism once again was not neglected. Several close relatives of the leaders of these parties may call themselves deputies now. There has been massive criticism from media and civil society against this renewed violation of the constitution. But just as loud was also the criticism of political leaders from NC and CPN-UML, claiming that not enough seats had been reserved for their respective party circles. So different is the view of democracy and the rule of law by the public and politicians. ■

***“These elites more or less lacks understanding of the concerns of the great mass of traditionally marginalized groups in society who make up at least 85 per cent of the total population.”***



Interview with  
**Sunil KC**  
CEO and founder of Asian  
Institute of Diplomacy and  
International Affairs (AIDIA)

**On AIDIA**

The Asian Institute of Diplomacy and International Affairs (AIDIA) is an innovative body based in Kathmandu, Nepal, that aims at leading a new era in Asian foreign relations. Headquartered in Kathmandu, Nepal, AIDIA has as primary mission the promotion and facilitation of diplomatic relations among Asian actors.

## The Power that comes with Energy

**Think South Asia (TSA): Do you think the recent elections and the prospect of a new constitution in early 2015 will attract greater external investment in the energy sector?**

Sunil KC (SKC): Undoubtedly yes. But not just in the energy sector. Like any other country coming out of a turbulent situation and entering into a peaceful, stable stage, Nepal will surely attract foreign investment in all relevant sectors. Add to this the strategic situation of the country, to act as a bridge connecting the two super-giant economies of the continent, Nepal has the potential to play a key role in Asia.

As a passionate observer of foreign affairs, I feel truly privileged to be in Nepal at this juncture. It is really fascinating to witness how a country that has been pretty closed to most of the world for a long time, is currently initiating its opening up to globalisation, and is starting to catch up with the latest trends, opportunities and realities. There is so much that Nepal can do both at home and in Asia. The prospects of Nepal move way beyond the realm of the energy sector.

**TSA: Current estimates claim that Nepal has approximately 40,000 MW of economically feasible hydropower capacities. Why is it then you think that Nepal has only been able to develop about 600 MW of hydropower?**

SKC: Nepal lays on top of a real treasure, which is its hydropower potential. Hydropower is not just energy, but clean energy. This is an extremely important point that usually passes analysts and economic experts who are working on Nepal quite unnoticed. The world in general –and Asia in particular, especially India and China- is thirsty for sustainable sources of energy, due to the volatile access to traditional fossil fuels. Global concerns for climate change are also quickly undermining the reliability of oil and gas. Hydropower reveals is the most sought after source of power at present and it is unlikely this trend will change in the foreseeable future. This only reinforces the relevance of Nepal in today's world.

Reasons for the delay in exploiting Nepal's natural wealth are complex. One must also keep in mind the political turbulences of the past years. This gap between potential and reality symbolises how behind Nepal is at present regarding the standards for most Asian nations; at least the nations that Nepalese have in mind as models to follow. I have however, great confidence in the Nepalese society, which is ready, willing and able to catch up now, not just in hydropower capacity, but also in all other aspects in order to take the train of progress and growth to a fruitful destination. We must solve the final problems of instability, pass the page and achieve the eagerly anticipated "calm" that is essential to fully concentrate

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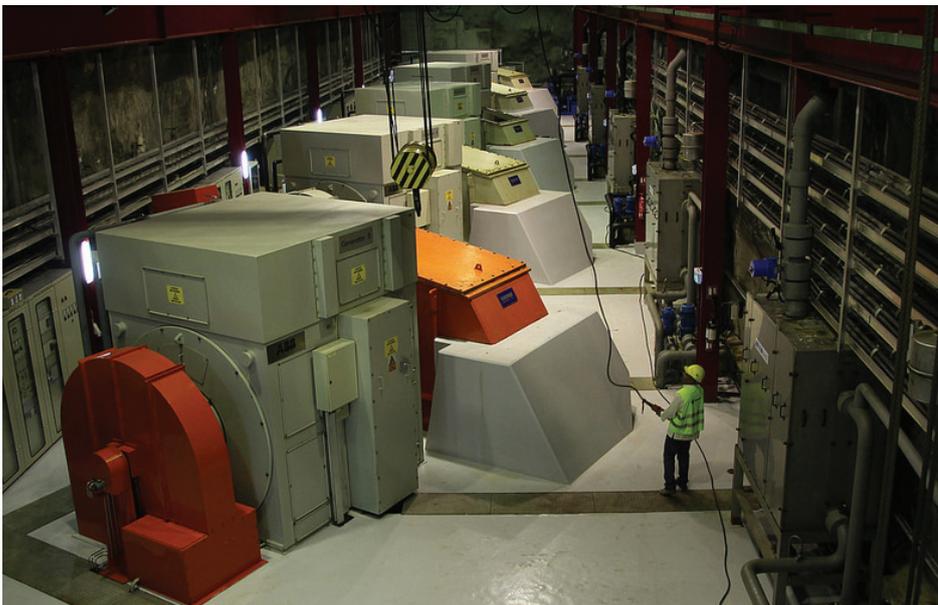
on economic advancement. And hydropower looks like an ideal engine for such a process.

**TSA: Who is in line to establish more favourable economic ties, specifically in the realm of hydropower; China or India?**

SKC: Both, I believe. The Himalayas have acted as a wall between the two giants for too long. Historically it was never like that. This has always been a truly cosmopolitan region, permeating trade, culture, religion and interaction among all peoples living on the shade of the Big Mountains. There is no reason why it should not be like that again, and even more intense than in the past, as China and India –and by extension all smaller countries

in the region- need each other in an increasing manner. Both India and China are experiencing shortages in their energy needs; both try to diversify the origin and kind of energy resources they use; and both are putting their eyes on the Himalayas' unexploited power generation potential. Why then look at it in an excluding way for one of the two, when it comes to reaching agreements for the sale of the hydropower surplus by producer countries like Nepal? I would prefer to achieve a Himalayas region that builds upon positive interrelation among all its members. I do not agree with those that do only foresee competition and tension among China and India, which would lead to a forced positioning of neighbouring nations on one of the two sides. That  
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sounds to me quite a lot like a very old story, not fitting present and especially future realities of the region. Nepal's strength lays precisely in playing a role as shopkeeper in the neighbourhood, providing its surroundings with clean energy, in addition to further social and economic ties. It is this role of Nepal as the cornerstone of the Himalayas' strategy that makes me feel really lucky to be based in Kathmandu. AIDIA is undoubtedly a first-line witness of a high-strategy game being played in front of our eyes. And I dream of this game to be the foundation for a very prosperous future for Nepal.

**TSA: What problems does Nepal face due to climate change?**

SKC: Looking at it in a more constructive way, it could perhaps offer advantages to Nepal, as hydropower is a clean energy, free from most of the negative connotations that are given to fossil fuels or nuclear power. In that case, provided that the levels of rain would continue as of now in this part of the world, Nepal would see a very high demand for its main commodity. But for that, we first of all need to develop the necessary infrastructure.

**TSA: Large scale companies have found interest in investing micro hydropower facilities on a global scale. Although Nepal has large energy reserves only ca. 40 % have access to electricity. Could micro hydropower facilities help close this gap?**

SKC: Micro hydropower facilities are already in use in Nepal. The Association of Micro Hydropower Producers is already an important lobby there. The good thing about Nepal's potential rests on the fact that there is room for both giant hydropower plants and smaller ones. The mountain ranges in Nepal include a huge number of valleys and rivers, offering uncounted opportunities for the building up of hydropower plants. At the same time, the small size and rectangular shape of the country allows a relatively easy and cheap access to such energy by the two main potential buyers, India and China. In such a setting, of course companies like Siemens have got a lot of work to do over here, provided that they are willing to place themselves on the stage, now that the energy-strategy play is about to start in the Himalayas... ■

## India-Nepal relations and the Impact of Hindu-Nationalism



**Dr. Siegfried O. Wolf**

Director of Research of South Asia Democratic Forum; Lecturer in International Relations and Comparative Politics at the South Asia Institute, Heidelberg University, Germany

As a small, land-locked country positioned between two large and powerful neighbours, China and India, Nepal's foreign policy has centred on the not always reconcilable task of maintaining friendly relations with both and safeguarding its national security and independence. The long, permeable border (around 1,800 km) with India has upheld a close yet sometimes acrimonious relationship between the two countries, with Nepal's economy functioning as an appendage to that of India. Subsequently, relations between India and Nepal have not only been influenced by cultural and historical links but also by suspicion and resentment. One should however also keep in mind that the Nepalese people in general have great affection for India. In a survey (Insights South Asia. Nepal survey. 2011 results), conducted by the South Asia Democratic Forum (SADF) in collaboration with Gallup Europe, 84 per cent of the respondents said they had a rather positive opinion on their big neighbour, while just 9% held an opposite view and 7% said they "did not know" (or preferred not to give an answer). Respondents who had visited India were overall the most likely to see the country in a positive light (90 per cent).

Besides substantial cooperation and common interests characterizing the bilateral relations, a major reason for such a positive perception is India's role as the midwife of Nepal's democracy, which was formally acknowledged in

the 1950 'Peace and Friendship' treaty (as an outcome of the so called 'Delhi Compromise') signed by the Rana dynasty. The Rana dynasty came to an end in 1951, after ruling the country in an autocratic manner, leading to the first general elections in Nepal in 1959. But in 1960 Nepal witnessed a royal coup, which stifled the progress of the 'democratic experiment'. In order to reduce independence from India, the then monarch expanded the country's foreign relation with China. Subsequently, New Delhi extensively supported the pro-democratic elements, especially the National Congress (forced into Indian exile after all political parties were banned) which launched an insurrection from the border areas. New Delhi Nepal's policy changed after the 1962 India-China border war and India switched to improving relations with the monarchy. Trade and transit rights were established and India secured, through a secret agreement, a monopoly on arms sales to Nepal.

In the 1970s and 1980s there was economic co-operation between the countries as well as friction over India's support for the Nepalese opposition and Nepal's persistent feeling of vulnerability with India as the regional hegemon. The royal palace secret conclusion, in June 1988, of an arms treaty with China and the ensuing Trade and Transit dispute marked a low point in relations. However, relations improved significantly after a democratically elected government

*“Besides substantial cooperation and common interests characterizing the bilateral relations, a major reason for such a positive perception is India’s role as the midwife of Nepal’s democracy.”*



came to power in May 1991, although India’s security-related concerns remained. Political instability in Nepal has added to fears of possible anti-India activities being launched from Nepal. Furthermore, both countries were wary of spill over effects facilitated by the open border between the two. India was concerned about support cells for India’s northeast insurgencies generated by the Maoist movement and Nepal of co-operation between Indian and Nepali Maoists during the last two decades. However, after the ouster of the King by two major pro-democracy movements (Jana Andolan I & II) and the end of the Maoist insurgency (People’s War), Nepal is once again in a process of transition towards democracy. Unfortunately, the subsequent positive ramifications for India-Nepal relations were not utilized due to an ambiguous foreign policy of the Indian National Congress/United Progressive Alliance governments during the last decade.

Today, besides the above mentioned economic and security related

dimensions of the bilateral relations between New Delhi and Kathmandu, the cultural dimension is gaining more traction. It is especially noteworthy that Nepal is perceived as the world’s only officially Hindu kingdom, even though officially it is not anymore, which in turn always attracted the focus of the Hindu-Nationalist movement.

For example Vinayak Damodar Savarkar, who should be considered as the most remarkable person among the Hindu-Nationalist thinkers, was pointing at Nepal as the ideal Hindu Rashtra (Hindu State). In his Hindutva concept, in which Savarkar elaborated on the ideological foundation of a theocratic Hindu state and its citizenship (Who is a Hindu), he emphasized the importance of the Hindu-Kingdom of Nepal as a model of governance and fabric of society. According to Savarkar such a Hindu-state needs a coherent collective identity in order to avoid a lack of commonly accepted norms (identity) as well as disintegration of the (Hindu)

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people. The latter was perceived as the major reason why various attempts to build a national entity in the history of the South Asian subcontinent have failed. To counter this failure, a homogenous community of the Hindus (Hindu-Sangathan) had to be built up in which all heterogeneous elements were excluded. Subsequently the fundamental conception of this identity project is the vision to transform Indian society as well as its political-institutional structures from a secular into a theocratic Hindu state.

Having this in mind, it is important for Hindu-Nationalist ideologues that Nepal consists of a Hindu theocratic structure of governance as a point of reference for their own identity constructions. Therefore, it does not come by surprise that several members of the Hindu Nationalist movement sector, primarily represented by three major organization Bharatiya Janata Party (BJP, Indian People's Party), Rashtriya Swayamsevak Sangh (RSS, National Volunteer Organization) and the Vishwa Hindu Parishad (VHP, World Hindu Council) are arguing that Nepal should re-transform into a Hindu state (for example Ashok Singhal, leader of the VHP. However, such bold statements have to be seen in the context of the usual electoral rhetoric of the more conservative elements among Hindu-Nationalists in order to mobilise their followers. But the former BJP government (1999-2004) government proved that such radical demands would not find their way into the political-decision making process in New Delhi. Nevertheless, it is important to be aware that such demands from India aimed at preserving the Hindu-identity in Nepal or to re-establish a

Hindu state function as a catalyst for anti-secular thinking and respective forces in Nepal.

This is increasingly gaining significance, since a major controversy appeared after Nepal was declared a secular state in its interim constitution of January 2007 (following a parliamentary declaration from 2006). Promoting secularism instead of a 'Hindu-state' provoked heavy critic among Hindu-nationalist forces in Nepal like the Hindu Swayamsevak Sangh (HSS) or the Rastriya Prajatantra Party (RPP). Basically the phenomenon of Hindu-Nationalism is not new in Nepal. Several monarchs in the past had instrumentalized it in order to gain legitimacy. In consequence, the idea of a single identity for multi-cultural and multi-ethnic Nepal was introduced. This found its expression in the attempts to try to enforce a Nepali nationalism, based on one religion, one language, one culture, and one nation, to form a homogenous (Hindu) society. Doubtless, this notion of state and society was tremendously influenced by India's Hindu Nationalists, especially through the RSS that maintained links to the Hindu monarchy. Despite the fact that the monarchy was abolished, Hindu-Nationalist thinking remained in Nepal's political arena. Here, the current deep political and constitutional crisis serves as the platform for an ideological battle over the country's identity. It seems that various sections of the Nepalese society (especially the HSS and the RPP) are pushing towards a debate over the definition of the relationship between state and religion, which is until today not adequately defined. The main goal of the Hindu-Nationalists is to fervently refute the idea of secularism,

***“The subsequent positive ramifications for India-Nepal relations were not utilized due to an ambiguous foreign policy of the Indian National Congress/United Progressive Alliance governments during the last decade.”***

***“Promoting secularism instead of a 'Hindu-state' provoked heavy critic among Hindu-nationalist forces in Nepal like the Hindu Swayamsevak Sangh (HSS) or the Rastriya Prajatantra Party (RPP).”***

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***“India’s new Prime Minister Narendra Modi at his current visit made it clear that Nepal’s constitutional crisis is an internal affair and that India will not interfere.”***

which is portrayed as a Western import to promote Christianity on the expense of the Hindu community and/or a Maoist project to strengthen their (ideological) influence in the country. Subsequently, secularism is perceived by the followers of Hindutva as a crucial threat to the identity and unity of Nepal’s Hindu-Sangathan. In order to improve their position in this struggle, Nepal’s Hindu-Nationalists are looking towards their Indian ‘fellow travellers’ for support, especially after the landslide victory of the BJP and their allies. However, India’s new Prime Minister Narendra Modi at his current visit made it clear that Nepal’s constitutional crisis is an internal affair and that India will not interfere. Furthermore, Narendra Modi will not accept any disturbance of his economic driven agenda and his attempts to push business with Nepal. Any open support for Hindu-Nationalism would risk the latest deepening of India-Nepal relations. In this context, Modi is quite aware about the limitation of radical interpretation and implementation of Hindutva.

First, besides all ideological engineering to give Hindutva an international dimension, Hindutva is primarily about patriotism and loyalty towards India. This is a fact, which is not much appealing to the political (Hindu) elites in Nepal.

Second, certain elements within Savarkar’s Hindutva concept like the abolition of the caste system (understood as the rejection of each societal structure which is based on birth and not on merits) will not be accepted by the Nepali Hindu caste elites as well as for the various Hindu-

Nationalist organisations in the country. Obviously such ideas would not only change the social fabric but also undermine the legitimacy of Nepal’s leading political circles.

Third, each attempt to support Hindu-Nationalism in Nepal would provoke harsh reaction of the country’s Maoists as well as the different religious groups like Buddhists, Christians, and Muslims - which are significant in numbers too. Additionally it would further complicate the political situation and most likely lead to the re-emergence of violence, which could create negative effects for India’s economic and political interests in Nepal. In this context, one should also mention that the RSS support for the monarchy and its political use of Hinduism to gain legitimacy and to counter the secular opposition (even with the help of outside forces) was not well taken by Nepal’s pro-democratic movement.

Last but not least, Hindu-Nationalism in Nepal is rising but its political influence remains limited. Besides the above-mentioned reasons, a major challenge for the success of Hindu-Nationalism in Nepal is the relatively weak organisational structure as well as the lack of a coherent, united front of the different organisations. This might change in the future and there will be without doubt attempts by certain segments of India’s Hindu-Nationalists to support Hindutva in Nepal. However, the BJP leadership in the last decades was able to keep the hard liners among the RSS and VHP in check and it seems apparent that Prime Minister Modi will tread a similar path. ■

## Nepal's Democratic Wave Still Interrupted by Competition and the Legacies of the Maoist Insurgency



**Joe Frederick**

Assistant Director and Senior Analyst at the UK-based business risk consultancy Drum Cussac

Nepal emerged from a decade-long conflict (1996-2006) between the government and the Communist Party of Nepal-Maoist (CPN-M, “Maoists”) with guarded optimism that peace and stability would descend on the Himalayan state. Since the end of the conflict, peace has largely returned but stability remains elusive.

The “people’s war” was aimed at ending Nepal’s monarchical and feudalistic system of government, and was largely the culmination of failed attempts to bring about meaningful and substantive democratic changes since the 1950s. The country was never colonised like some of its neighbouring states, but political and grassroots student movements wishing to bring the country in line with the prevailing global trend of democratisation embarked upon a journey that would be co-opted, manipulated and periodically disrupted by the sclerotic forces of the monarchy and its patronage networks.

The monarchical institution and the network had established unbreakable structures that were not conducive for the full acceptance and flourishing of democracy. This was not that remarkable during the 1940s and 1950s, when much of the world was experiencing

the “second wave of democracy”. In the Nepalese context, this second wave was largely suppressed and marked by rigid controls on social order by the Hindu Rana oligarchy.

The Ranas and their apparatchiks were deeply insular and failed to recognise or ignore the change in the global order. Nepal was purposefully slow to democratise, elevating social tensions among the educated middle class. The inevitable, yet short-lived blowback was the three-month-long insurgency spearheaded by the Nepali Congress (NC). The communists were not as instrumental in shifting the domestic political order but they were active enough for the government to ban them in 1952. The Rana government was forced to capitulate in 1951, aided greatly by the diplomatic efforts of New Delhi.

What was borne from this was a binary-form of government, whereby the democracy championed by the NC and other political parties were paired with the monarchical authoritarian order in the form of King Mahendra. The two were incompatible and the communists were officially banned in 1952.

Mahendra would try to control the

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***“The monarchical institution and the network had established unbreakable structures that were not conducive for the full acceptance and flourishing of democracy.”***

pace of democratic change through the party-free Panchayat system, even dabbling in direct authoritative control whenever it was convenient. Again, throughout the 1960s and 1970s, the NC would reinvigorate the calls for rebellion and execute insurrection. Nepal’s communists, although still alive, were a spent force. Nepal enjoyed successive decades in infrastructure and urban development, but wealth distribution was still locked with the political, business and royal elites. This created a frustrated middle-class, who was trying to seek redress from a government that seemed indifferent to their grievances. Enter the “third wave”.

The 1990s were marked by radicalisation and revolution, and what emerged were the Maoists. The NC had become mainstream, but tolerable of the left and right in their coalition government that was also occupied by ardent royalists. It had formed a coalition administration with the Communist Party of Nepal-Leninist (or Unified Marxist Leninist, UML), and the two actually see-sawed in power sharing during the decade, but their lasting legacy was that their economic mismanagement ultimately gave birth to the Maoists. The Maoists represented the peasant as well as the educated middle-class as both were weary of the social and economic injustices, corruption and non-transparent governance of successive NC-UML administrations. Continual interference by the monarchy only exacerbated the situation. In 1996, they created their own wave by launching a decade-long insurrection that would

bring about profound changes to the political order by its conclusion.

The war officially ended in May 2006 with a ceasefire accord that led to the November Comprehensive Peace Agreement (CPA), and segued into successive deals that were aimed at implementing major political reforms, particularly the drafting of a new constitution. Eight years since the CPA, Nepal has cycled through six prime ministers, including briefly long-serving Maoist leader, Pushpa Kamal Dahal, who is still referred to by his nom de guerre “Prachanda”. The continual leadership change has served as a sobering reminder of the power struggles among, and even with, competing forces that ultimately interrupts political stability.

Nepal’s first Constituent Assembly, which was elected in 2008, faltered in its efforts to draft the republic’s national charter. Prachanda, whose Maoist movement was riding on a wave of public support after the civil war, served as the interim parliament’s prime minister. But his reign ended abruptly when he tried to dismiss then army chief General Rukmangud Katawal after the latter refused to compromise on Maoist combatants integrating into the armed forces.

The demobilisation, disarmament and reintegration (DDR) process was fraught with challenges. Logistically, a nation does not need a bigger military force in post-conflict environments, and therefore, one of the toughest

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*“The continual leadership change has served as a sobering reminder of the power struggles among, and even with, competing forces that ultimately interrupts political stability.”*

problems centres on the reintegration of ex-combatants back into the civilian sphere. More than 19,000 ex-Maoist People’s Liberation Army (PLA) combatants were sent to seven cantonments and 21 sub-cantonments in 2007. There they either chose to voluntarily retire; or integrate into the Nepali armed forces; or rehabilitate into a civilian profession and life. By 2012, the cantonments were closed, and some 9,000 ex-combatants joined the Nepalese military; around 7,000 retired voluntarily; and six chose rehabilitation, according to the United Mission Interagency Rehabilitation programme in 2012.

In reality, the Maoists were disarmed but still mobilised and engaged politically.

The cantonments served as a holding station and centre to continue Maoist indoctrination. This has served a useful purpose in that it ensures ideological continuity, loyalty to the party and dedication to the cause.

Then there is the issue of human rights violations and war crimes, of which both sides of the conflict coin are equally culpable. In May, President Ram Baran Yadav signed into law the Truth and Reconciliation Commission and Commission of Inquiry on Enforced Disappearances Act but not without controversy. While the Act is seen as a necessary step to push the country forward, discussion of war crimes is highly sensitive and a plausible trigger for national unrest. Legally, there are

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measures in the act that would allow for the commission to sanction sweeping amnesties for ex-belligerents even for crimes where Nepal may have an international obligation to prosecute.

The commission, while mainly aimed at addressing the victims' injustices, has been politicised and used as a bargaining measure for the constitution-writing process. The Maoists (both Prachanda's UCPN-M and its splinter faction, the CPN-M of Mohan Baidya Kiran, which is not a CA member) have articulated multiple times that they would like the NC and UML to establish the commission before an all-party discussion on the constitution takes place.

Kiran's Maoist faction is deeply concerned that without the reconciliation commission the government will ramp up their targeted arrests of former Maoist commanders on human rights violations. Many from his cadre have already been targeted in recent months, whereas before both adversaries were enjoying a temporary "amnesty" from arrest. Senior Maoist leader, Pampha Bhusal, said it best and succinctly, when she stated: 'The peace process and the constitution are interlinked.'

This is indeed true. While the Maoists and the Nepali army are no longer active in armed conflict, the country is still transitioning through a very lengthy, and at times tenuous, peace and reconciliation process that can

lose momentum. The crimes and violence are still fresh in the national consciousness, and this acts as an effective deterrent against a return to war. A general amnesty, while it bodes ill for the victims and their families, will likely be a confidence-boosting measure and may allow for greater political stability.

For now, Kiran's CPN-M has been described as a disruptive force on multiple occasions. He split from the Prachanda group after the first CA dissolved. The interim parliament was bogged by infighting, deep-seated mistrust and competition among the political stakeholders, rendering it ineffective. It had a two-year mandate when it came to existence in 2008. But repeated delays in meeting deadlines ultimately led to its dissolution. The first CA was meant to be all-inclusive, but the spirit of cooperation was hijacked by self-interested needs to secure status, power and influence among political communities.

Kiran's group also boycotted the November 2013 elections, largely on ideological grounds. He advocated continuing the resistance campaign against the NC, UML and other mainstream forces as he believed that the "people's war" had been compromised. More recently in August, the CPN-M called for a general strike in Chitwan district to protest an Indian envoy's inauguration of a college building that was funded with Indian investment. A local CPN-M leader said that the

building should have been opened by a Nepali authority. Kiran generally opposes Indian involvement in Nepali affairs, including the most recent efforts between Kathmandu and Delhi to tie up a bilateral energy and power deal.

Disagreements over economic development, which are, couched in nationalistic language by the CPN-M and ultimately shows Kiran's movement as spoiler to progress. Politically, there are still highly contentious issues for the second incarnation of the CA to tackle, including the investigation and adjudication of war crimes as well as the future structure and administration of the political system, among others.

The second CA came into reality in January of this year, representing another effort to push Nepal's democratic wave in a positive direction. Hopes are high that there were lessons learned from the shortcomings of the first CA. But signals so far are not as hopeful as the reality is that the dominant political forces are in competition and lack harmony in reaching meaningful and sustainable consensus. The CPN-M represents the extreme form and reaction of when compromise cannot be reached, and while the prospects of another Maoist armed insurrection are low, the nation's political trajectory can very well be fraught with turbulence for the foreseeable future. ■

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*“While the Maoists and the Nepali army are no longer active in armed conflict, the country is still transitioning through a very lengthy, and at times tenuous, peace and reconciliation process that can lose momentum.”*

## Note from the Director

# The world we want to live in



**Paulo Casaca**

Founder and Executive Director of  
the South Asia Democratic Forum

SADF participated in the organisation of the eighth Congress of the Asian Political and International Studies Association (APISA) held in Chiang Mai on the 19th and the 20th September, and on behalf of the South Asia Democratic Forum I opened the second day of this renowned conference by giving a lecture.

And so, I decided to offer the audience a personal glimpse into the major geopolitical events that occurred during my past academic working life, which had started in 1980. My intended contribution was to highlight and underline the priorities for us to have a better World to live in.

Firstly, I played down the notion of progressive decline of the North Atlantic and the assertion of the Western Pacific as a symptom of “Western civilizational decline” (whatever this might mean). I considered this reversal of positions a historically normal process – and focussed rather on the importance of democratic change with regards to China or the capacity of regional emerging democracies to cope with Chinese expansionism.

Secondly I remembered that in contrast to their violent confrontation during

the period of the fifties to the seventies a Sino-Russian understanding has emerged, which however did not produce peace and stability on their borders, but rather quite the opposite. Aggressive Territorial demands are a typical by-product of authoritarian regimes seeking to escape and hide their inability to address internal challenges by promoting external conflict.

Thirdly I stressed that the major change that occurred within this third of a century has been the emergence and development of Jihadism as an autonomous geopolitical factor following the Iranian Islamic revolution. The triple alliance that tacitly is being built between Russia, China and Iran appears as the most dramatic and palpable threat to world peace.

A blind faith in Western mechanical transformation of economic prosperity in political Democracy in China, the misunderstanding of historical opportunities open with the fall of the Soviet empire and the inability of perceiving the danger of Islamic fanaticism has created a situation of great fragility.

A sustained effort to build bridges with the people of these countries

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must be accompanied with a large firm commitment against the aggressiveness of their leaders.

The monetarist doctrine that sprang from the seventies of the last century and that sacrificed all on the sacred altar of money, strongly shook the western internal cohesion and led the international monetary system on the verge of implosion, with potentially devastating geopolitical consequences. The Atlantic, and Europe in particular have leaders unable to meet the challenges we face, and the reinvention of democracy is being made from less prosperous countries like the India of Narendra Modi.

The world needs a new alliance for democracy formed not on the basis of respect for the laws of money but rather on values of humanity, an alliance that can set the basis for a lasting and global geopolitical understanding between the old and new democracies based on a new economic, environmental and monetary international construction.

Time is pressing! Only this alliance can face the pact of the reinvented communist authoritarianism with the Caliphate fanatics, and can reopen horizons of freedom, peace and progress. ■

## Recent SADF Comment

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### EU Ambassador to ASEAN: What about SAARC?

BY DJAN SAUERBORN

On September 24, 2014 the European External Actions Service opened the vacancy for a new post, which is in line with its trust towards Asia. The new dedicated EU Ambassador will be based in Jakarta, Indonesia, the most populous country of ASEAN, which was founded in 1967.

One of the main reasons for establishing this new post was to forge closer ties with a region that hosts roughly 600 million citizens, who are in the midst of propelling economic growth, but are also subject to political turmoil and security challenges.

While one should welcome and support the EU's decision to bring together Asia and Europe, it is in the interest of the Union to engage in the same way with SAARC.

If one is to compare the incentives of the EU for establishing the post of an ASEAN Ambassador, the same apply to South Asia. India alone has more than one billion inhabitants and as the largest democracy in the World shares the same values the EU promotes. The conflicts in Af-Pak, religious extremism, the issue of minority and women's rights, the impact of climate change in Bangladesh, political instability

in the Maldives, the post ethnic conflict Situation in Sri Lanka, Nepal's constitutional limbo are all issues akin to the situation in ASEAN, if not more severe. But the region also has so much to offer. An incredibly young and skilled work force, the will to entrench democratization and the potential to act as an energy hub are some of the several positive and promising realities of South Asia.

On October 16th and 17th leaders of Europe and Asia will meet for the 10th time during the course of the Asia-Europe Meeting (ASEM). One must however wonder why a coming together of European and Asian policy makers excludes the nations of the Maldives, Bhutan, Nepal and Sri Lanka. This is yet another example where the EU and the global community have to improve and bolster their commitment to South Asia, the most vibrant region in the world.

Inviting the excluded nations to ASEM as well as establishing the post of an EU Ambassador to SAARC would send the right signal to South Asia, and generate assurance that Europe indeed intends to build a bridge to Asia that does not circumvent the South.

## SADF Conference Recap

### 8th annual APISA conference

The South Asia Democratic Forum, along with other renowned Institutions such as the Department of Asian Policy Studies (APS), the Friedrich Ebert Stiftung (FES), the Faculty of Liberal Arts and Social Sciences at the Hong Kong Institute of Education and the Institute of South East Asian Affairs (ISEAA) co-hosted the 8th Annual APISA (Asian Political and International Studies Association) conference at Chiang Mai University, Thailand on the 19th and 20th of September 2014. The activities of this multi-disciplinary conference were divided into different issue-areas, which represent

challenges facing Asia. The various disciplines that were present included political science, sociology, economics, anthropology, fine arts, international business, geography and history.

SADF contributed by organising and chairing a Roundtable with the title „Super Election Year in Retrospective: The Democratic Process in South Asia“. In addition Paulo Casaca gave a keynote speech on “The impact of new geopolitical realities on South Asia”. Please follow the link to view a snippet of Mr Casaca’s addressing the audience.

[http://www.youtube.com/watch?v=w\\_HdBK9NJBA](http://www.youtube.com/watch?v=w_HdBK9NJBA)

### Secular government in the Muslim World

On September 23, 2014, SADF had the privilege of co-organizing the conference “Secular Government in the Muslim World” in cooperation with l’Institut Européen des Relations Internationales in Brussels.. A high-quality panel composed by Mr Ambassador Waliur Rahman (former Bangladeshi Secretary of the Ministry of Foreign Affairs and Advisor to the International Crimes Tribunal), Mr Ambassador Arif Mammadov (Head of the Mission

of Organization of Islamic Cooperation to the EU), Mrs Ambassador Ismat Jahan (Ambassador of Bangladesh to Belgium, Luxembourg and the European Communities) and Mr Karomiddin Gadoev (Counsellor of the Embassy of Uzbekistan to Belgium, EU and NATO) welcomed our 90 guests to engage in a lively and fruitful conversation. A short clip of the conference, which was hosted by Paulo Casaca, can be found on the link below.

<http://sadf.eu/home/eventos/secular-government-in-the-muslim-world/>



CONFERENCE  
**MODI IN INDIA,  
THE NEW MODUS OPERANDI:  
A GLOBAL VIEW**  
**13.NOVEMBER.2014**

*European Parliament*

*Hosted by:*  
Geoffrey van Orden  
*Prospective Chairman of EU delegation  
for relations with India*

*Organised by*  
South Asia Democratic Forum

## PROGRAMME

14H-14H30  
**REGISTRATION**

14H30-14H45  
**THANKING ADDRESS**

Paulo Casaca,  
*Executive Director of the SADF*

*Introduction remarks by  
MEP Geoffrey Van Orden,  
Prospective chairman of EU delegation  
for relations with India*

*Ambassador  
Manjeev Singh Puri  
(Embassy of India to Belgium,  
Luxembourg and the EU)*

14H45-16H // PANEL I  
**MODI'S ECONOMIC  
AND SOCIAL POLICY**

*Moderator:  
Siegfried Wolf,  
Director of Research of the SADF*

*Speakers:  
Member of the Indian Parliament*

*Russel Hiebert  
(MP, Canada)*

*Professor Li Tao,  
Director of the Institute of  
South Asian Studies (University of Sichuan),*

*Debate*

16H-16H15  
**COFFEE BREAK**

16H15-17H30 // PANEL II  
**THE NEW ROLE OF INDIA  
IN THE WORLD**

*Moderator:  
Professor Subrata Mitra,  
Head of the Department of  
Political Science of the South Asia Institute  
at the University of Heidelberg and  
Chairman of the Board of Advisors of the SADF*

*Speakers:  
Dr. Christine Fair,  
Georgetown University*

*Dr. David Brewster,  
Australian National University*

*Dr. Li Li,  
China Institute of  
Contemporary International Relations*

*Debate*

17H30-17H45  
**CLOSING REMARKS**

*by Paulo Casaca,  
Executive Director of the SADF*



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