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MAOIST PEOPLE'S WAR IN NEPAL: ISSUES AND CONCERNS

Abstract

The present article tries to give an overview of the Maoist People's War in Nepal. After 10 years of Maoist People's War and three and a half years of royal supremacy, the condition of Nepal is terrible. The insurgency and counter-insurgency operations by the state have led to the destruction of properties and lives of many Nepalese people. The Maoist people's war in Nepal has seriously affected the socio-economic condition, human rights and politics of the country. The Maoists have formed an alliance with the mainstream political parties which indicates that the Maoists are willing to take the path of democracy. The paper tries to identify the causes that triggered the people's war, the gradual development of the war, the support structure and strength, the neighbouring countries' perspectives and conflict management efforts taken from different levels to solve the problem.

1. Introduction

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The development of Communist uprising and terrorism in a number of countries in Asia, Western Europe and South America are seen in the Post-World War period. In Asia the affected countries are the Philippines, Malaysia, Thailand, Myanmar, India, Nepal and Sri Lanka.¹ The aggressive Communist movement still flourishes in South America and in some Asian countries like the Philippines, India and Nepal.

Nepal, a country situated between two Asian giants - India and China, is in political turmoil. Nepal's Maoist insurgency marked its 10th anniversary on 13th February, 2006, with a threat to force the country's King Gyanendra into exile or put him on trial. This month also marks one year since the February 1, 2005 royal coup in Nepal. Virtually the insurgency has gripped all of Nepal's 75 districts² and over 13000 Nepalese have lost their lives in the conflict since 1996.³ The situation became critical on February 1, 2005 when King Gyanendra seized power in a royal coup and dismissed the democratic government, declaring that democracy had failed to solve the problems of the country.

After 10 years of Maoist insurgency and about three and a half years of royal supremacy, Nepal is in shambles. The democratization of 1990 is history. The past 16 years have proved that compromises between democratic and traditional forces still have deadly effects in Nepal. The Maoists recently formed an alliance with Nepal's mainstream political parties, complicating the challenges facing the king.

Nepal is a country which is facing many problems at present. The country is now suffering from the serious political and human rights crisis in its history. The ten-year old Maoist insurgency and counter

¹ B. Raman, Maoists Gain Momentum in India, Paper No.1251, *South Asian Analysis Group (SAAG)*, available at: <http://www.saag.org/papers13/paper1251.html>, accessed on: 29.06.2005.

² Nepal: displacement crisis worsens in wake of royal coup, available at: [www.internal-displacement.org/.../AD019B05FBA740ECC12570CA003AE42D/\\$file/Nepal_overview_jul05.pdf](http://www.internal-displacement.org/.../AD019B05FBA740ECC12570CA003AE42D/$file/Nepal_overview_jul05.pdf), accessed on: 14.09.2005.

³ 10 years of Maoist insurgency costs over 13000 lives, available at: <http://www.nepalnews.com/archive/2006/feb/feb14/news01.php>, accessed on: 28.02.2006.

insurgency operations by the state have led to the destruction of property worth billions of rupees and claimed the lives of thousands of innocent Nepalese. According to the National Human Rights Commission (NHRC), on an average 23 persons were killed each week.⁴ The Maoist insurgency of Nepal is one of the highest intensity internal conflicts in recent times. The country is traditionally a monarchical state and caste is the socially dominant factor. In 1996 only six years after the restoration of democracy by the People's Movement, a group of the present Communist Party of Nepal-Maoist (CPN-M) declared armed insurgency (the People's War) against the present socio-economic structure and the Government with the aim of establishing Nepal as a Communist republic. It has now become a threat to the internal security and political stability of the State.

The Maoists announced the 'People's War' on February 13, 1996 with the slogan "let us march ahead on the path of struggle towards establishing the people's rule by wrecking the reactionary ruling system of state".⁵ The People's War was launched as a small armed movement in four remote districts (Rolpa, Rukum, Gorkha and Sindhuli).⁶ The Maoists believe in the philosophy of Mao Tsetung and receive inspiration from the 'Revolutionary International Movement' and the Sendero Luminoso (Shining Path), Peru's left wing extremist guerrilla movement. The Nepali Maoists have been provided with ideological sustenance by the radical communist parties from different parts of the world. In Nepal, the Maoist's motivation and determination to achieve their objectives demonstrate that despite vindictive counter-insurgency measures taken by the Government, there is no sign of declining the Maoist activities. Maoist insurgency does not appear to be dying. The insurgency has appeared in the

⁴ Dev Raj Dahal, *Nepal: Conflict Dynamics and Choices for Peace*, FES Kathmandu, available at : <http://fesportal.fes.de/pls/portal30/docs/FOLDER/WORLDWIDE/ASIEN/KURZBERICHTE/KBNEPAL1004.PDF>, accessed on: 06.09.2005.

⁵ Nepal Terrorist Groups- Communist Party of Nepal- Maoist, available at: <http://www.satp.org/satporgrp/countries/nepal/terroristoutfits/index.html>, accessed on: 25/08/2005.

⁶ Rabindra Mishra, "India's Role in Nepal's Maoist Insurgency", *Asian Survey*, Vol. XLIV, No. 5, September/October 2004, pp. 627.

districts which had been considered as areas influenced by the constitutional ruling parties. The successive failures of government's police operations in Maoist insurgency clearly shows that the insurgency is taking force with extensive popular support.

There are some similarities in Maoist conduct of the kinds of actions taken by the Khmer Rouge of Cambodia, the only Maoist movement to have exercised governmental power outside the People's Republic of China, before it attained power.⁷ The Maoists have used intimidation and violence to influence civilian behaviour and have targeted 'feudals,' as the Khmer Rouge did during its earlier period, but in a fractional proportion. The Maoists have adopted the policies and outlook of the Maoist Cultural Revolution, which also guided and supported the Khmer Rouge. But a fundamental difference is that the Maoists have not yet found a compelling issue with which to mobilize a mass national movement.

The CPN is profoundly modelled on Peru's 'Sendero Luminoso', better known as the Shining Path. There are some similar characteristics between these two insurgencies. The 'Sendero Luminoso' revolt originated in the isolated mountain regions of southern Peru, which has a largely Quechua-speaking ethnic population having resided in the area for thousands of years.⁸ This area had a history of neglect, broken promises, failed projects and other grievances which helped to create an environment favourable for the insurgency. Like this, the Maoist insurgency of Nepal also began from remote mid-western mountainous, western and eastern districts.

The Maoist insurgency in Nepal has shattered the socio-economic condition, human rights and politics of Nepal. The mental trauma and sufferings of the people is incalculable. The insurgency and counter-insurgency measures adopted by the Government to fight against the Maoists have resulted in an extensive threat to human security. The ten year old Maoist insurgency and counter-insurgency operations by the Government in Nepal have weakened the authority of the state and

⁷ Robert Gersony, *Western Nepal Conflict Assessment*, available at: <http://www.mercycorps.org/files/file1137793491.pdf>, accessed on: 02.03.2006.

⁸ *Ibid.*

eroded the space for democratic politics. In spite of continuous efforts, the problem has not yet been resolved. Nepal's continuing socio-economic problems like poverty, rampant unemployment, feudalism, low levels of education, caste discrimination, poorly maintained infrastructure, etc. mainly attract thousands of Nepalese to join the Maoist rebellion. Corruption and irregularities are widespread at all levels of Government. Society in Nepal is structured on the basis of a hierarchical caste system whose characteristic feature was exclusiveness based on ritual position. The Maoists have a vested interest in mobilising the socially excluded in their class war as there are many areas of convergence between the Maoist agenda and that of indigenous people.⁹ The administrative system and civil service are very weak to deal with the insurgency. Corruption is rampant and funds allocated for the development of remote areas may never reach their destination. Many villages are totally ignored by economic planners and policy makers. Unemployment is increasing rapidly. Maoists are receiving extensive support from these people frustrated with poverty and corruption and from social grievances.

The situation of Nepal is very complex and critical. Four internal actors- the King, political parties, the Maoists, the common people- and the international community are involved in this crisis. At present the king stands against two opponents- the mainstream political parties and the Maoists. The King has given the assurance that he would establish democracy i.e. monarchical democracy. But, the Maoists and the other political parties want to go back to the parliamentary system. The international communities are in dilemma whom to support.

In this context, the present paper is aimed to assess the issues and concerns related with the Maoist uprising in Nepal. Against what background the Maoist uprising was launched in Nepal? What are the support structures and strength of the Maoist insurgents? What is the policy of the government of Nepal against the Maoist uprising? What are the implications of the Maoist uprising in Nepal for the

⁹ Dr. Harka Gurung, *Social Exclusion and Maoist Insurgency*, Paper presented at National Dialogue Conference on ILO Convention 169 on Indigenous and Tribal Peoples, Kathmandu, 19-20 January, 2005.

neighbouring countries? These are some of the pertinent questions attempted to be answered in the present paper. The Maoist uprising of Nepal is very important issue of present time. The present paper tries to give an overview of the Maoist problem of Nepal.

The paper is divided into five sections. The first section of the paper deals with the background of the Maoist uprising. The gradual development of the Maoist uprising is examined in the second section. Issues like the support structure, strength etc. are discussed in the third section. Section four of the paper deals with the perspectives of the neighbouring countries about the Maoist uprising in Nepal. The final section of the paper discusses the conflict management efforts made at different levels to solve the problem.

2. Background of the Maoist Insurgency

Nepal is one of the poorest countries in the world both in economic terms as well as social consideration. The Maoists established themselves in the isolated countryside where the landscape is very complex and the country's unpopular administration is very weak. The influence of the Maoists is the strongest in the economically and socially deprived Northern and Western parts of the country. They formed their guerrilla bases, operated parallel administration and set up security and training camps in these isolated areas.

2.1. Political Factors

The political reasons have given impetus to the Maoists to start insurgency. The political factors behind the Maoist insurgency are:

2.1.1. Political instability

Political instability has an adverse impact on the economic development prospects of the country and its citizens whose economic policy making and planning are central government based. Centralized policy making and planning, frequent changes in governments and leaders at the central government has created non-continuity in development programmes and policies with adverse effects on poverty and inequality, particularly in the distant regions of the country. The

Maoists demanded decentralization in local areas which should have local rights, autonomy and control over their own resources.¹⁰ The recent instability in government and frequent changes of principal personnel in central organisations added to the problem of confusion in priority and choice of projects. Between 2001 and 2005 there took place no fewer than nine changes in the political set up of Nepal.¹¹

2.1.2. Misgovernance

The most important reason for the rapid spread of insurgency throughout Nepal was lack of good governance during the 12 years rule of political parties after 1990 when the people of Nepal became sovereign after the popular movement against the then Panchayat system. The level of popular support enjoyed by the Maoists indicates the failure of the Government.

2.1.3. Corruption

The government suffers from rampant corruption. The development funding of the country has become a major industry that is characterized by massive corruption, a complete lack of transparency and inefficient implementation. The money allocated for development of interior areas never reaches there. In their 40-points demand submitted on 4th February, 1996 the Maoists have demanded that corruption, bribing, the taking of commissions should be stopped.¹²

2.2. Economic Factors

A wide range of people who face miserable economic scenario, high unemployment rates and inadequate education and health care facilities have turned hope to the Maoists. The economic factors of the Maoist insurgency in Nepal include:

¹⁰ See for details- ANNEX I.

¹¹ Anil Biswas, The Royal Coup D'état In Nepal, *politicalaffairs.net*, available at: <http://www.politicalaffairs.net/article/view/670/1/77>, accessed on: 27.02.2006.

¹² See for details- ANNEX I.

2.2.1. Poverty

Nepal is a developing country. Thirty one percent of the country's 23 million people are currently below the poverty line.¹³ Although its per capita income is US\$ 244, 42 percent of the population earns less than US\$ 100 per year.¹⁴ Poverty in Nepal is predominantly a rural phenomenon with around 90 percent of the population living in villages, and whose main source of livelihood is agriculture.¹⁵ Poverty reduction is Nepal's overriding development challenge. Many of its social indicators are among the lowest worldwide. Nearly 40 percent of its population lack access to basic healthcare and education.¹⁶

2.2.2. Underdevelopment

The actual beneficiaries of development and development aids in Nepal are mainly the high-caste elites from towns and villages. Further, weak infrastructures have separated large parts of the country and with it large sections of the Nepalese population from the development efforts. The areas under the Maoists hardly have the modern infrastructures such as roads, schools, medical facilities or electricity.

2.2.3. Unemployment

The growth of Maoists can be attributed to economic factors like unemployment and lack of opportunities for gainful engagement. Unemployment is widespread with as few as 47 percent of the work

¹³ BBC News, available at: http://news.bbc.co.uk/2/hi/south_asia/4516271.stm, accessed on: 20.06.2005.

¹⁴ United People's Front People's War Group (PWG) Nepal Communist Party of Nepal (Maoist), available at: <http://www.globalsecurity.org/military/world/para/upf.htm>, accessed on: 30.06.2005

¹⁵ Devendra Chhetry, *Understanding Rural Poverty in Nepal*, available at: <http://www.adb.org/PovertyForum/pdf/Chhetry.pdf#search='Nepalpoverty'>, accessed on: 18.06.2005.

¹⁶ United People's Front People's War Group (PWG) Nepal Communist Party of Nepal (Maoist), *op. cit.*

force having employment.¹⁷ Many Nepalese go abroad and remit money to their families who remain at home. The massive financial aid provided lucrative jobs for the western-educated, Kathmandu-born employees and contractors.

2.3. Social Factors

There are some social factors which have influenced people to join the Maoists. These social factors include the romanticism of Maoist ideology, land ownership, etc.

2.3.1. Romanticism of Maoist ideology

The Maoist ideology has given the assurance to the common people that they would establish a society free from exploitation and the class biasness. This ideology has romanticised and attracted people who are mainly from the poor and socially marginalised low caste classes who are deprived by the high caste people for years.

2.3.2. Land ownership

The total arable land is 2.9 million hectares¹⁸ which is only 20 percent of Nepal's rugged terrain.¹⁹ But, due to high population pressure, the average landholding is small (0.8 hectares in 2001/02) and further diminishing. In Nepal, more than three fourth (74.15 percent) of the total holdings own less than one hectare of land and they own only 38.88 percent of total farm area and is fragmented in 3.3 scattered parcels.²⁰ In Nepal ownership remains largely with the landed elites. Semi-feudal, subsistence agrarian systems,

¹⁷ SD Crane, "The Maoist Insurgency in Nepal: 1996-2001", *USAWC Strategy Research Project*, U. S. Army War College, Pennsylvania, 09 April 2002, pp. 7.

¹⁸ Gokarna Raj Aryal and GhanShyam Awasthi, *Agrarian Reform And Access To Land Resource In Nepal: Present Status And Future perspectives/Action, ECARDS-Nepal*, available at: <http://www.cerai.es/fmra/archivo/nepal.pdf#search=Poverty%20and%20Caste%20problems%20in%20Nepal>, accessed on: 09.07.2005.

¹⁹ United people's Front People's War Group (PWG) Nepal Communist Party of Nepal (Maoist), *op. cit.*

²⁰ Gokarna Raj Aryal and GhanShyam Awasthi, *op. cit.*

underemployment and low-productive agriculture characterize the Nepali economic structure. As Nepal is an agrarian society, the peasants' dissatisfaction regarding land ownership has been exploited by the Maoists in the backward areas where the agricultural land is also comparatively less productive. The Maoists demanded that the cultivator should own the land and the rich landlords should be confiscated and distributed to the homeless and others who have no land.²¹

2.3.3. Gender

One of the most important features of the Maoist movement is the participation of women's in the guerrilla ranks. Nepali women have been discriminated under patriarchy of Hindu religion and culture. Women's political participation was limited to mainly in voting and occasional candidacy in elections. But now they are joining the guerrilla organization under arms. Women's involvement in the Maoist army and political cadres has brought a major break in the social fabric of rural areas.²² According to an estimate about 30 percent of Maoist guerrillas comprise of women.²³ Among the women guerrillas 70 percent are from among the indigenous ethnic communities.²⁴ Every village has revolutionary women organisations which are mainly used to gather intelligence and act as couriers. More than a dozen women have already given their lives while fighting the police operations.²⁵ The women are mainly influenced by the Maoist-propagated ideology of gender and class equality, which they never had under the traditional social system.

²¹ See for details- ANNEX I

²² The World Bank, *Social Change in Conflict-Affected Areas of Nepal, Social Development Notes, Conflict Prevention & Reconstruction, No.15/ January 2004*, available at: [http://lnweb18.worldbank.org/ESSD/sdvext.nsf/67ByDocName/BuildingCapacityinPostConflictCountries/\\$FILE/CPRNote151legal.pdf](http://lnweb18.worldbank.org/ESSD/sdvext.nsf/67ByDocName/BuildingCapacityinPostConflictCountries/$FILE/CPRNote151legal.pdf), accessed on: 04.09.2005.

²³ Chitra K. Tiwari, *Maoist Insurgency in Nepal: Internal Dimensions*, Paper No. 187, *South Asian Analysis Group (SAAG)*, available at: <http://www.saag.org/papers2/paper187.htm>, accessed on: 05.07.2005

²⁴ The World Bank, *op. cit.*

²⁵ *Ibid*

2.3.4. Age Structure

Children and teenager have been the most impacted. Most of the Maoists are young people from peasant families of poor low-caste Hindus. A majority of the children involved in the Maoist-run organization were forced or attracted to act as soldiers. Around 30 percent of the 'People's army' of the Maoist insurgents in Nepal comprises child recruits.²⁶ The child recruits comprising boys and girls under 18, do not fight directly and are used to carry weapons, supplies, gather information and help lay booby traps. The New York based 'Watchlist' in a report said that, "Children are subjected to killing and maiming committed with impunity by both the Government and the Maoists."²⁷ At least 400 children have been killed, 500 seriously injured, 2000 lost a parent and 20,000 were forcibly displaced in the nine years of the 'people's war' started by the Maoists, said child rights activist, *Gauri Pradhan*, who heads the Kathmandu-based NGO, Child Workers in Nepal Concerned Centre.²⁸

2.3.5. Social Exclusion

The caste system in Nepal dictates that dalits²⁹ are socially, economically and politically the most exploited section of society. More and more persons from Janajati people like Rai, Limbu, Gurung, Magar, Tamang, etc. are joining the Maoists as guerrillas in the hope that they will be released from the control of the high caste people. Ethnic and linguistic division has played an important role in the marginalisation of the ethno-linguistic minorities. Based on these

²⁶ NEPAL, News Briefs, *South Asia Intelligence Review (SAIR)*, Volume 3, No.29, January 31, 2005, available at: http://www.satp.org/satporgtp/sair/Archives/3_29.htm, accessed on: 12.09.2005

²⁷ *Watchlist*, available at: <http://www.watchlist.org>, accessed on: 15.09.2005

²⁸ *New India Press*, January 28, 2005, available at: <http://www.newindpress.com>, accessed on: 25.09.2005.

²⁹ Dalit means literally "the oppressed" and is a new term (adopted from the Dalit movement in India) by former "untouchable" groups in Nepal. It signals their rejection of the hierarchically organized ritual pollution embedded in the caste system and focuses on what they see as the inherent lack of justice in Hindu society.

grievances, the Maoists platform includes indigenous ethnic groups' right to self-determination, ethnic and regional autonomy, proportional representation, equal language and cultural rights, elimination of caste-based domination, patriarchy and untouchability.³⁰ The Maoists have promised self-rule and autonomy to various ethnic groups and influence to join their party. According to their 40-points demand- the status of dalits as untouchables should be ended and the caste system of untouchability should be ended once and for all.³¹ As there are many areas on combination between the Maoist agenda and that of the indigenous people, the Maoists have a vested interest in mobilising the socially excluded people in their class war.

3. Strength & Structure of the Maoists

The Maoists have managed to find sufficient resources to maintain the various aspects of their movement. The Maoist fighters have been provided with weapons and ammunitions, and the political campaign has been sustained with significant funding. It is quite difficult to give the full picture of the current status of the Maoists.

3.1. Leadership and Command Structure

The CPN-Maoist has its own traditional structure based on the Communist ideology. The CPN-M consists of the most powerful standing committee at the top, followed by the politburo, central committee, regional bureaus, sub-regional bureaus, district committees, area committees and cell committees. The organizational structure of the CPN-Maoist is given in Table 1.

³⁰ The World Bank, *op. cit.*

³¹ See for details- ANNEX I.

Table 1: Organisational structure of the CPN-Maoist

Party	People's Army	United front
Standing committee	Central military commission	United people's district committees
Politburo	Regional military commissions	United people's area committee
Central committee	Sub-regional military commissions	United people's village committees
Regional bureaus (five)	District military commissions	United people's ward committees
Sub-regional bureaus (in some places special sub-regional bureau)	Included in this are: Temporary battalion	
District committees	Companies	
Area committees	Platoons	
Cell committees	Squads (separate people's militias also exist under united village people's committees)	

Source: Sudheer Sharma, "The Maoist Movement: An Evolutionary Perspective," in Deepak Thapa, ed., *Understanding the Maoist Movement in Nepal*, Kathmandu: Martin Chautari, 2003.

The chief of operations of the CPN-M is its Chairman, Pushpa Kamal Dahal (better known as Comrade Prachanda). He is also Chairman of the 'Central Committee', Member of 'Standing Committee' and 'Supreme Commander' of the Peoples' Liberation Army. Another front ranking leader of CPN-M Baburam Bhattarai heads the political wing of the Maoists called the United People's Front (UPF). He is a 'Politburo and Standing Committee' member and also in charge for planning and foreign affairs.

Among other important leaders of the CPN-M, Mohan Pokharel Vaidya, a founder of the party and a 'Politburo and Standing Committee' member, is widely known as the political ideologue and is in-charge of the Kathmandu valley and eastern central command. Post Bahadur Bogati is another important Maoist leader serves as a 'Politburo and Standing Committee' member and in-charge of the western central command. Ram Bahadur Thapa, 'Politburo and Standing Committee' member, is reported to be special central command in-charge. Krishna Bahadur Mahara, who acts as the Maoists' spokesperson, is in-charge of the 'Foreign Section (India)'.

The Politburo issues directives with the assistance of an approximately 25-member central committee. The politburo and standing committee reportedly formulate most of the political and strategic policies. The standing committee, with approximately ten members, is the most powerful body in the CPN-M. There are five regional bureaus: Eastern, Central, Kathmandu valley, Western and International department.³² The All Nepal National Independent Students' Union (Revolutionary), or ANNISU-r is the student wing of the Maoists.

3.2. Strength & Support structure

The Maoists have a current estimated strength of between 8,000-10,000 well-armed and trained regulars and an additional 25,000 'militia'.³³ These are backed up by a substantial number of 'sympathisers', who can under certain circumstances be mobilised-voluntarily or coercively- for violent action.

The main fighting and support forces consist of Magars, Tharus, Janjatis (Gurungs, Rais, Limbus, Tamangs, Dalits, Brahmins and Chhetris- the last two also provide the political and military leadership). Among the Maoist fighters- about 60 percent are deployed in the mid-west and west in their strongholds. Another 10 percent are in the far west with around 10 percent in Gorkha, the rest is located in

³² Nepal Terrorist Groups-Communist Party of Nepal-Maoist, *op.cit.*

³³ Ajai Sahni, The King's Folly, *South Asia Intelligence Review (SAIR)*, Volume 3, No.30, February 7, 2005, available at: <http://www.satp.org>, accessed on: 10.08.2005.

Kathmandu valley and east of it.³⁴ The main armed component reportedly consists of six guerrilla battalions, which launches military action in response to instructions relayed through their individual chief commissars (one per battalion), who are central committee members.³⁵ The apex military institution of the Maoists is the Central Military Commission of the CPN-M, which was constituted in 1998.

Many of the Maoist affected areas are inhabited by a large number of well trained retired Gurkha soldiers of the British and the Indian Army.³⁶ It is thought that these Gurkha soldiers may have been involved in providing training to the guerrillas.

3.3. Tactics of the Maoists

Over the course of the protracted conflict, both the Nepalese military and Maoist insurgents have committed gross human rights violations, including arbitrary arrests, kidnapping, extrajudicial executions, targeting of civilian populations, indiscriminate bombing, torture and rape. The CPN-M have been responsible for violations of international humanitarian laws by resorting to indiscriminate killings, abduction, rape, torture and attacks on educational institutions, healthcare systems and destruction of public properties in the country.

The CPN got the inspiration for its tactics from the afore mentioned Shining Path of Peru, as well as Indian Maoists known as "Naxalites."³⁷ The common characteristic shared by these two groups is taking Mao's call for the "elimination of class enemies" to its violent extreme. The CPN-M generally uses a combination of mass line and united front to gain local support but will use terror in areas where support comes more slowly. Such incidents have increased as the CPN-M has moved out of its traditional areas of support. In some areas, especially in the Mid-West where the CPN-M has firm control of the area and government control is considerably limited, the CPN-

³⁴ Nepal Terrorist Groups-Communist Party of Nepal-Maoist. *op. cit.*

³⁵ *Ibid.*

³⁶ Prof. Khalid Mahmud, "Maoist Insurgency in Nepal", *Regional Studies*, Vol. XXI, No.1, 2002.

³⁷ United People's Front Peoples' War Group (PWG) Nepal Communist Party of Nepal (Maoist), *op. cit.*

M controls all the powers of the government. While nonviolent means were important in base areas, terror was widely used when expanding into disputed areas. Generally, the tactics used in taking over a village include incapacitating the village leader and leaving an absence of power that could only be filled by the CPN-M. The police, poorly armed and considerably spread-out, are generally powerless to do anything. Thomas A. Marks describes one interesting tactic used to deal with the local police force includes beginning with a small attack to draw the attention of the local police forces and thus spread out their numbers.³⁸ Once this has occurred, small guerrilla units attack the smaller, more isolated police forces, which in turn force the police to unite their forces, ultimately leaving larger swaths of the local population at the mercy of the insurgents. Other tactics included cutting roads, bridges, or power to a region to isolate it and then begin the socialist process.

Maoist 'people's war' has proved such a challenge to state response precisely because it incorporates terror as a tactic to make a revolution. As the security forces exercise pressure, the rebels employ terror tactics and target infrastructure. While the army has been stepping up pressure against the insurgents through its slow and steady "Cordon-and-Search-and-Destroy" Operations, the rebels have managed to inflict heavy damage to the security forces.³⁹ The Maoists set fire on almost all the government offices at the district headquarters, butchered security forces, looted local banks and killed innocent civilians. The guerrillas engage the security forces through their "hit and run" tactics in the areas surrounding their strongholds.

3.4. Fund

It is difficult to accurately estimate the income and expenditure of the Maoists, not only because of the nature of the movement itself but also because much of their support such as forced donations for food or accommodation comes in kind rather than cash. The funds for the operations of the Maoists come from various taxes that they have

³⁸ *Ibid.*

³⁹ Bhagirath Yogi, *Maoist Insurgency*, available at: <http://www.ms.dk/sw14569.asp>, accessed on: 03.04.2006.

imposed on the area under their control, private donation and extortion. People believe the Maoists from a fact that they have invested the taxes collected from land in the development of the villages under their control. The Maoists have collected funds largely through bank robbery, tax collection, voluntary donations and extortion from rich businessman. A string of bank robberies and extensive collection of 'revolutionary tax' from people in the areas under its control as well as in all major towns and overseas has made the CPN-M one of the wealthiest rebel movements in Asia.⁴⁰

The Maoists continue to consolidate in all sectors, especially their finances, with sporadic reports of looting of banks and 'forced donations'. According to officials at the Nepal Bank Limited (NBL), 29 branches of the Bank had been affected from various insurgency-related events. Cash and property worth nearly NPR 250 million has been looted from the NBL after the onset of the Maoist insurgency.⁴¹ Similarly, a spokesperson of the Rastriya Banijya Bank, Janardan Acharya, disclosed that the Maoists had looted property worth 160 million rupees from various branches of the Bank over the past years. The Bank had to close down a total of 20 branches in the last three years mainly due to security reasons.⁴²

Poverty, social and political unrest have forced thousands of Nepalese to migrate. Considerable amounts of funds also derive from 'collections' from Nepalese abroad, particularly the several million Nepalese who work in neighbouring India. The main organisation among them, the Akhil Bharatiya Nepali Ekta Samaj (All-India Nepalese Unity Society), was banned in July 2002 for links to the CPN-M.⁴³ There are reports of a small but very active Maoist cell

⁴⁰ Bertil Lintner, Nepal's Maoists prepare for final offensive, Asia Pacific Media Services Limited, available at: http://www.asiapacificms.com/articles/nepal_maoists/, accessed on: 25.02.2006.

⁴¹ Saji Cherian, Rising Anarchy, South Asia Intelligence Review, Volume 4, No. 37, March 27, 2006, available at: http://www.satp.org/satporgrp/sair/Archives/4_37.htm, accessed on: 03.04.2006.

⁴² *Ibid.*

⁴³ Bertil Lintner, *op. Cit.*

among the approximately 20,000 Nepalese community in Hong Kong as well as forced 'revolutionary tax collection' there.⁴⁴ In Belgium, some Nepalese expatriates have linked up with the Workers' Party of Belgium, one of the few remaining Maoist parties in Europe, where they are reportedly trying to use the Belgian courts to block the sale of arms to the Nepalese Army.

3.5. Weapons

When the Maoists started their armed struggle, they had no organised military force to speak of and no real weaponry. But as the Maoists stepped up their campaign, they started making their own muskets, taking licensed shotguns and other weapons from local residents and capturing the .303 rifles of the police. More recently they have enhanced their arsenal, primarily by capturing weapons from the security forces, to include sophisticated automatic weapons, explosives and mortars. The Maoists have also purchased arms, in particular from the black market in the neighbouring Indian state of Bihar and Uttar Pradesh, where there is a flourishing trade in illegal weapons.⁴⁵ They had concentrated on buying detonators, explosives and bullets rather than guns but there is some evidence that they have also brought in AK-47 assault rifles which some analysts suspect are from North-east India. The military experts suspected that the large arms seizure in the Bangladeshi port of Chittagong in April 2004 might have been on its way to the Maoist rebels in Nepal or separatists in north-eastern India.⁴⁶ The Maoists have skilled bomb-makers who initially devoted their efforts to refining various types of homemade explosives and gradually became more skilled in electronically detonated landmines. They have also used Indian army grenades, which may have been obtained on the black market. While their main source of weapons has tended to be the state security forces themselves, there are indications that their needs for fresh ammunition

⁴⁴ *Ibid.*

⁴⁵ Nepal's Maoists: Their Aims, Structure and Strategy, *Asia Report*. No.104, 27 October 2005, International Crisis Group, available at: <http://www.crisisgroup.org/home/index.cfm?l=1&id=3768>, accessed on: 26.01.2006.

⁴⁶ Arms cache was on way to 3rd country, *The Daily Star*, April 4, 2004.

and explosives are met primarily from smuggling across the border with India. The Maoists, in the course of their insurgency have used light weapons as guns (mostly looted from the police), hammer, kukri (the traditional Nepali knife) and grenade. Reportedly, weaponry in their possession include AK-47 rifles, self-loading rifles, .303 rifles, country guns, hand grenades, explosives, detonators, mortars and light machine guns.⁴⁷

The Maoists are not yet facing any serious signs of facing difficulties in replenishing their stock of arms and ammunition for which the main source is the weapons captured from the Security Forces during raids on their posts and clashes.

4. Evolution of Maoist Insurgency

The Maoist insurgency has emerged as one of the most serious political and security challenges in Nepal. The situation in Nepal did not develop suddenly. In the past five decades, Nepal has seen three elections and 12 governments even as the royal family has tried to retain the reigns of power.

4.1. Gradual Development of Maoism in Nepal

Nepal has been ruled by hereditary prime ministers from the Rana clan or monarchs from the Shah family since the 18th century.⁴⁸ The origin of Maoist Insurgency in Nepal can be traced to the establishment of the CPN by Puspha Lal Shrestha in Calcutta [now Kolkata], India on 15 September 1949.⁴⁹ The CPN, following its legalisation in 1955, maintained a low profile until the first general

⁴⁷ Nepal Terrorist Groups- Communist Party of Nepal- Maoist. *op. cit.*

⁴⁸ Nepal: Maoist insurgency, available at: <http://www.crisisgroup.org/home/index.cfm?id=2929&l=1>, accessed on: 28.02.2006.

⁴⁹ M.R. Josse, *Recent Developments In Nepal's Maoist Insurgency: Precursor To Decisive Phase?*, Paper presented at a workshop on Maoist Insurgencies in Asia and Latin America: Comparative perspectives, 9-11 February 2006, available at: <http://www.scoop.co.nz/stories/HL0602/S00227.htm>, accessed on: 22.02.2006.

elections in 1959.⁵⁰ A multiparty interlude from 1959-1960 ended when King Mahendra seized the state power in 1960. Following King Mahendra's seizure of state power after arresting the cabinet and dissolving the elected parliament, all political parties were banned. Despite the ban, like other political parties, the Communist grouping opposed to the monarchy continued functioning, but given the prohibition in place, various local units had begun to operate independently.

CPN was also inspired by the Naxalite movement especially in Jhapa, East Nepal in April 1972, which became the hotbed of the Communist movement. It was an actual communist uprising took place in a corner of Nepal in Jhapa, the southeastern most district of the country and right across the border from the Naxalbari region in India. In April 1972, a group of young Nepali activists began a campaign to eliminate "class enemies" in Jhapa. This turned out to be no more than a romantic adventure and was suppressed by the King's government in no time. The communist party along with the Nepali Congress created pressure on the King to restore the suspended parliament. In this situation, two of the communist leaders who had made a name as radicals within the party, Mohan Bikram Singh and Nirmal Lama, set about creating a new party apparatus. In spite of differences with their contemporaries, including with the founder of the CPN, Pushpa Lal Shrestha, they succeeded in holding the Communist Party's Fourth Convention in 1974 and named their new party the Communist Party of Nepal (Fourth Convention). The Fourth Convention also demanded the election of a constituent assembly to write a constitution, and its strategy was to begin a people's movement, which could at the opportune moment be converted into an armed revolt.

The Fourth Convention denounced the Jhapa uprising and until the mid 1980s it remained the major player among the communist factions. Coming under increasing internal and external pressure, Nepal re-established multiparty democracy within the framework of a constitutional monarchy in 1990. Nepal entered an era of democratic governance with high expectations and hope.

⁵⁰ Ibid.

Table 2: Political unrest in Nepal in different times

YEAR	POLITICAL SITUATION
1949	Establishment of the Communist Party of Nepal -Maoist (CPN-M).
1960	King Mahendra seized power after NCP wins first elections.
1961	King Mahendra overthrew Nepal's first-ever elected government and banned political parties.
1972	First Communist uprising in Jhapa, East Nepal.
1974	CPN successfully held the Communist Party's Fourth Convention and named their new party the Communist Party of Nepal (Fourth Convention).
1990	Establishment of multiparty democracy within the framework of a constitutional monarchy.
1991	Election held. G.P.Koirala elected PM of Nepal.
1994	Koirala regime replaced by communist government.
1995	Communist ministry falls.
1996	The CPN-M started the "People's War".
2001	Royal family massacred. Gyanendra is crowned king.
2002	Maoists step up violence; take control of a third of Nepal.
2005	Deuba sacked. King assumes power, clamps emergency.

Source: Compiled from various sources

Following the restoration of democracy, the left parties pressed for an election to a constituent assembly as a means of delivering a genuine people's constitution. In November 1990 the CPN (Unity Centre) was formed. The first general election was approaching at the time and there was pressure from within for the party to take part in it. General elections were held for the first time in 1991. The United People's Front (UPF) was floated as the political wing of the Unity Centre and in the first parliament, the UPF emerged as the third largest

group (with 9 seats) after Nepali Congress (110 seats) and the CPN (Unified Marxist-Leninist) (CPN-UML) (69). In July 1994, Nepal's first democratically elected prime minister in three decades, Girija Prasad Koirala, resigned after he failed to receive his party's support on a crucial parliamentary vote. On July 11, 1994, King Birendra dissolved Nepal's parliament, called mid-term elections for November, and appointed Koirala interim prime minister, a move that led to protests by opposition supporters throughout the country. The transition to democracy produced an array of leftist political parties. The 1994 election defeat of the Nepali Congress Party by the UML made Nepal the world's first communist monarchy, with Man Mohan Adhikary as prime minister. The 1994 elections resulted in a Nepali Congress defeat and a hung Parliament, with a minority government led by the Unified Marxist and Leninist Party (UML).

After the fall of the government led by the CPN-UML in 1995, which succeeded the Koirala government, the political situation became more unstable. The far left of Nepali politics under the leadership of the CPN-M had walked out of electoral politics in 1994 saying that the existing constitution was incapable of addressing the problems of Nepal's poor. It wanted complete abandonment of pro-market policies, nationalisation of the property of the 'comprador and bureaucratic capitalists' and total land reforms.

4.2. 1996: Beginning of the Insurgency

on February 4, 1996, Dr. Baburam Bhattarai on behalf of the United People's Front presented a 40-point demands, which among other things, demanded abolition of the monarchy, establishment of a socialist republic and scrapping of the 1950 'unequal' Treaty of Friendship with India, to Prime Minister Sher Bahadur Deuba, then heading a NC-led coalition.⁵¹ In his roster of conditions Bhattarai declared that unless the government took positive steps towards fulfilling those stipulations by 17 February 1996 they would launch an armed struggle. However, four days before the expiry of that ultimatum, on February 13, 1996, the left wing group, the CPN-M started the "People's War" after the then Deuba government failed to

⁵¹ See for details- ANNEX-I

respond to the former's 40 points demands, patently anti-Indian and steeped in Marxist ideology.⁵²

The "People's War" is a self-declared Maoist insurgency, launched by leaders Pushpa Kamal Dahal (a.k.a. "Prachanda") and Baburam Bhattarai. The insurgency has been waged through torture, killings, bombings, extortion and intimidation against civilians and public officials. Between 1996 and 2001, Nepal changed 8 prime ministers. In real terms, almost all the governments responded to the Maoists through police repression. The crisis culminated after the royal palace massacre of June 1, 2001, when Gyanendra ascended the throne. As the pattern of strikes and later bombings intensified through 2001 and 2002, Nepal's constitutional and political order seemed under threat of disintegration. On 22 July 2001 Prime Minister Sher Bahadur Deuba announced a unilateral ceasefire against the Maoists, which they immediately reciprocated. But the Maoists broke the ceasefire in November 2001, launching coordinated attacks on army and police posts. In October 2002, King Gyanendra, facing a growing debate over potential plans to extend the state of emergency as a means to combat the Maoist insurgency, dismissed the government, assumed executive power and assured the public elections would be held in time. However, the insurgency made the holding of elections impossible, and parliament remained disbanded. A January 2003 ceasefire between government and Maoist insurgents collapsed in August that year. Although the reappointment of Sher Bahadur Deuba as prime minister in June 2004 marked an attempt to heal the rift between the palace and political parties, this ended on 1 February, 2005.

4.3. Present Situation

An already precarious situation was made worse by the sudden imposition of emergency by the King on February 1, 2005. Dismissing a democratic government, the palace confined all political leaders, imposed censorship, shut off the country for a day and imposed a state

⁵² Krishna B. Bhattachan, Possible Ethnic Revolution or Insurgency In a Predatory Unitary Hindu State, Nepal, In: Dhruva Kumar (eds.), *Domestic Conflict and Crisis of Governability in Nepal*, Kathmandu, Centre for Nepal and Asian Studies, 2000, pp.140.

of emergency. In September 2005, the CPN-M announced a three-month unilateral ceasefire, which was extended for another month due to popular pressure. On November 22 2005, the Maoists then formed an alliance with seven political parties to jointly press for democracy, in the aftermath of King Gyanendra's refusal to match the ceasefire. They have announced a 12-point "Letter of Understanding".⁵³ On January 2, 2006 the Maoists ended the four-month ceasefire, despite requests from political parties and the United Nations, claiming the attacks from the Royal Nepalese Army (RNA) had forced them back into the offensive. The confrontation between an increasingly isolated palace and increasingly militant mainstream activists has benefited the Maoists. Since the Maoists ended their unilateral ceasefire on 2 January 2006 they have sustained an intense military campaign concentrating on well planned small urban attacks.

To appease the international community and his Nepalese subjects the King assured a return to democracy (monarchical democracy) by holding elections in 58 municipalities in the country on February 8, 2006. The Election was marked by the Maoists and opposition as an attempt by the King to legitimise His power grab. The international community also criticised the Election. Nepal has rejected the criticisms as "groundless". According to Tulsi Giri, vice-chairman of the Royal council of ministers appointed by King Gyanendra when He seized power a year ago, "The claims are groundless as it is clearly evident that the people exercised their franchise in the most adverse situation".⁵⁴ Elections for the House of Representatives would be in April 2007.

Political activists and the students continue to agitate against what they call the autocratic monarchy. Popularity of the monarchy is primarily on the army and is unable to deliver security and economic development to the impoverished people. The Maoists are continuously attacking in different parts of Nepal. They have threatened an indefinite blockade of the hill-ringed capital from March 14, 2006 and a general strike next month to increase the pressure on

⁵³ See for details ANNEX II.

⁵⁴ Nepal rejects foreign criticism of polls as 'groundless', *The Financial Express*, February 12, 2006.

the King.⁵⁵ Launched on March 14, 2006 the blockade had virtually brought the whole country to a standstill, further undermining the authority of the King. Essential supplies to the capital and other District centres were severely hit. Industries were also severely affected as Nepal's only railway service on the Janakpur-Jayanagar route was closed down. Meanwhile, Nepal's seven main political parties, which have struck a loose alliance, appealed to the Maoists to call off plans for a blockade of the capital and the nationwide strike saying it would hurt ordinary people. Nepal's Maoists and opposition parties are in the process of holding fresh talks in New Delhi.⁵⁶ As a sign of goodwill, the Maoist senior leaders, 'Prachanda' and Baburam Bhattarai, announced on March 19, 2006 the withdrawal of the indefinite blockade that the Maoists had clamped on the capital Kathmandu and other District Headquarters across the country. Although, the Maoists withdrew the blockade, they immediately indicated no let-up in their campaigns and attempted to assert their supremacy in the scheme of things with a deadly ambush on RNA soldiers at Dapcha in Kavre District, leading to the death of 13 soldiers. The four day general strike and civil disobedience movement called by the seven-party alliance (SPA) with the backing of the Maoists⁵⁷ from April 6-9, 2006, brought normal activities of the country to a standstill. Hundreds of people have been arrested since the strike began on April 6, 2006.

The Government has banned all public meetings. The Nepalese government has imposed a curfew on the capital Kathmandu in an attempt to try to halt widespread protests. Both Maoist rebels and opposition political parties have said they will intensify their campaigns. King Gyanendra has addressed Nepalese after a week of anti-royalist protests on April 14, 2006 to give his backing for a general election he has promised next year.⁵⁸ The king has offered that

⁵⁵ *New Age*, March 07, 2006.

⁵⁶ *The Daily Star*, March 08, 2006.

⁵⁷ Nepal capital is under new curfew, BBC News, 10 April 2006, available at: http://news.bbc.co.uk/1/hi/world/south_asia/4894474.stm, accessed on: 10.04.2006.

⁵⁸ Nepal's king renews poll pledge, BBC News, available at: http://news.bbc.co.uk/1/hi/world/south_asia/4908552.stm, accessed on: 15.04.2006.

he would open up a dialogue with the seven-party opposition which could pave the way for elections. Nepal's main political parties have rejected the offer by the King to participate in talks saying that the offer contained nothing new and protests would continue.⁵⁹ The alliance of seven political parties is now urging people to stop paying taxes to put pressure on the monarch to restore democracy.⁶⁰

However, the level of violence in the year 2005 remained comparatively lower than previous years, primarily due to the unilateral ceasefire announced by the Maoists in the last four months of the year, and also because the Army has virtually suspended its counter terrorism operations. Apart from the blockade, violence in 2006 continues unabated in Nepal, with deaths of 39 civilians, 150 security force personnel and 203 Maoists recorded till March 21.

Table 3: Fatalities in Maoist Insurgency

Year	Civilians	Security Force Personnel	Maoist insurgents	Total
2006 (Data till March 21, 2006,)*	39	150	203	392
2005	231	310	1307	1848
2004	380	481	1590	2451
2003	214	307	1584	2105
2002	238	666	3992	4896
2001	50	198	803	1051
2000	18	113	44	175

*Source: Saji Cherian, *Rising Anarchy*, South Asia Intelligence Review, Volume 4, No. 37, March 27, 2006, available at:

http://www.satp.org/satporgtsp/sair/Archives/4_37.htm, accessed on: 03.04.2006.

Source: Compiled from South Asia Terrorism Portal, Institute for Conflict Management, available at:

<http://www.satp.org/satporgtsp/countries/nepal/database/fatalities.htm>, accessed on: 25.02.2006.

⁵⁹ Nepal parties reject king's offer, BBC News, available at:

http://news.bbc.co.uk/1/hi/world/south_asia/4908988.stm, accessed on: 16.04.2006.

⁶⁰ Nepal Opposition Urges Citizens to Stop Paying Taxes, VOA News, 16-April-2006, available at: <http://www.voanews.com/bangla/2006-04-16-voa9.cfm>, accessed on: 17.04.2006.

Before February 2005 the Maoists had no relations with the mainstream political parties of Nepal. But now they have come into close contact with the political parties. The Maoists are in a formal alliance with other political parties that want to return to parliamentary system. It means that the Maoists have got an opportunity to further consolidate and strengthen their position and platform in Nepal.

5. Neighbouring Countries' Perspectives

Nepal occupies a strategic location in South Asia, as it is situated between two Asian giants. While Nepal is rapidly moving towards another bloodier phase of internecine war, neighbouring countries are beginning to take an interest. The increasingly coordinated activities of various Maoist groups in the region have also had an effect on the regional geopolitical situation. The presence of these Asian giants in the troubled region could dilute the peace process in the future. This section tries to give an idea of the perspective of the neighbouring countries of Nepal.

5.1. India

The unstable situation of Nepal has moved its neighbour India. The security of its neighbouring states was considered to be intricately linked with India's own security. Acknowledging the strategic importance of Nepal to its security, India's policies regarding the Himalayan state have been focused on forging strong linkages in the security, political, economic and cultural arenas. For India, Nepal remains the principal strategic land barrier between China and its own resource-rich Gangetic Plain.

Nepal's traditional friend India seems to be losing ground in Nepal after the King's takeover. India's approach towards Nepal after the end of democracy has changed and the relationship continued to become unpleasant when New Delhi said the development constituted a serious setback to the cause of democracy in Nepal. Expressing its anger and agony, Indian Prime Minister Dr. Manmohon Singh abstained himself from his scheduled visit to Bangladesh where the Nepalese Monarch would also be present in connection with the Dhaka SAARC Summit on February 2005 as a mark of protest. The relationship further deteriorated when New Delhi halted arms supplies

to Nepal and is subsequently hosting the meetings between Maoists and seven political parties in November 2005. While the King is not satisfied with India's support of political parties and Maoists, certain cross-border connections of the Maoists had posed an even greater threat to India.

Alarming, there is a strong link between the Indian and Nepalese Maoists. The Nepalese Maoists are mostly trained and educated in India. Intelligence sources indicated that the Nepalese Maoists are being trained by the erstwhile Maoist Communist Center (MCC) of India at the Jhumra hills and Saranda forests of Jharkhand.⁶¹ If the Maoist insurgents achieve their objective in Nepal, a sudden burst of cross-border terrorism may take place in the Maoist controlled areas of India, as the Maoist groups focus on the consolidation of their Compact Revolutionary Zone (CRZ) comprising areas under the influence of the CPN-M in Nepal with those of the MCC (In Bihar and Jharkhand) and the People's War Group (PWG) in Andhra Pradesh and Chhattisgarh. There are also some reports which indicate that the Nepalese Maoists' have links with insurgent groups active in India's North-east like United Liberation Front of Asom (ULFA), Kamtapur Liberation Organisation (KLO), Gurkha National Liberation Front (GNLF) and Gurkha Liberation Organisation (GLO).⁶²

India's concerns also drift around the Maoist insurgency in its more than 1400 kilometres open border with Nepal.⁶³ While the Maoists have linkages with some Indian naxalite groups, they have targeted Indian development projects in Nepal in the recent past. For instance, they forced back an Indian Railways survey team from Biratnagar in April 2005.⁶⁴

⁶¹ Nihar Nayak, Nepal: Withering Peace, *Peace & Conflict Monitor*, available at: http://www.monitor.upeace.org/innerpg.cfm?id_article=341, accessed on: 22.02.2006.

⁶² Nepal Terrorist Groups - Communist Party of Nepal-Maoist, *op. Cit.*

⁶³ Dr. Vidya Bir Singh Kansakar, The Nepal India Open Border, *Weekly The Telegraph*, 26 January 2005, available at: http://www.nepalnews.com.np/contents/englishweekly/telegraph/2005/jan/jan_26/national.htm, accessed on: 25.02.2006.

⁶⁴ Saurabh Shukla and Kosmos Biswokarma, The Right To Dictate, *India Today*, Vol. XXX, No. 19, May 16, 2005.

India wants to resolve the crisis of Nepal immediately. India's worry is that the King's action would put the palace and Nepal's political parties into direct conflict and force the nation into a bloody civil war. India's main concern is that the turmoil in the neighbourhood would spill over into the bordering states of the country. There are direct links between the CPN-M and the Communist Party of India (Maoist) which has strong bases in Bihar and pockets of eastern Uttar Pradesh. New Delhi thinks the consolidated position of the Maoists of Nepal may encourage the Maoists and Naxalites of India to start the same kind of campaign in some of her troubled states. Indian Maoists or Naxalities are active in Bihar, Jharkand, Chattisgarh, Madhya Pradesh and Andra Pradesh. They may establish a close tie with each other to start a serious movement in Indian states where they reign. Already the Maoist tradition and parties in India are fairly strong and older than Nepal's. To linger the dealing with Maoists in Nepal may be a threat to the Indian democracy and stability. So she wants to end the trouble of Nepal as soon as possible.

5.2. China

Nepal's strategic importance has led China to focus its policies on preserving and enhancing Nepal's independence and neutrality by trying to reduce its dependence on India in the political, economic and security arena. The beginning of the Cold War added a new dimension to China's interests in Nepal. Nepal's strategic significance for China lies, first and foremost, in its close proximity to Tibet. The Chinese occupation of Tibet in 1950 significantly increased Nepal's strategic importance for China.

China had to struggle with the open aggression of the West, led by the United States, which had a strong diplomatic and aid presence in Nepal. Restraining USA's influence in Nepal and preventing it from being used to threaten China's security became another Chinese objective in Nepal. For China, the rise and the growing influence of India had severe implications for its security considerations, especially regarding Tibet. The risk increased further with the increasing border dispute with India in late 1950s, which led to the 1962 Sino-Indian War. The presence of the Dalai Lama and his followers in India since 1959 added a further complication to Sino-India relations. China also

had to tackle with the real possibility of an alliance between the United States and India that might counter its position in Tibet. So the principal strategic objective of China's Nepal policy was to preserve favourable balance of power in South Asia.

China has always stood in favour of political stability, indirectly, through monarchy and economic and strategic interest including stopping pro-Tibet activities in Nepal. In a bid to win over China, just prior to the Royal takeover, Nepal shut down the Kathmandu office of the Dalai Lama's Representative in Nepal as well as the Tibetan Refugee Welfare office in Kathmandu. With the suspension of arms supplies from traditional sources like India and Britain, the King tried to woo China. Nepal was eventually rewarded when China supplied 4.2 million rounds of 7.62 mm rifle ammunition, 80,000 high-explosive grenades and 12,000 AK-series rifles to Nepal, in November 2005.⁶⁵ The diplomatic relations with China had intensified in October when RNA chief General Pyar Jung Thapa visited Beijing. On December 20, 2005, Thapa also hosted a four-member Chinese military delegation at Kathmandu.⁶⁶ China is apparently ready to open a consulate at Biratnagar at the border between eastern Nepal and Bihar. The Chinese diplomatic presence at Biratnagar comes in the context of the broader demand for a highway between Tibet and Eastern Nepal along the Kosi River

5.3. Bangladesh

The Maoists of Nepal are thought to have connection with the extremist Communist parties of Bangladesh. Ten left wing armed extremist groups formed a Coordinating Committee of Maoist Parties and Organisations of South Asia (CCOMPOSA) on July 1, 2001.⁶⁷ It is an umbrella organisation of left-wing extremist organisations active in four countries of South Asia - India, Nepal Bangladesh, and Sri Lanka. These are: Communist Party of Nepal (Maoist), Communist Party of India (Marxist-Leninist)(People's War), Maoist Communist Centre (MCC), Revolutionary Communist Centre of India (MLM), Revolutionary Communist Centre of India (Maoist), Communist Party

⁶⁵ Nihar Nayak. *op. cit.*

⁶⁶ *Ibid.*

⁶⁷ Nepal Terrorist Groups - Communist Party of Nepal-Maoist. *op. cit.*

of India (ML)(Nakshalbari), Ceylon Communist Party (Maoist) (Sri Lanka), Purba Bangla Sarbahara Party (CC), Purba Bangla Sarbahara Party (Maoist Punarghathan Kendra) and Bangladesh Samyabadi Party (ML).⁶⁸ Their object is to create a Compact Revolutionary Zone (CRZ) which is characterised by high poverty, large tribal population exploited for millennia and a corrupt state administration. The area is a crescent from Nepal, through Bihar, West Bengal and adjacent Bangladesh, Jharkhand, Orissa and Andhra Pradesh, where left extremist violence has grown enormously in recent years. The Maoists of India have already established a corridor in Andhra Pradesh, Madhya Pradesh and Bihar up to Nepal. Now they have started to establish a new corridor through Orissa, Jharkhand, West Bengal and Andhra Pradesh to Bangladesh.⁶⁹

5.4. Other Neighbours

The other neighbouring countries of Nepal like Pakistan, Sri Lanka and Bhutan also have some interest in the situation of Nepal.

Perhaps Pakistan is eager to take the advantage of India's suspension of military assistance to Nepal. The diplomatic relations of Nepal with Pakistan had intensified when RNA chief General Pyar Jung Thapa visited Pakistan in December 2005, and he was reportedly offered "comprehensive training capsules" for RNA soldiers.⁷⁰ On the other hand according to some sources, the Inter Services Intelligence (ISI) of Pakistan is helping the Maoists to establish links with Naxalite groups of India, such as the PWG and the MCC by using the Siliguri corridor in West Bengal.⁷¹ The conditions in the sub-continent have substantially changed with the increased interaction between India and Pakistan. It will not be easy for Pakistan to support Nepal defying India. Pakistan is an ally of the international anti-terrorism movement and the US itself is against King's abrogation of democracy.

Though the exact nature of the relationship is not known, the Maoists are also reported to have some links with the Liberation Tigers of Tamil Eelam (LTTE) in Sri Lanka. However, it is suspected

⁶⁸ Prakash Nanda, The Maoists' danger, *The Independent*, March 21, 2006.

⁶⁹ *The Daily Ittefaq*, August 09, 2005.

⁷⁰ *Ibid.*

⁷¹ Nepal Terrorist Groups - Communist Party of Nepal-Maoist, *op.Cit.*

that the Maoists have received arms training from the LTTE operatives in the past and this may be continuing.⁷² The links between the Maoists of Nepal and the LTTE may be supported by the PWG which has a record of cooperation with the LTTE in arms procurement and training especially in the use of Improvised Explosive Devices. In fact, the Nepali Maoists seem to have more in common with the former militant Janatha Vimukti Peramuna (JVP) than the LTTE.⁷³ The Maoists could take a lesson the JVP's entry into mainstream politics from the fringes of extremism and terror.

Relationship between the Maoists of Nepal and the Bhutanese refugees has not yet been recognized. Over 105, 000 Bhutanese Refugees reside in seven camps in eastern Nepal's politically volatile Jhapa district under the UNHCR since the ethnic exodus that followed implementation in Bhutan of the Citizenship Act of 1985 and the subsequent nation-wide Census of 1988.⁷⁴ Another 10,000 refugees are reported to be outside the camps both in Nepal and India.⁷⁵ The possible nexus between the Maoists in Nepal and the Bhutanese refugees in Nepal as well as Indian militants in West Bengal and Northeast India can create serious security problem in this area. Bhutan has faced a dissident group fighting for democracy since 1990.⁷⁶ This group has not yet started revolution, but such possibility can not be ruled out. The UN refugee camps appear to be have been the spawning grounds of the new Bhutan Communist Party - Marxist-

⁷² *Ibid.*

⁷³ Sajag Rana, There are a lot of parallels between the conflicts in Sri Lanka and Nepal, available at: <http://www.nepalnews.com/ntimes/issue181/nation.htm>, accessed on: 01.03.2006.

⁷⁴ P.G. Rajamohan, Terror and Refuge, *South Asia Intelligence Review*, Volume 3, No. 19, November 22, 2004, available at: http://www.satp.org/satporgtp/sair/Archives/3_19.htm, accessed on: 19.03.2006.

⁷⁵ S. Chandrasekharan, The Problem of Bhutanese Refugees in Nepal-Role for India, available at: <http://www.saag.org/notes/note4.html>, accessed on: 25.02.2006.

⁷⁶ Bhutan in shadow of militancy, Editorial, Wednesday March 31, 2004, *TELEGRAPH INDIA*, available at: http://www.southasianmedia.net/index_opinion.cfm?category=Security&country=Bhutan, accessed on: 20.03.2006

Leninist-Maoist (BCP-MLM), which announced itself in April 2003 and called for an overthrow of the monarchy, and perhaps to establish a 'people's war' similar to the nearby Nepalese People's War.⁷⁷ There is evidence that the BCP-MLM was set up with the active support and collaboration of the Communist Party of Nepal - Maoist, as well as Indian Maoist groups.⁷⁸

6. Conflict Management Efforts

The ongoing insurgency and royal takeover have attracted serious concerns and responses from neighbouring as well as other friendly countries and international community. The crisis that Nepal is facing today has implications for its geo-political, geo-economic and geo-strategic situation. The increasing violence and deteriorating human rights situation tarnished Nepal's image and has drawn the international community's attention. However, the role of the international community in Nepal is, neither uniform nor coherent.

6.1. Government Efforts

The government of Nepal suffers from a lack of legitimacy, growing popular discontent and international isolation, all problems for which it lacks solutions. It has made no progress in addressing the insurgency and faces economic, developmental and humanitarian challenges. At present political instability in Nepal is a result of the struggle for power between the mainstream political parties, the Maoists and the Monarchy. Political parties in Nepal do not have any common strategy to deal with the problem of Maoist insurgency in Nepal. The opposition parties treat it as the problem of the government.

The government does not have a strategic vision. Its response to the insurgency has been clumsy and ineffective. The King, the government, the police and the RNA seem unable to cooperate in a coordinated campaign to deal with the political roots of the insurgency. The Government of Nepal has used force, persuasion and

⁷⁷ History of Bhutan, available at: http://en.wikipedia.org/wiki/History_of_Bhutan, accessed on: 20.03.2006.

⁷⁸ P.G. Rajamohan, *op.Cit.*

negotiation to tackle the issue of insurgency. A Special Armed Police Force has been set up to fight the insurgents. Simultaneously, Ganesh Man Singh Peace Campaign has been underway since July 17, 1999 to persuade the guerrillas to give up arms and also to cultivate informers.⁷⁹ A six Member Committee headed by Sher Bahadur Deuba was set up in November 1999 to work out an all party consensus to tackle the insurgency.⁸⁰ The internal security of Nepal is threatened by political instability brought about by ineffective governance which can lead to socio- economic and political crisis. The political elites in Nepal have a major responsibility to provide good governance to the country where the socio- economic needs of the people are met and political views of the minority taken care of.

King Gyanendra had calculated that his authoritarian moves since October 2002 would return order to a land wracked by Maoist insurgency and political instability but he has failed. In the months following the 2005 coup, the true intentions of the King have been gradually clarified. There was never any real focus on dealing with the insurgency. Rather, the priority for the king has been to grab the power. King Gyanendra has not initiated a dialogue with the parties and he is losing domestic support. The King, who is promise-bound to restore full democracy by April 2007, held the local municipal election as part of his plan of going ahead step by step when his country was lacking political stability and peace under the existing parliamentary system that he abolished.

The February 8, 2006 municipal elections demonstrated the increasing isolation of the King. The opposition and the Maoists describe the election as an attempt by the King to legitimise his power grab. While the political parties boycotted the elections and organized mass demonstrations, the Maoists stepped up attacks to successfully disrupt voting. Pro-royal candidates won the election. Only 20 percent of eligible voters participated in the elections. Nationwide, only 15 percent of seats in the 36 municipalities conducting elections were contested, 54 percent had no candidates, and 31 percent of candidates

⁷⁹ 'Maoists in Nepal are a burgeoning problem', *Strategic Affairs*, No. 008/ Issue: November 1, available at: <http://www.stratmag.com/issueNov-1/page12.htm>, accessed on: 19.12.2005.

⁸⁰ *Ibid.*

were elected unopposed.⁸¹ But the King claims that the disastrous municipal elections of February 8, 2006, have been successful. The King wants to hold parliamentary elections within one year, if necessary without political parties.

The campaign in the streets of Kathmandu and other cities has become fiercely anti-monarchy and many now demand a republic. Escalating street protests in Kathmandu will put more direct pressure on the government. The protests are led not only by the seven-party alliance but also by civil society groups, professional associations, trade unions and students. Armed clashes with the police appear to be normal and everyday affair. Peace and stability have been buried by this incident. The fundamental rights of the people have almost been extinguished by the king during the last year.

6.1. International Efforts

The dismissal of the government and abolition of parliament by the King was heavily criticized by a number of western countries like the United States and United Kingdom beside neighbouring India. They dubbed the situation as “killing of democracy” in the Kingdom. February 2005 Royal Coup, a continuation of the monarch's power grab since October 2002 has resulted in decline in the support from the Nepalese people and the international community to the King. The western countries and India could not agree to his radical actions including imposing a state of emergency while he took over for the ‘greater interest’ of his nation and the country. Following the ‘royal coup’, foreign countries and international aid agencies expressed strong disappointment and suspended financial and military aid to Nepal. The international community has never raised their concerns about Nepal's internal affairs in such a manner and the country also has not ignored the international recommendations so deliberately before.

⁸¹Donald Camp, *Internal Unrest in South Asia: Recent Developments in Nepal and Sri Lanka*, Statement before the House Committee on International Relations Subcommittee on Asia and the Pacific, Washington, DC, March 15, 2006, available at: http://nepal.usembassy.gov/sp_03-16-2006.html, accessed on: 22.03.2006.

Apart from South Asian giants, world powers like the USA and the UK have vested interest in the region. The USA and the UK have provided arms, training and financial assistance to the Nepalese government to combat the insurgency. India, the UK and the USA who were "coordinating" their policies on Nepal and supplying weapons to the RNA stopped the aid after the royal takeover. The United States' primary objectives in Nepal are the restoration of multi-party democracy and the prevention of a Maoist takeover. The US considers a Maoist takeover not only possible but imminent, and finds such an outcome unacceptable. The UK has articulated the position that the Maoist-SPA alliance “was not sufficient enough for restoring peace in Nepal.”⁸²

As Nepal is located between the two fastest growing economies in the world - China and India, a Maoist takeover can create instability in the region which is of great importance to the United States. President Bush discussed about Nepal with Indian Prime Minister Manmohan Singh during the President's recent visit to New Delhi. They agreed the King should reach out to the political parties to restore democratic institutions and that the Maoists should abandon violence.⁸³ The USA is seeking full commitment from the CPN-M to human rights, democracy and renunciation of violence. Nine left-wing political parties of India formed the Nepal Democracy Solidarity Forum to assist the Nepalese political parties. Now, these countries, the UN and the EU are suggesting that the King should roll back his step, restore human rights, democracy, civil liberties and media freedom, reconcile with political parties and seek "negotiated and democratically based solution" to the insurgency. China, South Korea, Russia, Pakistan and Bangladesh termed the takeover as "an internal matter of Nepal". China, Russia and Pakistan think that Nepalese themselves are capable of resolving this conflict. There is a possibility that if India increases its support to the Maoist-SPA alliance progressively disengages with Nepal, China can be expected to significantly enhance her support to the King.

⁸² Saji Cherian, Rising Anarchy, *South Asia Intelligence Review*, Volume 4, No. 37, March 27, 2006, available at: http://www.satp.org/satporgtp/sair/Archives/4_37.htm, accessed on: 03.04.2006.

⁸³ Donald Camp, *op.Cit.*

India and the USA have also suspended lethal military assistance but the training to security forces and non-lethal assistance have continued. India, with the consent of the USA and the UK, helped the seven-party alliance (SPA) and Maoists to come together and agree on a 12-point of agreement, which they later said was an 'understanding'. Switzerland opposed the Indian mediation effort considering that it is also a party to the conflict and instead offered its own role as a facilitator. The EU prefers the role of the UN or any acceptable country to mediate the conflict while India, the USA, China and the government of Nepal contest external mediation.

Nepal's development partners have adopted different attitudes towards Nepal's crisis-- aid withdrawal, or wait-and-see or engagement with humanitarian and community development efforts. Denmark, Norway and the UK have conditionalized their support to human rights, democracy and civil liberties. On July 20, 2005, condemning the 'Royal takeover', Norway cut the planned financial assistance to Nepal for 2006 by 10 per cent and terminated an agreement on support for the Melamchi Water Supply Project.⁸⁴ On March 8, 2006 a Norwegian peace delegation has arrived in Kathmandu to help facilitate consensus in the current conflict.⁸⁵ A group of Nepal's development partners which include Canada, Denmark, Finland, Germany, Netherlands, Norway, Switzerland, UK and the European Commission met in London to discuss development issues, the wider peace process and defined the principles of engagement in what they call "fragile states" in the light of changed Nepali context. They have also asked their representatives in Nepal to work in line with Basic Operating Guidelines (BOG) and consider options in promoting human rights, democracy, peace and sustainable development. On December 22, 2005, the UN welcomed the recognition by the Maoists of the BOGs and began resuming its

⁸⁴ Saji Cherian Nepal : The State Retreats, the Maoists Pursue, *South Asia Intelligence Review*, Volume 4, No. 25, January 2, 2006, available at: http://www.satp.org/satporgrp/sair/Archives/4_25.htm, accessed on: 20.03.2006

⁸⁵ Rolleiv Solholm, Norwegian peace moves in Nepal, *The Norway Post*, 8 March 2006, available at: <http://www.globalgoodnews.com/world-peace-a.html?art=11417663129060688>, accessed on: 20.03.2006.

activities in 10 districts suspended earlier. The Maoists have also appealed to the international community for "regular consultation and cooperation" with the party and its representatives to execute the development programs.

The United States of America has suspended US\$5m military aid to Nepal.⁸⁶ On March 17, 2005, the British Government suspended part of the aid it had pledged to the Nepal Police, Prison Services and the Prime Minister's Office. A total of £ 2.4 million had been committed under these programmes, but £ 1.3 million remained unspent and was cancelled.⁸⁷ The current development aid of UK is now screening all projects using two criteria - safety of the staff and effectiveness of support.⁸⁸ On February 25, 2005, the World Bank also 'postponed' its US\$70 million anti poverty budgetary support.⁸⁹ The Asian Development Bank (ADB) doubled its disbursement to US\$44m in 2005. Japan has provided a grant assistance of over 45.43m yen for various projects such as water supply, education, roads and food. Pakistan provided an annual credit of US\$5m. China provided budgetary support amounting to US\$12.3m in 2005 and a military support of about US\$1m.⁹⁰ Japan and China have become

⁸⁶ Political, Economic and Social Development in Nepal in the Year 2005, FES-NEPAL, Friedrich Ebert Stiftung, available at: http://www.fesnepal.org/reports/2005/annual_reports/political_report_2005.htm, accessed on: 12.03.2006

⁸⁷ Saji Cherian Nepal : The State Retreats, the Maoists Pursue, *op. Cit.*

⁸⁸ Political, Economic and Social Development in Nepal in the Year 2005, *op. Cit.*

⁸⁹ Sudhindra Sharma, Juhani Koponen, Annette Skovsted Hansen, Tatsuro Fujikura, 'Partnership' in Action: Nordic and Japanese Aid in Nepal, Paper presented at the Workshop on 'Forging Partnership? A Comparative Study of Institutional Responses to Nordic and Japanese Aid in Asia', *The European Institute of Japanese Studies*, Stockholm School of Economics, Stockholm, June 17-19, 2005, available at: <http://www2.hhs.se/eijs/AsianAid/PaperFujikuraHansenKoponenSharma.pdf>, accessed on: 21.03.2006.

⁹⁰ Dev Raj Dahal, Nepal: Looking Back on 2005, Looking Forward to 2006, January 2006, Friedrich Ebert Stiftung, available at: http://fesportal.fes.de/pls/portal30/docs/FOLDER/WORLDWIDE/ASIEN/BERICHT/BERICHT2006/R%DCCKBLICK+2005_NEPAL_0306_ENGLISCH.PDF, accessed on: 12.03.2006

more engaged on Nepal policy and have called for the King to reconcile with the parties. The commitment of German government's development aid continued. But, German Development Service (DED) funding which stood at US\$ 5m for every two years declined to US\$ 1m.⁹¹

6.2. Maoists' Response

Before the King seized political power in 2005, the Maoists used to say they would only talk to the palace, as the centre of real power. On September 3, 2005, the Maoists announced a unilateral ceasefire. After the government's non-response to its ceasefire, CPN-M indicated a medium-term policy shift in its ideology and strategies. Ideologically, it has changed its goal from "new democratic revolution" to "bourgeois democratic revolution" as political parties accepted its demand for the election of a constituent assembly to draft a new constitution. Now, by contrast, Maoist Chairman Prachanda gives the impression that his party has totally given up on the idea of reconciling with the monarch. At the same time the relationship between the Maoists and the opposition parties is increasing.

Now a days, the Maoists leadership has signalled that it wants to cooperate in a future democratic system, but without the institution of monarchy, though there are still radical statements like that to execute the King if he does not go into exile. In a rare interview with the BBC, the Maoists' senior leader Chairman Prachanda told that the group is now in favour of a political rather than a military solution to the conflict. But he also said that the King might face a future of exile or even trial at what he called a People's Court, leading to possible execution.⁹² On 22 November 2005, the CPN-M finally entered into a 12-point understanding with the SPA, which laid stress on establishing 'absolute democracy' by concentrating their agitation against "autocratic monarchy." The SPA stressed on the restoration of the parliament, an all-party government, election for a constituent

⁹¹Political, Economic and Social Development in Nepal in the Year 2005, *op. Cit.*

⁹² Charles Haviland, Meeting Nepal's Maoist leader, BBC News, available at: http://news.bbc.co.uk/2/low/south_asia/4707058.stm, accessed on: 23.02.2006.

assembly to draft a new constitution and resolution of the conflict while CPN-M stressed on ending the absolute monarchy, holding the constituent assembly elections, putting the armed Maoist force and the RNA under the supervision of the UN, or any reliable international supervision, and mediation of the conflict through dialogue.

Nepal will experience more violence and human rights violations in coming days; the CPN-M Chairman Prachanda recently announced that, "The RNA has compelled us to end the cease-fire. It was not only impossible, but also suicidal for us to extend it."⁹³ Prachanda stated that all future actions would be targeted against the "dictatorial government." Meanwhile, it's likely that the Maoists will be more aggressive than before, as the Nepal revolutionary movement has now entered its strategic offensive phase and is preparing the masses by using mainstream political parties for further advancement in its war to overthrow the monarchy.

There is also a marked shift in the foreign policy approach of the Maoists. They have moderated its class-based worldview and now talks about geopolitical implication of the ongoing insurgency and the limits of power. The CPN-M has muted its ideological discourse against "American imperialists and Indian expansionists," and has accepted the fact that without the cooperation of India, China, the US and the EU, durable peace in Nepal cannot be achieved. The CPN-M also accepted Indian mediation effort between itself and the SPA and for the announcement and extension of the ceasefire. Public pressure for peace in rural areas is increasing. On December 22, 2005, the Maoist leadership appealed to the UN and international community to sever ties with the government and suspend all sorts of assistance to it and extend all sorts of assistance to the Nepalese aspiration for democracy and peace.⁹⁴ On January 2, 2006, CPN-M formally declared the re-launch of "people's war" breaking the ceasefire and vowed to attack the royal regime. Maoists, however, said that they would respect the recent understanding with the SPA. There is lack of multilateral action and confidence building measures without which management of the conflict is little likely to be attained.

⁹³ Nihar Nayak. *op.cit.*

⁹⁴ *Political, Economic and Social Development in Nepal in the Year 2005, op.Cit.*

On March 19, 2006, the CPN-M and the SPA announced the Memorandum of Understanding reached between them through separate statements. The CPN-M and the SPA have reached an understanding that they would resolve the procedural difference through ongoing dialogues aimed at reaching a common understanding. They also accept the fact that people's movement is the only way for achieving the common goal.

7. Conclusion

Nepal has experienced prolonged political unrest. The government of Nepal, either the Monarchs or the parliamentary government, has never been able to establish a steady political and economic system. The power struggle, autocratic rule and their isolationist and fragile foreign and domestic policies not only devastated the social fabric but also indulged the whole of Nepal into a destructive tragedy.

The "People's War", launched by the Maoists, was basically started as a political problem with the aim to destroy the semi-feudal and semi-colonial state and to build a people's new democratic state. But, now it has been transformed into an armed militant uprising. The ten-year-old civil war continues to place the civilian population at serious risk of war crimes and human rights abuses while hindering economic development of the impoverished countryside. According to *Ewa Eriksson*, South Asia desk officer for the International Federation of Red Cross and Red Crescent Societies, "The conflict has had a big impact on economic and social activities throughout the whole country and displaced large numbers of people, destroying livelihoods."⁹⁵

The ongoing Maoist insurgency in Nepal is not simply a "security problem" but is very complex with social, economic, political, and ethnic dimensions. As the people are frustrated with violence and looking for peace, there is a chance of early peace in Nepal. The conflict in Nepal is inextricably linked to three parties - the King, the Maoists and the mainstream political parties. But, like the earlier three-way fight between the King, Maoists and the political parties,

⁹⁵ Katherine Arie, Crisis Profile: What's going on in Nepal?, *Reuters AlertNet Foundation*, available at: <http://www.alertnet.org/thefacts/reliefresources/111997404550.htm>, accessed on: 31.08. 2005.

now it is between King and Maoists with support from the opposition political parties. The common people are the main subject of the conflict. None of the parties of the conflict thinks about them and takes proper solution to minimize the sufferings of the common people.

The agreements between the Maoists and the seven political parties is perhaps an indication that the Maoists are in no position to take over the conflict militarily, and are increasingly willing to take the path of 'democracy'. At present the King is seen as more of a problem than any part of a solution. The King's recent behaviours will definitely not bring hopes of reconciliation of political imbalances. The actions taken by him at the time of the protests clearly show that he is desperate to keep his domination in force. Recently the King has offered a dialogue with the opposition parties which were rejected by the opposition. With the rejection of the opposition parties for the dialogue with the King has declined the hope for peace in the small Himalayan kingdom.

The conflict of Nepal is being regarded as a terrorist movement by the Nepali government. The policy of the present government to tackle the problem militarily is not successful. For this, various groups in Nepal are pressing for a political solution. There are some other external actors and players who have interest in the conflict of Nepal with varying agendas, declared and hidden. Nepal's strategic location between China and India makes it very important for both the countries. Nepal's borders meet China's restive western province of Tibet on the one hand, and Naxalite-dominated Indian states on the other. Both powers view Nepal as a buffer zone over which each has tried to influence. India considers Nepal as part of its 'zone of influence'. China wishes to prevent India from being the sole influence in Nepal and is concerned that India might invade Nepal to prevent a change of regime. India, for its part, is concerned that China could take advantage of any disorder in Nepal to strengthen its hand against India in the whole region. China becomes closer than India with Nepal by addressing the Royal coup of February 1, 2005 as Nepal's "internal matter".

Conflict transformation in Nepal requires multilateral action of domestic and international actors, as they are all a part of the conflict system in Nepal. At present the determining factor lies with the King.

All the recent developments in the Himalayan region indicate that the King must give way to democracy. King should now agree with people's demands and must not hesitate to reconcile with the political parties. Not only Nepalese, the entire world likes to see this situation to be materialized. Nepal needs the positive intermix of three forces, i.e. the King, the Maoists and the political parties, to create a new force which would resolve the ten year long bloody conflict forever. The sooner the democratic process in Nepal is resorted to, the easier it would be for the democratic government to tackle the insurgency. The international communities should put pressure on the King, the political parties and the Maoists to engage in peace process negotiations. The United Nations can play a very important role in the conflict of Nepal as a mediator.

ANNEX I MAOISTS' 40 POINT DEMANDS⁹⁶

These demands were submitted by the political front of CPN (Maoist) United People's Front with the coalition government headed by Nepali Congress party. These are the same demands which were raised during the 1990's people movement including the end of band of political parties. The UPF raised these demands for 5 years after the so-called democratic negotiation with the monarchy. But the successive government and Nepali Congress government acted just opposite of the demands.

I. DEMANDS RELATED TO NATIONALISM

- 1) Regarding the 1950 Treaty between India and Nepal, all unequal stipulations and agreements should be removed.
- 2) HMG [His Majesty's Government] should admit that the anti-nationalist Tanakpur agreement was wrong, and the Mahakali Treaty, incorporating same, should be nullified.
- 3) The entire Nepal-Indian border should be controlled and systematized. Cars with Indian number plates, which are plying the roads of Nepal, should not be allowed.
- 4) Gurkha recruiting centers should be closed and decent jobs should be arranged for the recruits.
- 5) In several areas of Nepal, where foreign technicians are given precedence over Nepali technicians for certain local jobs, a system of work permits should be instituted for the foreigners.
- 6) The monopoly of foreign capital in Nepal's industry, trade and economic sector should be stopped.
- 7) Sufficient income should be generated from customs duties for the country's; economic development.

⁹⁶ Submitted to the then prime minister Sher Bahadur Deuba on 4th February, 1996 by Dr. Baburam Bhattarai on behalf of the United People's Front, Nepal, available at: http://www.insof.org/politics/130299_40demands_Maoist.htm, accessed on: 25.01.2006.

- 8) The cultural pollution of imperialists and expansionists should be stopped. Hindi video, cinema, and all kinds of such news papers and magazines should be completely stopped. Inside Nepal, import and distribution of vulgar Hindi films, video cassettes and magazines should be stopped.
- 9) Regarding NGOs and INGOs: Bribing by imperialists and expansionists in the name of NGOs and INGOs should be stopped.

II. DEMANDS RELATED TO THE PUBLIC AND ITS WELL-BEING

- 10) A new Constitution has to be drafted by the people's elected representatives.
- 11) All the special rights and privileges of the King and his family should be ended.
- 12) Army, police and administration should be under the people's control.
- 13) The Security Act and all other repressive acts should be abolished.
- 14) All the false charges against the people of Rukum, Rolpa, Jajarkot, Gorkha, Kavre, Sindhupalchowk, Sindhuli, Dhanusha and Ramechhap should be withdrawn and all the people falsely charged should be released.
- 15) Armed police operations in the different districts should immediately be stopped.
- 16) Regarding Dilip Chaudhary, Bhuvan Thapa Magar, Prabhakar Subedi and other people who disappeared from police custody at different times, the government should constitute a special investigating committee to look into these crimes and the culprits should be punished and appropriate compensation given to their families.
- 17) People who died during the time of the movement should be declared as martyrs and their families, and those who have been wounded and disabled should be given proper compensation. Strong action should be taken against the killers.
- 18) Nepal should be declared a secular state.
- 19) Girls should be given equal property rights to those of their brothers.

- 20) All kinds of exploitation and prejudice based on caste should be ended. In areas having a majority of one ethnic group, that group should have autonomy over that area.
- 21) The status of dalits as untouchables should be ended and the system of untouchability should be ended once and for all.
- 22) All languages should be given equal status. Up until middle-high school level (uccha-madyamic) arrangements should be made for education to be given in the children's mother tongue.
- 23) There should be guarantee of free speech and free press. The communications media should be completely autonomous.
- 24) Intellectuals, historians, artists and academicians engaged in other cultural activities should be guaranteed intellectual freedom.
- 25) In both the terai and hilly regions there is prejudice and misunderstanding in backward areas. This should be ended and the backward areas should be assisted. Good relations should be established between the villages and the city.
- 26) Decentralization in real terms should be applied to local areas which should have local rights, autonomy and control over their own resources.

III. DEMANDS RELATED TO THE PEOPLE'S LIVING

- 27) Those who cultivate the land should own it. (The tiller should have right to the soil he/she tills.) The land of rich landlords should be confiscated and distributed to the homeless and others who have no land.
- 28) Brokers and commission agents should have their property confiscated and that money should be invested in industry.
- 29) All should be guaranteed work and should be given a stipend until jobs are found for them.
- 30) HMG [His Majesty's Government] should pass strong laws ensuring that people involved in industry and agriculture should receive minimum wages.
- 31) The homeless should be given suitable accommodation. Until HMG [His Majesty's Government] can provide such

accommodation they should not be removed from where they are squatting.

- 32) Poor farmers should be completely freed from debt. Loans from the Agricultural Development Bank by poor farmers should be completely written off. Small industries should be given loans.
- 33) Fertilizer and seeds should be easily and cheaply available, and the farmers should be given a proper market price for their production.
- 34) Flood and draught victims should be given all necessary help
- 35) All should be given free and scientific medical service and education and education for profit should be completely stopped.
- 36) Inflation should be controlled and laborers salaries should be raised in direct ratio with the rise in prices. Daily essential goods should be made cheap and easily available.
- 37) Arrangements should be made for drinking water, good roads, and electricity in the villages.
- 38) Cottage and other small industries should be granted special facilities and protection.
- 39) Corruption, black marketing, smuggling, bribing, the taking of commissions, etc. should all be stopped.
- 40) Orphans, the disabled, the elderly and children should be given help and protection.

We offer a heartfelt request to the present coalition government that they should, fulfill the above demands which are essential for Nepal's existence and for the people's daily lives as soon as possible. If the government doesn't show any interest by Falgun 5, 2052, (February 17, 1996,) we will be compelled to launch a movement against the government.

ANNEX II 12-POINT UNDERSTANDING BETWEEN POLITICAL PARTIES AND MAOISTS⁹⁷

Letter of Understanding

The following understanding has been reached between the seven parliamentary parties and the CPN (Maoist) through different methods of talks.

Points of Understanding

1. Today, democracy, peace, prosperity, social advancement and a free and sovereign Nepal is the chief wish of all Nepalese. We completely agree that autocratic monarchy is the main hurdle in (realising) this. It is our clear view that without establishing absolute democracy by ending autocratic monarchy, there is no possibility of peace, progress and prosperity in the country. Therefore, an understanding has been reached to establish absolute democracy by ending autocratic monarchy, with all forces against the autocratic monarchy centralizing their assault against autocratic monarchy from their respective positions, thereby creating a nationwide storm of democratic protests.
2. The seven agitating parties are fully committed to the fact that only by establishing absolute democracy through the restoration of the Parliament with the force of agitation, forming an all-party government with complete authority, holding elections to a constituent assembly through dialogue and understanding with the Maoists, can the existing conflict in the country be resolved and sovereignty and state power completely transferred to the people. It is the view and commitment of the CPN (Maoist) that the above mentioned goal can be achieved by holding a national political conference of the agitating democratic forces, and through its decision, forming an interim government to hold constituent assembly elections. An understanding has been

⁹⁷ 12-Point Understanding Between Parties and Maoists, *ekantipur.com*, Kathmandu, Nov 22, 2005, available at: <http://www.kantipuronline.com/kolnews.php?&nid=57858>, accessed on: 25.02.2006.

reached between the agitating seven parties and the CPN (Maoist) to continue dialogue on this procedural work-list and find a common understanding. It has been agreed that the force of people's movement is the only alternative to achieve this.

3. Today, the country has demanded the establishment of permanent peace along with a positive solution to the armed conflict. Therefore, we are committed to ending autocratic monarchy and the existing armed conflict, and establishing permanent peace in the country through constituent assembly elections and forward-looking political outlet. The CPN (Maoist) expresses its commitment to move along the new peaceful political stream through this process. In this very context, an understanding has been reached to keep, during the holding of constituent assembly elections after ending autocratic monarchy, the armed Maoist force and the royal army under the supervision of the United Nations or any other reliable international supervision, to conclude the elections in a free and fair manner and accept the result of the elections. We expect reliable international mediation even during the dialogue process.
4. Expressing clearly and making public institutional commitment to the democratic norms and values like the competitive multiparty system of governance, civil liberties, human rights, the concept of the rule of law, fundamental rights etc, the CPN (Maoist) has expressed commitment to move forward its activities accordingly.
5. The CPN (Maoist) has expressed its commitment to create an environment allowing the political activists of other democratic parties displaced during the course of the armed conflict to return to their former localities and live there with dignity, return their home, land and property seized in an unjust manner and carry out their activities without let or hindrance.
6. Undertaking self criticism and self evaluation of past mistakes, the CPN (Maoist) has expressed commitment not to repeat such mistakes in future.
7. The seven political parties, undertaking self evaluation, have expressed commitment not to repeat the mistakes of the past which were committed while in parliament and in government.

8. In the context of moving the peace process forward, commitment has been expressed to fully respect the norms and values of human rights and press freedom and move ahead accordingly.
9. As the announcement of municipal polls pushed forward with the ill-motive of deluding the people and the international community and giving continuity to the autocratic and illegitimate rule of the King, and the talk of elections to Parliament are a crafty ploy, we announce to actively boycott them and call upon the general public to make such elections a failure.
10. The people and their representative political parties are the real guardians of nationality. Therefore, we are firmly committed to protecting the independence, sovereignty, geographical integrity of the country and national unity. Based on the principle of peaceful co-existence, it is our common obligation to maintain friendly relations with all countries of the world and good-neighbour relationship with neighbouring countries, especially India and China. But we request the patriotic masses to be cautious against the false attempt by the King and (his) loyalists to prolong his autocratic and illegitimate rule and delude the patriotic people by projecting the illusory "Mandale" nationalism and questioning the patriotism of the political parties, and appeal to the international powers and the people to support, in every possible way, the democratic movement against autocratic monarchy in Nepal.
11. We call upon the civil society, professional organizations, various wings of parties, people of all communities and regions, press and intellectuals to actively participate in the peaceful movement launched on the basis of these understandings centred on democracy, peace, prosperity, forward-looking social change and the country's independence, sovereignty, and pride.
12. Regarding the inappropriate conducts that took place between the parties in the past, a common commitment has been expressed to investigate any objection raised by any party over such incidents, take action if found guilty, and to make the action public. An understanding has been reached to settle any problem emerging between the parties through peaceful dialogue at the concerned level or at the leadership level.