

News Update from Nepal  
02 March 2006

The historic verdict of the Supreme Court on February 13 has put the Royal Commission for Corruption Control (RCCC) to virtual downfall, terming it unconstitutional. King Gyanendra had constituted RCCC on February 16, 2005 through a royal decree under Article 127 to take action against the grand corruption. In the verdict the Supreme Court elaborated four points: the RCCC is unconstitutional; state power rests on the sovereign people; the King's action can be challenged in the court and Article 127 can be invoked only to address constitutional difficulties. On the eve of February 19, the democracy day, King Gyanendra has called on "all willing political parties to come forth to fully activate, at the earliest, the stalled democratic process in the greater interest of the nation." He said, "Let us listen to others, put across our views, do away with discord and enhance mutual understanding; let us consolidate peace and democracy." He added, "Inspired by our glorious tradition of patriotism, those who have been misguided should, without further delay, enter the mainstream of peace and multiparty democracy, eschewing the violent path of violence and destruction." He said, "May this day inspire us to activate a democratic process dedicated to sustainable peace and welfare of the country as well as initiate a new chapter of understanding amongst all of us." Afterwards, King Gyanendra began to meet leaders of various political parties and individuals at Pokhara. Those who have a long-term gaze of Nepal's political developments now find new openings in politics through gestures, postures and changes in the style of politics.

### **Municipal Elections**

On February 4, Home Minister Kamal Thapa accused "some media houses" of being operated by foreign "remote control." He also alleged the Seven-Party Alliance (SPA) of being guided from some quarters and getting finance from them. Terming the SPA a supporter of the Maoists, Thapa alleged that the parties have terrorized candidates of the municipal polls, their family members and voters. On February 8, municipal elections were held while major party leaders were being detained and SPA-Maoists effectively boycotted the polls. A cadre of CPN-UML was killed and the average voting participation was 20.5 percent. The RPP led by Home Minister Kamal Thapa has won the majority of seats. On February 10, Vice Chairman of the Council of Ministers Dr. Tulsi Giri reacted to the SPA, "If you create an environment for firing, security forces will do it. Every action is followed by a reaction. If you throw stones, another person will also throw stones." He also termed the scathing international response to the municipal polls as "narrow minded." The RPP (Kamal Thapa) faction is trying to forge an alliance with like-minded parties citing growing threats to democracy and nationalism.

Sean McCormack, Spokesman of the Department of State, dubbed the election "a hollow attempt" to legitimize the King's power. "The only way to effectively deal with the threat posed by the Maoists is to restore democracy in Nepal." He also criticized the

Maoists' intimidation and killing of candidates and said that there is no political cause that justifies the use of violence. Director-General for Press and Public Relations at Japan's Ministry of Foreign Affairs said, "What Nepal now needs is for the government and the political parties to reach out to one another with the spirit of reconciliation, and Japan expects that positive steps will be taken soon to that end." Japan also strongly "condemned the acts of violence including the killing of civilians." The Indian government added, "Any credible electoral exercise should have the active involvement and participation of all mainstream parties. Only then, such elections would be able to contribute to the restoration of democracy and political stability. We are of the view that the grave challenges facing Nepal demand the initiation of a genuine process of national reconciliation, dialogue and participation which can facilitate a peaceful settlement." British Foreign and Commonwealth Minister Kim Howells said that municipal polls are a "meaningless exercise" without people's support. On February 11, the Foreign Ministry of Nepal reacted to foreign criticism saying that such "insolent comments" were totally objectionable and that there are no other means except elections to reenergize democracy.

### **The Seven-Party Alliance (SPA)**

The CPN (Maoist) urged the political parties to stick to the alliance and not to be influenced by the American Ambassador's appeal that the parties should distance themselves from Maoist-SPA understanding and join hands with the king. Accordingly, on February 18, mainstream leaders vowed to fight democracy through an ongoing movement. The SPA has announced new protest programs against newly elected municipal authorities and the king, starting from March, and vowed not to compromise with the king on the issue of total democracy at any cost and dubbed the king's call for dialogue a ploy aimed at deceiving people. They argued that the Supreme Court verdict against the RCCC's dissolution as well as the king's isolation from the international community and the European Union Parliament regarding a "smart sanction" on Nepal was a hint that the direct rule of the king has become unsuccessful.

After his release from jail on February 17, NC (Democratic) president Sher B. Deuba said that the "12-point understanding", which was adopted by SPA and CPN (Maoist) on November 22, needs some clarification. On February 22, presidents of NC and NC (Democratic) met to discuss the direction of party unity and future movement. On February 25, Deuba said to journalists: "CPN (Maoist) Chairman Prachanda needs to clarify his stance on the fundamental rights of the people. If we are not compromising with the king on the basic issues of democracy, why would we do so with Prachanda? When Prachanda says that the '12-point understanding' needs to be improved nobody comments, but when I say the same thing there is a big hue and cry. Why so?" According to Deuba, CPN (Maoist) needs to clarify whether they would allow a free and vibrant press or not, whether or not they would support free radio and television, "Will they allow competitive and free business? Will they allow private property? Will parties be free to protest against the government? Will they also interfere in the judiciary like the king has done, or would they not? He said, "Prachanda says if a constituent assembly election chooses absolute monarchy, he would support that, but I don't support any absolute system, no matter how it comes." On February 28, Deuba added that CPN (Maoist)

should immediately dissolve its self-styled People's Courts to prevent a crack in the "12-point understanding". On February 22, CPN-UML central committee formulated the idea of a "broader democratic alliance" involving all political parties, civil society and professional associations to fight against the royal takeover and to create a formidable front. On February 23, the informal meeting of NC, however, expressed serious concerns over the "weak implementation of SPA-Maoist understanding from the rebel's side as they found that leaders and cadres of various political parties face problems in organizing activities in Maoist controlled areas". On February 24, Maoists killed a NC cadre in Dhanusha district. CPN-UML leaders also asked the Maoists to stop extortion and abduction of their cadres.

### **CPN (Maoist)'s Overture**

During an interview with *The Kathmandu Post* on February 6, Chairman of CPN (Maoist) Prachanda said that he is ready to hold talks with the present government, if the latter announces a ceasefire with the good intention of resolving the crisis. He said, "We will accept the verdict of the Constituent Assembly election even if the people say they want a monarchy." Similarly, he also believes that given to the international balance of power, overall economic, political and social realities, his party cannot attain the maximum goal of socialism and communism. "We must accept this ground reality. We have said democratic republic and constituent assembly, with the understanding that we should be flexible enough, given the balance in class struggle and the international situation." On February 13, he urged the mainstream parties and civil society to immediately expedite the process of establishing a joint political front as a run-up to "forming a parallel government." He also pleaded for a common front and common programs. Prachanda said that such a government "of the people" would also win support from the democracy and peace-loving powers in the world. Series of interviews of Maoist top leaders in *Kathmandu Post*, *Kantipur*, *Nepali Times*, *The Hindu (India)* and *BBC (UK)* provided opportunities for the audience to see them from the prism of the Seven-Party Alliance. Those who watch their activities see the continuity of their key political concepts and strategies in operation.

The Maoists have announced a new series of protest programs which will begin on April 3 for an indefinite period. From March 14 to 20, there will be a blockade surrounding Kathmandu. On February 4, CPN (Maoist) freed 21 security men who were captured after their raid on Palpa before the eyes of human rights and media people. Maoists had called a weeklong general strike to foil the municipal elections. On February 6, Maoists attacked Udaypur, Panauti and Dhulikhel security bases, killed a cab driver in Kathmandu, ambushed army vehicles where 17 soldiers, 4 rebels and one civilian woman were killed in Nawalparasi, abducted 5 government employees, killed 3 security men in Nawalparasi and another 3 in Kavre, destroyed the RCCC chairman's house, killed one security man in Nepalgunj, and injured 6 children and 13 civilians in Pokhara. The Maoist-abducted official Prem P. Sapkota died. On February 25, rebels captured 9 oil tankers and distributed oil among Banke residents. The retaliation of the security forces killed dozens of rebels in several places. The security forces seized (Feb. 28) an Indian truck loaded with huge quantities of explosive materials brought for the Maoists' use.

## Foreign Policy

The USA, the UK and India which were coordinating their foreign policies on Nepal since 2002 have indicated a shift with the USA and the UK suggesting the Seven Party Alliance (SPA) to withdraw from their understanding with the CPN (Maoist) while India is sticking to it. On February 14, India has refused to release 2 billion rupees in Duty Refund Procedure (DRP) dues citing Nepal's failure to clear its arms purchase dues. India supplied arms, ammunition and military equipment worth over Rs. 7.20 billion to Nepal between 2003-2005. As per a bilateral understanding, Nepal pays only 30 percent of value for the military supplies, the remaining 70 percent being in the form of a grant.

On February 15, the US Ambassador to Nepal, James F. Moriarty, urged the king to reach out to the political parties and also asked the SPA to back out of an understanding they have reached with Maoist rebels to prevent Nepal from becoming a crazy totalitarian state. "We believe cooperation along current lines between the Maoists and the parties is fraught with danger - for the political parties themselves, and for the future of the Nepalese people. Political terror by the Maoists, practiced with particular ferocity in the run-up to the municipal elections, sets a fear-some precedent and could impair the democratic credentials of their political party partners. The Maoists pledge their partnership with the parties, until they don't need them any longer. The US views the uneasy partnership between the parties and the Maoists as wrong-headed." He added, "As for the year of authoritarian rule by the palace, it has clearly been unsuccessful. The result of the past year is the opposite of what the monarchy envisioned in seizing power in early 2005. Twelve months of palace rule have only made the situation more precarious, emboldened the Maoist insurgents and widened the division between the country's political parties and the king." He warned "if the armed Maoists and unarmed parties successfully implement Prachanda's and Baburam Bhattarai's vision of a violent revolution, the Maoists will ultimately seize power and Nepal will suffer a disaster that will make its current problems pale in comparison." On February 16, Anthony Stokes, the head of the South Asian Group at the British Foreign and Commonwealth Office met G.P. Koirala and conveyed his government's concerns about Nepal. He told Koirala that the 12-point understanding with the Maoists was not in favor of the parties. Party sources, said Stokes, suggested "reconciliation" between constitutional forces to "isolate Maoists nationally and internationally." On February 23, the US and Japanese Ambassadors began to meet Congress leaders from both sides and discussed the current situation of the country.

On February 6, Japanese Foreign Ministry official Shinsuke Shimizu said that Japan is going to review its political policy towards Nepal. So far, Japan had kept mum on Royal takeover of February 1, 2005. He said, "Japan is firmly opposed to the application of violence to settle what essentially is a political dispute." He suggested, "The monarch and the political parties should bury their hatchet and agree on an effective strategy to resolve the crisis."

On February 22, Nepal has made fresh requests to India to resume military supplies, which were suspended after the royal takeover on February 1, 2005. The Indian Minis-

ter for External Affairs, E. Ahamad, disclosed this. However, he said, “the issue of military supplies to Nepal remains under constant review.”

### **Human Rights**

On February 3, the UN Office of the High Commissioner for Human Rights in Nepal (OHCHR) called for the release of all detainees held under the Public Security Act while protesting municipal elections. It also called on the Maoist leadership to release all those abducted from Palpa and respect the freedom of peaceful assembly and expression and of those advocating a peaceful boycott of the elections respecting the rights of others. On February 16, it made public its report on the country’s human rights situation which will be presented at the 62nd session of the UN Commission on Human Rights to be held on March 13 - April 21. It highlights arbitrary killings, detention, routine torture and disappearances carried out by security forces in civilian dress and cases of abduction, killings of civilians and threats to civilians by the Maoists. The OHCHR-Nepal representative Ian Martin gave several facts, such as twenty cases of disappearance after the arrest in 2005 are still unaccounted for, the Home Ministry has not informed OHCHR of the number of people held under TADO or their places of detention, about 200 cases under the Torture Compensation Act are pending in court. He also demanded that military court cases be tried in civilian courts. The OHCHR condemned the Maoists’ bomb attacks in Pokhara on February 25 and 27 which injured 12 civilians. A member of the National Human Rights Commission of Nepal (NHRC), Sudip Pathak, accused the leftist human rights activists of indulging in propaganda, “Such is the level of propaganda on the international level that foreigners tell us that in Nepal you may step on a bomb everywhere you go and you may get killed every time you venture out of your house.”

### **Labor Ordinance**

On February 6, the cabinet has endorsed the Labor Ordinance 2062. The new ordinance has paved the way for employers to hire workers on a contract basis. While dismissing workers, who have served for one year, employers have to pay an additional lump sum of fifty percent more than the number of years the workers have been employed. However, the workers who are dismissed for breaching the terms of the contract will not be entitled to such a compensation. It has introduced the concept of “no work no pay.” It made mandatory for workers who have received training from the company to serve the organization for at least two years. If the worker decides to leave, the employer can demand compensation equal to the amount of investment. It included a provision to establish a national level “Social Security Fund” with the participation of the government, employer and employees. Trade union leaders jointly made a statement saying that the Ordinance has taken the side of capital against workers. On Feb 22, businessmen in the New Road area shut down their shops for two hours after revenue investigation teams of the Inland Revenue Department (IRD) swooped down on retailers evading taxes.

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