

## **News Update from Nepal**

May 7, 2005

### **The Regime**

The regime's main concerns are to extend the authority of the state on society, achieve stability and overcome security and development deficits. On April 14, King Gyanendra said that the prime international agenda is to wipe out the menace of terrorism and safeguard peace and democracy. He said, "In view of the improving law and order situation, there should not be any delay in activating the democratic process....We have, therefore, commanded the election commission to conduct municipal elections within this year." Mainstream political parties viewed this as an effort to institutionalize the authoritarian regime. The CPN-UML leader K.P. Oli said, "This non-representative government cannot hold elections and municipal polls cannot ensure a representative government." The NC president G.P. Koirala said, "We should all oppose such a declaration as it has come after captivating an entire country and its people." Amrita Agrahari of Nepal Sadbhavana Party (NSP) suggested the need for a national consensus among political parties and the king before going for polls.

On April 14, an amendment in the Police Regulation 1992 gave the district police office (DPO) sweeping powers, including the power to seek and ascertain a person's identity anytime. The cabinet decision on March 30 legalized the drive to collect personal details of tenants which was launched by the Home Ministry a few years ago as part of the "process of investigation and crime control." The government appointed 52 new Chief District Officers (CDOs) to coordinate the functions of governance at the local level.

On April 29, King Gyanendra lifted the State of Emergency. He, however, gave continuity to the functioning of the Royal Commission for Corruption Control (RCCC). India, the US and the UN welcomed the lifting of emergency, but also called the "release of all political leaders still in custody and the restoration of civil liberties, which would open the way for reconciliation between the two constitutional forces."

### **Political Parties**

The Royal takeover has polarized each political party, media and society and removed the "middle ground" between conservatism and radicalism. The arrest and detention of political leaders and workers of political parties, travel restrictions of some political figures, and control on media have complicated efforts for reconciliation between the King and parliamentary political parties believing in constitutional monarchy. The political forces in Nepal are divided on the various versions of democracy. The CPN-Maoist, Jana Morcha Nepal (JMN) and United Left Front favor the election of a constituent assembly to open the possibility for a republican form of government, major parliamentary political parties believe in "complete democracy" meaning civilian control over the army,

NC (Democratic) prefers “inclusive democracy” meaning bringing the marginalized into the mainstream, and the King has articulated the concept of “meaningful democracy,” a political system that delivers, controls rebellion, checks corruption and prevents the abuse of leadership.

The NC is insisting on its three demands: campaign for complete democracy, reinstatement of the House of Representatives and formation of an all-party government. NC president G.P. Koirala said, “The all-party government could even opt for a constituent assembly to resolve the Maoist problem.” To him, the goal of “all party agitation is to attain absolute democracy where the king shall retain no power.” Dissimilar approaches of the parties have scuttled the prospect for a national consensus. Party leaders think that the Royal Commission for Corruption Control (RCCC) is “unconstitutional” and politically motivated to tarnish their image. They also assume that the strategies of the establishment to bring ex-Panchas into the governance structure, denunciation of party and political leaders, reintroduction of zonal administrator and the declaration of municipal election are aimed at reviving the *ancien regime* without a system of transparency and accountability.

On May 2, in a joint statement the leaders of major political parties appealed “all Nepalis and the international community to understand the ground reality of the country and to cooperate with the democratic movement until the complete restoration of democracy. The trampling of political parties, curbs on press freedom and human rights violations continue unabated. Despite the lifting of emergency rule, the continuation of the RCCC, which has been set up against natural law, is a serious violation and mockery of the constitution.” They also urged the king to activate the legal and constitutional institutions and processes. General-Secretary of CPN-UML Madhav Kumar Nepal who was released on May 2 from his house arrest said, “Democracy is under detention. There is no alternative to agitation to wrest people’s sovereignty. Until the King revokes his February 1 move, the reconciliation process would not move ahead.” On May 5, seven political parties agreed on a single-point agenda: to form an alliance to fight for the revival of dissolved House of Representatives.

### **CPN-Maoist**

On April 25, in an interview to *Time Magazine* King Gyanendra said that democracy would survive and said, “multi-pronged approaches would be employed to resolve the conflict within the nation.” He, however, expressed his disappointment over the reaction of the international community to his move.

The CPN-Maoist is facing internal feud between the supporters of party chairman Prachanda and ideologue Dr. Babu Ram Bhattarai. The Prachanda group favors the principle that the party, army and the front should have integrated and centralized leadership of the proletariat. Dr. Bhattarai, in contrast, favors a sovereign committee system of the party and collective leadership. To him, a single leadership can fracture the established consensus and the fight for the development of republican system. Dr. Bhattarai blamed the Central Committee (CC) for indulging in “groupism”, while CC blamed him

for “distraction and inflated intellectual and political ego” as well as “helping imperialism, expansionism and the royal army.”

After the royal takeover, the Maoists offensive suffered severe setbacks due to the pre-emptive strikes and superior capability of the security forces. The Maoist leadership, which had earlier favored “direct dialogue with the king,” with the hope that the King will reciprocate, also dashed off. The king tried to mobilize international support against what he calls “terrorism.” The CPN-Maoist is now trying to forge an alliance with parliamentary political parties to oppose the King’s takeover and negating the possibility of any dialogue with the regime. Leaders of political parties fear more the militant thinking of Maoists, than their social and economic agendas. In the emerging geopolitics, Maoists’ hard-look towards India has also melted down.

## **Foreign Policy**

After the Royal takeover of February 1, foreign policy of Nepal suddenly occupied central importance to garner legitimacy to the regime, project image and mobilize foreign assistance. Nepal is trying to balance Chinese concerns for its security in the Tibet, the EU’s concern on “democracy and human rights” and the USA, the UK and India’s concern for terrorism, instability and insecurity in Nepal and the region. The King’s 9-day visit to the Afro-Asian summit in Jakarta and Boao Forum for Asia in China in April tried to utilize conference diplomacy to seek cooperation from the international community to fight terrorism and bring back democracy in the country. On April 24, he met the Indian Prime Minister Man Mohan Singh in Jakarta after which the latter agreed to “unconditionally resume military aid to Nepal.” Left parties within the Congress-led coalition in India vehemently opposed this on the ground that this will “undermine the democratic process.” The Indian foreign ministry revealed that the King had promised Singh to lift the state of emergency, restore democracy, release political prisoners and allow Indian TV channels to be beamed in Nepal. Former Premier Sher Bahadur Deuba’s arrest offended India. Indian External Affairs Minister K. Natwar Singh then said, “Military aid was constantly under review and will continue to remain under review.”

Upon his return to Nepal from China, the King said, “Nepal has assured that she can be used as a transit point for economic development for her neighbors India and China” which will develop the economy of Nepal’s northern region. On May 2, Indian Ambassador to Nepal Shiv Shankar Mukherjee left for New Delhi for “consultation” with his government, British Special Envoy to Nepal Sir Jeffrey James, British Ambassador to Nepal Keith Bloomfield and other diplomats. The discussion focused on the coordination of policies and “resumption of aid to Nepal.” On May 3, the newly appointed Pakistani ambassador to Nepal Sohail Amin categorically ruled out any plan to supply arms to Nepal to tackle the Maoist insurgency. His predecessor, Zamir Akram had said that his country was ready to supply arms and counter-insurgency training to help the Nepal government tackle the Maoist rebellion.

On May 4, the US State Department spokesperson Richard Boucher welcomed the lifting of emergency in Nepal, but urged the government to release all political detainees

and to ensure the protection of fundamental rights in Nepal. He said, "Unity among Nepal's legitimate political forces is a necessary step for her to achieve a functioning stable democracy and effectively address the Maoist insurgency. The US will continue to support progress in these efforts as we consult with other friends of Nepal." The same day the UK has said that development programs launched in Nepal will not be affected. The British Embassy in Kathmandu revealed that the current development to Nepal from UK stood at 40 million pounds. Political analysts believe that US Assistant Secretary of State for South Asia Christina Rocca's visit to Nepal on May 9, may pave the way for resuming all the suspended activities and facilitate the mutual adjustment of geopolitical interests.

### **International Community**

On April 25, ten chief donor agencies working in Nepal's development works - Canadian International Development Mission (CIDA), DANIDA, DFID, EU, Finland Embassy, GTZ, Japan International Cooperation Association (JICA), Norwegian Mission for Development, Swiss Development Mission and Netherlands Development Association (SNV) - jointly made public their basic guidelines for executing projects and trying to enlarge development space in conflict zones. The guidelines stipulated that the focal point of their work in Nepal is to raise the living standards of the people, alleviate poverty, meet the basic necessities and make the Nepali people self-reliant. They underlined the aim to work as per the wishes of the local community, maintain the people's prestige and expressed commitment to honor religion, culture and customs. The 14-point guidelines stated that cooperation would be extended to everyone, irrespective of political leanings, race or religion. Priority would be given to local people while formulating the assistance program, its management and implementation. Transparency is guaranteed. Employment will not be given in an unnecessary manner and politics and other reasons will not be allowed to influence the selection of the employees. Violence, abduction, torture and other threats are not acceptable and the assistance will not be used for military, political and communal purposes. Machinery and means will be used only for attaining their goals, while vehicles will not be used for transporting the military or other wings of the security forces.

On April 28, UN Secretary-General Kofi Annan said, "I want to see constitutional democracy in Nepal. I think it is important that political parties are allowed to resume their activities as we have agreed during our discussion." Asked to comment on arms supply to Nepal, he said, "Individual countries may have their own policies, but we often discourage transfer or shipment of weapons to any conflict hotspots because it will exacerbate the problem. However, some legitimate forces will have to use arms to maintain law and order. But, it is left to the judgment of the government and the countries who are supplying arms."

### **Civil Society**

National and international civil societies are strongly engaging themselves to expand the democratic space. On April 11, the government of Nepal and the Office of the High

Commissioner for Human Rights (OHCHR) signed a Memorandum of Understanding (MOU) agreeing to set up an international monitoring mechanism to monitor and protect human rights. A UN technical team has arrived in Nepal to set up the Nepal Office of OHCHR. As per the agreement, the OHCHR would advise and assist the National Human Rights Commission in discharging its statutory mandate. The agreement would remain valid for two years, extendable through mutual consent. After Nepal's consent to this, the international community agreed to withdraw its insistence on appointing a Special UN Rapporteur in Nepal. On April 21, OHCHR unanimously passed a resolution on Nepal under Agenda Item 19. The resolution has asked the government to "urgently restore multiparty democratic institutions and human rights."

On April 21, the Supreme Court issued a directive to the government to promulgate an Act in consonance with the Constitution and International Covenant on Elimination of Racial Discrimination to which Nepal became a party in 1971 and to do the needful to wipe out the practice of untouchability and other caste discrimination in the country.

On April 22, the UN Secretary-General's representative on the Human Rights of Internally Displaced Persons (IDP), Prof. Walter Kalin warned that Nepal was facing a "humanitarian crisis." He said, "The problem can be addressed while the situation is still not out of control" emphasizing that Nepal has still not become like Congo and Sudan. According to him, there is a "widespread pattern of conflict-induced displacement and there could be a large number of IDPs - numbering over 200,000 - way over the government figure of 8,000. The causes of displacement are violence, threats, forced recruitment and extortion by the Maoists and fear of reprisals by the RNA for allegedly providing food and shelter to the Maoists. He also expressed concern over the recent emergence of self-defense committees within the population, "some of which have received the tacit or explicit support of individual state officials." He called on the government to condemn the self-defense or vigilante groups and discourage them from taking the law into their hands and urged the UN and the international community in Nepal to create "a framework to respond to the human rights and humanitarian needs of IDPs, including prevention of displacement and finding long-term solutions."

On April 28, the New York-based Committee to Protect Journalists (CPJ) said in its report "A Country Silenced: Nepal After the Coup", "The influence of the private media was clearly seen as a serious threat by the state, and the February 1 Proclamation and subsequent restrictions were the most devastating blow to private media since democracy began in 1990." The reporters based outside the capital now "face arrest, criminal charges, or worse, if they simply follow their training and report on both sides of the conflict. Many journalists working on the frontlines of the conflict have been harassed, detained or hurt." The Federation of Nepalese Journalists (FNJ) opposed the government's decision to suspend 1.5 million rupees assistance to it after the royal takeover. The money was used to support the conflict-affected journalists and their families.

On May 1, three major trade unions - Nepal Trade Union Congress (NTUC), General Federation of Nepalese Trade Unions (GEFONT) and Democratic Confederation of Nepalese Trade Unions (DECONT) organized a joint procession on Labor Day demand-

ing the restoration of democracy, withdrawal of the royal proclamation, holding of peace dialogue with the Maoists and declaring constituent assembly elections. Major political parties and civil society supported the workers' rallies as a part of their ongoing democratic movement.

On May 2, Amnesty International's (AI) former chairman and current general-secretary of Irish section, Colm O. Cuanachain, has expressed deep concern over spiraling human rights violations in the country. He urged the international community, particularly countries such as the UK and the USA, to stop arms supply to the army and police to curb killings and violence.

On May 3, the Department of Revenue Investigation (DRI) began to investigate against 124 INGOs working in the country. The Ministry of Finance revealed that they have issued letters to 124 big INGOs urging them to submit the past five years' detailed account related to Tax Deduction at Source (TDS). The government found that some INGOs show less than the actual expenditure, particularly in paying staff salaries and house rents. These INGOs bring more than Rs 7 billion each year.

### **Politics of Corruption**

The RCCC enjoys sweeping powers enjoyed by the Commission for the Investigation of the Abuse of Authority (CIAA), the Special Court, Judicial Council and the House of Representatives. The RCCC's arrest of former Prime Minister Sher B. Deuba at midnight on the charge of corruption on the Melamchi project and Prime Minister's Relief Fund have been criticized by major political parties and the National Human Rights Commission (NHRC). The Melamchi access road construction was awarded after the recommendation of the Melamchi Project Office and approval of the Asian Development Bank (ADB). The ADB has said that it approved the contract since it was "technically sound" and was awarded to the lowest bidder. The RCCC has slapped Rs 3.86 million bail on Deuba.

### **Poverty**

On May 4 *Nepal Living Standard Survey (NLSS)* 2003/04 revealed that due to the flow of remittances from the Nepalese working abroad, increased income of agricultural labor, massive increments in the economically active population, rapid urbanization, non-farm incomes, the national incidence of poverty recorded a decline by 11 percent in the last eight years. The poverty in Nepal now stands at 30.85 percent. The urban poverty went down by 12 percent whereas the rural areas registered 8.7 percent growth in the eight years. However, it said, "Inequality has widened during this period" as income has not been properly distributed.

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