

News Update from Nepal

2 August, 2007

Peace and Security

Chief of Army Staff Rukumangat Katwal's remark that the Nepal Army (NA) will not make any compromise with "terrorists and extremists" irritated the Maoists. On July 4, the government decided to formulate a "comprehensive work plan" to democratize the NA by making it inclusive in nature, promised to form a special committee to decide its appropriate strength, recommended ways to integrate and rehabilitate Maoist combatants and modernize security agencies. It planned to form a state restructuring committee to restructure the state along federal lines and proportional representation of various identities.

On July 25, UN Secretary-General Ban Ki-Moon said that Nepal's political scene has become more complex and challenging. He observed, "Renewed and expanded efforts will have to be made to sustain the successful trajectory of the peace process. The security situation in the Tarai has remained extremely disturbed and efforts to improve law and order in the region have been halting. Frequent clashes continue to occur between Maoist and Madhesi activists in the Tarai for political space." Fear among the hill people in the Tarai has increased and some hill families have been forced to flee their homes to safer areas to escape militant Madhesi groups. The possibility of more widespread communal violence remains a concern. He underlined that the failure to hold "credible elections within a realistic and well planned period may have a serious impact on the unity of the country's eight ruling parties. The overall human rights situation in the country continues to be worrying. It is caused by inadequate public security and law enforcement and unresolved issues of discrimination regarding repression and exclusion in the political process." He said, "Article 7 of the CA Members Election Act departs from democratic procedures which stipulate that once the results of elections have been issued the central party committee will allocate winning seats from the proportional representation ballot to individual candidates."

There are some positive developments. On July 18, the parliament passed the Rights to Information Bill which obliges the public institutions, including the government, to provide information barring sensitive issues. It also passed the Human Trafficking Bill ensuring 20 years jail sentence and a fine of US \$1540 to a culprit of human trafficking.

Constituent Assembly Elections

On July 9, the Election Commission (EC) asked the Foreign Ministry to invite election observers and one day later Chief Election Commissioner Bhoj Raj Ghimire urged the government to create an election-friendly environment and all political parties not to call any general strike that would adversely affect the upcoming CA election. He admitted, "Though the security situation across the country has not improved, the government and political parties should work immediately to ensure security for election officials, candidates and voters." Nepal has 17.6 million voters. It has planned to mobilize around 150,000 civil servants and teachers from public schools during the poll in about 22,000

polling and sub-polling stations, to train 8,000 volunteers by mid-September and mobilize them across the country to carry out a door-to-door voters' education campaign for two months and by mid-November to train 25,000 district level counting officers, 40,000 polling and assistant polling officers and 100,000 other staff to be involved in polling and counting.

The Institution of Monarchy

On July 4, Prime Minister G.P. Koirala told, "Old remnants of feudalism must either disappear within the country or leave the country before the CA elections. A new revolution will start after the CA polls and that will focus on economic and social reforms." Students of the ruling eight-party alliance demanded the ban of the king's birthday party assuming that the king's birthday has been assigned to sabotage the election of the CA. The Maoist-affiliated Young Communist League (YCL) attacked the monarchists and wounded a dozen of them. On July 8, YCL ransacked the offices of the Rastriya Prajatantra Party (RPP) and RJP in Dhanakuta accusing their leaders of participating in the king's birthday. On July 10, CPN-UML General-Secretary Madhav K. Nepal asked the king to step down in keeping with the aspirations of the people and open the way for the establishment of a republican state. He added that there is "no room for grandpa or baby king." On July 13, Finance Minister R.C. Mahat said that royal family members have got \$384615 (subject to 26.5 percent income tax) with the consent of the political parties. Maoist lawmakers heavily criticized the budget and allocation of money to the palace. But, Nepal's monarchy is separated from its military and political links and Premier Koirala is de-linking it from festivals and cultural activities.

CPN (Maoist)'s Strategy

On July 11, upon the completion of the 100 days in government, the CPN (Maoist) blamed the NC for all the problems in the country. Information and Communication Minister K.B. Mahara said, "The major reason for the current problems in the country is the Nepali Congress' attitude of surrender to national and international power centers. NC wants to run the government single-handedly rather than by consensus as agreed. Non-cooperation of the other parties too caused the lackluster performance of CPN (Maoist) ministers." On July 12, Prachanda urged the Prime Minister to come up with a "package deal" to adjust registered Maoist combatants in national security wings. Both of them told UNMIN Chief Ian Martin that the second stage of verification would not begin unless a political package to adjust combatants in national security forces was agreed upon. Maoist Deputy Commander Janardan Sharma claimed that the second phase verification of the arms and combatants was stopped for a short period because of a "conspiracy hatched by the UN. A UN agency has been preparing an undercover report on Demobilization, Disarmament and Reintegration in order to demoralize, disarm and force combatants back to the initial stage." Martin also revealed that "Maoists are unwilling to forgo disqualified troops." On July 19, Maoists, however, agreed to the resumption of the stalled verification of combatants by the UNMIN. On July 16, the government has decided to beef up security for 26 Maoist leaders, with a special team under a Deputy Superintendent of the Armed Police Force assigned to the task. The government took this decision on the basis of a threat analysis and arranged special security for the Maoist leaders Prachanda, Dr. Babu Ram Bhattarai and 24 central committee members. They will possess 10 assault rifles and seven pistols. The Central Committee meeting of CPN (Maoist) on July last

week stressed the need to go for a peaceful people's revolt if the CA election did not take place as scheduled, and demanded the immediate declaration of a republic from the parliament. Most of the central leaders argued that the party was gradually becoming "revisionist" and "deviated from its revolutionary spirit" since it joined the interim government.

Competitive Violence and Tepid Negotiations

The eroding base of mainstream political parties, lack of unified leadership among the armed groups and the government's inability to negotiate the grievances of Madhesis, ethnic groups and Dalits have exposed the nation's multi-front vulnerabilities. Home and Peace ministries treat the grievances of diverse peoples as a law and order problem. In the second round of talks between the government and Madhesi Jana Adhikar Forum (MJAF) on July 25 the latter put several demands such as a federal state structure with a regional autonomy, a proportional election system, the determination of new election constituencies based on population, proportional participation of all groups including Madhesis in all state organs, dissolution of parliament and formation of a caretaker government. During the recent dialogue, National Federation of Indigenous Peoples and Nationalities (NEFIN) talk coordinator Dr. Om Gurung, said that their first priority was to convert all the 480 seats for the CA into a proportional representation system and minimum representation for all the 101 ethnic communities. CPN (Maoist) and CPN-UML too seek proportional representation to all CA seats although they have endorsed the mixed election system.

Kidnapping and killing of businessmen, government officials and people of hill origin by armed groups such as Janatantrik Tarai Mukti Morcha (JTMM-Singh) and JTMM (Giot) continue. On July 16, JTMM (Goit) demanded a negotiation with the government under the UN supervision. On July 19, as the JTMM (Singh) faction killed one VDC secretary, civil servants called their nation-wide strike demanding security in 10 districts racked by vicious violence. On July 10, the National Republican Army (NRA) killed a journalist at Mahendranagar for openly supporting the king.

On July 18, the Federal Limbuwan State Council called a strike in the eastern part of the country demanding a Limbuwan republican state. On July 15, Chure Bhawar Pradesh Ekta Samaj (CBPES), a group fighting for the protection of the hill people, set three pre-conditions for talks with the government: release of nine people arrested during the Tarai movement, formation of a high level commission to probe the loss of property of people from the hill regions during the movement and declaration of M.B. Gurmachane who was shot dead by the police as a martyr.

On July 29, the YCL men beat up the Chief District Officer at Dolkha and clashes occurred between the police and YCL. In protest, government officials in the Home ministry halted their works while YCL called a general strike in four districts.

Party Politics

Too much party-mindedness and competition among the ruling political parties for various positions have strained the authority and performance of governance. "For free and fair elections there is a need for a neutral government," argued the chairman of Nepal Peasants and Workers Party, Narayan Man Bijukchhe. On July 1, he added, "The eight political parties should be aware that the US is imposing imperialism through several NGOs

and the media. Even leftist parties are welcoming such investment through NGOs but give speeches against them. It raises a question mark on the country's sovereignty." On July 9, the 15th Central Committee meeting of the CPN-UML ruled out any alliance with leftist forces, including the Maoists. But, it kept the door open for such an alliance at the local level. It stressed the unity of the eight-party alliance until the CA elections. On July 10, Chairman of Rastriya Janashakti Party (RJP) Surya B. Thapa said in the parliament, "The Ruling eight-party alliance's rationale to rule has been finished." The unification talks between the two wings of NC continue to remain inconclusive. Due to a declining security environment, the major political parties have yet to start their campaign to educate the public about the CA elections and link the national leaders to the grassroots.

Economy

On July 2, the government of Nepal and United Arab Emirates signed a Memorandum of Understanding on labor guaranteeing the Nepalese workers equal benefits, rights and obligations as enjoyed by other foreign workers as per the rules of both countries. The Special Court issued a summons to Nepal Rastra Bank's suspended governor, Bijaya Bhattarai, to record his statement on the alleged involvement in canceling the contract with the American company that caused a loss of \$37.7 m in the Bank.

On July 12, Finance Minister Dr. Ram Sharan Mahat declared a budget worth \$260 m. \$153 m will be borne by the current source of revenue, \$42.25 m is to come from foreign grants while \$26.71 m is to come from foreign loans - a total of \$68.95 m in foreign aid. A net budget deficit of \$31.54 m will be financed by domestic borrowings. Priorities areas are peace, poverty alleviation, investment promotion, human resource development and reconstruction and relief. Sectoral allocations are: education (\$43.68 m), health (\$18.74 m), defense (\$16.75 m), police (\$14.7 m), local development (\$21.23 m), agriculture (\$8.97 m), hydropower (\$ 14.7 m), Constituent Assembly elections (\$5.38 m) and roads (\$14.37 m).

Foreign Affairs

On July 9, the visiting delegation of the China Institute of Contemporary International Relations (CICIR) led by Vice-President Li Shaoxin met Maoist chairman Prachanda and reiterated that they will not tolerate an "international interference in Nepal's internal affairs." In a meeting with India's former foreign secretary, Shayam Sharan, Prime Minister Koirala has lodged a frail complaint about the Indian Territory being used by some of the Nepali "terrorist" groups. He gave detailed information on the activities of JTMM groups. On July 24, the visiting politburo member of the CPN (Marxist) of India Sitaram Yechuri said that the Indian government is ready to extend all kinds of support needed to resolve the problem of the Tarai. Yechuri and Sharan are the architects of the 12-point agreement in Delhi that brought the unity of Maoists and Seven-Party Alliance against the royal regime. Former Foreign Minister of India, Jaswant Singh, however, expressed, "The US has become active in Nepal taking advantage of India's inaction" and believed, "Nepal will always remain a Hindu nation."

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