
NEPAL IN 2000

Discourse of Democratic Consolidation

Lok Raj Baral

The year 2000 ended on a mixed note for the coming year. Heated debates continued over determining the spirit of the Constitution. Some parties primarily complained about the futility of the electoral system. Moreover, opposition parties advanced poorly articulated reform agendas about constitutional changes. In contrast, the ruling Nepali Congress (NC) Party argued that, given Nepal's multifaceted political and behavioral problems, they would not be solved by changing the Constitution alone. There were three schools of thought about constitutional reform: some argued for complete replacement, others argued for substantial amendments, and others supported continuity with suitable reforms. Surprisingly, both the Maoist and the die-hard supporters of the dismantled partyless regime represented the replacement school. Demands for substantial constitutional amendments came from the left opposition parties. The view for continuity with minor changes came from the rest of the parties.

Domestic Politics

The year under review also gave rise to a serious question about the location of power under the present political arrangement. This question was pertinent as the currently elected government seemed hamstrung by various constraints. Its plight became evident when it had to confront the menace of a Maoist insurgency. The insurgency's actions revealed the lack of a unified command structure for coordinating the combative operations against the surging violence. For instance, police are deployed for basic civic duties. As

Lok Raj Baral is Professor in the Department of Political Science, Tribhuvan University, Kathmandu, Nepal, and Executive Chairman of the Nepal Center for Contemporary Studies.

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such, police were ill-equipped to counter the Maoists, lacking sophisticated weapons and training. These inadequacies opened a public debate on the location of authority within the army. The army allegedly has opposed the creation of a separate armed police force under the command of the home ministry, proposing instead that the creation of a new security force fall under its own command.

The army-government wrangling came to the fore with the unfolding of the Dunai incident. In this case, Maoist insurgents were able to launch a pre-dawn attack at the Dolpa district headquarters, even though there was advance information that such a strike was coming. The attack resulted in 12 policemen being killed and 40 others sustaining injuries. The outgoing home minister, Govinda Joshi, lashed out at the Royal Nepal Army for not helping the police and the local administration. In a dramatic press conference, the minister even questioned the rationale of maintaining a standing army if it failed to cooperate with the government in a crisis situation.¹ In response to this outburst, Prime Minister Girija Koirala gave the finance and defense portfolios to Mahesh Acharya, a confidante of his, and the now-vacant home portfolio to Deputy Prime Minister Ram Chandra Poudel. Koirala had held the defense portfolio; clearly he found it inconvenient to serve as both prime minister and defense minister. The prime minister still needs to be at ease with the functioning of the national security council.

Seesawing between the government and the insurgents continued until the end of November with both sides sending signals for fresh negotiations. However, both appeared cautious, fearing that the negotiations were a trap. Still, it seemed that the government was in a better position after Prime Minister Koirala allegedly asserted that he favored reviewing the various state agencies including the army. The controversy was laid to rest by Mahesh Acharya on November 27. The new defense minister said that the army had been deployed by the decision of the government in some Maoist-affected districts.

On the political front, the ruling party faced a growing number of problems. Although the NC holds a comfortable majority in the lower house of parliament, it is vulnerable to internal dissent. There is increasing fear that the NC could be dislodged by its own members. Plagued by individualistic and divisive trends, the party rank and file appears to have polarized into pro-Koirala and pro-Bhattarai-Deuba camps. Consequently, the government seemed to be at a standstill. As a result, the people at large are beginning to

1. For discussion about the role of the army, see Dhruva Hari Adhikari, "Ke Sena Bhumikabihin Janshakti Ho?" [Is the army a public force without a role?], *Bimarsha Weekly* (Kathmandu), November 10, 2000; and Bishwanath Upadyaya's interview with *Kantipur Daily*, October 2, 2000. For the home minister's allegations against the army, see *Nepal Press Digest*, September 25, 2000.

believe that the ruling party is going to have to face up to making some hard decisions over the economy.

The opposition parties were in no better shape. Most Nepalis did not take their political rhetoric seriously. Many parties, for instance, vehemently opposed the price hike in petroleum products. They eventually retracted their stand after getting a minor concession from the government that included only a marginal reduction in the price of petroleum. Thus, while the ruling party could provide neither good governance nor intraparty homogeneity, the opposition parties lacked significant mobilizing issues. The absence of credible alternatives has increased the people's loss of faith in the overall roles of political parties. One important development in Nepal's party system was the NC's internal elections held in November. The elections were unprecedented in that they were based on competition. Nonetheless, it remains to be seen as to whether a party divided along personality and group lines can be rescued. The NC's future is likely to depend on the outcome and aftermath of its general convention schedule for January 2001.

Foreign Relations

The December 24, 1999, hijacking of an Indian Airlines airplane bound for Delhi marred the beginning of year 2000. The hijacking incident seemed to reinforce Indian suspicions about Nepal. Despite Nepal's repeated assurances that it would curb anti-India elements operating within its borders, concern lingered in India that Nepal is being used by Pakistan against India. These concerns flared when it was later revealed that the hijackers were Kashmiri militants. Acting on its concerns, the Indian government stopped all flights to Nepal until Delhi was fully satisfied with the security situation at the Kathmandu airport. Meanwhile, a new controversy arose following the leak of an Indian intelligence report to the press. The influential weekly magazine, *India Today*, featured a story on June 12 captioned, "The Nepal Game Plan." The story suggested that important Nepali politicians, media persons, and businesspeople were being used by Pakistan's intelligence service. Nepal vigorously denied the report, claiming that it was a ploy to tarnish the country's image.

Despite the controversies, both countries made attempts to remove each other's distrust. The new Nepali foreign minister, Chakra Bastola, visited India. Later, Prime Minister Girija Koirala reinforced bilateral relations during a week-long visit in August. He attempted to convince India to review Indo-Nepal relations in their entirety within a new framework of a cooperative relationship. The convergence of views over the need to have better ties led the two countries to address formerly contentious issues, such as the construction of the Laxmanpur barrage in India. The construction was controversial because of its causing potential inundations in Nepal. The two prime

ministers took note of the flooding on the Nepali side and directed the Joint Task Force on Flood Control and Forecasting to review the damage, which it did immediately in a cooperative and comprehensive manner.

Aside from the bright spots in its relationship with India, Nepal's marginalization in international affairs was evident in 2000. For instance, Nepali sensibilities were hurt during President Bill Clinton's visit to South Asia because he did not visit Nepal. The oversight in Clinton's schedule sparked a heated public debate in Nepal. The Japanese Prime Minister Yoshiro Mori tried to console the Koirala government with a day-long visit to Kathmandu on August 25. The visit lacked substance; it was only a goodwill trip that included a token grant of NRs 1.13 billion for debt relief and the construction of primary schools in rural areas. Japan also provided \$300,000 for helping the people affected by the floods and landslides.

Economy

Poverty reduction was at the top of the NC government's economic agenda. It sought to achieve this goal by an array of strategies that included maintaining a sustainable and high economic growth rate; developing a social service sector that would provide the poor with access to economic opportunities; creating a healthy and efficient economic structure by resolving institutional, structural, and policy issues; and effectively implementing poverty reduction programs.² Aside from the political uncertainty, Nepal's economy continued to record an impressive growth rate of more than 5%. By November, it was stated that the fiscal year 2000/01 would continue to show a 5.9% growth. Growth was predicted to continue in the agricultural sector. This is of great importance in Nepal because agriculture is responsible for nearly 40% of the country's gross domestic product (GDP). Personal income was also expected to increase, though per capita gross national product in Nepal was expected to reach only \$258 per year.

During the fiscal year 1999/2000, the GDP grew by 6.3%, while the non-agriculture and agriculture sectors both grew by 4.9% and 7%, respectively. The trade and transportation sectors both recorded 5% growth rates. Trade volume was projected to grow by 16%–20%. But not all of the economic news was positive. For instance, tourism, a core sector of the Nepali economy, showed a downturn of 13% from the previous year. The flow of Indian tourists decreased by 32.33%. Obviously, the December 1999 Indian Airlines hijacking had a lingering effect.

2. See the finance minister's Budget Speech of Fiscal Year 2000–2001 (Kathmandu: Ministry of Finance, 2000), p. 8.

Conclusion

The year 2000 was significant in many respects. Despite the ongoing threat from Maoist insurgents, the major political parties continued to adhere to the multiparty system. The parties also pursued timely constitutional reforms. When he took power in March, Prime Minister Koirala spelled out three principal objectives: security, elimination of corruption, and good governance. While the possibility that he would achieve these objectives remained distant at year's end, the new discourse on the democratic process that has emerged should be useful for the country.