IPCS ISSUE BRIEF

Indo-Nepal Relations Transitional Phase, Testing Times

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Indian External Affairs Minister SM Krishna's visit to Nepal in January 2010 has come at a very crucial time. First, Nepal is in the last leg of the transitional phase as the May 2010 deadline approaches to submit the written constitution. This means the process of integration and rehabilitation of the Maoist combatants should also be completed by that time. While the written constitution would address the issues for which the insurgency was waged, the second would dismantle the infrastructure built to wage the insurgency. Normalcy should then return to Nepal.

Unfortunately, there is slow progress on both these issues and there is danger that deadlines may be missed. The fractured nature of consensus politics seen in 2009 threatens more than just the peace process in Nepal. It has the potential to hit at the democratic principles too, especially the civilian supremacy over the military unless corrective measures are immediately taken. Second, the fourth phase of UCPN(M) protest movement for civilian supremacy which began during the last week of December 2009 directly and indirectly targets India. Both the above developments are not in India's interests. In the post 2008 CA elections phase, Indo-Nepal relations have been defined to a great extent by the divisive politics within Nepal. What does mean to the stability within Nepal, Indo-Nepal relations and the regional security? Can India and the various political parties within Nepal revisit the flawed assumptions under which the relations are being conducted during this crucial transitional phase.

I POLITICS IN NEPAL FALLOUTS OF A FRACTURED CONSENSUS

It was clear from the beginning of the peace process following Jana Andolan II of April 2006 that consensus among all the political parties in Nepal was necessary to meet the specific goals of the transition phase. Sadly, conflict and confrontation is dominating Nepal's political scene. Results of the Constituent Assembly (CA) elections held in May 2008 shook the established political parties as the UCPN (M) emerged with the most number of seats. They obtained 229 seats in a house of 601 members. The Nepali Congress Party won 109 and the CPN(UML) 104 seats. The possibility of such a situation was not envisioned either by the domestic actors nor the external stakeholders, process especially India, when the peace commenced. The electoral politics not only re-set the power equations but doubts - real and imaginary arose regarding the agenda of the new winner. Fears arose regarding the possibility of the Maoists expanding their political space, by force, and consequently shrinking that of the other parties which had existed for decades. Instead of looking inward, analyze their disappointing performance and take corrective measures, these parties looked outward to set right the balance of power. Events followed showed that neither were the that established parties gracious losers nor were the Maoists sensitive winners. Confrontation was thus inbuilt in such a scenario.

The situation was further aggravated as UCPN(M) had not only the most number of seats in the CA elections but unlike other parties it also had its combatants in the cantonments. Though they were being monitored by the United Nations Mission in Nepal, there were apprehensions about the democratic credentials of UCPN(M) and that it would not hesitate to use them. Even with the combatants in the cantonments, had one of the established parties won the CA elections, Nepal would not have seen the rigidity which exists presently among all the political parties. The Maoists failed to understand these insecurities and did nothing to allay their fears both real and imagined.

However, as the Maoists did not win enough to form a government on their own, they needed the support of the established parties. Tough negotiations, bargaining and misunderstandings

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among the various political parties preceded government formation. The many discussions and debates that took place prior to the government formation broke down on sharing of the crucial sensitive ministries, especially the defence ministry. By the time the coalition government led by the Maoists was formed in August 2008 and much before the controversial issues relating to the Nepali Army broke out, the battle lines were already drawn. The NC (Nepali Congress), the main opposition party, followed a policy of obstructing the functioning of the legislative parliament till they were assured that the demands they raised relating to - return of the seized property to its rightful owners, abiding by the past agreements and understandings, scrapping of paramilitary structure of the Yong Communist League (YCL) would be adequately addressed and implemented. Some other parties to obstructed the legislative parliament on some or the other grievance.

The issue which triggered the crisis in Nepal in 2009 related to Nepal Army's recruitment of 3010 soldiers, reinstatement of eight retired Brigadier Generals, and their boycott of the National games - all overlooking the reservations and views of the elected government led by the UCPN(M). Debates which took place on these three issues further polarized the political parties - with UCPN (M) on one side and the other parties primarily the Nepali Congress leading them on the other. The NC boycotted the legislative parliament over the Maoists action of seeking clarification from the Army Chief on the three controversial issue. The NC also warned that it would wage a strong nationwide protest movement against the government if the Maoist-led government were to sack Chief of Army Staff General Rookmangud Katawal. These extreme positions left little scope for consensus and the deadlock continues even now. The UCPN(M) have since implemented a three phase protest movement demanding that the President's action of reinstating the Army Chief they had sacked be termed as 'unconstitutional' as it challenges 'civilian supremacy'. This only deepened the divide and polarized the views further. If not the issues relating to the army, there would have been some other issue leading to this polarization. Unfortunately, the casualty has been the peace process, consensus politics and

Post peace process, the army could feel that its interests will not be served by this party. If the Army were to take sides in the absence of political consensus in future, the first casualty would be democratic politics. constitution writing and the situation is no better now in the beginning of 2010.

Consequences of these divisive politics played over the sensitive issues relating to the Nepali Army in which consensus ought to be, peace process or no peace process, has the potential to blow up at a future date. With Madhav Kumar Nepal led 22 party coalition government in power, it may appear that the balance of power has been temporarily re-set. But, UCPN(M) is now an effective player in electoral politics in Nepal. Post peace process, the army could feel that its interests will not be served by this party. If the Army were to take sides in the absence of political consensus in future, the first casualty would be democratic politics. The vacuum created by politics being polarized could be filled by the army directly or indirectly. The UNSC tabling its latest quarterly report on Nepal's peace process said that tensions and mistrust between UNCPN (M), the government and the army threatened the peace process and there was a possibility that the peace process could collapse as the major disagreements continue.

All issues are now being seen through the fractured politics. For example, 98 key provisions to be incorporated in the new constitution were finalized by voting in the Constitutional Committee as political parties failed to forge a consensus. There is a possibility that some provisions which have merit could have been voted out because they belong to a particular party.

Implications for India

India's relations with Nepal have not only been deeply influenced by these divisive politics but it too has contributed to hardening these divisions. While officially welcoming the results, India too was surprised with the unexpected winner, UCPN (M) in CA elections. Undoubtedly, it too would have been comfortable, had one of the established political parties won. India had played a critical role, officially and unofficially, in initiating the peace process and bringing the Maoists into the mainstream. It could have used its influence effectively to sustain the consensus at the very outset when the first cracks were appearing. It did not. India is not being a neutral player which it needs to be in this crucial transitional period.

India suspected that its security interests would not be served with the UCPN(M) leading the government. While in power, the Maoists actions spoke of building close relations with China overlooking the traditional close relations between India and Nepal. For India, short term goal of having a familiar government of an established party preceded that of re-building consensus so that long term benefits of concluding a peace process could prevail. Some parties will be more sensitive to its security interests than the other, as it happens with other countries in the neighbourhood. India's grievances with the Maoist led government do have merit, but other strategies should have been adopted to address them.

Now, India's relations with UCPN(M), a real important permanent influential player having a mass base have been strained. India is looked upon by many in Nepal including the academia as following a policy of isolating the Maoists which is detrimental to the peace process.

II TARGET INDIA FOURTH PHASE OF THE MAOIST MOVEMENT

Fourth phase of UCPN(M) protest movement for 'civilian supremacy' which began in the last week of December 2009 targets India. Divisive politics within Nepal have now drawn India into it. This not only affects relations between the two countries but also the public opinion which is a critical decisive element in policy formulation on relations between them.

The UCPN(M) leaders have said that Nepal's sovereignty is in serious danger and is more important than civilian supremacy; that the present government in Nepal was acting at the behest of New Delhi; that Indian imperialism has been the main constraint to constitution writing and peace process. The alleged comment by the Indian Army Chief that they are against integration of the Maoist combatants in the Nepal Army further created controversy. So much so that the Indian embassy in Nepal issued a statement which intended to communicate that they were not the views of the government. The Maoists dispatched their leaders to different border points on the Indo-Nepal border where they alleged encroachment had taken place by the Indian organized mass gatherings in these side and places. They also burnt Indo-Nepal treaties which they considered unequal. On the eve of the Indian Foreign ministers visit, UCPN(M) said that Nepal Army had imported a large quantity of arms and ammunition from India by violating the peace accord. The NA clarified that NA brought trucks and other vehicles as per requirement and no arms were in these vehicles.

It needs to be remembered that these allegations arise from leaders of the UCPN(M) who have on earlier occasions shown a very clear understanding of the close relations between the two countries, the need to continue and the Even in a scenario where the transition phase concludes and a temporary consensus is arrived at to complete the peace process, politics in Nepal will be divided and polarized.

importance of India for Nepal. The fourth phase of protest movements reflects their frustration over the continued deadlock; disappointed with India's role; they not being able to play the lead role of heading the government in this critical transition period which they feel is theirs given the nature of results of the CA elections; and the hardliners in the party gaining more ground.

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SCENARIOS FOR INDIA

Given the present deadlock, two developments give a flicker of hope. First is the formation of the High Level Political Mechanism (HLPM) led by Nepali Congress President Girija Prasad Koirala. The other two members are UCPN(M) Chairman Prachanda and UML Chairman Jhala Nath Khanal with the Prime Minister as an invited member. HLPM is expected to pave the way for smooth peace process, constitution drafting and ending the months long political uncertainty. This mechanism has come in for criticism and rightly so by elements in all the political parties. Despite this, if it is able to help resolve deadlock and build consensus, it would have served a useful purpose.

Second positive development is Prime Minister Nepal's proposal which aims to complete all works related to the Maoist combatants including their by April 30th 2010. The Army integration Integration Special Committee will debate this and garner consensus on the number of Maoist combatants to be integrated into state security agencies and forces and those who want to charter their own career in politics and those who just want to be rehabilitated back into society. This proposal also has come in for criticism from those who take an extreme view that there should not be any integration of the Maoist combatants for otherwise there will be civil war. India should actively use its influence both official and unofficial to build the consensus necessary for otherwise further delay will only deepen divides leading to instability.

There is the possibility of another scenario where the political parties and groups of the marginalized sections, the various organizations representing the indigenous and ethnic communities, the civil society all put pressure and fill the vacuum of consensus politics so that a

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middle ground is arrived which helps in completing the peace process so that the transitional phase ends. This could happen for Jana Andolan II was a peoples movement led not by leaders but by the people for an inclusive constitution which would usher in a new inclusive socio-political-economic life. Divisive politics will only delay the implementation of this progressive agenda, and the people will rise to build a consensus where the leaders failed.

this scenario India's influence though In present will be marginal and it would have to react to events as was seen immediately after Jana Andolan II when it had to hastily abandon its policy of supporting constitutional monarchy and spell out that the wishes of the people of Nepal is supreme. If consensus fails there could be a scenario, where violence and protests break out by not only the Maoist combatants but the other armed groups which have emerged post Jana Andolan II 2006. In these will be included those marginalized groups who too can become violent and have shown in the recent past their capacity to do. Not to forget the youth wings of the political parties like Young Communist League (YCL) and the Youth Force. There will be an absence of stabilizing forces, calling for a military response. India would then have to help the Nepal Army through arms and training as it had done during the insurgency days. In this scenario, while India's help militarily would be important so that the scales are in favour of Nepal Army, it's influence on the course of action would be the least as there will be multiple actors now. The instability would also spill over into India's border areas. In this scenario India will not be able to play the critical role it did to help the Maoists and the established political parties come together in the12 point agreement of 2005 and start the peace process. The failure of the democratic forces will only increase the role of the Army having long term negative effects. This scenario should be avoided.

Even in a scenario where the transition phase concludes and a temporary consensus is arrived at to complete the peace process, politics in Nepal will be divided and polarized if events of 2009 are any indication. The political parties and their leaders in Nepal have been divided earlier too as was seen in the decade following the Jana Andolan I of 1990. The situation now is further polarized with the UCPN(M) as a legitimate mainstream political party along with the other identity based political parties representing aspirations of the marginalized groups. The constitution would leave many elements dissatisfied with the nature of federalism and other ethnic rights. Hopefully the constitution should provide a mechanism to address these issues. Also some of the political parties will have new

leaders with whom India would have to build relations for the mutual benefit. India should be prepared for the change and should not cling on to the past. Even if the peace process is concluded, once the transitional phase ends Indo-Nepal relations will be entering a difficult terrain. India would have to maintain close relations with all the political parties, implement programmes which directly benefit the people and focus on economic development. India will have to learn to handle these divisive politics and support issues and not persons.

IV CONCLUSIONS

Indian foreign minister's January 2010 visit provided an opportunity for India to reassess its own policy and the peace process first hand. India spelled out its commitment for the peace process, constitution writing and stability. India expressed its concern over the UCPN(M) fourth phase of protest movement in its discussions with their leader Pushpa Kamal Dahal who also expressed their concerns on national sovereignty and civilian supremacy. The leaders were positive about the discussions and India seems to have conveyed that it wants to treat all the parties equally. The Indian minister had discussions with all the important leaders in Nepal. Towards the end of the visit a 20 point joint press statement was issued wherein they agreed to cooperate closely to combat the threat of terrorism and extremism which was a threat to both countries: control cross border crimes such as smuggling of fake India currency etc; agreed to expedite the finalization of MoU for the construction of the Nepal Police Academy at Panauti with India's assistance; maintain peace and law and order along the Indo-Nepal border; review the 1950 Treaty of Peace and Friendship with a view to further strengthen bilateral relations.

Indian policy towards Nepal in this transitional period should be based on the twin pillars of building consensus among the political parties there and adopting measures which will fulfill the goals of Jana Andoaln II.

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