
ISAS SEMINAR

THE NEPAL CRISIS: THE ISSUES AND THE WAY FORWARD

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22 February 2007

The Nepal Crisis: The Issues and the Way Forward



- **Unified as a nation state by King Prithvi Narayan Shah the Great in 1768.**



- **Prior to this, 22 different principalities existed within Nepal.**
- **Nepal was never colonized and has remained independent throughout history.**

- **Land-locked country between India and China. Famous for Mount Everest & as Birthplace of Lord Buddha.**
- **Gorkha soldiers work for the British and the Indian Armies – well-known for their honesty and bravery.**
- **More than 1.5 million Nepalese work abroad. In 2004/05, the remittance inflow was US\$992 million, accounting for 12.4% of Nepal's GDP.**
- **Has 86% Hindus, 8% Buddhists and 4% Muslims among total population of 27.7 million.**



- **Westminster style multi-party democracy established in 1990.**
- **Murky politics: 15 Prime Ministers in 15 years.**
- **Cases of nepotism, corruption, riots and instability marked 1990-1996.**
- **Maoist Movement started in 1996.**

- **Maoist's People's War (February 1996 to April 2006)**
- **13,190 people died during the insurgency**
- **400,000 were internally displaced**
- **Infrastructure worth US\$250 million was destroyed**





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- **State of Emergency declared in 2001 and 2005 to counter the Maoists.**
- **Difficult terrain, unemployment, open border with India, unstable politics and a motivated guerrilla force foiled counter-insurgency operations.**
- **Army strength of 90,000 proved inadequate, coupled with irregular logistics supply.**

- **Counter-Insurgency marked by rape, torture, human rights abuse and killing of innocent civilians.**
- **Tourist arrivals dipped as strikes and blockades increased. Business activity slowed down with abduction and extortion drive by the Maoists.**
- **By 2004, 60 out of 75 districts were badly affected by the insurgency. Parallel courts, administrative units of the Maoists were set-up in almost the entire rural area.**
- **Parliament was dissolved by the Prime Minister in October 2002. Local elected bodies were also dissolved. Fresh poll date was not announced.**





- **King takes over the executive of the state on 1 February 2005 saying that he will control the situation and revive the elected institutions.**
 - **His takeover is viewed as a power-grab, India stops military supplies.**
 - **Maoists and political parties come together**
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- **China steps in to fill the void, supplies ammunition to Nepal Army. Nepal responds by proposing China as an observer in SAARC.**
 - **Nepalese political leaders meet Maoist leadership in Delhi. Twelve-point understanding signed. Call for joint agitation against the King.**



- 21 people died in April 2006 movement against King's direct rule.
- King re-instates parliament dissolved in 2002. 84 year old G. P. Koirala becomes Prime Minister for the 4th time. Ceasefire agreement with the Maoists.

- 1990 Constitution is abrogated, interim Constitution is announced. Monarchy is stripped of all powers.
- Nepal is declared a “secular” country. Maoists join interim parliament.
- Constituent Assembly elections to be held in June 2007.
- Maoists agree to lock up their arms under UN Supervision.
- UNSC sets up a Nepal mission to monitor CA elections.

- **Nepal has 52 different ethnic groups. Most of them have started demanding federal structure based on ethnic lines. With the end of the Maoist rebellion, a new conflict has emerged.**
- **JTMM and MJF have demanded more rights to the *terai* people. Looting, arson and vandalism resulted in 15 deaths in January 2007.**
- ***Terai* is the main industrial, agricultural area of Nepal. Economy has been crippled with the on-going agitation.**
- **King Prithvi's statue vandalised. Increasing possibility of the Balkanization of Nepal.**

- **Possibility of Nepal settling down in the post-CA phase looks grim. Hindu groups demanding the restoration of “Hindu Kingdom.”**
- **Economy has the potential of taking off, 83,000 MW of un-harnessed hydro-power potential.**
- **Nepal could be a transit state between two giant economies.**

IMPLICATIONS FOR INDIA

- **India helped the Maoist-parties to come together last year. Wants to see Maoists enter mainstream competitive politics.**
- **But Maoists are linked with Naxalites, member of CCOMPOSA.**
- **Unstable Nepal with open border could be used by anti-Indian elements.**
- **Riots near U.P.-Bihar border a worrisome trend.**

IMPLICATIONS FOR CHINA

- **Easiest way in and out of Tibet. Tibetan refugees, Free Tibet Movement, Khampa Rebellion, Fleeing of Karmappa Lama.**
- **Extended UN presence in Nepal not desirable.**
- **Increasing role of extra-regional powers, human rights bodies could take undue interest in Tibet affairs.**

Thank You!

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