

Nepal Crisis Heightens Tensions in Region

by Ramtanu Maitra

The June 1 palace massacre in Kathmandu, which killed King Birendra, Crown Prince Dipendra, and several other close members of Nepal's royal family, has further deepened political and social crisis in the mountain kingdom, considered one of the poorest countries in the world, and poses some danger to the region as well.

The massacre has led King Birendra's younger brother, Prince Gyanendra, to become the 11th King of the Shah dynasty, an accession not welcomed by the people of Nepal, nor by a section of the Army. It is evident that King Gyanendra, in addition to establishing his legitimacy to the throne under a most bizarre set of circumstances, will have to carry out detailed and impartial investigations of the palace massacre. It is a tall task, and without cooperation from the people, may be insurmountable.

At the time King Birendra got gunned down inside the palace, Nepal was already in a most unstable condition. A burgeoning Maoist insurgency movement, which now controls about 50 of Nepal's 75 districts, has begun to set up its bases within Kathmandu, the capital. The Maoist group was formed in February 1996 when the Nepal Communist Party (Maoist) and the United People's Front (UPF) started their "people's war" for the establishment of a Mao-style dictatorship of the proletariat. This followed a meeting on July 1, 1995 between the Indian Communist Party (Marxist-Leninist)—also known as People's War Group—and the Nepal Communist Party (Maoist). Since then, the Maoist group has declared war on the parliamentary system prevailing in Nepal. The five-year-old "people's war" has already cost 1,500 lives, the majority of them Maoists. Police casualties have risen to more than 200.

Success of the Maoist group is a direct fallout of the failure of the mainstream political parties, mainly the Nepali Congress Party. Since 1990, when the absolute monarchy was changed, through street demonstrations, into a constitutional monarchy—although the Army remained under the monarch—nine governments have taken charge of the nation, and all of them failed miserably.

Today 81% of Nepalis are still dependent on agriculture for work; 16% work in service sectors, while a tiny 3% work in some form of industry. At least 45% of Nepalis live below the poverty line, and the annual budget for the nation of 23 million people is still less than \$1 billion. Moreover, a majority of the budget goes to shore up the towns, particularly,

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Kathmandu. Poverty remains all-pervasive in rural areas where the Maoists rule the roost.

Tourism remains the major foreign-exchange earner, and along with tourism, vices have anchored their roots deep into Nepal. Some foreign exchange is also earned through such legitimate activities as textiles and carpet exports. Nonetheless, 60% of Nepal's developmental budget has remained dependent on foreign aid.

Changing Allegiances and Governments

King Gyanendra's claim to the throne is still being disputed in the streets and alleys of Kathmandu. He belongs to the family that took over the Nepali kingdom in the 18th Century. In 1768, Prithur Narayan Shah, whose family had migrated in the 15th Century from India, became the first king of the Shah dynasty.

During the Cold War days, Nepal got caught in the Sino-Indian rivalry and suspicions. Kathmandu played the perfect role of a buffer state, switching its favors from one to the other from time to time. Prior to 1989, Nepal maintained a position of non-alignment in foreign affairs, carefully balancing relationship with China, the Soviet Union, the United States, and India. The Soviet Union and the United States were major

aid donors. A 1956 treaty with China recognized Chinese sovereignty over Tibet and officially terminated the century-old Tibetan tribute to Nepal. All Nepali troops left Tibet in 1957. The Sino-Nepalese border treaty of 1961 defined Nepal's Himalayan frontier.

India's geographical proximity, cultural affinity, and substantial economic aid render it the most influential foreign power in Nepal, but its military and political interference in Nepal's affairs has been a constant source of worry for the government. In 1969, Nepal cancelled an arms agreement with India, and ordered the Indians to withdraw their military mission from Kathmandu and their listening posts from the Tibet-Nepal borders. In 1989, the Indian government closed its borders with Nepal to all economic traffic, bringing Nepal's economy to a standstill. During the early 1990s, Nepal developed closer ties with China.

Weeks of street protests and general strikes forced King Birendra to proclaim a new constitution that legalized political parties, asserted human rights, abolished the *panchayat* (independent village rule) system, and vastly reduced the King's powers in a constitutional monarchy. In the 1991 parliamentary elections, the centrist Nepali Congress Party won a slim majority and formed a government, which collapsed in 1994. Following a succession of failed coalition governments, the Nepali Congress Party once again won a majority in the 1999 legislative elections.

The Crisis behind the Massacre

Because of its strategic location, and because of its economic weakness, Nepal has become a target of a number of disruptive forces—functioning often in tandem, but to achieve different goals. For instance, King Gyanendra, who is considered one of the wealthiest individuals, having stakes in Kathmandu casinos and some profit-making industrial activities, is a die-hard conservationist. He is the head of the Britain-Nepal Society and the King Mahendra Trust for Nature Conservation.

This association has brought King Gyanendra very close to the British royal household, particularly to Prince Philip, Duke of Edinburgh, who founded the World Wildlife Fund (since renamed the World Wide Fund for Nature). As a result, the WWF has a very big presence in Nepal; what is disturbing, is the fact that the Maoists are ruling the roost in the large “nature reservations” maintained by the WWF.

It is for this reason that there exist unsubstantiated rumors that Gyanendra has developed close relations with the Maoists. His objective, the rumors claim, is to further weaken the parliamentary democracy and re-establish an absolute monarchy. However, the Maoists have not spared Gyanendra's industrial facilities.

But Gyanendra's love for conservation is more than skin deep. Last November, the WWF had its 39th annual conference in Nepal, attended by Duke of Edinburgh. The show belonged to Gyanendra, who had brought 12 religious groups

to join hands with the conservationists and umpteen international non-governmental organizations (NGOs) that populate the country's hilly terrains. Some of the NGOs work for the tourist agencies, but the vast majority of them are extensions of the WWF, collecting data and information to preserve nature, and building up their intelligence data base.

In recent years, the proliferation of drugs, and the money that comes with it, has also brought Pakistan's Inter-Services Intelligence (ISI) into Nepal. The Indian Airlines hijacking in the Winter of 2000, carried out by some Pakistanis, originated from Kathmandu and was orchestrated by ISI agents. As recently as May, a Pakistan embassy official was told to leave Nepal, following a raid in his house where RDX explosives and other contraband items were discovered.

The Maoist group, which has a direct link with the Indian People's War Group, is the most virulent anti-India force in Nepal. The Maoist insurgents identify themselves with the narco-terrorist Shining Path (Sendero Luminoso) of Peru. It is likely that a direct contact exists between the two groups.

Nepal has close to 85,000 megawatts of hydropower potential, but not even 1% of it has been exploited. The Maoists will not allow hydropower development to take place, because Nepal does not have industry to consume it. That means the power would be sold to India and the Indian economy would benefit from it. On this matter, there exists a perfect coalition among the WWF, Pakistan's ISI, and the Maoists. There are other interested parties that have joined this nexus. Indian intelligence reported years ago that a number of Dutch academics, under the umbrella of the Netherlands Institute for Concerned People (NICP), have been working with the People's War Group.

In addition, New Delhi watches carefully Kathmandu's China connections. According to one media report, during Chinese Prime Minister Zhu Rongji's recent visit to Nepal, the rise of the Maoists was brought to his attention. Zhu made it clear that the Chinese Communist Party has no links with the Maoists in Nepal.

However, New Delhi believes that if the Maoists come to power in Nepal, both Pakistan and China would get close to the regime. As a result, believe some in Delhi, Nepal, in essence, will function as an anti-India nation, participating in the “encirclement” of India.

Already the Maoist influence in Nepal, and the presence of of the Pakistani ISI, have boosted the secessionist groups' morale in India's northeast region. While Myanmar is becoming more aware of the danger and is providing military help to India to curb these guerrilla-separatists, developments in Nepal and Bangladesh are decidedly negative.

The key at this point is the Indian reaction to the palace killings. India had been cautious and has put the bordering eight districts on alert. India media personnel were attacked by Nepalese, because the Indian news services carried the Nepali government's version of what happened in the palace. Indian overreaction remains a danger.