

# NEPAL'S CONSTITUTION (II): THE EXPANDING POLITICAL MATRIX

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## NEPAL'S CONSTITUTION (II): THE EXPANDING POLITICAL MATRIX

### EXECUTIVE SUMMARY

The peace process and stalled constitution writing exercise, in particular the debate about federalism, have expanded Nepal's political matrix. Identity politics is a mainstream phenomenon and new ethnic-based and regional political forces are coalescing. Actors who want a federal structure that acknowledges Nepal's many identities have allied, overcoming other political differences. The Maoist party has split. Once centrist forces have moved to the right. All parties are grappling with factional and ideological divisions. Old monarchical forces are more visible. How these political shifts will settle depends on the parties' decisions on resuming constitution writing and future electoral calculations. The Constituent Assembly has been dissolved after failing to deliver the new constitution on the 27 May deadline. The constitution was to establish federalism and address the demands of marginalised groups. Social polarisation over these issues compounds constitutional uncertainty and the legislative vacuum. The tensions around federalism and fluid political equations threaten to provoke volatile confrontations.

The elections to the Constituent Assembly in 2008 changed Nepal's political landscape, and not only because the Maoists unexpectedly emerged as the largest party after ending their decade-long insurgency. The new Madhesi parties representing the plains populations of the southern Tarai belt became the fourth largest force in the assembly. The Maoists and Madhesis argued Nepal needed what they called ethnic federalism. Devolution of state power to new states created along ethnic lines is meant to address the historical marginalisation of *janajati* or ethnic or indigenous groups and Madhesis. *Janajati* groups did not become a mainstream parliamentary phenomenon then, but the issue became the centrepiece of the peace process, which envisaged sweeping structural changes. Since the election, the traditional Nepali Congress party and the Communist Party of Nepal-Unified Marxist Leninist (UML) have rejected many aspects of the proposed socio-political transformations, notably by opposing identity-based federalism.

In May 2012, when it looked as if identity-based federalism was slipping away, *janajati* politics came together. A multiparty caucus of ethnic Constituent Assembly (assembly) members became assertive. An informal pro-federal-

ism alliance emerged, which included the Maoists, a large front of Madhesi parties and the *janajati* caucus, putting identity at the centre of Nepali politics. There are also social or intellectual movements associated with all pro-federalism actors. Outside political circles, the general public is increasingly asking that all parties clarify their positions.

The ramifications of the Maoist split, which was made official in June 2012, are unclear. The smaller new party says the Maoists surrendered too much during the peace process. But the division was also about personal rivalries and ambitions. The breakaway party says it will not immediately launch another war and is reaching out to diverse, sometimes mutually hostile actors, including former Maoist fighters, ethnic activists and ultra-nationalists. The establishment party – what remains of the original Maoist party after the split – is much stronger, but has serious problems of discontent and factionalism within its ranks. Both Maoist parties are struggling over assets and cadres; these contests could spread even to factions within the parties. A protracted feud is also certain over which of the two parties is more faithful to the agenda of transforming Nepal and to leftist ideology.

The Nepali Congress, the second largest party after the 2008 elections, has led the fight against federalism and inclusion. It has other serious problems, including a leadership crisis, factionalism and discontent among top leaders. Meanwhile, the UML, the third largest party in the last assembly, took disciplinary action against members sympathetic to ethnic demands. These members are under pressure from ethnic groups to choose between their party, which refuses to compromise on identity-based federalism, and their constituencies, which are increasingly favourable to it.

Both the Congress and the UML are popular in Nepal's opinion-making circles and must decide if they want to cater primarily to the upper-caste, upper-class and urban elites, or return to a broader social base. They have moved from occupying what was traditionally considered the centre in Nepali politics to being on the right. This space is for those who claim that federalism, political inclusion and minority rights damage national unity and meritocracy. Actors in this position consider that inequality has pri-

marily economic bases and that policies addressing ethnic discrimination harm individual rights. They define themselves as democratic as opposed to the Maoists and ethnic groups, who they present as illiberal and to the far-left or subversive.

The far-right is occupied by a monarchist party and other formerly royalist actors, who have gained some visibility and confidence. This is more due to the mainstream parties' sloppiness and bad faith than widespread nostalgia for the monarchy. Although there is little chance of the king returning, other aspects of the old system, particularly Hinduism, could be deployed in new political ways to counter the anxieties that stem from federalism.

Cooperation between the Maoists, Madhesi front and *janajatis* would have seemed unlikely until recently, as there are many contradictions between these groups. These will persist, but the parties are likely to still find common ground. Their ability to forge and maintain electoral alliances, however, will depend on local circumstances and will be challenging. *Janajati* leaders will compete with Maoists, old Maoist-Madhesi tensions could resurface and Madhesi-*janajati* relations are still often far from warm.

The Madhesi parties, prone to repeated splits, are unlikely to lose their collective hold over Madhesi loyalties. Yet they too must recalibrate. Their repeated splits, the perception that they are more corrupt than the other parties and increasingly visible caste politics could reduce their collective bargaining power.

The ground has shifted beneath Nepal's peace process. New forces – organised and spontaneous, pro- and anti-federalism, inside and outside parties – complicate negotiations but must have their say. The parties and leaders assume there is no alternative to themselves. They are wrong. The anxieties and expectations surrounding federalism are a widespread phenomenon. The shift towards potentially polarising ethnic politics is encouraged because mainstream political actors are scattered, often vague and sometimes dishonest, distracted by mutual sniping and prone to making undemocratic and unsympathetic deals. These mainstream politicians need to set their own houses in order, listen to others, know what they stand for and get on with the constitution. Otherwise they risk ceding political space to extremists of every hue who might appear more pragmatic and sympathetic to a frustrated polity.

**Kathmandu/Brussels, 27 August 2012**

## NEPAL'S CONSTITUTION (II): THE EXPANDING POLITICAL MATRIX

### I. INTRODUCTION

Political parties have been the fulcrum of Nepal's peace process.<sup>1</sup> The design of the peace process is premised on the primacy of parties and assumes they will behave in well-ordered, homogenous ways. The reality is that all of them, including the new ones, still demonstrate the well-documented dysfunctions that hobbled democratic politics throughout the 1990s – dictatorial leaders, little consultation on policy, barely any internal voting, backroom deals, patronage networks and corruption, caste or regional affinities, resistance to dissent, dismissiveness of smaller voices, being or using proxies. These behaviours have had a direct impact on the parties' ability to enter into a sustained and substantive negotiation on the peace process and constitutional issues.

Ideological differences have been equally critical and underpin the present impasse. Nepal's recent political history has been marked by a series of polarisations. During the 1990s and the insurgency, it was between the monar-

chy and the political parties. With the monarchy's demise after the 2006 peace deal, it was between the traditional parties and the former rebels, the Maoists. Now, the war-time Maoist army has been disbanded and the party itself has split. After the war and the 2006 Jana Andolan or People's Movement, the street protests that unseated the king and began the peace process, new political space opened up. This was filled not only by the Maoists, but also by identity-based groups such as Madhesis and ethnic *janajatis*.<sup>2</sup>

The commitments to address inequality and marginalisation on the basis of identity in the 2006 Comprehensive Peace Agreement (CPA)<sup>3</sup> were refined in 2008 after the Madhes Andolan or Movement pushed for federalism to be included in the interim constitution.<sup>4</sup> The Madhes An-

<sup>1</sup> For an account of how political party dynamics hindered constitution writing and contributed to the end of the Constituent Assembly and parliament, see Crisis Group Asia Report N°233, *Nepal's Constitution (I): Evolution not Revolution*, 27 August 2012. For previous Crisis Group reporting on the role of the parties in the peace process, see Crisis Group Asia Reports N°106, *Nepal's New Alliance: The Mainstream Parties and the Maoists*, 28 November 2005 and N°126, *Nepal's Peace Agreement: Making it Work*, 15 December 2006. For extensive background on the tendencies and behaviour of political parties and the Nepali state, see Crisis Group Asia Report N°194, *Nepal's Political Rites of Passage*, 29 September 2010. For the parties' engagement with peace process and how factional and ideological disputes have affected constitutional negotiations, see Crisis Group Asia Briefings N°131, *Nepal's Peace Process: The Endgame Nears*, 13 December 2011; N°120, *Nepal's Fitful Peace Process*, 7 April 2011; Asia Reports N°199, *Nepal: Identity Politics and Federalism*, 13 January 2011; N°128, *Nepal's Constitutional Process*, 26 February 2007; N°132, *Nepal's Maoists: Purists or Pragmatists*, 18 May 2007; and N°104, *Nepal's Maoists: Their Aims, Structure and Strategy*, 27 October 2005. For the relationship between individual parties and international actors, and the role of the Nepal Army, see Crisis Group Asia Reports N°173, *Nepal's Future: In Whose Hands?*, 13 August 2009 and N°211, *Nepal: From Two Armies to One*, 18 August 2011.

<sup>2</sup> For the purposes of this report, "*Janajati*" refers to the umbrella term for a large number of ethnic groups, most from the hills, who are outside the caste Hindu system and claim distinct languages, cultures and, often, historical homelands. Since the 1990s, this ethnic or "nationalities" definition has included a claim of indigeneness. "Madhesi" refers to the umbrella term for a population of caste Hindus residing in the Tarai region who speak plains languages and often have extensive economic, social and family ties across the border in northern India. "Tharu" refers to the indigenous populations of the Tarai plains. Other terms include "Dalits", or Hindus considered "untouchable" by upper-caste groups of "Muslims", who can be of both plain and hill origin, though they predominantly live in the Tarai. "Upper caste" refers to members of the two highest castes hill- or *pahadi*-origin Hindus, Brahmins and Chhetris. Similar upper-caste groups are also part of Madhesi Hindu populations, but unlike the hill upper-caste groups, they are not closely associated with the dominant culture of Nepal. For more on identity politics, see Crisis Group Report, *Nepal: Identity Politics and Federalism*, op. cit.

<sup>3</sup> The full text of the CPA is available at [www.un.org.np/node/10498](http://www.un.org.np/node/10498). Clause 3.5 addresses discrimination and inclusion. The "socio-political transformation" and related issues such as land reform are addressed in other clauses, including 3.6, 3.7, 3.10 and 3.12.

<sup>4</sup> Other concrete changes as a result of the Madhes movement, as well as *janajati* or ethnic agitations in 2007 and 2008, were amendments to the electoral system to include proportional representation for parties and some legislation to make state institutions more inclusive. More nebulous but equally powerful calls continue for greater "recognition" of Nepal's many non-dominant identities. Federalism itself is not seen as being only about de-

dolan became a political and electoral phenomenon, in addition to being a social movement dedicated to ending discrimination against Madhesis, who are caste Hindus from the Tarai plains and have extensive cultural and familial ties across the border. A few ethnic activists also took the path of party politics in 2008, joining established parties. Now, ethnic actors in mainstream parties and outside them are considering a similar transition into mainstream politics along identity lines. The larger traditional parties, which have steadily moved rightward, are also trying to clarify their positions and take stock of their changed constituencies.

The federalism debate is the defining issue in Nepali politics for the foreseeable future. The Maoists, Madhesis and newly influential ethnic actors want the country to be restructured such that non-dominant Nepali identities are acknowledged through the names and borders of the new states. Members of historically marginalised groups also claim greater and more meaningful representation in politics and state institutions, a demand usually called “inclusion”. The Nepali Congress and UML argue that going down this road will atomise the Nepali polity, weaken the state and make it vulnerable to manipulation by external actors. They also say it will penalise poor members of the dominant upper-caste Hindu communities. While it is possible for the major actors to negotiate compromises on federalism, they cannot give up the project of state restructuring entirely, as this will invite a backlash from the many groups that see federalism as their best chance to improve their lives. Resuming negotiations to write the new constitution is therefore critical.

The parties have not decided on the best way to return to negotiations on constitution writing. This decision is inextricably linked to a change of government. When the term of the Constituent Assembly ended on 27 May, Nepal also lost its parliament, as the same body performed both functions. The government in power at that time, a centre-left Maoist-Madhese coalition headed by Prime Minister Baburam Bhattarai, continues as caretaker. The Congress, UML and numerous smaller parties are in opposition. When the assembly ended, Prime Minister Bhattarai announced elections to a new Constituent Assembly for November 2012. That date is not realistic without a political agreement and given the time constraints on the election commission. The next window for elections is March-May 2013. A number of politicians across the board say that instead of holding elections to a new assembly, the old one should be reinstated and negotiations resumed in that context. As the Interim Constitution allows for neither option, any further move will in effect be unconstitutional and only feasible if all the parties agree to it.

The opposition parties ask that before any decision is made on the constitution, the prime minister step down in favour of a new government under their leadership. The Maoists and other pro-federal actors are concerned giving up the reins of government without guarantees on constitutional issues will allow the Congress and UML to put federalism on the back burner. Each side believes that the political landscape will change in the next election, whether it is to a new Constituent Assembly or a general election under a constitution. The pro-federalists believe there is a critical mass in their favour. Their opponents calculate that they can capitalise on the public's disillusionment with the parties and fear of change. Yet, neither is certain of winning. All actors are therefore driven by considerations of their own political futures as well as their agendas.

This paper examines the potential for the parties to adapt to their new circumstances. It first describes the split in the Maoist party and the constraints that both parties face. It then analyses the challenges established and emerging political actors face in defining agendas that are both distinctive and broadly appealing. A companion report published simultaneously, *Nepal's Constitution (I): Evolution not Revolution*, describes the impact that debates on federalism and identity politics had on the Constituent Assembly, which ended before the constitution was completed, and analyses the options available to reopen negotiations on the new constitution. Together, these two reports describe the interplay of issues, political behaviours and the constantly shifting balance between actors that will determine whether and when Nepal will get a constitution and what it will look like.

Research for this paper was carried out in Kathmandu, Banke, Bardiya, Kailali, Kanchanpur, Dadeldhura, Doti, Dhanusha, Siraha, Saptari, Morang, Sunsari, Jhapa, Dhanu-kuta, Ilam and Panchthar districts; Maoist People's Liberation Army Sixth Division cantonment in Dasarathpur, Surkhet district and First Division Cantonment in Chulachuli, Ilam district in May, August, October and November 2011 and between April and July 2012. Interviews were conducted with members and senior leaders of Nepal's political parties across the spectrum, as well as activists, journalists and researchers.

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centralisation or devolution, but also about recognising the many narratives among Nepal's extremely diverse population.

## II. THE REVOLUTIONARY SPLIT

For almost a decade, rumours circulated of an imminent split within the Maoists, but they remained more cohesive and disciplined than their highly factionalised rivals. Until recently, there had been three factions within the Unified Communist Party of Nepal-Maoist (UCPN-M or the “establishment” or “parent” party): that of Chairman Pushpa Kamal Dahal “Prachanda”; that of former Senior Vice Chairman Mohan Baidya “Kiran”; and that of Vice Chairman Baburam Bhattarai, who is also the prime minister. Longstanding ideological disputes and personality clashes have led to a vertical split in the party.<sup>5</sup> On 19 June 2012, the faction led by Baidya, often regarded as more dogmatic, announced the formation of the Communist Party of Nepal-Maoist (CPN-M, or “the new Maoist party”).<sup>6</sup>

There had been sharp differences between the Baidya faction and the establishment led by Prachanda and Bhattarai over strategic moves like disbanding the party’s army, the People’s Liberation Army (PLA), the position vis-à-vis India and tactical alliances with other parties. Many long-time members believed the party was compromising too much of its core agenda, including ethnicity-based federalism and Nepal’s sovereignty.<sup>7</sup> Throughout the peace pro-

cess, the Baidya faction was sidelined from decisions on the constitution and the PLA, as Prachanda was the primary mediator with the other parties. The latter is accused of imposing his views on the party. But the split was not only about ideology or strategy. Among top leaders, there are competing personal ambitions at play. Many members and cadres are also disillusioned by what they perceive as corruption and greed displayed by some leaders.<sup>8</sup>

Chairman Baidya has said the party is not preparing for an all-out insurgency. He is less clear about whether a “people’s revolt” – generally understood as an urban insurrection – is still on the table.<sup>9</sup> Policy decisions are on hold until the new party’s general convention planned for February 2013. Until then, it will focus on strengthening its organisation and weakening the government. When negotiations begin about whether to revive the assembly or hold elections, the new party, which is now a separate political force with its own ideology, will need a seat at the table.

The CPN-M has so far attracted war-time party members, former members of the PLA, ethnic or *janajati* members, and members under 40.<sup>10</sup> Although some senior leaders have business interests, the new party is seen as relatively untarnished by the wheeling and dealing the leadership of the UCPN-M is adept at. It caters primarily to cadres and sympathisers of the Maoist movement, not necessarily to voters or the Maoist party’s recently-cultivated bourgeois and middle-class supporters.<sup>11</sup>

The new party is portrayed as having split from the bottom up. Although this is an overstatement, its various levels do appear to be more integrated and in contact with each other than the establishment party, which at times resembles a large bureaucracy with increasingly out-of-touch

<sup>5</sup> For Crisis Group reporting on the development of the current rift within the Maoist party, see Crisis Group Briefings, *Nepal’s Peace Process: The Endgame Nears*, and *Nepal’s Fitful Peace Process*, both op. cit.; and Crisis Group Report, *Nepal: From Two Armies to One*, op. cit. See also Crisis Group Reports, *Nepal’s Maoists: Purists or Pragmatists*, and *Nepal’s Maoists: Their Aims, Structure and Strategy*, both op. cit. This section is based on interviews with members in the politburo and central committee of both Maoist parties as well as researchers in Kathmandu, from January to March and May to June 2012, district-level leaders from different factions in Banke, Bardiya, Dadeldhura, Doti, Dhankuta, Dhanusha, Jhapa, Kailali, Kanchanpur, Morang and Sunsari districts between April and June 2012; and some Maoist combatants and commanders in Kathmandu in March 2012.

<sup>6</sup> Recent Crisis Group reporting has sometimes characterised the dissident faction as “dogmatic” or “purist”. These labels explain ideological positions relative to the mainstream, including the Maoist establishment, but they do not adequately reflect the appeal of the new party, its practical decisions, capacity or organisation. “These labels make us sound like irrational warmongers. This is not true. Rather, we have a strong ideological and analytical basis for our position”, said a Baidya faction leader in the eastern Tarai. Crisis Group interview, Janakpur, May 2012. Crisis Group has previously argued against using a “hardliner”-“softliner” distinction. Crisis Group Report, *Nepal’s Maoists: Purists or Pragmatists*, op. cit., p. 2.

<sup>7</sup> For example, senior leader Ram Bahadur Thapa “Badal”, who was general secretary of the UCPN-M and has the same position in the new party, described the handover of Maoist combatants, weapons and cantonments to the Nepal Army in April

2012 as “an extreme form of liquidationism”. “Hardliners condemn PLA handover to NA”, *The Kathmandu Post*, 11 April 2012.

<sup>8</sup> Sudheer Sharma, “Maobadi rupantaranko antim gantho”, *Kantipur*, 14 March 2012.

<sup>9</sup> “People’s revolt” and “urban insurrection” are used synonymously to denote the final stage in the capture of state power through violent means. Baidya complains that he is misquoted by the media as demanding an immediate revolt. Yet, this option is clear in the political document he presented at the June 2012 Kathmandu conclave, which endorsed the split. Mohan Baidya, “Nawa sansodhanbadka biruddha bichardharatmak sangharsha chalaudai krantilai nayadhangale aghi badhau”, June 2012. Baidya has often said that the peace process will not help the party attain its goals, only a revolt will. See, for example, Mohan Baidya, “Bartaman paristhiti ra hamro karyabhar”, political document presented at Palungtar plenum, November 2010.

<sup>10</sup> Crisis Group interviews, journalists, Maoist party members, researchers, March-June 2012.

<sup>11</sup> Crisis Group interviews, researchers, former member of the Maoist party, Kathmandu, June 2012. See also Sudheer Sharma, “Itihas doharyaune akanshya”, *Kantipur*, 20 June 2012.

leaders.<sup>12</sup> The CPN-M took away about 30 per cent of the parent party's central committee, and about a third of its former assembly members. But if the assembly were reinstated, this would still fall short of the number required to form a separate parliamentary entity. Indeed, the new party would need 40 per cent of the establishment party's central committee members or parliamentarians.

There will be further realignments between the two parties and even within them. Some members may only take sides after broader politics settles. Even after the split, all is not well in the establishment party. There are factional struggles and mutual suspicion and recriminations, as well as competition over resources. As both parties and various factions attempt to woo each other's members and consolidate, these differences could sharpen. The establishment party could also face heightened tensions as it debates next steps related to the election or revival of the assembly and deals with the frustrated ambitions of many in its own ranks, including the chairman, Prachanda.<sup>13</sup>

The current dynamics could lead to some violence between the two Maoist parties.<sup>14</sup> There have been disputes over who owns district party office buildings, some of which are worth millions.<sup>15</sup> There could be confrontations over the control of resources including construction contracts, "donations", and business interests.<sup>16</sup> Occasional

clashes between the party's different factions had occurred even before the split, particularly in the powerful and lucrative trade union.<sup>17</sup> The parties may clash when cadres are mobilised for political programs. The CPN-M is strengthening its youth wing, the People's Volunteers Bureau, while the UCPN-M has said it will mobilise its Young Communist League (YCL).<sup>18</sup>

The enduring fight between the parties will be over their agenda, and what went wrong and when.<sup>19</sup> Both sides claim to stand for the same revolutionary goals, namely transforming the Nepali state, and say their position is correct. The new party had long argued that the assembly would not be able to frame a "pro-people" constitution with forward-looking state restructuring because of the conspiracies of "foreign powers and their stooges".<sup>20</sup> The demise

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For more, see Crisis Group Briefing, *Nepal's Fitful Peace Process*, op. cit., pp. 8-9

<sup>12</sup> See for example, Dil Bahadur Chhatyal, "2 injured as Maoists clash", *Republica*, 8 April 2012. The Bhattarai and Prachanda factions have also clashed. See "Maoist unionists clash, three hurt", *Republica*, 29 March 2011; "Trade union leader attacked", *The Kathmandu Post*, 28 August 2011.

<sup>13</sup> The People's Volunteers Bureau is still in the planning stage. It was formed before the split, under the leadership of Netra Bikram Chand "Biplov", who is now a senior leader in the breakaway party, in March 2011. At the time, it was an attempt by Prachanda to divide party responsibilities among factions to reduce discontent and neutralise opponents. The YCL is the militant youth wing formed by the Maoists after the People's Liberation Army was sent to cantonments at the start of the peace process. YCL activity was significant until 2010, as the party carved out political space and economic opportunities at the local level. Dismantling the league's "paramilitary structure" was a major demand of the Nepali Congress and others. Since 2010, the YCL has been significantly less visible. The party's interests were more well-established and it could afford to "concede" the YCL. The UCPN-M also uses other entities for more explicit political mobilisation, such as its ethnic fronts and professional groups. For more on the YCL, see Crisis Group Reports, *Nepal: From Two Armies to One*, op. cit., p. 20, and *Nepal's Political Rites of Passage*, op. cit., p. 9.

<sup>14</sup> There has been a lively exchange of jargon-laden insults between the factions. Prachanda has accused the Baidya faction of being "dogmatists ideologically with a mechanical, narrow interpretation of objective reality; leftist liquidationists politically; anarchists organisationally; and with petty bourgeois impatience". The Baidya faction countered by calling Prachanda and Bhattarai "opportunists ideologically; bureaucratic and anarchic individualists organisationally; and politically, rightist-revisionist liquidationists and national and class capitulators". Pushpa Kamal Dahal, "Partyko tatkalin karyayojana ra karyakrambare prastav", 29 March 2012; Press release by Baidya and Ram Bahadur Thapa, 4 April 2012.

<sup>15</sup> Before the split, the Baidya faction accused Prime Minister Bhattarai of being an Indian "stooge" and asked that the deal which holds the ruling Maoist-Madheshi alliance together be scrapped as it too had been engineered by India. Crisis Group

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<sup>12</sup> Party leaders including both Bhattarai and Baidya have frequently accused Prachanda of adopting "bureaucratic centralism", instead of being in constant touch with the masses and addressing their concerns. See, for example, "Maoist plenum to take up conflicting documents", *Republica*, 14 September 2010.

<sup>13</sup> The parties had come to a tentative agreement on a semi-presidential system of government and Prachanda wants to be Nepal's first directly elected president. Delays in writing the constitution or a re-negotiation of all issues jeopardises this ambition.

<sup>14</sup> In some districts the margin between the two groups is narrow and there has been contestation in district committees and fraternal organisations. There could be some correlation between the size and strength of the party in a district and the intensity of future power struggles. By April 2012, for example, in Banke, Bardiya, Kailali and Kanchanpur – all districts with a strong Maoist party presence – the district committees had split, but neither side was giving up easily and there were sporadic clashes between supporters. In Dadeldhura and Doti, where the Maoists' presence is not as powerful, this struggle was less visible.

<sup>15</sup> Crisis Group interviews, cadres from both Maoist parties, Kathmandu, June 2012. For example, there were clashes between activists of both parties over the Chitwan district office, which is estimated to be worth Rs.50 million (\$556,367). The breakaway party occupies it now. See "12 hurt as rival Maoists clash", *The Kathmandu Post*, 1 July 2012.

<sup>16</sup> The Maoist party and individual leaders have a broad range of commercial interests. Some are explicit and others are through proxies. Beyond that, at the district level, there has often been contestation between various parties over the award of tenders.



of the assembly only confirms that, they argue. The establishment party claimed it was right: identity-based federalism is still on the table and no constitution was imposed by India, as the Baidya faction had feared. In fact, “the assembly ended because we didn’t give up the party’s policy on identity-based federalism”, an establishment party central committee member told Crisis Group.<sup>21</sup> The UCPN-M says it is in power and so controls the army.<sup>22</sup> (This is a disingenuous stretch, as the army is controlled more accurately by a multiparty cabinet and it, in any case, retains a degree of autonomy.) It also says the secular republic is unthreatened and, for these reasons, the “peace and constitution” line was correct.

## A. GROWING APART

The Maoist party’s official line has been to pursue “peace and the constitution”.<sup>23</sup> This has meant letting the PLA go, negotiating a new constitution roughly in line with the party’s goals, embracing multiparty democracy and electoral politics, and acknowledging that the international context is not favourable for revolution. In terms of ideology, the Baidya group argues that the Maoist movement should aim to establish a classic communist regime through countrywide insurgency, urban insurrection and a “people’s constitution”.<sup>24</sup> Prachanda and Bhattarai, on the other hand, say the best option is to agree with the other parties on the constitution, master the present system, wait for a favourable international balance of power and then capture state power.<sup>25</sup> The countrywide insurgency was needed to reach the present point.

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Briefing, *Nepal’s Peace Process: The Endgame Nears*, op. cit., pp. 8-9. The Baidya group believes that Indian “expansionism” is the main obstacle to a socialist revolution in Nepal.

<sup>21</sup> Crisis Group interview, Maoist establishment party central committee member, Kathmandu, June 2012.

<sup>22</sup> Prachanda himself phrased it somewhat differently. At a public meeting in Kathmandu on 9 June 2012, he claimed that the Nepal Army’s arms had come under the party’s control and that the military was not a threat to the party. Bhojraj Bhat, “Puranai tush”, *Nepal*, 17 June 2012. This is clearly posturing, as the relatively muted reaction of the other parties underscores.

<sup>23</sup> Awkward as it is, “peace and constitution” is an often-used phrase both by the Maoists and by commentators.

<sup>24</sup> The Maoist party’s Second National Conference in 2001 concluded that the “people’s war” alone was not enough to capture state power. An armed urban insurrection was needed alongside insurgency in rural areas. For details, see Crisis Group Report, *Nepal’s Maoists: Their Aims, Structure and Strategy*, op. cit., p. 3 and 23. A “people’s constitution” is meant to “empower the oppressed majority” and let it manage state affairs – a proletarian-led state, in other words.

<sup>25</sup> Baburam Bhattarai, “Party ko rajnitik ra sangathanatmak karyadisha ra tatkal karyayojana”, political document presented at Palungtar plenum, November 2010.

In the 2005 Chunbang central committee meeting, the party made the paradigm-shifting decision to accept a democratic republic until international conditions became suitable for revolution. This allowed the Maoist leadership to ally with the mainstream democratic parties, at that point sidelined by the then-king’s February 2005 coup, and paved the way for the 2006 People’s Movement, the unseating of the king and eventually the Constituent Assembly. But neither Baidya nor another senior leader, C.P. Gajurel, was part of this decision.<sup>26</sup> Both were in prison in India at the time. When they were released after the November 2006 Comprehensive Peace Agreement, they protested this “revisionism”. Baidya argues that his delayed release was part of an Indian design to weaken the revolution.

In 2007, the Maoists were part of an all-party interim government. At the party’s plenum in Balaju that year, Baidya said the party should leave the government and prepare for a “people’s revolt” to seize state power and establish a “new democracy”. But the establishment argued that the present political phase, which it describes as bourgeois-democratic and capitalist, could not be bypassed.<sup>27</sup>

After that, the party’s “dialectical process”, often a euphemism for disagreement, became less and less reconcilable. At the 2008 national conclave in Kharipati – when the Maoists were leading the government and Prachanda was prime minister – Baidya said the Chunbang consensus should be abandoned. Instead, the party should declare

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<sup>26</sup> The decision has a long history. In 2001, at the Second National Conference, Prachanda proposed conditions for the Maoists to join government: an interim government (including them), a roundtable with all interested parties and elections to a Constituent Assembly. At this time, the party also adopted Prachanda Path, a set of strategies to tailor its existing doctrine of Marxism-Leninism-Maoism to the Nepali context, which the party said was in the grip of both feudalism and imperialism. Some features included fusing proletarian revolution and national liberation, using a protracted people’s war, insurrection and something called “democratisation of the seizure of power”. “Mahan agragami chhalang: Itihasko apariharya avashyakta”, *Historical Documents of CPN (Maoist)* (Kathmandu, 2007), pp. 150-204. For more on Prachanda Path, which has been quietly dropped since 2009, see Crisis Group Report, *Nepal’s Maoists: Their Aims, Structure and Strategy*, op. cit., pp. 23-24. Between 2001 and the 2006 People’s Movement, there were two ceasefires and peace talks in 2001 and 2003.

<sup>27</sup> See Mohan Baidya, “Naya baicharik spastata ra naya krantikari andolan shristigarnayekjuthau”, proposed political document from the Balaju plenum, August 2007. “New democracy” preserves elements of capitalism, including some individual economic activity, but this “Marxist stage” of capitalism is conducted under the leadership of the proletariat. See Crisis Group Report, *Nepal’s Maoists: Their Aims, Structure and Strategy*, op. cit., p. 3; Aditya Adhikari, “The Ideological Evolution of the Nepali Maoists”, *Studies in Nepali History and Society*, vol. 15, no. 2 (2010), p. 245.

India its “principal enemy” and work to make Nepal a communist state. The central committee was evenly split; only leader Ram Bahadur Thapa “Badal”, now in the new party, was neutral. The party’s guiding document thus incorporated both Prachanda’s “peace and constitution” line and Baidya’s views.<sup>28</sup>

At its 2010 plenum in Palungtar, the party again adopted a hodge-podge of both lines: to pursue the peace process while preparing for a “people’s revolt”.<sup>29</sup> This changed again the following year at the Perisdanda meeting, when Prachanda pushed through his “peace and constitution” line exclusively.<sup>30</sup>

Earlier in 2012, the divide was cemented when a central committee decision allowed the Maoists to become “one party with two [political] lines”. “Soon, we could be two or more parties”, a pro-Baidya politburo member said in March.<sup>31</sup> At the sub-national level, the Maoist party organisation includes district committees, committees of various ethnic groups and state committees, unions, numerous “fraternal organisations” and village-level cell committees. These bodies were considered the hardest to split. By March 2012, however, they had begun to separate across the country. “I am not really sure I have the authority to conduct business anymore”, a far-western district-in-charge told Crisis Group in April.<sup>32</sup> In some districts, the factions were conducting simultaneous public programs, which sometimes led to clashes. In one district, the rift had affected the Mao-

ists’ participation in the “all-party mechanisms”, which work with the administration on governance.<sup>33</sup>

In June, when the Baidya faction held its national gathering of party cadres, even an offer from Prachanda to resign as party chairman was not enough. Neither side wanted to be seen as breaking the party up, but the differences had clearly become irreconcilable. The end of the assembly with no constitution on 27 May was an adequate excuse to split. The new draft constitution could also have triggered the break, with the Baidya faction arguing that it was not revolutionary enough and that ethnicity-based federalism had been abandoned.<sup>34</sup>

Ideology and party decisions tell only part of the story. Party members, especially in districts, also often criticise the behaviour of leaders. The UCPN-M is a sprawling web of corporate and other interests. The increasing prosperity of the party and its members has led to allegations of corruption, nepotism and favouritism.<sup>35</sup> Party management has been a source of tension, with Prachanda seen as authoritarian.<sup>36</sup> After 2007, the Maoists expanded by merging with smaller leftist parties and recruiting new members from a broader social base. Its decision-making bodies at all levels have thus had to accommodate influential newcomers with different priorities and working methods. The Prachanda faction is seen to have gained most from the peace process, financially and in terms of control over the party. Many senior leaders in the CPN-M

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<sup>28</sup> “Krantikari karyadisha tatha karyanitiko thap bikash gardai naya baicharik yekrupta ra sangathanatmak yekata hasil garna yek jut hau!”, political document endorsed at Kharipati meeting, Bhaktapur, November 2008.

<sup>29</sup> See Crisis Group Briefing, *Nepal’s Fitful Peace Process*, op. cit., Section III.A for more on post-election differences between Baidya, Prachanda and Bhattarai.

<sup>30</sup> See “Dahal’s peace stance riles hardliners”, *The Kathmandu Post*, 20 April 2011.

<sup>31</sup> Crisis Group interview, Kathmandu, March 2012. The immediate reasons were the Baidya faction’s increasing opposition to the 1 November 2011 deal that would eventually end the PLA. For more, see Crisis Group Briefing, *Nepal’s Peace Process: The Endgame Nears*, op. cit. The Baidya faction also objected to Prime Minister Bhattarai’s dealings with India and with the Madhesi front and asked him to resign. To avoid a split before the party had made preparations for it, Prachanda agreed to let Baidya hold separate programs. The dissident faction began to travel to districts to expand its support base. The party establishment followed suit. Crisis Group interview, Maoist politburo member of the new party, Kathmandu, May 2012.

<sup>32</sup> Crisis Group interview, Maoist party district-in-charge, Kanchanpur, April 2012. By early June, the split had reportedly occurred all the way down, including at village level. Kiran Pun, “Will the Maoist party split at last?”, *Republica*, 6 June 2012.

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<sup>33</sup> In Kanchanpur district, representatives from both Maoist factions had been attending the all-party meetings and their arguments had disrupted proceedings for months. Crisis Group interview, journalist, Kanchanpur, April 2012. See also “Maoist factions hold parallel rallies”, *The Kathmandu Post*, 7 April 2012.

<sup>34</sup> Crisis Group interviews, researcher, journalists, Kathmandu, March-June 2012. On 15 May 2012, the leaders of the major parties signed a deal on federalism that had never been discussed before. This was rejected outright by numerous identity-based groups from all parties, including the Maoists, through aggressive street protests. Many argued, especially in the Baidya camp, that this deal demonstrated that Prachanda, in particular, was selling out the Maoist commitment to ethnicity-based states with preferential rights for titular groups. See Crisis Group Report, *Nepal’s Constitution (I)*, op. cit., Section II.A.3.

<sup>35</sup> Allegations of corruption come from within the party and outside. For example, see Ram Sharan Mahat, “Feudal order’s new incarnation”, *The Kathmandu Post*, 13 March 2012 and Sarojraj Adhikari, “Bistarit dhanayuddha”, *Kantipur*, 21 July 2012. “*Dhanayuddha*”, or “wealth war”, is a play on the Nepali term for “people’s war”, “*janayuddha*”. See also Section IV.B, “Former Maoist combatants” and Crisis Group Briefings, *Nepal’s Peace Process: The Endgame Nears*, op. cit., p. 5, and *Nepal’s Fitful Peace Process*, op. cit., p. 10.

<sup>36</sup> See for example, Ram Karki, “Tesro Bikalpa”, political document presented at the establishment party’s plenum, July 2012. Also see Lekhanath Neupane, “Bikritiko sagarmatha”, *Annappurna Post*, 3 August 2012.

feel that they were left out during distribution of new responsibilities in the party and the division of ministries when the Maoists joined the government.<sup>37</sup>

## B. THE END OF THE MAOIST ARMY

The Maoists' People's Liberation Army (PLA) has in effect ceased to exist. So, it would appear, has the process of integrating some Maoist fighters into the Nepal Army and rehabilitating or retiring the others. Most, possibly even all, combatants will end up taking voluntary retirement and a cash pay-out. Few, if any, will enter the army after awaiting that very opportunity for years. "Integration", as it is commonly called, was a cornerstone of the Maoist engagement with the peace process. The party used to insist integration be respectful, that is, combatants' contribution to the creation of a secular republic should be acknowledged, they should be treated as equal to their counterparts in the national army and be automatically absorbed into that institution, rather than go through a selection process. Over the past year, it has given up most of these demands.<sup>38</sup>

An agreement was reached in November 2011, nearly five years after the CPA, on the future of the Maoist fighters.<sup>39</sup> The political parties agreed that a maximum of 6,500 of the approximately 19,600 listed combatants would enter or be "integrated" into the Nepal Army. The Baidya group, many of whose members were close to the PLA and commanders, argued that the deal was insulting and incomplete. This was not the merger of two armies they had expected, but was instead a recruitment process.<sup>40</sup>

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<sup>37</sup> Crisis Group interviews, researchers and Maoist party members, October-November 2011, March and May 2012. See also Sudheer Sharma, "Maoibadi rupantaranko antim gantho", op. cit. Leaders from smaller communist parties were inducted into the standing committee, politburo and central committee, as well district and state committees. For example, when the party united with the Communist Party of Nepal (Unity-Centre Masal) in 2009, 31 of its members were attached to the 95-member Maoist central committee. "Those who joined the party after the peace process are opportunists. They are not committed like those of us who have been with the party since before the war". Crisis Group interview, Maoist party in-charge who has since joined the new party, far-western region, April 2012.

<sup>38</sup> For a comprehensive look at the role of the PLA and the security sector, see Crisis Group Report, *Nepal: From Two Armies to One*, op. cit.

<sup>39</sup> For details of the deal, its early implementation and challenges ahead, see Crisis Group Briefing, *Nepal's Peace Process: The Endgame Nears*, op. cit.

<sup>40</sup> For example, Dev Gurung, a Baidya faction leader, claimed that: "Army integration is [stagnant] because the parties have failed to understand the notion that integration is either the merger of two armies or the formation of a separate force". "Gurung

It was clear straightaway that there would be challenges. At an initial survey shortly after the deal, over 9,700 combatants opted for integration. It appeared as if commanders had exerted pressure to raise the numbers. Factional politics within the Maoist party also played a role. There were differences among Maoist leaders about the ranks at which combatants would enter the Nepal Army and whether educational qualifications they attained after formally entering into the peace process would be considered.

All parties were under pressure to move the integration process forward. An important sign of this was the hand-over of combatants and weapons. The cross-party special committee overseeing integration and rehabilitation agreed to survey the remaining fighters a second time to see if fewer combatants now wanted to enter the Nepal Army.<sup>41</sup> It also decided that the military would take over PLA cantonments, fighters and weapons by 12 April 2012.<sup>42</sup> This would be a signal to fighters that they were now part of the national army, even if some issues remained disputed. It would also be a clear sign that the peace process was now irreversible. The Nepali Congress had long said it could not freely negotiate constitutional issues as long as the Maoist army was still standing and demanded that "irreversible" steps be taken to dismantle the PLA.

On the night of 10 April 2012, days before the proposed handover, these issues came to a more dramatic head than any side had anticipated.<sup>43</sup> All day, there had been reports of tensions and unrest in the cantonments. Some combatants were unhappy about being asked to choose integration over voluntary retirement. Others wanted clarity on the matter of rank and education. Still others accused commanders of favouritism, nepotism and even ethnic bias in their selection of people for better positions in the army. Since the peace deal, combatants had contributed some of their monthly salary to a party-run provident fund. There were allegations of corruption and accusations that the party wanted too large a share of the retirement cheques.<sup>44</sup>

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speaks in House against Dahal-led panel", *The Kathmandu Post*, 23 June 2011.

<sup>41</sup> The Special Committee for the Supervision, Integration and Rehabilitation of Maoist combatants was formed in October 2008 while Prachanda was prime minister. It comprised members from the Maoists and all other mainstream parties.

<sup>42</sup> "Cantonments to be vacated by April 12", *Republica*, 31 March 2012.

<sup>43</sup> Crisis Group interviews, high-ranking members of the special committee and its technical branch, Maoist combatants and commander, army officers deployed in the cantonments, in Maoist army Sixth Division Cantonment, Dasarathpur, Surkhet, 12 April 2012 and First Division Cantonment, Chulachuli, Ilam, 14 April 2012.

<sup>44</sup> See, for example, "Cheques of 32 combatants seized", *The Kathmandu Post*, 12 February 2012; "Ex-commanders demand

Disagreement over what to do with the cantonment property spread as fears emerged that fighters would take over the 3,000 weapons locked in the seven cantonments. Since the cantonments were established in 2007, the Maoist army's chain of command had been taken for granted as reliable and strong. By nightfall, it had broken down.

In the evening, Prime Minister Bhattarai ordered the Nepal Army to take immediate control of the cantonment security, particularly for the weapons. In some cases, nearby units of the paramilitary armed police had already been called in to protect commanders. That fully armed military personnel entered PLA cantonments in the middle of the night with no negative reaction from the combatants was telling. The war-time hostility between the two armies had dissipated or at least the combatants were angrier at their own commanders and the party than at anyone else. The Nepal Army behaved with extreme restraint, which helped matters. The next day, combatants began streaming out of the cantonments, laden with bundles, tin trunks and their children. Inside, the army was conducting patrols and sorting through the Maoist weapons and ammunition. It is this somewhat surreal end to the PLA that the Baidya faction calls "surrender" and "humiliation".<sup>45</sup>

In the fresh survey conducted after this, the number of combatants wanting to be integrated in the army dropped from over 9,700 to just over 3,100. With the end of the assembly, some of these former fighters fear another long stalemate. "What if they forget about us?", a young company commander asked. "I think I should take the money and retire".<sup>46</sup>

On 4 July, the Nepal Army began verifying educational qualifications and age of combatants. The process was immediately stopped by combatants who refused to accept the army's recruitment standards and the unresolved question of education levels arose again.<sup>47</sup> Most of the combatants who still wanted to integrate at this time were from the Prachanda faction. At the establishment party's plenum in mid-July, they too protested, saying the integration process was not dignified and resembled recruitment. At the same time, many former PLA commanders

were being charged with corruption.<sup>48</sup> Prachanda then threatened that none of the remaining combatants would opt for integration and would instead choose voluntary retirement unless the Nepali Congress and UML agreed to be flexible on recruitment standards, leaving the Nepal Army no choice but to comply.<sup>49</sup> As threats go, it is empty, as the traditional parties have resisted the idea of integration from the start.

As members of Mohan Baidya's new Maoist party decide on their next steps, they are likely to keep alive resentment about how the PLA was treated. They have already mobilised some of the disgruntled "disqualified" combatants, not always in peaceful ways.<sup>50</sup> It is premature to speculate how many former combatants might be willing to go underground again in the service of another People's Liberation Army.<sup>51</sup> Some retired combatants will certainly continue to do party work, with one party or another. They could be mobilised for ethnic activism or electoral campaigning. All of these activities potentially contain an element of violence. Many combatants may just want to resume normal life or do mainstream political work, but others could be influenced by a combination of resentment towards the party and the promise of a fresh agenda, such as ethnically-motivated armed struggles.<sup>52</sup>

## C. THE NEW MAOIST PARTY

### 1. Short-term strategy

The CPN-M is silent on whether it prefers a revival of the old assembly or fresh elections to a new one. It is also unclear about whether it will try to win over more Maoist members in a revived assembly, so it can be recognised as a parliamentary force, or more members of the central committee to be recognised by the election commission. Until it decides how to deal with these questions, its actions

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probe against Dahal", *Republica*, 21 July 2012; and Madhav Basnet, "Hisabkitabko khoji", *Nepal*, 29 July 2012.

<sup>45</sup> Prime Minister Bhattarai, acting on a request from Maoist party chairman Prachanda, convened the special committee, which formally made the decision to do the handover immediately.

<sup>46</sup> Crisis Group telephone interview, Dasarathpur, Surkhet, June 2012.

<sup>47</sup> On 6 July, combatants in all seven cantonments had stopped the process, saying it was insulting and warning of street agitations. "Ladaku chhanot karya sthagit", *Annapurna Post*, 7 July 2012.

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<sup>48</sup> See, for example, Madhav Basnet, "Hisabkitabko khoji", *op. cit.*

<sup>49</sup> "Maoists for 'final talk' to revise 7-point deal", *The Kathmandu Post*, 22 July 2012.

<sup>50</sup> A total of 4,008 combatants were "disqualified" from the PLA by a UN-run verification process in 2007 for having been underage or recruited after a certain cut-off date. For background on the grievances of the disqualified and some links to the Baidya faction, see Crisis Group Briefings, *Nepal's Peace Process: The Endgame Nears*, and *Nepal's Fitful Peace Process*, both *op. cit.*; Crisis Group Report, *Nepal: From Two Armies to One*, *op. cit.*

<sup>51</sup> Though there were reports of combatants loyal to Baidya being instructed to eschew integration to join the new Maoist party. "PLA integration process begins sans excitement", *The Kathmandu Post*, 5 July 2012.

<sup>52</sup> See Crisis Group Briefing, *Nepal's Peace Process: The Endgame Nears*, *op. cit.*; Crisis Group Report, *Nepal: From Two Armies to One*, *op. cit.*

are limited to sniping at the parent party and building up its organisation.

In rhetoric and action, the CPN-M is modelling itself on the Maoist party's activities during the insurgency and in the early years of the peace process. It will likely expend some energy on criticising what it calls the "ideological and moral deviations" of the establishment party, particularly by highlighting its "betrayal" of former combatants and "double standards" on identity-based federalism.<sup>53</sup> In addition to reaching out to former combatants, the party plans to build the potentially militant People's Volunteers Bureau, its youth wing, and wrest resources from the parent party. Leaders also demand a roundtable meeting with political parties, and also a broad range of the emerging identity-based and regional forces, to resolve the current crisis. The CPN-M will continue to demand, possibly through protests, that the prime minister step down. It plans to help "safeguard national sovereignty", which means anti-India protests, possibly in alliance with other forces they consider nationalist, including some in the far-right.<sup>54</sup>

The purpose of the People's Volunteers Bureau is to work on "security, construction of physical infrastructure and production". In practice, this will mean everything from competing for tenders and muscling in on the timber trade, to expanding its influence locally as an independent actor by getting involved in governance, informal policing, community mediation of conflicts and the like. The People's Volunteers Bureau is not an organised force yet, but there are plans to recruit former combatants and members of fraternal organisations. Party leaders say the bureau will be a combat force that could be transformed into a new People's Liberation Army in the future.<sup>55</sup> The CPN-M will

have to manage a balancing act with former combatants, capitalising on discontent and feelings of humiliation while at the same time encouraging veteran fighters to contribute some of their retirement packages to the new party.

Party leaders are holding closed-door meetings and training programs for cadres in the districts. Contrary to their public statements, they are telling members to be ready for an armed urban insurrection or, failing that, a new insurgency. The leaders argue that the "objective conditions" for revolution are similar to those in 1996, when the "people's war" was started, and so there could be support for another insurgency.<sup>56</sup>

At the heart of the new party's strategy for mobilisation is its association with ethnic groups and the strength of its own ethnic leadership.<sup>57</sup> Even before the split, the Baidya faction was reaching out to ethnic and Madhesi actors who had not been co-opted by the establishment party and its Madhesi coalition partners.<sup>58</sup> Yet Baidya himself, like some other traditional Marxist ideologues in the new party, is known to be sceptical of ethnic demands, believing they are secondary at best, when not actually in contradiction with class-based politics.<sup>59</sup> Thus although there might be some utility in a tactical alliance, the party could find it difficult to sustain a wide and deep relationship with ethnic politics.

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<sup>53</sup> Biplov has been organising disgruntled former combatants for close to two years.

<sup>54</sup> Crisis Group interviews, researchers, Kathmandu, March 2012; telephone interview, politburo member of the new Maoist party, Kathmandu, June 2012. The roundtable is an old demand of the Maoist movement. Many thought the Constituent Assembly was an adequate substitute. See also Section II.A. The far-left and far-right are ultra-nationalist constituencies and anti-Indianism is a critical component of Nepali nationalism. All Nepali parties clamour for the title, although the fervour with which they adopt it at any time is directly related to the state of their relationship with India. For example, the Congress is embittered by the silent treatment it is currently getting from India and so could well add its voice to nationalist protests.

<sup>55</sup> Crisis Group telephone interview, politburo member of the new Maoist party, Kathmandu, July 2012. The bureau plans to act as the Young Communist League did from 2006 to 2010. This means functioning as an informal local police, fundraising by collecting "donations", facilitating the trade in expensive herbs and forest products, influencing the award of construction contracts and government tenders. When the bureau was initially formed in March 2011, headed by Biplov, it was meant to be an umbrella for the YCL and a cross-section of "progressive

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nationalist youth". The party had said the bureau would have 500,000 members, but its expansion stalled when factionalism deepened in the party. Before the split, the Baidya faction formed a seventeen-member committee to set up and manage the People's Volunteers Bureau that included three former PLA division vice commanders. See "Maobadile goshana garyo waisiel jastai byuro", *Kantipur*, 16 March 2011; "Baidya faction revives People's Volunteers Bureau", *Republica*, 25 April 2012. <sup>56</sup> Swarup Acharya, "Yasai barsha chhapamar yuddha: Chand", *Nagarik*, 10 July 2012.

<sup>57</sup> For example, Suresh Ale Magar, a player in the new party, was a prominent ethnic activist before he went underground with the Maoists in June 2000. He still has broad and deep connections with ethnic actors and organisers.

<sup>58</sup> In March 2012, Baidya formed a front with eleven ethnic parties and organisations, demanding a constitution with federalism, ethnic and regional autonomy, inclusion and proportional representation. "11 dalsanga Baidhyako morchabandi", *Nagarik*, 24 March 2012.

<sup>59</sup> Crisis Group telephone interview, politburo member of the new Maoist party, Kathmandu, July 2012. Baidya treads a tricky path in the paper he presented at the June 2012 national gathering where his party was formed. He argues that the proletarian leadership should treat ethnic issues as part of the ongoing class struggle and criticises "imperialists and expansionists", which means foreigners, for disengaging ethnic issues from class issues. Mohan Baidya, "Nawa sansodhanbadka biruddha bichardharatmak sangharsha chalaudai krantilai naya dhangale aghi badhau", op. cit.

The CPN-M is also building a foreign relations network. The head of its international bureau has briefed Indian leftist leaders.<sup>60</sup> Chairman Baidya has reportedly visited China in July, as has senior leader Netra Bikram Chand "Biplov". The purpose of Baidya's visit is unclear, but the party has been at pains to suggest that he returned with backing to "safeguard national sovereignty".<sup>61</sup> Beijing, party leaders say, is unhappy with the establishment party's pro-India stance and believes there is too much Indian and Western intervention in favour of identity-based federalism.

It is extremely difficult to evaluate these claims. There is precedent for China emphasising the importance of Nepal's sovereignty and the need for nationally-owned decisions. There is far less evidence for allegations of Chinese support for specific political positions or actors in Nepal. Beijing's main concern in Nepal is pro-Tibet activism there. Since the assembly ended, there are increasing comments in private from senior leaders, government officials and some in the diplomatic community of an emerging Chinese position on federalism in Nepal. They say that Beijing has seemed concerned that federalism along identity lines and too many relatively strong and autonomous federal states along Nepal's northern border could make it difficult for Kathmandu to control what in Nepal is called "anti-China activity", the official language used to describe pro-Tibet activism.<sup>62</sup> If *janajati* actors perceive that the new party is adopting such positions, this could make an alliance difficult.

Some of the new party's most publicised activities so far have involved extortion. For example, local businessmen are again allegedly being shaken down for "donations".<sup>63</sup> This helps raise funds and the party believes it gives ca-

dres a sense of purpose. Private schools, long a bane of the Maoists, are again in focus. The CPN-M says it is targeting schools that charge high fees and have foreign names in order to appeal to the "urban middle class". This is entirely counter-intuitive. Targeting schools opens the party to criticism from a wide range of actors. It is more plausible that schools are a good source of income and an easy target. They do often charge high fees and private education is terribly regulated.<sup>64</sup>

The CPN-M is long on vision and criticism of the establishment, but short on practicality. Except for a few die-hard loyalists, revolt has little appeal. The party has not definitively rejected the current peace process either. But its senior leaders have stayed away from mainstream political negotiations since the 2008 elections, even if they are now trying to enter the process through support for identity politics. In contrast, establishment leaders gained experience in mainstream democratic politics and cultivated a wide range of relationships.<sup>65</sup> Electoral success is also difficult. The new party is attracting cadres, rather than general supporters, for one. For another, it will have to balance an intricate set of often competing class-based, ethnic and upper-caste constituencies, especially in the mid and far west where it is strongest. It is completely silent on how it will manage these contradictions. While the nationalist agenda gets actors air-time and can support one-off strikes, it does not help cement any party's position in larger politics. Until the party presents a clear plan and program, its role could be limited to spoiling, rather than suggesting ways forward.

## 2. Organisation and strength

The composition of the CPN-M is telling. Around 30 per cent of the parent party's central committee left. Of these 44 members, 40 are from the war-time central committee.<sup>66</sup> Five of the undivided Maoist party's sixteen standing

<sup>60</sup> "Baidya emissary hobnobs with Indian leaders", *The Kathmandu Post*, 20 July 2012.

<sup>61</sup> Crisis Group interview, new Maoist party politburo member, Kathmandu, July 2012. "Chin Nepal ma rajnaitik sthirata chahanchha: Kiran", *Janadisha*, 27 July 2012.

<sup>62</sup> Crisis Group interviews, Kathmandu, August 2012. When the vice minister of the Communist Party of China's International Department, Ai Ping, visited Nepal in June 2012, he cited China's difficult experience with developing states equally to prioritise "infrastructurally feasible" states. Quoted in "Focus on economy, not ethnicity", *The Himalayan Times* online edition, 30 June 2012. A Nepali political scientist recently wrote that China had realised that India's support for identity-based federalism in Nepal was to ensure a weak, divided Nepali state unable to control anti-China activities. Deepak Gajurel, "Chinlai baipas garnasakne thaun chaina", *Drishti*, 7 August 2012.

<sup>63</sup> "Collecting donations" is usually a euphemism for extorting individuals and businesses. See, for example, "Nayadal ko chanda atanka", *Nagarik*, 3 July 2012. For some time during the war and until recently in the peace process, this was an all-purpose tool in the Maoist box. The use of muscle also reinforces the group's local dominance.

<sup>64</sup> For example, on 16 July 2012, the student wing of the new party vandalised two education institutions with "foreign" names and torched a bus belonging to another Kathmandu school alleging fee-gouging. See "Baidya's cadres vandalise schools over name, fee issues", *The Kathmandu Post*, 17 July 2012 and "Nayadal ko chanda atanka", op. cit.

<sup>65</sup> See also Sudheer Sharma, "Itihas doharyaune akanshya", op. cit.

<sup>66</sup> Crisis Group interviews, central leaders of both Maoist parties and journalists, Kathmandu, June 2012. The central committee of the parent party had 149 members. Of the fifteen surviving members of the party's original nineteen-member central committee that launched the war; nine joined the new party. At its largest during the war, the central committee had 95 members. The UCPN-M had 236 members in the Constituent Assembly; 72 or just under one third defected. For some months, a list had circulated of 92 parliamentarians reportedly with Baidya; this would have meant that the party had the 40 per

committee members left; all five had been instrumental in launching the insurgency. Broadly, Baidya has the support of war-era party members, former combatants and *janajati* members. The party also appeals to others who feel left behind, including women and families of the war dead or disappeared.

The real strength of the CPN-M is not clear, as many Maoist leaders and mid- and junior-level cadres have not yet taken sides. Both parties exaggerate their real strength, but central-level leaders agree in private that around 2,100 "state committee" members and former PLA representatives attended the Baidya group's June 2012 conclave that launched the party. All of them were among the more than 5,500 representatives who attended the still-united party's last plenum in Palungtar in November 2010.<sup>67</sup> This suggests that the CPN-M could have close to 40 per cent of members from the sub-national level and fraternal organisations, assuming all those who attended the conclave stay with it.

The establishment party has thirteen so-called state committees, which are important organisational bodies.<sup>68</sup> The heads of four have joined the new party. About twenty heads of the three dozen party wings and fraternal organisations are with Baidya, including the important Madhesi, Kirat, Magarat, Dalit and Newa ethnic liberation fronts, the Association of the Families of the Disappeared, and the Teachers' Association. The parent party controls the YCL, the powerful students' and trade unions and the farmer's association.<sup>69</sup>

The new party has a considerable support base in mid- and far-western Nepal. In some parts it is stronger than the establishment party. CPN-M Secretary Netra Bikram Chand "Biplov" has a strong network in the region, as he spent five years overseeing parts of it during the insurgency.<sup>70</sup>

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cent of members needed to be recognised as a separate parliamentary entity if the assembly were revived, but not all of them left the establishment party.

<sup>67</sup> Crisis Group interviews, central and state committee leaders from both Maoist parties, Kathmandu, June-July 2012. In addition to the 2,100 members who attended to become part of the new party, 500 other people were invited.

<sup>68</sup> State committees form the layer between national and district bodies. Geographically, they are identical to the states in the federal model the Maoists had originally proposed.

<sup>69</sup> "20-odd chiefs of sister wings join Baidya's party", *Republica*, 22 June 2012.

<sup>70</sup> Biplov was in charge of the Karnali zone sub-regional bureau from mid-1997 to mid-2003. See following section for further details. Of the five directly elected former assembly members in the Karnali zone, four (from Humla, Jumla, Kalikot and Mugu districts) are with Baidya, as are both central committee members from this area, Khadga Bahadur Bishwakarma and Bharat Bam. Crisis Group telephone interview, journalists, Kalikot, July 2012. In the neighbouring Rapti zone too, the parties are

The new party is relatively weak in other parts of the country, although embarrassingly for Prachanda, his home district of Chitwan has gone over to the new party, one of whose leaders, Badal, is also from there. In most of the 35 districts of the western and central region, the establishment party has a firm majority. In the east, the new party is weaker numerically, but many who joined it are well-known Maoist figures.<sup>71</sup>

### 3. The new party's players

Baidya is the chairperson of the new party. Under him are Vice Chair C.P. Gajurel, General Secretary Ram Bahadur Thapa "Badal", Secretaries Dev Gurung and Netra Bikram Chand "Biplov" and Spokesperson Pampha Bhusal. The new Maoist party is not homogenous, but has three broad streams. There is some overlap in the thinking of various leaders, but they do not all have the same positions on the peace process. Individual motivations for splitting are also varied.

One group is led by Baidya and Dev Gurung, both standing committee members in the undivided party. Ram Bahadur Thapa "Badal", general secretary in the undivided party and the new one, tends to operate independently, in part perhaps because he is more amenable to high political positions and was close to Prachanda. Netra Bikram Chand "Biplov", another former standing committee member, is most sceptical about the peace process and has of late been

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closely matched. In Rolpa district, where the war began, five of the nine central committee members are with Prachanda, three with Baidya, and one is neutral. The district and state committees are evenly split. Of ten former assembly members from Rolpa, five are with Baidya, four with Dahal and one neutral. Salyan's only central committee member is with Prachanda, as are two of the three former assembly members. One of Rukum's nine central committee members joined the new party, but none of its five former assembly members left. In Dang, Baidya has the only central committee member and four of six former assembly members. The establishment party has a majority in the district and state committees.

<sup>71</sup> For example, Kiran Rai, a former assembly member, is one of the longest-serving Maoist leaders in Sunsari. The Maoists' Madhesi leadership is small and prominent district-level leaders such as Roshan Janakpuri and Mahendra Paswan have joined the new party. Of the three former assembly members from Sunsari, one is with Baidya, two with Prachanda. Of Jhapa's nine assembly members, seven are with Prachanda, two with Baidya. Morang is an important district for all parties and three of its seven Maoist former assembly members are with Baidya, as is the only central committee member. Crisis Group interviews, journalists and district-level leaders from both Maoist parties, Jhapa and Siraha, June 2012; telephone interviews, Morang, Jhapa, Sunsari, July 2012.

backed by another former standing committee member, C.P. Gajurel.<sup>72</sup>

The briefest profile of the new party's leadership demonstrates the close connections between personality clashes in the pre-split party, quick post-war expansion, individual ambition and ideological differences.

- **Mohan Baidya “Kiran”:** Chairman Baidya was Prachanda's ideological and political mentor. Baidya brought Prachanda into the central committee of the then-Communist Party of Nepal (Masal) in 1984. In 1986, a decade before the “people's war”, Baidya resigned as general secretary of the party over a botched plan to start an armed rebellion and nominated Prachanda to the position. During the insurgency, Baidya was the chief of the “eastern command”. He was arrested in India in March 2004 and released in November 2006, after the party had changed course to adopt multiparty democracy and signed the Comprehensive Peace Agreement. Baidya is not a charismatic mass leader, but he is seen as clean and uninterested in government positions.
- **Ram Bahadur Thapa “Badal”:** Badal played a crucial role in mobilising support for the insurgency in mid-western Nepal, where it began. He has a complicated personal history with Prachanda; the two are close, but Thapa believes Prachanda has steadily encroached on his ambitions.<sup>73</sup> Thapa is second in command in the new party and believes he is Baidya's successor. He does not have a strong grasp on the organisation, in part because he did not belong to any camp, but he has grassroots respect. The Baidya faction had demanded that Thapa and not Bhattarai be the party's prime ministerial candidate when the Maoists were still united. Thapa is a *janajati*, which some believe could be an advantage, although he has not been active on ethnic issues.<sup>74</sup>
- **Netra Bikram Chand “Biplov”:** Not all members of the new party are enamoured with mainstream politics. Biplov, a former PLA commissar, believes the revolution has been abandoned and another people's army must be raised at some point. He is from Rolpa district, the heartland of the war and responsible for a part of far-western Nepal during the insurgency and has enduring relationships with former PLA members.

Biplov is in charge of the new party's finances and heads the People's Volunteers Bureau. To plan a new insurrection, he and his loyalists need not only resources, but also the ideological and organisational support of a senior leader. If he fully entered mainstream politics, his control of party finances and the youth wing could allow him to challenge Badal.<sup>75</sup>

Other significant figures include C.P. Gajurel, who was responsible for foreign relations during the war. He is not considered a dogmatic Maoist. His motivation for leaving is thought to be a grudge against Prachanda, who he believes outmanoeuvred him for chairmanship of the party. Dev Gurung was the establishment party's leading strategist on ethnic federalism. He felt the party had deviated too far to the right, and he resents Prachanda for sidelining him in favour of another senior leader, Krishna Bahadur Mahara. Pampha Bhusal, a politburo member, has a high public profile and briefly replaced Bhattarai as the head of the party's political front in 1995, but does not have a strong organisational base. She has been consistently loyal to Baidya.

## D. REBUILDING THE ESTABLISHMENT PARTY

### 1. Strategy and organisation

It is unlikely that many more leaders or members will switch over to the new party, although more cadres could. Yet, all is far from well in the parent party. There is a simmering resentment against leaders' perceived venality and between the factions that remain. With the exit of many heavyweights, a rebalancing of power will begin just below the top. This could mean turf wars and new rivalries. Cadres in districts often feel inadequately rewarded or squeezed out by new members who joined after the party began expanding in 2007.<sup>76</sup>

From the cadres' perspective, the party seems sluggish in comparison to the frenzy of consolidation and local assertion that marked the first few years of the peace process. The UCPN-M needs to reduce its number of “whole-timers” – lower-level cadres whose full-time job is party work and who are paid by the party. During the 2008 elections, there were as many as 100,000 such cadres. Their strength now may be less than half that.<sup>77</sup> “We have no struggle programs [oppositional or pressure activities based on mobilisation] and full-timers have little to do. It is im-

<sup>72</sup> Crisis Group interviews, central committee leaders of the new Maoist party, Kathmandu, June 2012.

<sup>73</sup> In 1996, Thapa faced disciplinary action for planning a coup against Prachanda and for an alleged affair with a colleague. He denied both charges. See also “Badal: The game changer!”, *Republica*, 13 July 2011.

<sup>74</sup> Crisis Group interview, former Maoist leader, Kathmandu, June 2012. For more on the new *janajati* element in national politics, see Crisis Group Report, *Nepal's Constitution (I)*, op. cit., Section II.A.1.

<sup>75</sup> Crisis Group interviews, researchers and journalists, Kathmandu, November 2011 and March-July 2012 and Maoist party politburo member, May 2012.

<sup>76</sup> Crisis Group telephone interview, Maoist establishment party cadres, Kathmandu, July 2012. Also, see Section II.A above.

<sup>77</sup> Crisis Group interview, Maoist establishment party state committee member, Kathmandu, July 2012.



portant that we convert them into part-timers to counter the perception that the party has no direction”, a central committee leader said.<sup>78</sup>

The restiveness burst into fistfights and name-calling, even among senior leaders, at the UCPN-M's first post-split plenum in mid-July 2012. In response, Prachanda announced that the party would hold its first general convention in more than two decades in January 2013 to elect a new leadership. Prachanda has resisted a convention for years, fearing it could weaken his hold over the party.

Major issues came to a head at the plenum. The party and Prachanda were criticised severely for negotiating a “humiliating” arrangement on integration of former combatants into the national army. “Respectful integration” was for long a major sticking point in the peace process, but combatants argue that the 2011 deal resembles a recruitment process of former Maoist fighters, rather than the merger of two forces. The new Baidya party has capitalised on this issue, but even for establishment loyalists, it will remain a sensitive subject.<sup>79</sup>

Members raised many concerns about transparency and corruption. Criticism was directed primarily at Prachanda and his followers, and at former Maoist army commanders, many of them Prachanda loyalists. Significant sums of money had been diverted from Maoist fighters' salaries, paid by the government from 2006 to early 2012, and other funds meant for the cantonments. Combatants demanded an accounting of these funds. Prachanda's personal lifestyle, which has been seen as increasingly lavish, also came under scrutiny, as did the property and assets many leaders are alleged to have amassed illegally.<sup>80</sup>

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<sup>78</sup> Crisis Group interview, central-level Maoist leader, Kathmandu, April 2012. Numbers are difficult to estimate because district and state committees have their own organisation. Their financial and other accounts are not always perfectly integrated with the central level.

<sup>79</sup> For background on perceptions of “integration” see Crisis Group Report, *Nepal: From Two Armies to One*, op. cit., p. 10. See also Section II.B.

<sup>80</sup> Former combatants say they each paid Rs.500 to Rs.1,000 (\$5.70 to 11.40) every month ostensibly for salaries of members of the Young Communist League (YCL). YCL members, some of whom were former combatants themselves, say they never saw this money. Grievances about commanders' alleged corruption were also raised. They are accused of having embezzled about Rs.3 billion (just over \$34 million). The growing wealth of Maoist leaders and the party in general is a matter of great public interest, as senior leaders are clearly a lot richer than before. See, for example, Sudheer Sharma, “Maobadi rupantaranko antim gantho”, op. cit. Crisis Group telephone interviews, Maoist cadres attending the plenum, Kathmandu, July 2012. Two panels were formed during the July plenum to look into these matters. One is to investigate financial irregularities in the cantonments and the other to inspect property and assets

“Since the peace process began, our top leaders have been getting wealthier, but there is no clear source of their income”, said an establishment party leader in Sunsari.<sup>81</sup>

Bhattarai was accused of stoking factionalism and being too close to India.<sup>82</sup> There is deep suspicion of Bhattarai in the Prachanda camp, parts of which want him to resign. However, party unity remains the priority of both leaders and Prachanda himself ruled out Bhattarai's resignation until it is clearer whether the assembly is to be revived after a deal on federalism or whether there will be elections.<sup>83</sup> Prachanda has in the past been strongly critical of India. As a result, he is still viewed by Indian actors with some suspicion. Yet, the document he presented to guide party policy was vague on India's role and on the party's “principal enemy”. Identifying an enemy allows the party to justify tactical and strategic decisions and in the past, bashing India had been a way of energising cadres. Vice Chairman Narayan Kaji Shrestha was concerned about Prachanda's silence about India's “negative role”. Prachanda resisted the pressure to name India, however, and instead said that “patriots” needed to “unite to safeguard the national interest”.<sup>84</sup> On this issue, too, the interests of Prachanda and Bhattarai are congruent for now.

The debates and concerns raised at the plenum highlight how far the establishment Maoists have come from their revolutionary roots. Prachanda and other leaders will keep trying to reassure cadres, particularly those who have not yet decided whether to stay or go, that they have not abandoned the transformative agenda. They argued that the split was unnecessary and undermined gains made through the peace process and 2008 elections. But the party needs to be more proactive and, even as it deals with internal fissures, its main concern will be reasserting its ownership

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owned by party leaders. “Sudhrid bandai yemaobadi”, *Samachar*, 20 July 2012. Prachanda promised to give up some of his “facilities”, as they are called, including a large house he rents in the heart of downtown Kathmandu. Vice Chairmen Bhattarai and Shrestha also agreed to disclose their property to the party's “financial committee”, when it is formed.

<sup>81</sup> Crisis Group interview, Maoist establishment party district secretary, Sunsari, June 2012.

<sup>82</sup> Like the Baidya group, Prachanda's supporters criticised Bhattarai for signing an investment protection treaty with India in 2011 and recently for reportedly granting security and management of Kathmandu's notoriously lax international airport to a private Indian company. It has long been known that Bhattarai is the most acceptable Maoist leader for New Delhi. Prachanda feels he has been victimised as a result.

<sup>83</sup> Crisis Group telephone interview, Maoist cabinet minister, Kathmandu, July 2012. The opposition led by the Congress and UML, as well as the new Maoist party, also demand Bhattarai's resignation as the first step to break the deadlock.

<sup>84</sup> Maoist party press statement, Kathmandu, 22 July 2012.

of identity-based federalism.<sup>85</sup> This enhances its revolutionary credentials while keeping it firmly at the head of the constitutional debate. The leadership has announced the formation of a new Federal Democratic Republican alliance that includes Madhesis, some *janajati* groups, and other pro-federalism forces to form an alliance.<sup>86</sup> The party is also reaching out to fringe leftist groups and leftist intellectuals to gain credibility and possibly increase its electoral support.

The future of the assembly – revival or the election of a new body – will also affect how the shifts in the UCPN-M play out.

## 2. The new factionalism

The establishment party's general convention announced for early 2013 will exacerbate factionalism, whether or not it is actually held. Leaders will be pushed to demonstrate commitment and reward cadres. Although the central committee will be disbanded at some point, it has been entrusted with planning the convention. All factions and new hopefuls will now be gathering resources and aiming to expand their influence. Physical clashes between the Prachanda and Bhattarai groups are not unknown. Other groups could get into the act now. At the local level, it could become more difficult than before to separate motivations and the shifting layers of alliances between different Maoist actors in both parties.

Before the split, there were three camps, led by Baidya, Prachanda and Bhattarai. Membership in factions is fluid. Even senior members have been known to shift, depending on which leader is in the ascendancy and on personal relationships. In recent months, a few top-level Prachanda loyalists have shifted over to Bhattarai, convinced that he will remain prime minister for some time to come. Vice Chairman Narayan Kaji Shrestha "Prakash" has also become assertive and there are again three relatively strong factions. Of the 105 remaining central committee members, Prachanda currently has the support of 55, Bhattarai of 29 and Shrestha of 21.<sup>87</sup>

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<sup>85</sup> Crisis Group interview, Maoist establishment party central committee leaders and cadres employed at party headquarters, Kathmandu, July 2012.

<sup>86</sup> On 2 July 2012, the Maoist party and the Madhesi Morcha, an alliance of five Madhesi parties currently in government, decided to form a broader alliance for identity-based federalism under Prachanda's leadership. "UCPN (Maoist), UDMF to form federalist alliance", *Republica*, 3 July 2012. However, attempts to reach out to Congress and UML leaders have proved unsuccessful so far.

<sup>87</sup> Crisis Group interviews, journalists and party central committee leaders, Kathmandu, July 2012.

□ **Chairman Pushpa Kamal Dahal "Prachanda":** The end of the assembly has taken the shine off Nepal's only real national leader. Prachanda's role in the party resembled his position in the peace process at large. He was able to cross factional divides, provide leadership and enable major decisions. He also nimbly negotiated a power balance that kept him the undisputed leader of the party. But the peace process and the Maoists' entry into the mainstream severely strained his position.

Within the party, Prachanda's handling of former fighters has left him somewhat weakened. The party has been remarkably successful at building a strong financial base; from alleged petty extortion it has moved on to investing in property and infrastructure. Many leaders are thought to have similar interests on the side, but Prachanda is sometimes perceived as having more than most.<sup>88</sup>

Outside the party, Prachanda promised he could bring all parties to agree on a constitution. He still remains the best hope, but the end of the assembly has changed the game. The new constitution was also to introduce a directly elected president, which Prachanda was sure to become.<sup>89</sup> His next moves could be motivated by a sense of urgency about reclaiming his authority and securing his future.

□ **Vice Chairman Baburam Bhattarai:** Prime Minister Bhattarai has fewer loyalists than Prachanda and, in the undivided party, was also weaker than Baidya in the district and fraternal organisations. He is not in that sense a mass leader. Yet he is widely perceived as efficient, intellectual and clean, which makes him a threat to Prachanda. In his position as prime minister, Bhattarai is also leading the country at a critical time and his influence and appeal are unlikely to wane significantly. The fact that he no longer depends on Prachanda to stay in power and can work independently after the dissolution of the assembly could be a source of tension between the two leaders. Bhattarai's perceived closeness to New Delhi is, however, a handicap.

Until the parties agree on the way forward, Bhattarai and Prachanda remain each other's closest allies. Both

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<sup>88</sup> Crisis Group interview, Maoist establishment party politburo member, Kathmandu, June 2012. See also "UCPN(M) commission starts property probe", *The Kathmandu Post*, 27 July 2012. The Maoist party does not have a finance department and final responsibility lies with Prachanda, which makes him an easy target for accusations of impropriety.

<sup>89</sup> For background on constitutional debates about the form of governance and the semi-presidential compromise adopted, see Crisis Group Briefing, *Nepal's Peace Process: The Endgame Nears*, op. cit., p. 7.

believe in the current process and complement each other – Prachanda's charisma, negotiating skills and organisation together with Bhattarai's pragmatism and cleaner public image make a compelling team.<sup>90</sup> However, these very attributes also make them bitter competitors and the rivalry will resurface.<sup>91</sup>

- **Narayan Kaji Shrestha “Prakash”:** Shrestha, whose party, the Communist Party of Nepal (Unity Centre-Masal) only merged with the Maoist party in 2009, was initially a Prachanda loyalist.<sup>92</sup> Over time, he has come into his own. In 2011, Bhattarai, Baidya and Shrestha briefly joined forces to curb Prachanda's powers.<sup>93</sup> Shrestha, who is deputy prime minister, also asserted himself at the July 2012 plenum, albeit mildly. He is not necessarily a game changer and does not yet have a significant influence on party policy. Still, together with Bhattarai he could resist attempts by Prachanda to dislodge the government, or he could team up with Prachanda to isolate Bhattarai.

The strong anti-establishment wave running through the party threatens all leaders. “We are not sure the party can extricate itself from dirty bourgeois politics. But the plenum taught leaders that they cannot keep lying to cadres”, a party member attending the plenum said.<sup>94</sup> Individual integrity – or at least the perception that some share their spoils more fairly than others – is likely to become a significant factor in factional politics.

### III. OLD, NEW AND EMERGING PARTIES

The Nepali Congress is the country's oldest democratic party. In the 1990s, Nepal's first decade of proper multi-party politics, the Congress and its powerful president, the late Girija Prasad Koirala, dominated Nepali politics. For much of the decade-long Maoist insurgency that began in 1996, the party was against making any concessions to the rebels. As the war intensified, so did then-King Gyanendra's ambitions to rule directly. This put the Koirala faction in conflict with the palace and eventually led to the Congress's alliance with other parliamentary parties and the Maoists in 2005 to oppose the king's coup that year. Another faction also led by a former prime minister, Sher Bahadur Deuba, split off and largely did the bidding of the king. The parties merged again after the peace process began. However, factionalism driven by personality clashes and by differing attitudes to the peace process and the Maoists persisted. Now, with the narrowing of the Congress's political space and its leaders' deep scepticism about federalism, ideological divides have mostly given way to fights about party positions.

The UML's present rightward shift is an extension of its attitude during much of the war, King Gyanendra's takeover in 2005 and the peace process: a combination of general conservatism with occasional nods to its own revolutionary past. The party led a strongly anti-Maoist government in 2009 and 2010 and its former general secretary, Madhav Kumar Nepal, also expressed interest in being the king's prime minister in 2003. But at rallies and public meetings, the party still presents itself as the core of Nepal's communist movement. The UML lost a significant chunk of its support base to the Maoists and, like representatives of other parties, its members in districts were also specifically targeted by Maoists during the war. As strongly as sections of the party are driven by that animosity, individual ambitions and factions are also powerful factors that determine decision-making in the party.

#### A. NEPALI CONGRESS

The choices for the Nepali Congress are limited. The country's political centre needs to be occupied again, and the party is best placed to do so. This would benefit Nepali politics as well as revive the Congress's fortunes. The party should, ideally, revisit its position on federalism to avoid being branded as representing only “anti-federalists” and the upper castes. “There was no debate in the party on federalism. We did not really discuss it”, a senior Congress leader said.<sup>95</sup> The party initially criticised the announce-

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<sup>90</sup> Mumaram Khanal, “Tyasaile Prachanda ra Baburam milna sakdainan”, *Nepal*, 20 June 2010.

<sup>91</sup> Crisis Group interview, Maoist establishment party central committee member, Kathmandu, June 2012. For more on Prachanda's preference for reviving the assembly and his preferred sequencing of agreement on federalism before revival, see Crisis Group Report, *Nepal's Constitution (I)*, op. cit., Section III.B.

<sup>92</sup> For more on the unification, see Crisis Group Asia Report N°156, *Nepal's New Political Landscape*, 3 July 2008, Section II.C.

<sup>93</sup> See Crisis Group Briefing, *Nepal's Peace Process: The Endgame Nears*, op. cit., Section VI.A for more on the Dhobighat pact, as the short-lived July 2011 agreement was called.

<sup>94</sup> Crisis Group telephone interview, Kathmandu, July 2012.

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<sup>95</sup> Crisis Group interview, Kathmandu, June 2012. He also said, “The UML started talking to its *janajatis* immediately after the assembly ended. It is taking us a long time”.

ment of fresh elections as unconstitutional and unlawful, but has since said it favours polls, but for a legislative parliament that could also function as a Constituent Assembly. This position is likely to change again, depending on the state of negotiations with the Maoists, since the Congress's priority appears to be resignation of the present government, rather than renewing discussions on the constitution.

Some *janajati* members, long thought compliant with the party's resistance to identity politics, have threatened to leave the party.<sup>96</sup> Others want discussions about federalism, if only to explain where they stand to their constituents.<sup>97</sup> Many senior Madhesi leaders and mid-level party workers left the Congress after the 2007 Madhes Andolan put ethnicity at the centre of politics in the Tarai.<sup>98</sup> Those who stayed have felt constrained by the party leadership's denial of identity as a valid basis for federalism. A senior leader who lost his central party position in the 2010 Congress elections attributes his loss in part to his perceived flexibility on identity issues.<sup>99</sup>

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<sup>96</sup> "Congress *janajati* leaders threaten to quit party", *The Kathmandu Post*, 7 June 2012. The party's central working committee formed a committee on 21 June 2012 to address its *janajati* leaders' concerns, but this has not inspired confidence. A prominent Congress *janajati* leader said, "party leaders always react positively [to our demands], but when it comes to implementation, they do nothing". He also noted that a Congress-led protest against the government soon after the assembly ended included staunchly anti-federalist parties. Crisis Group telephone interview, Congress *janajati* leader, Kathmandu, June 2012. Congress leaders who were active members of the *janajati* caucus in the assembly were also present when the influential organisation, the Nepal Federation of Indigenous Nationalities (NEFIN), announced that it would form a new *janajati*-led party (see Section IV.A). "Dal kholdai *janajati*!", *Kantipur*, 7 July 2012.

<sup>97</sup> A veteran Congress *janajati* leader said he could not ask the public to vote for him again after having "failed them for four years". Crisis Group telephone interview, Congress *janajati* leader, Kathmandu, June 2012.

<sup>98</sup> Some leaders joined the Madhesi Janadhikar Forum, which had spearheaded the Madhes Movement, others started their own parties. The Congress had traditionally viewed the Tarai as its base. In the 2008 election, it won only seventeen of 129 directly elected seats in the inner and outer Tarai districts. Final election results are available at: [www.election.gov.np/reports/CAResults/reportBody.php](http://www.election.gov.np/reports/CAResults/reportBody.php). For more on the Madhes movement and its electoral impact, see Crisis Group Asia Report N°136, *Nepal's Troubled Tarai Region*, 9 July 2007, Section IV and Crisis Group Report, *Nepal's New Political Landscape*, op. cit., pp. 7-11.

<sup>99</sup> Crisis Group interview, Kathmandu, June 2012. Sympathetic Congress members who talk about identity and ethnicity often speak in euphemisms. It is unclear whether this is because the environment in the party has been so hostile to them or because, in the absence of a nuanced party position, direct speaking is avoided because it echoes the Maoist and ethnic activist agenda.

The relevance of the Congress as a major national party with compelling democratic credentials is likely to decline. Even if it adds nuance to its position on the place of identity in the new federal structure, it is unlikely to win back supporters it has alienated. "Regional and ethnic parties will emerge. People will not care about party alliances in elections, but about regional and ethnic issues and leaders who have spoken against identity issues will lose", a national-level Congress *janajati* leader said.<sup>100</sup>

The party has benefited from the backlash against federalism among sections of the upper castes and classes and the national media. But catering to groups with reservations about federalism will be complicated. Opinion-making circles and significant parts of the national media seem alienated from the social aspects of the political demand for federalism. The Congress draws much of its energy and legitimacy from this small, albeit loud, group. In doing so, the Congress runs the risk of speaking in an echo chamber, listening only to those who agree with it. Among more elite anti-federalists, the party will have to tread a tricky path. At one end of the anti-federalism spectrum is scepticism about all other recent changes, including secularism and the republic. Yet not all people dubious of federalism are terribly exercised about the loss of the Hindu state or the monarchy.<sup>101</sup>

If the Congress plays upper-caste politics, it could also run up against the limits of lumping Brahmins and Chhetris, the two highest caste groups, together. There are real differences between the communities in terms of their inclusion in state and other institutions and they also have a degree of mutual mistrust. More significantly, there is a sense among mid-level Chhetri members that the Congress decision-making stratum is Brahmin-dominated.<sup>102</sup>

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<sup>100</sup> Crisis Group telephone interview, Congress *janajati* leader, Kathmandu, June 2012.

<sup>101</sup> For long, the Congress supported a constitutional monarchy and some leaders are still sympathetic, although they have been largely marginalised by the peace process. In March 2010, Congress leader Khum Bahadur Khadka made a public appearance with former King Gyanendra Shah and spoke in favour of a Hindu state. "Ex-king at ritual for Hindu state", *The Kathmandu Post*, 9 March 2010. But the mainstream Congress leaders realise that it is a deeply damaging and losing proposition to even appear sympathetic to the monarchy.

<sup>102</sup> The 2010 Congress general convention adopted quotas for elections to its central working committee. 22 of its 64 elected seats were reserved for women, indigenous nationalities, Dalits, Madhesis and Muslims. But like almost every other party, its office bearers and other policy-level leaders are largely, though not exclusively, Brahmin. "NC plenum message: Unity essential", *The Kathmandu Post*, 28 September 2010. From 1990 to 2002, average Brahmin representation in parliament was 39 per cent. According to the 2001 census, Brahmins constituted only 12.74 per cent of the total population. Chhetri representation in

The Congress's single-minded focus on taking charge of the government before the next election is rooted in both its fear that it will do badly without this extra advantage, and because it has serious financial problems. "We want to organise district programs, but there is not enough cash", a district-level Congress leader said.<sup>103</sup> Individual leaders are said to have the resources to run a campaign, but not the party as a whole. Its organisation is also in some disarray; communication is legendarily poor between the party headquarters, too busy sorting out its factional struggles, and the districts.<sup>104</sup>

At the central level, the Congress is as fragmented as ever. The actions of many senior leaders seem motivated by personal ambitions or fears. Weak leadership, turf wars and personality clashes mean it is now every man for himself. Even if the Congress were offered leadership of a unity government, a fight would break out over who the party's nominee for prime minister should be.<sup>105</sup>

The Congress will remain home to old-school "democrats", as long-time supporters call themselves. The party genuinely believes it will recover some of the ground it lost in 2008. "The Maoists have been weakened. The UML is struggling with internal disputes. Ethnic groups are not that strong. If elections happen soon, the Congress will win", a leader in Dhankuta said.<sup>106</sup> A few central leaders also judge that they will regain some of the Tarai, as difficult as it is to see the Madhesi dynamic changing back in favour of any of the traditional parties. But re-

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the same period was 19.6 per cent while they comprised 15.8 per cent of the total population in the 2001 census. Mahendra Lawoti, "Informal Institutions and Exclusion in Democratic Nepal", *Himalaya*, vol. 28, no. 1 and 2 (2010), p. 24; "Rastriya Janaganana, 2058 (Jaat/Jaatiko Janasankhya)", Central Bureau of Statistics, January 2008. On Brahmin and Chhetri poverty levels, see Crisis Group Report, *Nepal: Identity Politics and Federalism*, op. cit., p. 3.

<sup>103</sup> Crisis Group interview, Congress district leader, Banke, April 2012. Banke is home to Congress President Sushil Koirala. Other district- and national-level leaders echo this.

<sup>104</sup> Crisis Group interviews, senior Congress leader, June 2012; district-level Congress leaders, Nepalgunj, April 2012 and Kathmandu, June 2012. The party is finally bringing together district-level officials. "Kangres sabhapatiko bheladvara 14 bunde prastav parit", *Naya Patrika*, 1 August 2012; "NC to provide training to district secretaries", *Republica*, 17 July 2012. Crisis Group often hears from district offices that little information comes their way about their party's plans.

<sup>105</sup> See Crisis Group Briefings, *Nepal's Peace Process: The Endgame Nears*, op. cit., p. 11, and *Nepal's Fitful Peace Process*, op. cit. The Congress has been described by some as a party of "democrats who don't believe in elections", as it opposed voting on contentious issues in the Constituent Assembly and initially denounced the announcement of elections to a new assembly.

<sup>106</sup> Crisis Group interview, Congress leader, Dhankuta, June 2012.

building or rebranding the Congress is not possible unless the leadership comes out of its policy drift, endless posturing and internecine feuding.

## B. UML

The Communist Party of Nepal (Unified Marxist-Leninist), or UML, was the third largest party in the last assembly. It is also facing identity and ideological crises, in addition to constant personality-based factionalism in the background. The hostility of senior leaders to ethnic federalism has alienated even some of the party's most fervent *janajati* members. They accuse the UML of "sabotaging" federalism and being the primary reason for the assembly's lapse on 27 May 2012.<sup>107</sup> Until then, many ethnic members had believed that the party would come around on identity issues.<sup>108</sup> For now, the party leadership has settled on elections as the best option, but the basis for that decision is unclear. UML *janajati* leaders have supported revival of the last assembly.<sup>109</sup>

Some *janajati* leaders threatened to leave the UML after the assembly ceased to exist. "If the party does not pay attention to our issues, we will be compelled to look for options", one of them said.<sup>110</sup> Another senior UML *jana-*

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<sup>107</sup> Crisis Group telephone interview, UML *janajati* leader, Kathmandu, May 2012. Thira L. Bhusal, "Ethnic dissent in UML at boiling point", *Republica*, 2 June 2012. The most energetic members of the cross-party *janajati* caucus in the assembly, including its chair, were from the UML.

<sup>108</sup> For example, in February 2012, the UML's federal affairs department wrote a report on state restructuring that proposed two models; one with eight states and the other with twelve. The states were based on "identity and capacity". Identity was defined broadly to include ethnic, religious and linguistic diversity, as well as habitat, geography and environment. Capacity was understood to mean the ability of a state to sustain itself financially. "Rajya puna: samrachanasambandhi prativedan-2068", UML Federal Affairs Department, February 2012. This was largely congruent with the criteria for state formation identified by the State Restructuring Commission mandated by the interim constitution and the state restructuring thematic committee under the Constituent Assembly. For more, see Section III.B; Crisis Group Report, *Nepal's Constitution (I)*, op. cit., Section II.A.2 and Crisis Group Briefing, *Nepal's Peace Process: The Endgame Nears*, op. cit. As recently as March 2012, a UML *janajati* leader was hopeful that the party was committed to identity-based demands. Crisis Group interview, UML *janajati* leader, Kathmandu, March 2012. For background on the UML's positions on federalism and identity, see Crisis Group Report, *Nepal: Identity Politics and Federalism*, op. cit., p. 10.

<sup>109</sup> On 18 July 2012, the UML's standing committee decided to support elections, just weeks after having called the idea "undemocratic". "UML opts for fresh mandate amid CA rebirth demands", *The Kathmandu Post*, 19 July 2012.

<sup>110</sup> Crisis Group telephone interview, UML *janajati* leader, Kathmandu, July 2012. Politburo member Vijay Subba, for ex-

*jati* leader said he and his colleagues would not leave, but try to resolve differences within the party.<sup>111</sup> Many have been punished for raising the issue of recognition of identity and relieved of their party responsibilities.<sup>112</sup> “Today they have taken away our responsibilities. Tomorrow, they may remove us from the party altogether. But for now, we are still continuing the internal struggle in the party”, said a senior *janajati* leader who was among those disciplined.<sup>113</sup> Other *janajati* leaders are growing impatient.<sup>114</sup>

The top leadership is deeply uncomfortable with identity politics and the argument that there is structural discrimination in Nepal. Positions have hardened significantly since the end of the assembly against any acknowledgment of ethnicity.<sup>115</sup> “Our party will not be affected if *janajati*

leaders leave. Others will step in for them”, said a leader in Dhankuta.<sup>116</sup> Common criticisms are that ethnic and identity-based movements were manufactured by European donor agencies or that federalism is a purely Maoist agenda.<sup>117</sup>

*Janajati* leaders and activists, some affiliated with the Nepal Federation of Indigenous Nationalities (NEFIN) have proposed a new party to represent *janajatis* and other marginalised groups (see Section IV.A below). The UML’s ethnic members are divided on the sustainability of such a party, but say that it is a very public way to put pressure on mainstream ethnic leaders.<sup>118</sup> Some UML *janajati* leaders have been considering an alliance with the establishment Maoist party, and over time could join it.<sup>119</sup> They are also considering forming a separate party, but one that would have a broader remit than only ethnic politics, unlike the newly created *janajati*-led party.

The UML has ignored its ethnic constituency previously and this is not the first time it has lost out to the Maoists on ethnic issues. The UML reached out to *janajati* groups before the restoration of democracy, though leaders are frank that this was primarily to enlarge their support base, rather than out of any sympathy for ethnic issues.<sup>120</sup> The UML’s platform in 1991, during the first democratic elections in 32 years, promised representation for *janajatis* in state institutions, mother tongue education, promotion of cultures, and a secular state, among other things. After that, though, the party only reinforced *janajatis*’ experience of

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ample, said he could not stay in the party as it did not stand for indigenous issues. “Emalema basna nasakne bhaye”, *Nagarik*, 31 May 2012. Former UML assembly member Pasang Sherpa also left for the same reason. “Yaskaran maile emale chaade”, *Naya Patrika*, 29 May 2012.

<sup>111</sup> Crisis Group telephone interview, UML *janajati* leader, Kathmandu, July 2012.

<sup>112</sup> On 12 June 2012, UML dissenting ethnic senior members led by party Vice Chairman Ashok Rai asked the party that state restructuring be based on the reports of the Constituent Assembly state restructuring committee and the State Restructuring Commission. The following month, he and other *janajati* leaders were disciplined. Rai was dismissed as coordinator of the party’s sister organisations. Prithvi Subba Gurung, who led the *janajati* caucus in the assembly, was relieved of his leadership of the UML’s Democratic Indigenous Federation. “Janajati UML leaders stripped of responsibilities”, *Republica*, 20 July 2012. Earlier, on 10 June, the UML had dismissed an ethnic leader from his position as head of Kathmandu Valley and on 16 June, had expelled another one for demanding identity-based federalism. “UML removes Rajendra Shrestha as Valley chief”, *Republica*, 11 June 2012; “Sherpa’s expulsion stirs up a hornets’ nest in CPN-UML”, *The Kathmandu Post*, 17 June 2012.

<sup>113</sup> Crisis Group telephone interview, UML *janajati* leader, Kathmandu, July 2012.

<sup>114</sup> “Emale nafutaye asantushtanai futne”, *Sanghu*, 23 July 2012; “Aba thos nirnayama pugchaun”, *Naya Patrika*, 20 July 2012. Some UML *janajati* leaders have even threatened to take up arms. “Disgruntled UML leaders threaten to take up arms”, *The Kathmandu Post*, 25 July 2012.

<sup>115</sup> Soon after the assembly ended, on 2 June, the politburo announced a “high-level commission” to collect cadres’ views on federalism. “UML tries to woo Janajati leaders”, *The Kathmandu Post*, 31 May 2012 and “UML forms high-level commission on federalism”, *Republica*, 3 June 2012. But by 22 June, the party’s central committee had rejected “single identity” states and endorsed an undiscussed federal model that proposed “mixed-identity” names. Some top UML leaders soon began demanding that the new states’ names have no reference to identity at all. “CPN-UML passes 7-province model amid sharp dissent”, *Republica*, 24 June 2012. UML leaders had been in the cross-party group of senior politicians who had floated a controversial deal on federalism in mid-May. The proposal had never

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been tabled in the assembly and was soundly rejected by members of most parties as well as other identity-based groups through street protests and shutdowns. See Crisis Group Report, *Nepal’s Constitution (I)*, op. cit., Sections II.A.1 and II.

<sup>116</sup> Crisis Group interview, UML leader, Dhankuta, June 2012.

<sup>117</sup> Crisis Group interviews, UML leaders, Kathmandu, May–June 2012.

<sup>118</sup> Crisis Group telephone interview, UML *janajati* leader, Kathmandu, July 2012. However, even after NEFIN’s July announcement of a new party, former UML Prime Minister Madhav Kumar Nepal dismissed the possibility of disgruntled ethnic leaders leaving. “Parti chhadera kahi jandaina”, *Kantipur*, 7 July 2012.

<sup>119</sup> Crisis Group telephone interview, Maoist establishment party politburo member, Kathmandu, July 2012. However, Vice Chairman Rai has ruled out the possibility of joining the Maoist party. “Maovadima chahi kunai halatma janna”, *Kantipur*, 8 July 2012. On 3 July, a group of activists and *janajati* and Madhesi leaders from several parties including the UML and the Congress were invited by Prime Minister Bhattarai to discuss the formation of a pro-federalism alliance. “But we told him there is no need for such an alliance. We are still in our party and continuing our own internal struggle for federalism”, said a senior UML *janajati* leader who took part in the meeting. Crisis Group telephone interview, UML *janajati* leader, Kathmandu, July 2012. For more, see Section II.C.2.

<sup>120</sup> Crisis Group interview, UML official, Kathmandu, July 2012.

the state and politics as overly upper-caste and Hindu, even Brahminical, including by introducing Sanskrit news broadcasts on the state-owned national radio station and ignoring secularism entirely.<sup>121</sup>

The UML appeared to return to a pro-*janajati* agenda during the peace process. In 2006, when the Maoists came aboveground to join the process, it was apparent they would continue to mobilise around identity-based issues. The CPA also committed to a broad range of social and other transformations including to address socio-political exclusion and marginalisation. The UML jumped on the bandwagon, for fear of losing out to the Maoists. In August 2006, the party endorsed regional and ethnic autonomy. Its 2008 election manifesto promised federalism based on “identity and capability”. It also endorsed the International Labour Organization’s convention 169, which concerns protection of indigenous and tribal rights and support of indigenous cultures, including through the right to self-determination. In 2009, in the assembly’s committee on state restructuring, the party suggested fifteen states, most of which were “single-identity” states and would be identified with the homelands of particular ethnic groups.<sup>122</sup> But it became increasingly apparent in 2011 and during negotiations earlier in 2012 that these were false promises and that the hostility of many in the UML to identity politics had deepened.<sup>123</sup>

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<sup>121</sup> See “Party on a verge”, *The Kathmandu Post*, 22 June 2012. The decision to introduce Sanskrit news broadcasts on Radio Nepal was taken by the UML led-minority government in power from November 1994 to September 1995. T. Louise Brown, *The Challenge to Democracy in Nepal: A Political History* (London, 1996), p. 224. Sanskrit is closely associated with a Brahmin-dominated conception of hierarchical Hinduism. The use of Sanskritised Nepali in civil service examinations is also thought to put non-upper castes and non-native speakers of Nepali at a disadvantage. For the *janajati* movement, secularism is a crucial step in allowing ethnic groups to reclaim non-Hindu or syncretic religious traditions.

<sup>122</sup> Vice Chairman Rai explains the UML’s engagement with identity issues in “Bartaman paristhitima hamro mat”, political document submitted to the UML party central office, 12 June 2012. The implementation of ILO 169 is a central part of the *janajati* agenda. In September 2007, Nepal became the first South Asian country to ratify the convention, but an implementation plan has been stuck at the cabinet level since September 2008. “ILO 169: Nepal as a model”, *Nepali Times*, 18-24 February 2011.

<sup>123</sup> An array of UML leaders have spoken against federalism based on identity, arguing that it could incite communal tensions or weaken Nepal. See, for example, “Govt hatching conspiracy to retain power: Oli”, *The Himalayan Times* online edition, 7 April 2012 and “UML will not accept ethnic federalism”, *The Kathmandu Post*, 19 December 2011. For more see Crisis Group Report, *Nepal’s Constitution (I)*, op. cit., Section II.A.1.

Until now, this flip-flopping has not seriously harmed the party organisation. The UML’s *janajati* leaders have also been sceptical about giving up the advantages of membership in a large party for an uncertain future. But many recognise that there has been a fundamental shift towards identity politics in Nepal and that their party’s position could now be a personal liability. Some will leave the UML, most likely before the next election.<sup>124</sup> The leadership shows every sign of sticking to its hard anti-identity positions and seems ready to jettison vocal ethnic members, rather than reach out to the public with more subtle positions.

### C. MADHESI PARTIES

The Madhesis are caste Hindus from the Tarai plains who often have extensive familial and cultural ties across the border in India. The two Madhesi fronts, the Samyukta Loktantrik Madhesi Morcha (SLMM or Madhesi Morcha) and the Brihat Madhesi Morcha (BMM, or Broader Morcha), are both coalitions of several smaller parties.

Like the establishment Maoists, the Madhesi parties are by and large ready for either elections or a revival of the assembly. However, the relative strength of the two Madhesi fronts could be affected by the decision. Madhesi parties in the ruling coalition could calculate that anti-establishment sentiment is a greater vote winner in Madhesi constituencies and leave. Splits in all Madhesi parties could also contribute to a rebalancing between Madhesi forces.<sup>125</sup>

Until recently, the SLMM contained most Madhesi parties. It is a partner in government and was a strong ally of the Maoists and the *janajati* caucus in the federalism negotiations. Its rival, the Broader Morcha is much smaller, but has reasonable grassroots appeal and is gaining strength and influence. The Broader Morcha has been closer to the dissident Maoists and aims to be an alliance of more than

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<sup>124</sup> Crisis Group interview, journalist, Kathmandu, July 2012. The UML’s resistance to ethnic issues has pushed members to leave earlier too. Gore Bahadur Khapangi, who headed the UML-affiliated Teachers’ Union, left to set up an ethnic party in the post-1990 democratic dispensation. He joined King Gyanendra’s cabinet in 2002 and is a marginal figure now. See Crisis Group Report, *Nepal: Identity Politics and Federalism*, op. cit., pp. 10-11.

<sup>125</sup> By an estimate, there are now fourteen Madhesi parties, compared with four at the time of the 2008 elections. “Madhesi dal 6 thiye, 17 puge”, *Kantipur*, 11 June 2012. For more on the different Madhesi parties, see Crisis Group Reports, *Nepal’s Troubled Tarai Region*, op. cit. and *Nepal’s New Political Landscape*, op. cit., p. 10; and *Nepal’s Constitution (I)*, op. cit., Section III.E; as well as Crisis Group Briefings, *Nepal’s Fitful Peace Process*, op. cit., p. 13 and *Nepal’s Peace Process: The Endgame Nears*, op. cit., p. 12.

only Madhesi parties. It currently includes three Madhesi and four non-Madhesi parties.<sup>126</sup> Before the assembly ended, the Broader Morcha had reiterated the original Madhesi demand for a single Madhes state from east to west, although major Madhesi actors had for some time accepted two states.<sup>127</sup> The Broader Morcha, headed by Upendra Yadav, also sided with the Congress and UML to dismiss the elections announced for November 2012 as unconstitutional. Both decisions were driven as much by the need to counter the ruling SLMM as by conviction.

Two Madhesi parties belonging to the Madhesi Morcha coalition split after the assembly ended, the Madhesi Janadhikar Forum (Ganatantrik) or MJF(G) and the Madhesi Janadhikar Forum (Loktantrik) or MJF(L). MJF(G) split on 1 July, when a faction of its central committee dismissed the party's acting chairperson, also the information minister in the current government. The factions disagree about who represents the "real" party and are threatening each other with mutual expulsion.<sup>128</sup>

Earlier, on 5 June, the MJF(L), the largest Madhesi party at the time, expelled a senior leader, Sharat Singh Bhandari. Bhandari had disagreed with the call for fresh elections and, before the assembly ended, had been involved in the Broader Morcha.<sup>129</sup> He formed the Rastriya Madhes Samaj-

badi Party some weeks later. The MJF(L) has stayed in the ruling Madhesi Morcha.

Bhandari, a former Congress leader who is of hill and not Madhesi origin, has taken a strong pro-Madhes stance in the past year, including supporting recruitment of Madhesi youth into the army. Now, his party is holding fast those positions but also reserve positions in its own organisation for non-Madhesi.<sup>130</sup> This move echoes steps by the Broader Morcha and other Madhesi parties to become more national, if not more inclusive. For example, establishment Madhesi parties such as the Tarai Madhes Loktantrik Party (TMLP) have set up branches in unlikely mountain districts such as Mugu and Jumla.<sup>131</sup> At its general convention in Janakpur in May, Sadbhavana Party, the oldest Madhesi party, spoke for other marginalised groups too and addressed its (admittedly few) *janajati* supporters present.<sup>132</sup>

There are many persistent reasons for the splits and realignments in the Madhesi parties.<sup>133</sup> Yet, the leaders and activists have a common cause and are driven by the certainty of powerful social backing for the Madhesi agenda. This means that, as a bloc, the two fronts and various Madhesi parties will eventually act in similar ways when it comes to supporting federalism, whatever choices they make about partners for electoral or government alliances.<sup>134</sup>

Madhesi influence has become a stable fact of national politics. It is now becoming more differentiated internally. Caste politics plays a significant role. For example, many leaders and activists are from the middle Yadav caste, but the Madhesi caste and religious landscape is extremely diverse and stratified. Some politicians readily admit that support for various Madhesi parties or leaders is going to

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<sup>126</sup> The Madhesi Morcha, when it joined the government in August 2011, contained five of nine Madhesi parties. Six Madhesi parties are affiliated with neither the Madhesi Morcha nor the Broader Morcha. "Madhesi dal 6 thiye, 17 puge", op. cit. "Mohan Baidya supported our [BMM's] protests in May in a big way and we could form an alliance with them", said a leader of the Madhesi Janadhikar Forum (Nepal), or MJF(N), in Saptari. Crisis Group interview, MJF(N) leader, Saptari, June 2012. Another MJF(N) leader said Baidya's party needs to come up with a clear policy first but that he was open to an alliance with the new Maoists. Crisis Group telephone interview, former MJF(N) assembly member, Kathmandu, July 2012. See also Section II.B.1 above.

<sup>127</sup> For more on Madhesi parties' positions on the number of states in the Tarai and their original "one Madhes state" demand, see Crisis Group Report, *Nepal: Identity Politics and Federalism*, op. cit., p. 17.

<sup>128</sup> Crisis Group telephone interview, MJF(G) leader, Kathmandu, July 2012. "Yadav urges EC not to legitimize his dismissal", *Republica*, 4 July 2012. "Forum ganatantrikko vistarit baithak: Sansthapak adhyaksha guptasanga sambandhavichhed", *Annapurna Post*, 27 July 2012.

<sup>129</sup> "MJF-L gives Bhandari the walking ticket", *The Kathmandu Post*, 6 June 2012 and "Sarat Singh forms new party", *The Kathmandu Post*, 28 June 2012. After Bhandari was expelled, several MJF(L)'s central committee members also resigned, accusing party Chairman and Home Minister Bijay Kumar Gachhadar of abandoning Madhesi issues. "Nettled, 9 leaders walk out on MJF-L", *The Kathmandu Post*, 11 June 2012. This group forms the core of Bhandari's new party. "Bhandari announces new Terai-centric party", *nepalnews.com*, 28 June 2012. The MJF(N) claims Bhandari is still a member of the Broader Madhesi

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Front. Crisis Group telephone interview, former MJF(N) assembly member, op. cit.

<sup>130</sup> "Madhesi dalma pahadelai arakshan", *Naya Patrika*, 24 July 2012.

<sup>131</sup> "Madhesi parties reaching out to Pahadi people", *The Kathmandu Post*, 22 July 2012.

<sup>132</sup> Crisis Group observed Sadbhavana Party's convention on 5 May in Janakpur.

<sup>133</sup> For a useful analysis, see "Why Madhesi parties split", *Republica*, 9 June 2012 and "The great Madhesi mushrooming", *The Kathmandu Post*, 20 July 2011.

<sup>134</sup> In July, the TMLP, one of the members of the Madhesi Morcha, proposed the formation of a single, united Madhesi party in time for the next elections. This attempt could gain some momentum and would be useful to build a stronger organisation than any of the small parties has. However, it is more likely that some Madhesi actors will continue to seek alliances instead, given the numerous tensions and contradictions between their parties and personality clashes. See, for example, "TMDP in talks for a single Madhesi party", *Republica*, 3 August 2012 and "Idea of one party in Madhes draws mixed reactions", *The Kathmandu Post*, 8 July 2012.



be increasingly determined by caste.<sup>135</sup> Some supporters are also seeking a clearer agenda from parties within the ambit of broader Madhesi politics or are concerned that patronage and corruption are distracting leaders from being more broadly responsive to constituents.

Upendra Yadav of the Madhesi Janadhikar Forum (Nepal) has been a lone player in recent years. He has been a Madhesi activist for longer than many senior Madhesi politicians and headed the original Madhesi Janadhikar Forum, which has split many times since.<sup>136</sup> Yadav has spent the past year travelling around the country and strengthening his grassroots network.<sup>137</sup> He is also perceived as having integrity and thought to have distanced himself from the Indian establishment, which in turn cast him off for not being pliant enough.

Any decision on federalism needs his buy-in and he needs to be part of further discussion on whether to revive the assembly or have a new election, because of his ability to mobilise and his alliance with some *janajatis*. He is also becoming a more prominent Madhesi figure as some Madhesi parties are joining him, which increases his viability as a challenger to the Madhesi Morcha. Continued splits in the parties or realignments in the Madhesi Morcha, with some parties leaving it to join his alliance, could allow him once again to become a player in the numbers game of national politics.

#### D. FAR-RIGHT PARTIES

Conservative parties were close to the monarchy and have been of marginal importance since 2008, after Nepal went from being a Hindu republic to a secular republic. Only one of these parties, the Rastriya Prajatantra Party (Nepal), or RPP(N), has a coherent political platform. It is clearly monarchist, rather than only royalist, and wants a

referendum on republicanism, secularism and federalism.<sup>138</sup> The chances of rehabilitating the royal family or reviving the 1990 constitution, under which Nepal was a constitutional Hindu monarchy, are very slim. After the assembly ended, the former king, Gyanendra Shah, said that he would only return to public life “as king”.<sup>139</sup> The reaction of the other parties and a largely negative, irritated public response made it clear that there is little popular support for this.<sup>140</sup>

However, support for the RPP(N) does not depend on whether the king's return is a realistic prospect, but more on the party's ability to capitalise on pervasive fears among the elite and upper castes about federalism and secularism, the traditional parties' inability to set the agenda, and the perceived failure of the Constituent Assembly. For some supporters, political Hinduism could provide a way to engage with politics and resist the proposed changes in many ways, including street and electoral politics.

The RPP(N) commands some support from radical Hindu groups, though it is unclear whether this translates into resources or assistance in mobilisation. The party believes the monarchy's appeal goes beyond a single section of the traditional elite. “We are getting support from *janajatis*. After all, there was no ethnic or communal tension before federalism and secularism [were on the agenda]”, said

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<sup>135</sup> Crisis Group interviews, senior Morcha members from TMLP and Sadbhavana Party, Kathmandu, May-June 2012; district-level activists of Madhesi Morcha parties, Janakpur, May 2012. A prominent member of Upendra Yadav's MJF(N) said, “[Madhesi] Brahmins can vote for the TMLP, Yadavs will come to us and some others. Everyone will have their choice. But Madhesis will vote for Madhesi parties”. Crisis Group interview, Kathmandu, June 2012. TMLP is led by the widely respected politician Mahanta Thakur and was one of the parties formed when the Congress lost its Madhesi leadership after the Madhes movement. Despite the apparently upper-caste appeal of his party, Thakur himself is sometimes suggested as a presidential or prime ministerial candidate.

<sup>136</sup> Yadav started the Madhesi Janadhikar Forum as an NGO in 1997.

<sup>137</sup> Crisis Group interview, senior MJF(N) member, Kathmandu, June 2012; MJF(N) leader, Saptari, June 2012.

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<sup>138</sup> RPP(N) leader Kamal Thapa has said that if there can be no new constitution then the 1990 constitution must be revived and that his party can only hold a pro-royalist position as long as there is no constitution. See Crisis Group Briefing, *Nepal's Peace Process: The Endgame Nears*, op. cit., p. 13. At a rally in June 2012, Thapa said the coming elections “will bring the king back from Nagarjuna [the king's present residence in the hills above Kathmandu] to Narayanhiti [his old palace in the middle of the city]”. If there were no elections, he said, people would take to the streets to revive the 1990 constitution. Makar Shrestha, “Raja ra 047 saalko samvidhan farkaunchaun”, *Kantipur*, 10 June 2012.

<sup>139</sup> “Aaye rajakai bhumikama: Gyanendra”, *Rajdhani*, 4 July 2012. This was the former king's first overt statement of his desire to return. Until this, he had contented himself with snide comments about the performance of parties and politicians. “Nationality, peace, democracy in jeopardy: Ex-king”, *The Himalayan Times* online edition, 1 March 2012. During the last hours of the assembly on 27 May, an apparently official website for the former royal family went live, listing all living members of the family and their official (former) titles. It also has messages to supporters purportedly from Gyanendra Shah himself. It can be viewed at: [www.nepalroyal.com](http://www.nepalroyal.com).

<sup>140</sup> A slew of opinion pieces appeared in the Nepali media soon after Shah's statement, saying he was out of touch with political realities and suggesting that he was discredited. See, for example, Narayan Manandhar, “Wishful thinking, Gyanendra”, *The Kathmandu Post*, 15 July 2012 and Madhav Dhungel, “Purva rajako gaddinasina sapana”, *Nagarik*, 8 July 2012.

a Jhapa-based RPP(N) leader.<sup>141</sup> However, it is unlikely that vocal *janajati* and other groups are interested in the old-school paternalism and assimilationist pressures that the old order symbolises to them.

The RPP(N) won only four seats in the last assembly, but has welcomed the planned elections. The party believes it can ride on a wave of disillusionment with mainstream politicians and anxieties about the changes in Nepal. Like the new Maoist party, it taps into nationalist anger at a perceived increase in Indian influence. Like the UML and Congress, it is also suspicious that Western donors interfere in favour of ethnic politics. In recent months the party has made a relatively successful claim to be considered a national entity representing or echoing a coherent minority political position.<sup>142</sup> The other parties should consider the RPP(N) a player, albeit a small one.

In addition to the RPP(N), there are two other descendants of the formerly monarchist Rastriya Prajatantra Party: the Rastriya Prajatantra Party (RPP) and the Rastriya Janashakti Party (RJP).<sup>143</sup> These two parties have been attempting to reunite for some time, but have been hobbled by disagreements at the district level, factionalism and competition between their respective leaderships. Both parties accept that Nepal should remain a republic.<sup>144</sup> How-

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<sup>141</sup> Crisis Group interview, RPP(N) leader, Jhapa, June 2012.

<sup>142</sup> The RPP(N) has held a series of rallies across the country in 2012. The number of public meetings has perhaps less to do with broad support for the party than its doggedness and apparently bottomless wallet. In April, Crisis Group saw pains being taken for a public meeting in Pyuthan district that, all told, about 250 people attended. Some of the participants were local Maoists curious to see what a monarchist expected to gain in the home district of Mohan Baidya and other communist notables. The party's post-27 May rally in Kathmandu on 9 June was noticeably better attended than the one held by 27 opposition parties including the Congress and the UML a day earlier. Of the post-assembly public gatherings in Kathmandu, the pro-federalism rally held by the Maoists that included Madhesi and *janajati* activists was the largest. The capital is not a barometer of what the rest of the country is thinking, however. In addition, the organisational power of some actors and novelty value of others also determines attendance at public meetings. Rallies alone cannot be taken as indicative of broad support or electoral prospects.

<sup>143</sup> Major players in the constitutional monarchy, the RPP and the RJP only won eight and three seats of 575 respectively in the 2008 election, all via proportional representation.

<sup>144</sup> The RJP and RPP(N) both split from the RPP, in 2005 and 2008 respectively. See Crisis Group Briefings, *Nepal's Peace Process: The Endgame Nears*, and *Nepal's Fitful Peace Process*, both op. cit. Before the 2008 election, the RPP and RJP both adopted republicanism and, up to a point, federalism. The RJP proposed an ethnic-based upper house, which had whiffs of the cosmetic inclusion as practised by the monarchy – ethnic leaders could be brought in but would not pose any real challenge. Both parties oppose ethnic federalism. “Chunavi ghoshana

ever, they are unclear about what they stand for. The RJP envisions a kind of mainstream “Western-style” conservatism, which it defines in terms of economic, social and cultural values. What those mean in the Nepali context is unclear and so little in their policies is likely to gain traction.<sup>145</sup> The RPP has called for a referendum on secularism.

There is a chance that all three parties will try to unite behind a pro-Hindu position.<sup>146</sup> This is not necessarily because of a real conviction about the cause. The RJP, for example, has often spoken about allying with what it calls democratic forces, notably the Congress, but it would always be a very junior partner in such an alliance. If the old monarchical forces come together, each would be playing on a more level field. The monarchist parties' appeal to Hindu sentiment echoes the old state, but it will be a more muscular iteration of Hinduism, inevitably drawing on the Hindu-political-criminal nexus in some parts of the country, such as the Tarai, or in aggressive upper-caste politics in parts of the middle hills.<sup>147</sup>

The new Nepali right – or conservative middle or moderate right that the RJP would have liked to shape – does exist, but it is the domain of the Congress and UML. The RJP does not have the organisational capacity or leadership to mobilise around issues with mass appeal, like the anxieties about federalism. The RJP and RPP are also still perceived as crypto-royalists disdainful of the rough and tumble of democratic politics and sometimes paternalistic. Their space lies further to the right, informed by nostalgia for the old order and trying to sketch new outlines around the shadows of the old state.

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patrako sarsangshap”, RJP election manifesto, 2008; “Ghosha-na patra: Samvidhan Sabha nirvachan”, RPP election manifesto, 2008; and “Rastriya Prajatantra Partyle prastav gareko sanghiyatako samrachana”, RPP, date unspecified.

<sup>145</sup> See, for example, “Occupy the centre”, *The Kathmandu Post*, 19 April 2012.

<sup>146</sup> “Purva panchaharu ek bhayera chunavma jane grihakaryama”, *Naya Patrika*, 23 July 2012. Past efforts to reunify the three parties had stalled due to the RPP(N)'s unwillingness to abandon its monarchical agenda. See also “Talks to unify RPP, RJP, RPP(N) inconclusive”, *Republica*, 17 November 2011.

<sup>147</sup> For example, the Vishwa Hindu Mahasangh, a prominent Hindu group, claims to have ties with and overlapping roles in the RPP(N) due to their common views on the Hindu state. Crisis Group interview, Vishwa Hindu Mahasangh member, Banke, May 2011. For more, see Crisis Group Report, *Nepal: Identity Politics and Federalism*, op. cit., Section III.D.2.

## IV. POLITICS OUTSIDE PARTIES

### A. PARTIES OF THE FUTURE?

#### 1. *Janajati* party politics

A possible political change is coming from ethnic leaders, activists and academics, some of whom are affiliated with the Nepal Federation of Indigenous Nationalities, or NEFIN, a non-governmental organisation (NGO) with a long history of activism about *janajati* issues.<sup>148</sup> In August, this group of people announced a new party for ethnic and other marginalised groups, provisionally named the Social Democratic Pluri-National Party. They are encouraged by the relative success of the cross-party *janajati* caucus in the assembly and the possibility of fresh elections. This group was quick to note that the party would be *janajati*-led, but not for *janajatis* alone. Rather, it would work with a wide range of marginalised groups for equality and social justice.<sup>149</sup>

The party is not yet officially registered with the election commission. It has a name and manifesto, but plans further public consultations and discussions. UML *janajati* leaders have been particularly sceptical of the new party, arguing that it needs ideological clarity and should not be prioritising indigenism above broader politics.<sup>150</sup> Although there is no formal connection between NEFIN and the new party, some veteran NEFIN activists are involved in the party and they could capitalise on connections to the organisation's broad network.<sup>151</sup> At the national level, NEFIN contains representative bodies of different ethnic groups, which will be of limited if any use in electoral poli-

tics. But it has a strong, nationwide network in the districts, with organisations in more than 60 of Nepal's 75 districts and a presence in over 2,500 of almost 4,000 Village Development Committees (VDCs).<sup>152</sup>

The nascent party needs experienced politicians to plan and implement electoral strategies and a few big names to prove it is a serious political entity rather than an academic experiment. Its announcement puts pressure on non-Maoist *janajati* leaders to gain concessions from their leaders on ethnic issues or leave the parties that stand against their concerns.<sup>153</sup> The party also hopes to capitalise on the defection of mid-level organisers and grassroots workers whose loyalties are shifting away from the UML, in particular.<sup>154</sup>

#### 2. Upper-caste groups

Less organised than *janajati* movements are groups representing upper-caste interests. Pro-federalism activists who demand greater inclusion that is, representation of marginalised groups in state institutions and politics and better access to economic opportunities, seek to dismantle the traditional privileges of Brahmins and Chhetris, the two highest castes in the Hindu hierarchy. These two groups believe they will lose the most after federalism and have sometimes agitated together. However, Chhetri organisations are critical of what they call Brahmin dominance. They believe that being equated with Brahmins overlooks the sharp differences between the groups in terms of representation and influence, development status and other indicators.<sup>155</sup> "Grouping Brahmins and Chhetris together prolongs Brahmin dominance. One of our main agendas is anti-Brahminism", said a Chhetri activist in Sunsari.<sup>156</sup>

Chhetri organisations have reached out to mainstream politicians over the past two years with little success, although some national-level leaders are widely thought to be sym-

<sup>148</sup> NEFIN is an influential umbrella organisation of *janajati* NGOs that was formed in 1991. It, among others, was instrumental in *janajatis* taking on indigenous status and framing much of the debate around indigenous issues and the ILO convention 169. It has received international funding, including until recently from the British Department of International Development (DFID). This funding was stopped in May 2011, after NEFIN organised a strike. The agency judged such political activity could not receive development funds. Receiving international funding including for development work opens identity-based groups up to accusations that their agendas are not "homegrown". For more on this issue, see Crisis Group Report, *Nepal's Constitution (I)*, op. cit., Sections II.B and V.B. For more on the indigenous label, see *ibid*, Section II.A.4. On ILO 169, see Section III.B above.

<sup>149</sup> However, the party's manifesto suggests that it will lobby for indigenous demands to be met through the right to self-determination, autonomy, self-rule and the use of customary law. "Proposed Manifesto of [the] Social Democratic Pluri-National Party", 9 August 2012.

<sup>150</sup> Ajambar Kangmang, "Adivasivadle badha utpanna garcha", *Naya Patrika*, 13 August 2012.

<sup>151</sup> For example, a former NEFIN president, Pasang Sherpa, is currently adviser to the NGO and involved in the new party.

<sup>152</sup> The new party is taking lessons from the success of the Madhesi Janadhikar Forum (MJF) group of parties. The MJF began as an NGO but capitalised on a combination of grassroots organisation, intellectual cohesion, a mass movement and the defection of mainstream leaders to the party to become a formidable electoral force. Crisis Group interview, *janajati* activist, Kathmandu, June 2012. "Existential crisis", *Republica*, 7 July 2012.

<sup>153</sup> Crisis Group telephone interviews, UML and Congress *janajati* leaders, Kathmandu, June 2012.

<sup>154</sup> Crisis Group interview, adviser to the new party, Kathmandu, July 2012.

<sup>155</sup> Crisis Group interviews, Chhetri activists, Sunsari, November 2011; Chhetri activists, Kathmandu, January 2012. For more on Brahmin and Chhetri representation, see footnote 102, and on the Brahmin-Chhetri agitation, see Crisis Group Report, *Nepal's Constitution (I)*, op. cit., Section II.A.4.

<sup>156</sup> Crisis Group interview, Khas Chhetri activist, Sunsari, June 2012.

pathetic to the Chhetri cause.<sup>157</sup> Some of these groups claim to have the backing of retired Nepal Army personnel<sup>158</sup> and access to resources through the business world.<sup>159</sup> There is some overlap between supporters of various Chhetri groups and Hindu and royalist groups. Any Chhetri electoral venture will need big political names. But established politicians are unlikely to leave their parties for a Chhetri-only party. It is more useful to stay in their mainstream parties, but maintain ties with Chhetri groups as an additional source of support and mobilisation.<sup>160</sup>

*Janajati* and Chhetri groups have wide recognition within their respective communities. Both have the ability to call shutdowns or engage in confrontations with other groups; but they equally need the support of well-known political actors. A *janajati*-led party has, however, a greater chance of making a mark as it is more likely to attract defectors from the traditional parties, where there is a positive distaste for ethnic issues. Most Chhetri leaders, on the other hand, can play the mainstream game while also keeping their hand in caste organisations.

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<sup>157</sup> Chhetri activists claim Bhim Rawal, a senior UML leader, is an active supporter. Crisis Group interview, Chhetri activist, Kathmandu, November 2010. Leaders from several parties say they have been asked to join the Chhetri movement and that most of them declined. Crisis Group interviews, Maoist assembly member, Kathmandu, June 2012; Congress leader, Kathmandu, May 2012; Rastriya Janamorchha leader, Kathmandu, May 2011. In February 2012, senior leaders from several parties, including Arjun Narsingh KC from the Congress, Rawal from the UML, Chitra Bahadur KC from the Rastriya Janamorchha and the sitting Maoist local development minister, Top Bahadur Rayamajhi, spoke at a rally of Chhetri organisations protesting being classified as an “other” group. These Chhetri groups demanded that their identity too be recognised in inclusion policies, that they too be classified as indigenous and that federal states not be formed on the basis of ethnicity. “Chhetris seek ‘indigenous’ status in fed[eral] set-up”, *The Kathmandu Post*, 13 February 2012. For more on the significance of the designation for access to state quotas, see Crisis Group Report, *Nepal's Constitution (I)*, op. cit., Section II.A.2.

<sup>158</sup> Crisis Group interview, Chhetri activist, Kathmandu, January 2012. Chhetris are heavily represented in the army, accounting for 43.64 per cent of personnel as of 2009. “State of inclusiveness in Nepalese Army”, Nepal Army, available at: [www.nepalarmy.mil.np/inclusiveness.php](http://www.nepalarmy.mil.np/inclusiveness.php).

<sup>159</sup> A prominent Chhetri leader in Kathmandu owns several businesses and industries. Many Chhetri leaders outside the capital also have business backgrounds. A leading Chhetri activist in Panchthar, for example, was also the district's chamber of commerce chairperson. Crisis Group interview, Chhetri activist, Panchthar, November 2011.

<sup>160</sup> There is also a similar Brahmin organisation of which Prachanda is rumoured to be a member.

## B. THE THARU MOVEMENT

Tharu groups are generally accepted as being indigenous to the Tarai. Although Tharus live across the plains, they make up a greater proportion of the population of mid- and far-western Nepal, and these are seen as “Tharu areas”.

The Tharu movement has been significant at critical junctures of the inclusion and federalism debates, but some members argue that Tharus' overall influence, whether in the mainstream parties or in relation to the *janajati* movement, is still disproportionately small.<sup>161</sup> There are barely any Tharus in the decision-making bodies of the major parties and Tharu issues matter even less to the traditional parties than *janajati* issues.<sup>162</sup> Even in NEFIN, Tharu activists say, there is a disconnect between Tharus and the more influential hill *janajatis*.<sup>163</sup>

Although the indigenous tag links Tharus with hill *janajatis*, politically and geographically their nearest competitors and collaborators are Madhesis.<sup>164</sup> Tharu activism intensified in 2009 to oppose the community being lumped together with Madhesis in civil service quotas.<sup>165</sup> In February 2012, Tharu groups again mobilised against an Inclusion Bill they perceived as being tilted in favour of Madhesis.<sup>166</sup> Despite this competition and perception that they are sidelined, Tharu groups will continue to ally with Madhesis, *janajatis* and the Maoists in favour of federalism.<sup>167</sup>

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<sup>161</sup> In the 2001 census, Tharus were the fourth largest ethnic group comprising 6.75 per cent of the population. “Rastriya Janaganana, 2058 (Jaat/Jaatiko Janasankhya)”, op. cit.

<sup>162</sup> For example, there are four Tharus in the Nepali Congress central working committee and three in the UML central committee. The UCPN-M pre-split central committee had one Tharu member, although there are now four in the convention organising committee that has replaced the central committee. The CPN-M central committee has none. Crisis Group telephone interviews, Nepali Congress central working committee member, UML central committee member, UCPN-M central committee member, CPN-M politburo member, Kathmandu, August 2012. The major parties rarely, if ever, raise Tharu issues.

<sup>163</sup> Crisis Group interview, Tharu leader, Kathmandu, June 2012.

<sup>164</sup> In 2008, after the Madhes movement demanded a single Madhesi state spanning the entire Tarai, Tharu groups mobilised for a “Tharuhat” state stretching from the central to far-western Nepal. The more serious discussions on federalism in the last two years have always provided for a Tharuhat state.

<sup>165</sup> The government agreed to guarantee distinct constitutional and legal recognition of Tharus after a thirteen-day strike.

<sup>166</sup> “Bill on inclusion has Madhesi bias”, *The Himalayan Times*, 15 February 2012. For more on the Inclusion Bill, see Crisis Group Report, *Nepal's Constitution (I)*, op. cit., Section II.A.2.

<sup>167</sup> Crisis Group interview, Tharu leader, Kathmandu, June 2012. Tharu groups are often not affiliated with political parties and many activities are locally coordinated, such as the May 2012 protest countering a shutdown by another regional movement,

Since 2006, Tharu politics has had many manifestations, emerging when specific actions are needed against a law or another group and then sinking back into the landscape.<sup>168</sup> The Tharu Autonomous State Council (TASC), for example, is currently inactive but was militant, forming the Tharuhat Liberation Army in November 2008 after the Madhes movement and the elections, ostensibly for self-defence. The Tharuhat Tarai Party (Nepal), which appears only sporadically, was formed in August 2011 and demands a Tharuhat state and recruitment of 10,000 Tharus into the Nepal Army. The Samyukta Loktantrik Tharu Morcha was an alliance of Tharu assembly members formed in April 2012 that called for a united Tharuhat state with the right to self-determination and priority rights.<sup>169</sup>

Disjointedness and disorganisation do not affect the ability of Tharu groups to mobilise politically. Despite some differences, they also work together with non-Tharu groups and will continue to do so. Before the insurgency and for some time after the 2008 elections, the Tharu movement was closely connected to the Maoist party. Many Maoist recruits in the mid- and far-west plains in particular were Tharu and these areas had a high incidence of state-sponsored disappearances and killings. The Maoist party did well in Tharu localities during the election, fielding mostly Tharu candidates. In recent years, although there is still cooperation with Maoist factions, local Tharu groups have begun acting with a greater degree of autonomy. They deal more independently with other political parties and identity-based groups, including at the national level, for example. For the far west, parts of which will be contested again in a new election and in the formation of federal states, Tharu actors will be important, possibly even decisive political players.

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the Undivided Far-West movement. See Crisis Group Report, *Nepal's Constitution (I)*, op. cit., Section II.A.4.

<sup>168</sup> See, for example, "Alliance to press for Tharuhat state", *The Kathmandu Post*, 29 April 2012; "Tharuhat-tarai party gathan", *Kantipur*, 13 August 2011. Earlier Tharu organisations, notably the Backward Society Education (BASE) since the 1990s, focused on grassroots development and social empowerment. See, Arjun Guneratne, *Many Tongues, One People: The Making of Tharu Identity in Nepal* (Ithaca, 2002), pp. 113-114. Like NEFIN, BASE also has received international funding, particularly from the U.S. Agency for International Development (USAID). Such "targeted aid" has become a thorn in the side of sceptics of federalism. While in the 1990s, Tharus were seen by many of Nepal's elites as "backward" and needing to be "uplifted", many are now uncomfortable with the overt political expressions of that "upliftment". For more on donors and identity politics, see Crisis Group Report, *Nepal's Constitution (I)*, op. cit., Section V.B.

<sup>169</sup> For more on the *janajati* demand for political prime, preferential or priority rights, see *ibid*, Section II.A.2.

## C. ETHNIC AND REGIONAL GROUPS

There are well-established ethnic groups that have agitated for particular ethnicity-based states, such as the Limbuwan groups in Nepal's eastern hills. Until recently, leaders of these groups saw the constitution-making process as a marker of their own progress. With the assembly gone, elections serve that purpose. "Fresh polls give us a chance to test our growth and our hard work over the past few years", said a leader of the Federal Limbuwan State Council (Lingden), FLSC(L), from Panchthar.<sup>170</sup> This sentiment is echoed by upper-caste activists who agitated in far-western Nepal in April and May for their state boundaries to reflect those of a historic kingdom and include some territory that was generally assumed to be part of the Tharuhat state.

The Limbuwan movement is one of the strongest hill ethnic movements to emerge in recent years. It has gone through a significant evolution. Like the Madhes movement, this peaked with a long period of strong-arm activity including alleged extortion, control of sections of the main artery connecting "Limbuwan" to the rest of the country, shutdowns and the very occasional targeting of government representatives.<sup>171</sup> A part of the movement seemed to have undergone a slow de-radicalisation, in part because some leaders began spending time in Kathmandu making connections with other groups. Individuals also do not sever their old party affiliations, which are sometimes with the Congress or UML. As a result, there are occasionally local leaders who claim that their proposed state closely resembles the Congress's proposed eastern hill state.<sup>172</sup>

A prolonged deadlock with neither elections nor revival of the assembly will not go down well. Leaders complain

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<sup>170</sup> Crisis Group telephone interview, June 2012. For more on the Limbuwan movement, their organisation capacities and potential flashpoint, see Crisis Group Report, *Nepal: Identity Politics and Federalism*, op. cit., Section III.C.1.

<sup>171</sup> In eastern Nepal, Limbuwan groups for some time imposed "taxes" on the transport of cash crops such as cardamom through territory they say should belong to the future Limbuwan state. This served both to raise funds and to reiterate their claims of belonging and control. Some of the more militant ethnic groups like the Kirat Janabadi Workers' Party, an underground outfit demanding a large "Kirat" state across the eastern hills, have targeted police posts in the past, or threatened secretaries of Village Development Committees in their position as representatives of the state. The first action is taken directly out of the Maoists' original playbook and the second is borrowed from the many armed groups that sprang up in the Tarai after the Madhes movement. In this region, improvised explosive devices (IED) are still occasionally set off at government offices, though casualties are few and rare.

<sup>172</sup> Crisis Group interview, Limbuwan leaders and activists, Sunsari, June 2012.

that cadres are frustrated by the loss of the assembly, as well as stagnation and inactivity during the months they spent waiting for the constitution.<sup>173</sup> When negotiations on federalism resume, Limbuwan and other identity groups will pressure the parties and their own representatives. If the parties again suggest that the constitution can be written by a commission, they will immediately agitate, questioning the selection of commission members and calling the process undemocratic and disrespectful.<sup>174</sup> These groups could use the same pressure tactics they have deployed in the past. In more extreme cases, activists could target individuals they see as against their cause, members of parties they believe are irresponsible, or symbols of the government. Clashes between groups that reject each other's ideas of federalism or feel threatened by them are increasingly a matter for concern, but these are not restricted to non-party actors.

Local activism has sprung up in specific areas, either as the idea of new states has permeated into the broader social consciousness or as leaders realise the impact that the new boundaries will have on their constituencies. For example, the three eastern Tarai districts of Jhapa, Morang and Sunsari were to have been part of the Madhes state. But in May 2012, national leaders from these areas began to argue that these districts should be part of a separate state as their populations were not largely Madhesi.<sup>175</sup> They were threatened by Madhesi aspirations and by Limbuwan claims to these districts.<sup>176</sup> This has not taken on the characteristics of a movement yet. A movement in April and May in the Tarai hub of Janakpur for a Mithila state in the Madhes to safeguard Maithili culture was short-lived, but claimed four lives when a sit-in by its supporters was bombed.<sup>177</sup>

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<sup>173</sup> “[Since the assembly ended] lots of our cadres are angry but we are trying to keep them under control”. Crisis Group telephone interview, Limbuwan leader, Sunsari, May 2012.

<sup>174</sup> Such a commission has been discussed by leaders from the Congress as well as the Maoists, including Mohan Baidya. A *janajati* leader claimed that such a commission could not be inclusive or representative and would lead to intense street protests. Crisis Group interview, Kathmandu, June 2012.

<sup>175</sup> These areas have often been considered to have a distinct historical identity and in the original Maoist proposal formed a state called Koch or Kochila. On the ground, a small Madhesi indigenous group called Rajbanshi leads the charge, claiming the area as a homeland.

<sup>176</sup> Crisis Group interviews, national level negotiator, Kathmandu, June 2012; Congress leaders, UML leaders, journalists, businessmen, human rights activists, Sunsari, Jhapa, June 2012.

<sup>177</sup> An IED was thrown at a sit-in of the movement. Four people died, including a noted theatre personality. “Janakpurma dhar-nasthalma visfot”, *Kantipur*, 1 May 2012. Although an underground Tarai armed group claimed responsibility, the consensus is that it acted on behalf of other interests, possibly anti-federal groups. Many theories did the rounds in Janakpur, in-

The most successful so far of these regional movements has been that calling for an “Undivided Far-West” state. It began in a small way in 2010, and now has the support of some senior leaders from the Congress, UML and the Maoist party. Proponents of an undivided far west, mostly upper caste, insist that they want federalism, largely because they are confident they will retain control in their region and gain more influence.<sup>178</sup> Activists use the language of identity politics to assert the territory's historical and regional distinctiveness. “Our movement is based on our unique culture and society and the threat upon our regional identity”, said a far-west activist in Doti district.<sup>179</sup> They also note that many families of the far-western hills own property and businesses in the plains and divide their lives between these locations.<sup>180</sup> There are also a number of national- or central-level leaders whose homes are in the hills, but constituencies are in the plains or midway. As in the case of the eastern Tarai, this influences the negotiating positions of national parties.

Ethnic activists argue that the agitation for an undivided far west and the smaller contestation over territory in the eastern Tarai aim to dilute the importance of identity in federalism negotiations by reaffirming the primacy of

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cluding the possibility that the group wanted a higher profile. There is little evidence to support any position definitively. Maithili-speaking Madhesi Brahmins of the eastern Tarai are an influential community. Representatives of the movement claim that Maithili culture is unique and has deep historical ties to the Janakpur area. Some members of this community are said to feel threatened by the political rise of the Yadav community. Members of non-Brahmin communities in the area point out that the movement to preserve Maithili culture reiterated the superiority of the language used by Brahmins and did not have wide support. Crisis Group interviews, activists from the Mithila movement, Madhesi parties, Maoists, Janakpur, May 2012.

<sup>178</sup> Activists are careful to avoid statements that might sound like caste supremacism. In the past, some Chhetri organisations claimed that if state restructuring were to be based on ethnicity, their group should have a state in far-western Nepal. “Khas Andolan: Adhyayan ra vivechana”, Khas Chhetri Ekta Samaj, March 2010.

<sup>179</sup> Crisis Group interview, far-west activist, Doti, April 2012.

<sup>180</sup> Activists fear that if their landholdings end up in the Tharu state, their access could be limited or ownership contested. Several leaders from far-western districts support the Undivided Far-West state, most notably the Maoists' Lekh Raj Bhatta, the UML's Bhim Rawal and the Congress's Sher Bahadur Deuba and Ramesh Lekhak. Bhatta and Lekhak spoke at rallies in May and pressured the government to accept agitators' demands. “Leaders set condition to lift Far-West strike”, *ekantipur.com*, 7 May 2012. Activists emphasise the far west's unique culture, tradition and dialect. The residents of Doti district, for example, cite the Doteli language as a source of regional pride. Crisis Group interviews, Dadeldhura, Doti, Kanchanpur, Kailali, April 2012. Unlike Madhesi and *janajati* activists, they are rarely accused of wanting ethnic federalism or plotting to split the country.

upper-caste concerns. Yet, it could also be argued that the far-west movement in particular accepts the importance of “identity”, but uses it differently. Here, upper-caste groups refer to regional identity, rather than caste or ethnic identity. They are dispersed across the country and cannot claim a Brahmin or Chhetri state, yet there are areas where they are dominant and have long historical and cultural ties. The far west is the best example – the population is overwhelmingly caste Hindu, namely Brahmin, Chhetri and the similar Thakuri caste, and Dalit. Dalits, the “untouchable” caste, have not participated in the movement, so it is in effect an upper-caste movement. Similarly, the push by senior leaders in Kathmandu to separate the eastern end of the Tarai from the Madhesi state is not driven by claims of a local indigenous group that the area is its historic homeland and should be demarcated and named as such. Rather, the motivation is to make Madhesi states smaller.

The case for the Undivided Far-West cannot perhaps be dismissed lightly, but activists and politicians who claim parts of the far-western Tarai districts of Kanchanpur and Kailali meant to be part of the Tharuhat state will have to revisit their attitudes towards their Tharu neighbours. In discussions, it is common to hear statements such as, “we have oppressed Tharus, and they certainly need concessions and special areas. They are truly indigenous and backward”.<sup>181</sup> Tharu activists find this picture painted of a downtrodden, semi-wild community that needs protected areas patronising and say they want their rights, not paternalistic tolerance.<sup>182</sup>

#### D. THE MILITANT FAR-RIGHT

A variety of non-party right-wing forces could be emboldened by the end of the assembly. There are some fixed and clear points in this landscape, such as Hindu fundamentalist groups like the Shiv Sena Nepal and the Vishwa Hindu Mahasangh. The latter has long established ties to the former royal family and also reportedly to the RPP(N) and Chhetri organisations that demand a reinstatement of the Hindu state.<sup>183</sup> Shiv Sena Nepal is more militant and demands a Hindu state with a Hindu monarch, even if only in a ceremonial role. It sometimes threatens violence and far less often carries it out.<sup>184</sup> On the few occasions that

there has been communal violence in recent years, such groups have been deployed – or claim to have been – against Muslims, in particular. Upper-caste groups, such as Chhetri organisations, do not appear militant until there are protests against identity-based federalism or demanding indigenous status for upper castes, as in May 2012.<sup>185</sup>

It is more accurate to describe the militant far-right as a network of interconnected interests including Hindu, royalist and upper-caste who often call on the same small core of local goons. For some, particularly the regional interest groups, it makes more sense to tap into mainstream politics, which allows better access to state power and services in the new dispensation. State institutions traditionally sympathetic to the Hindu monarchy, such as the Nepal Army, are unlikely to provide direct support for any of these groups.

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<sup>181</sup> Crisis Group interview, far-west mobiliser, Doti, April 2012.

<sup>182</sup> Crisis group interview, Tharu activist, Kathmandu, June 2012.

<sup>183</sup> Approximately 80 per cent of Nepal's population is Hindu and until 2008 it was the only Hindu state in the world. Crisis Group interview, Chhetri activist, Kathmandu, August 2011. See also Crisis Group Report, *Nepal: Identity Politics and Federalism*, op. cit.

<sup>184</sup> A Shiv Sena leader, for example, said they could take up arms if secularism was included in the new constitution. Crisis Group interview, Shiv Sena Nepal leader, Kathmandu, November 2011.

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In May 2009, a Hindu extremist group called the Nepal Defence Army bombed a church in Lalitpur, killing three people.

<sup>185</sup> For more, see Crisis Group Report, *Nepal's Constitution (I)*, op. cit., Section IV.C and Section IV.A above. Chhetri activists also clashed with ethnic activists in Pokhara city in late May and helped mobilise for a rally in favour of the 1990 constitution.

## V. SMALLER POLITICAL ACTORS

### A. THE DALIT MOVEMENT

Nepal's Dalits remain the country's most under-privileged group, as well as the most subject to discrimination. They also stand to gain the least from state restructuring, having no territory or demographic advantage. The "non-territorial" state the federalism commission suggested for Dalits is problematic. One effect it could have is of introducing special Dalit-only institutions, which would segregate Dalit groups from the rest of the population even more than they are now.<sup>186</sup> The community has not mobilised aggressively. Dalits, and to a lesser extent Tharus, have an uncomfortable relationship even with other marginalised or identity-based groups. Many *janajati* communities, for example, have adopted the caste Hindu attitudes and discriminatory behaviours towards Dalits.

Although the Dalit movement remains on the political margins, it has made some gains at the national level. Like all other marginalised groups, Dalits gained from the quotas imposed on proportional representation in the Constituent Assembly.<sup>187</sup> Possibly the movement's biggest gain was a May 2011 law which criminalised untouchability and caste-based discrimination.<sup>188</sup> An activist says that Dalits gained from the assembly in other ways, too, but "by accident". "Any time Madhesis, for example, demanded rights, political leaders [from other parties] would say that Dalits were truly marginalised and deserved rights. The parties thus inadvertently made commitments to us", he said.<sup>189</sup>

<sup>186</sup> Many feared that, although well-intentioned, the proposal of the State Restructuring Commission (which got a Dalit representative only after protests by Dalit assembly members) would become a way of legalising the separation of Dalits from other social groups. Maoist Dalit leader Khadga Bahadur Bishwakarma called the idea "an imported conspiracy". "Non-territorial federalism an imported conspiracy", *The Kathmandu Post*, 13 February 2012.

<sup>187</sup> The House of Representatives in 1992 had one Dalit member and in 1995 and 1999, the legislature had no Dalit representatives. The 2006 Interim Parliament had eighteen Dalits and the 2008 assembly, 50. Suvash Darnal, *A Land of Our Own* (Kathmandu, 2009), p. 15.

<sup>188</sup> Untouchability had first been outlawed in the 1963 *Muluki Ain*, or National Code. The 2011 Caste Based Discrimination and Untouchability (Offence and Punishment) Act was significant because it lists acts that constitute caste-based discrimination and untouchability, and bars untouchability in both public and private spaces. It also outlines penalties of up to three years' imprisonment. The law also has provisions for perpetrators to provide restitution to victims. Caste Based Discrimination and Untouchability (Offence and Punishment) Act, 2011.

<sup>189</sup> Crisis Group interview, Dalit activist, Kathmandu, July 2012. The claims of Dalits were also tacked on to a movement by up-

Despite their extremely limited ability to influence outcomes, some activists say that the end of the Constituent Assembly was "more unfortunate for the Dalit community than any other".<sup>190</sup> Several of the assembly's smaller committees working on specific constitutional issues had provisions for special rights for Dalits and there are concerns that these will have to be renegotiated or will be dropped.<sup>191</sup>

Dalits comprise a sizeable chunk of Nepal's population.<sup>192</sup> However, several factors hinder their ability to organise politically. The Dalit population is scattered throughout the country and has no claim over a distinct territory and no demand for a federal state.<sup>193</sup> This lessens its appeal to political leaders who seek demographic and electoral advantages. Many factors make it difficult for Dalits to mobilise as a group: Dalit communities often discriminate against each other; Madhesi Dalits are more discriminated against than hill Dalit groups and the two sets of communities often have little in common. Moreover, the definition of who is a Dalit is sometimes unclear.<sup>194</sup>

There was a Dalit caucus in the assembly, but most of them were bound more by party allegiances than commitment to the caucus. This is, in part, because many parties picked pliant members to fill their required quotas, rather than members who might speak their own minds.<sup>195</sup> As long as

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per-caste Hindus to be classified as indigenous. No major Dalit organisation was part of this alliance, although because Brahmins and Chhetris did not want to be seen as against marginalised groups, they co-opted the Dalit cause, too. For more on this agitation, see Crisis Group Report, *Nepal's Constitution (I)*, op. cit., Section II.A.4.

<sup>190</sup> Crisis Group interview, Dalit activist, Kathmandu, July 2012.

<sup>191</sup> For example, the Committee on State Restructuring and Distribution of State Power provided Dalits "proportional representation on the basis of population at the federal state and local levels". "Confusion in Dalit Transformation in the New Constitution of Nepal", Samata Foundation, September 2010.

<sup>192</sup> In the 2001 census, Dalits comprised 12.82 per cent of the total population. "Dalits and Labour in Nepal: Discrimination and Forced Labour", ILO, 2005. However, the August 2007 amendment to the Civil Service Act only allotted 4.05 per cent of reservations for Dalits.

<sup>193</sup> "We want neither a non-territorial state nor a geographic state", said a prominent Dalit activist. Crisis Group interview, Dalit activist, Kathmandu, July 2012.

<sup>194</sup> For a useful analysis of Dalit identity and the need to redefine it, see "Voices from the powwow", *The Kathmandu Post*, 30 June 2010. For a closer look at intra-Dalit discrimination, see "Fragmented voices", *The Kathmandu Post*, 14 November 2011. Social stigma led to some Dalits claiming to be Brahmins on the 2011 census. "Dalits hiding their castes", *The Kathmandu Post*, 23 June 2011. Hill-based Dalits also have a long history of discriminating against Madhesi Dalits.

<sup>195</sup> "The parties picked the weakest, least politically capable Dalit candidates for the 2008 elections. So these Dalit leaders became indebted to their parties and afraid to divert from party lines", said a Dalit activist. Crisis Group interview, Dalit activ-



these dynamics endure in a new assembly, or in any new setup, it is difficult to see Dalits organising as a political force at the national level. Their leaders could extract provisions from other identity-based groups guaranteeing Dalit-specific affirmative action and inclusion policies in exchange for support of identity-based federalism but this would require finding a common position on these issues first.<sup>196</sup> Until then, Dalit communities will continue to be the pet minority of the traditional parties, who will be happy to use them to discount or diminish the claims of the more powerful Madhesi and *janajati* groups.

## B. WOMEN'S GROUPS

Like other groups, the assembly also had a women's caucus and there were women on a number of the committees that worked on the constitution. However, as with Dalit members, party loyalties have exerted a greater influence on women members, who often depend on the sufferance of the party leadership for support of their careers.<sup>197</sup>

The caucus did, however, have a singular failure. There were deep differences on citizenship provisions in the new constitution. The draft that was approved by the parties required that both parents, not just one, prove Nepali citizenship for a person to be considered a citizen. This provision will almost certainly increase the number of stateless Nepalis who are children of single mothers, for example.

Currently, citizenship by descent is acquired through the father. Amending this so mothers can also pass citizenship on to their children would be a solution. Instead, resistance came from two quarters. "Nationalist" members of mainstream parties insisted that both parents be required to pass on citizenship, driven by concerns that Nepal will be flooded with Indians seeking Nepali citizenship through marriage. Maoist women members also insisted on both parents out of concerns that the identity of mothers will be "erased" if citizenship is passed on through fathers only. They said further that if women and only one parent were

allowed to pass on citizenship, Nepal's "patriarchal culture" would discriminate against people seen to be children of single mothers.

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ist, Kathmandu, July 2012. The Dalit Caucus' most significant achievements included stalling parliament while protesting the murder of a Dalit youth by upper-caste individuals in December 2011 and rejecting the State Restructuring Commission's proposal to offer them a non-territorial federal state in February. "Cabinet provides Rs 1m to bereaved Dalit family", *The Kathmandu Post*, 28 December 2011. Only one of the 50 Dalit assembly members belonged to a Dalit party, the Dalit Janajati Party. "Confusion in Dalit Transformation in the New Constitution of Nepal", op. cit., p. 10.

<sup>196</sup> For more, see Prashant Jha, "Stripped of dignity", *The Kathmandu Post*, 1 August 2012.

<sup>197</sup> This section is based on interviews with a UML and a Congress member involved in the negotiations and a Maoist leader. Kathmandu, April, May 2012.

## **VI. CONCLUSION**

In Nepal today, the democratic process stands for the broadest kinds of change – from war to peace and from a narrow vision of what it means to be Nepali to a much wider one. Even at their most modest, these are long-term, ground-shifting goals. There are sharp debates about each component. This is as it should be in the liberal democracy Nepal strives to be. But the deeply divergent views on what the country should look like are not the only factors that make the present moment so fraught. The other is the state of the political parties themselves. They are badly run and ideologically impoverished organisations with few policy goals, unclear agendas and chronic leadership crises. Realignments might create alliances of actors who want similar things, but they will not lead to the parties becoming more functional, either internally or with respect to each other, or more capable of managing the many contradictions between Nepal's numerous social and political groups.

Many issues involved in the transformation of Nepal, such as secularism or more equitable ethnic representation through federalism, can be legislated as standards and ideals. But their social impact cannot be managed through laws and principles alone. The role of the parties that mediate between society and the state will be critical. To gain, rather than lose, they must all bring some order to their own houses and look beyond parochial interests. The traditional parties need to take a hard look at what they want to stand for. Identity-based groups, for their part, will not build lasting political institutions or networks by repressing diversity in their own ranks or reinforcing existing disconnects. Extremists stand to benefit from the wholesale bankruptcy of mainstream politics. These forces will not necessarily have major electoral successes, but if their agenda is disruption, they will have a lot of space to play. The parties will have no one to blame but themselves if the gains of the peace process are threatened at this stage.

**Kathmandu/Brussels, 27 August 2012**

## APPENDIX A

### MAP OF NEPAL



## APPENDIX B

### GLOSSARY

#### **Assembly**

Constituent Assembly – unicameral body tasked with drafting a new constitution, also served as a legislature-parliament, term ended on 27 May 2012.

#### **BASE**

Backward Society Education – non-governmental organisation focusing on development of the indigenous Tharu community, has strong organisation capacity, founded by Dilli Chaudhary.

#### **Brahmin**

Members of the group traditionally considered the highest caste hill-origin Hindus, broadly called upper caste.

#### **Broader Morcha**

Brihat Madhesi Morcha or BMM – smaller of the two fronts of Madhesi parties, currently in the opposition, has reasonable grassroots-level support and influence in the Madhesi population.

#### **Chhetri**

Members of the group traditionally considered the second highest caste hill-origin Hindus, broadly called upper caste.

#### **Congress**

Nepali Congress – second largest party in the assembly which ended on 27 May, a major traditional player in Nepal's democracy, strongly against ethnicity-based federalism.

#### **CPA**

Comprehensive Peace Agreement – November 2006 agreement officially ending the decade-long war, signed between the government of Nepal and the Maoists, then called the Communist Party of Nepal-Maoist.

#### **CPN-M**

Communist Party of Nepal-Maoist or “the new Maoist party” – formed by Mohan Baidya “Kiran” in June 2012 after vertical split from the Unified Communist Party of Nepal-Maoist.

#### **Dalit**

Members of the group of Hindus considered at the bottom of the caste ladder. Untouchability has been outlawed but Dalits still face many kinds of discrimination.

#### **DFID**

Department for International Development – the UK government's department responsible for promoting development and the reduction of poverty. Recently renamed UK Aid.

#### **FLSC(L)**

Federal Limbuwan State Council (Lingden) – grassroots mobilisation group in eastern Nepal, demands a “Limbuwan” autonomous state based on territory historically significant to the Limbu ethnic group, split from the original Federal Limbuwan State Council in 2008.

#### **IED**

Improvised Explosive Device.

#### **Janajati**

An umbrella term for a large number of ethnic groups, most from the hills, outside the caste Hindu system, claim distinct languages, cultures and often, historical homelands.

#### **Janajati caucus**

Cross-party caucus of indigenous assembly members formed to pressure the national parties to pass a federal model acknowledging identity.

#### **Madhes movement**

Popular political movement in 2007 by Madhesi groups in the Tarai region of Nepal protesting against systematic discrimination and demanding federalism based on identity and more representation in state institutions.

#### **Madhesi**

An umbrella term for a population of caste Hindus residing in the Tarai who speak plains languages and often have extensive economic, cultural and family ties across the border in northern India.

#### **Madhesi Morcha**

Samyukta Loktantrik Madhesi Morcha or SLMM – alliance of five Madhesi parties, MJF(L), MJF(G), TMLP, TMLP(Nepal) and Sadbhavana Party. Its primary agenda is federalism and more equitable representation of Madhesis in state institutions, it does not include MJF(N) and Sanghiya Sadbhavana Party, two other significant Madhesi parties.

#### **MJF(G)**

Madhesi Janadhikar Forum (Ganatantrik) – party formed by Jaya Prakash Gupta when he and other members split from the MJF(N) in May 2011.

#### **MJF(L)**

Madhesi Janadhikar Forum (Loktantrik) – party formed by Bijay Kumar Gachhadar when he and other members split from the MJF in 2009.

#### **MJF(N)**

Madhesi Janadhikar Forum (Nepal) – party under the leadership of original MJF chairman, Upendra Yadav.

#### **Muslim**

Followers of the religion of Islam who can be of both plains and hill origin but predominantly live in the Tarai

#### **NA**

Nepal Army, until 2006 the Royal Nepal Army.

#### **NEFIN**

Nepal Federation of Indigenous Nationalities – an umbrella organisation of indigenous nationalities, formed in 1991, has a presence in over 60 of Nepal's 75 districts and over 2,500 of almost 4,000 Village Development Committees.

#### **People's Volunteers Bureau**

Youth wing of the new Maoist party, formed in March 2011 while party was still united, reactivated in April 2012, led by Netra Bikram Chand “Biplov”.

### **PLA**

People's Liberation Army – the army of the Maoist party, which fought the state for ten years, now disbanded.

### **RJP**

Rastriya Janashakti Party – conservative party led by former monarchy-era Prime Minister Surya Bahadur Thapa, split from the RPP in November 2005 and now in merger talks with the RPP and the RPP(N).

### **RPP**

Rastriya Prajatantra Party – conservative party led by Pashupati SJB Rana, now in merger talks with the RJP and the RPP(N).

### **RPP(N)**

Rastriya Prajatantra Party (Nepal) – only party in the assembly that demanded restoration of the monarchy, also demanded referendum on secularism and federalism, led by Kamal Thapa, split from the RPP in 2008 but now in merger talks with the RPP and the RJP.

### **State Restructuring Commission**

Commission formed in November 2011, tasked with recommending an appropriate state restructuring model to the assembly, presented two reports in January 2012 – a majority report with ten states and a minority report with six states.

### **State restructuring committee**

Committee on State Restructuring and Distribution of State Power – one of the assembly's ten thematic committees, submitted its report in January 2010 with a fourteen-state state restructuring model.

### **TASC**

Tharuhat Autonomous State Council – council formerly led by Laxman Tharu, notorious for militant rhetoric, played significant role in the 2009 Tharu agitation.

### **Thakuri**

Members of a high caste hill-origin Hindu community, had close ties with the Shah dynasty.

### **Tharu**

Members of the indigenous populations of the Tarai plains.

### **TMLP**

Tarai Madhes Loktantrik Party – member of the Madhesi Morcha, led by the widely respected politician Mahanta Thakur, one of the parties formed when the Congress lost its Madhesi leadership to the Madhes movement.

### **UCPN-M**

Unified Communist Party of Nepal-Maoist, or just Maoists or “the establishment party” – largest party in the now defunct assembly, came above ground at the end of the war in 2006. The party split in June 2012. The parent party retains this name, the new party is called the Communist Party of Nepal-Maoist.

### **UML**

Communist Party of Nepal (Unified Marxist-Leninist) – third largest party in the last assembly.

### **Upper-caste**

Term used in the federalism debate to refer to members of the highest caste hill-origin Hindus, usually Brahmins or Chhetris.

### **VDC**

Village Development Committee – an administrative unit, there are almost 4,000 VDCs in Nepal.

### **YCL**

Young Communist League – youth wing of the Maoist party, many original members came from the PLA.

## APPENDIX C

### ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with some 130 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international decision-takers. Crisis Group also publishes *CrisisWatch*, a twelve-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

Crisis Group's reports and briefing papers are distributed widely by email and made available simultaneously on the website, [www.crisisgroup.org](http://www.crisisgroup.org). Crisis Group works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The Crisis Group Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring the reports and recommendations to the attention of senior policy-makers around the world. Crisis Group is chaired by former U.S. Undersecretary of State and Ambassador Thomas Pickering. Its President and Chief Executive since July 2009 has been Louise Arbour, former UN High Commissioner for Human Rights and Chief Prosecutor for the International Criminal Tribunals for the former Yugoslavia and for Rwanda.

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Europe, Armenia, Azerbaijan, Bosnia and Herzegovina, Cyprus, Georgia, Kosovo, Macedonia, North Caucasus, Serbia and Turkey; in the Middle East and North Africa, Algeria, Bahrain, Egypt, Iran, Iraq, Israel-Palestine, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia, Western Sahara and Yemen; and in Latin America and the Caribbean, Colombia, Guatemala, Haiti and Venezuela.

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**August 2012**

## APPENDIX D

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