

Political Developments in Nepal and the Chinese Involvement

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Abstract

The dissolution of parliament in Nepal has brought the focus back on its fragile democracy. After years of political instability, a new constitution and one party with absolute majority in the general elections gave the impression and hope that the future looked promising for political stability. But that did not take place. Nepalese politics have remained volatile. The article makes an assessment and suggests the path for India keeping in view Chinese machinations.

Introduction

The political infighting within the ruling Nepal Communist Party has engulfed the political landscape and vitiated the atmosphere. Prime Minister KP Sharma Oli dissolved the lower house of parliament on 20 December 2020. Even though the events were due to infighting within the ruling party but the active involvement of China in the party politics cannot be ignored more so because it was responsible for the newly formed left party. The present Chinese Ambassador Ms Hou Yangi was seen meeting the political leaders to stall friction and split in the ruling party. China had sent a four-member delegation led by the vice minister in the International Department of the Communist party of China, Guo Yezhou, to assess the political situation and stabilise unity within the NCP. It is in China's interest that a stable but pro-China Communist party government remains in power in Nepal.

Nepal's Tryst with Communist Parties

Nepal Communist Party (NCP) was established with the merger of the Communist Party of Nepal (United Marxist Leninist) [CPN (UML)] and Communist Party of Nepal (Maoist Centre) [CPN (MC)]

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in May 2018. Before the merger there was electoral alliance for the first general election held under the new constitution in May 2017. The UML led by KP Sharma Oli and CPN led by Pushpa Kamal Dahal alias Prachanda agreed for the electoral alliance and field candidates on 60:40 ratios. But the results were unexpected as UML won nearly 70 per cent of the votes and looked for a larger share in the seats allocation. Following series of negotiations between the alliance partners a 7-point agreement was signed on 19 February 2018.¹ As per the agreement the two parties agreed to merge as the Nepal Communist Party and adopted the party symbol of UML, that is the rising sun; both the leaders Oli and Prachanda would be Prime Minister (PM) on rotation; UML would get the posts of President of the country and Deputy Speaker of the lower house and CPN (MC) would get Vice President and Speaker. Central Committees of both the parties were dissolved and merged to form NCP on 17 May 2018.

One of the reasons for the left unity was to counter Nepali Congress in the election. The combined party did consolidate the left vote and gave an edge over the Congress. In this attempt China had played a key role in bringing the two left parties together. China wanted to consolidate Oli's position as a good working relationship had developed during his government from 2015-16. It had coincided with Nepal's strained relations with India due to border blockade by the Madhesi protestors. During that period Oli as the caretaker prime minister of Nepal had looked towards China for support that gladly accepted to fill the vacuum. Nepal's relations with China had grown substantially. Many agreements related to infrastructure development, connectivity and energy were signed between the two. There was a consensus in Nepal that the country should come out of its overdependence on India and look for alternative routes for trade and transit. With these developments in the background, China sided with the left unity to ensure Oli's win in the election.

The Friction in the Left Alliance

However, the very foundation of the left unity was faulty. They had different history, approach, and orientation. The CPN (UML) was an alliance of seven left parties formed during the people's movement against the Panchayat rule in 1990. It believes in socialism, constitutionalism, and multiparty democracy. On the other

hand, the Maoists had come to mainstream politics with a background of leading people's war for 10 years from 1996 to 2006. They indulged in loot, arson, killing people and believed in one party rule. It was the comprehensive peace agreement of 2006 that stopped the people's war and brought Maoists to the mainstream politics.² With these differing backgrounds the two parties had come together. CPN (MC) had agreed to leave the Maoist ideology as was decided in the seven-point agreement and settled for Marxism-Leninism for the time being. The ideology of the new party had to be further discussed and decided in the general convention.

Ideology wasn't a strong glue to keep the two factions together and cracks were visible in no time. Power sharing and distribution of constitutional positions to their favorites was the major bone of contention. Prachanda was looking for the post of Prime Minister as Oli had completed half of his tenure but was not willing to share the post with him. Prachanda started asking for 'one person, one post' that meant Oli had to be either PM or Chairman of the party. Both Oli and Prachanda were chairmen of the party. Blaming Oli of running the government without consulting the party, Prachanda submitted a protest note to the party secretariat on 18 November 2020 and Oli responded with a 38-page note.³ Even leaders from the erstwhile UML faction blamed Oli for bypassing standing committee while appointing officials. Madhav Nepal had submitted a protest note to the party secretariat against Oli's style of functioning.⁴ Oli was also criticised for misgovernance and mishandling of the Covid-19 crisis. Every time the infighting became intense the Chinese ambassador was actively involved in trying to unite the factions. Nepali media reported that the Ambassador was seen meeting party leaders without taking prior appointments.⁵

China's Policy of Sinification of Nepalese Communists

China had established ideological linkages with the Nepal Communist party and tried to push Xi Jinping's ideology. A workshop was organised by the Communist Party of China (CCP) in collaboration with the Nepal Communist Party to discuss Xi Jinping's Thought in September 2019. The meeting took place before the visit of President Jinping to Nepal in October 2019. Song Tao, head of the CCP's International Department, led the fifty members Chinese delegation. PM Oli and other senior leaders such as

Prachanda, Madhav Kumar Nepal, Jhalanath Khanal and nearly 200 party cadres attended the two days' workshop. The workshop shared Jinping's ideas on Chinese model of economic development and socialism. A six-point Memorandum of Understanding was signed between the two parties emphasising on regular visits and exchange of cooperation and programmes at the leaders and cadre level.⁶ Jinping's thought on socialism with Chinese characteristics was a blueprint to consolidate position of the party at every level.

The Nepali Congress, the main opposition party, expressed concern over indoctrination of the NCP cadres by China. Congress leader N Bal Krishna Khand was reported saying in People's Review that, "the workshop showed that NCP was a sister organisation of the Chinese Communist Party".⁷ Due to Covid pandemic the next meeting between the two parties was held virtually in June 2020. The meeting was held around the time when the forces of India and China had clashed in Galwan. Interestingly, the foreign affairs department of the NCP showed ignorance on the conduct of the meeting though the Deputy PM Ishwar Pokhrel chaired it and Prachanda was the Chief Guest. Nepali Congress leaders such as Udaya Shumsher Rana again issued statements criticizing the meeting. He said that, "the two ruling communist parties seem to be dictating the governments, on similar lines as China's relations with Cuba and North Korea."⁸ It was not just the ideological and fraternal linkages between the two parties but "clubbing the party and the government's policies together"⁹ that was disturbing to many in Nepal and considered as a political tilt in favour of China.

External Political Linkages and Internal Party Politics

Through the ideological linkages China tried to establish close political linkages. This was a transition from the past where China had recognized monarchy as the political force. After the abolition of monarchy as a political institution in 2008, China had tried to develop relations with many political parties. To some extent they have been successful to identify leaders in every party sympathetic towards them. Some politicians have business interests in China and personal interests guide their decisions. However, of all the political parties China was able to identify UML friendlier towards them and easy to deal with. Nepali Congress and the Madhesi parties are generally identified as closer to India. Even though

China had not extended support to the Maoists during the people's war, but they found them a willing party to go along with the UML. However, as said earlier that unlike China, ideology is not a strong variable to keep the two factions together in Nepal. The socio-political systems in the two countries are different, China has one party rule with strong control over institutions whereas Nepal has too many parties and too many prominent leaders within each party. It is difficult to have one party rule in Nepal.

As of now it is certain that the left unity in the NCP is broken but it is not clearly established which is the legitimate faction of NCP; the one led by Oli or the other by Prachanda-Madhav Nepal. The election commission in Nepal has ruled out giving recognition to both the factions as legitimate NCP as they failed to follow party statute and Political Parties Act 2017.¹⁰ Unless that is cleared, elections cannot be held on the stipulated dates on April 30 and May 10, as was declared by the President's office. China is still making efforts to keep the ruling party intact. It is said that PM Oli felt that the Chinese emphasis is more on party unity than in supporting him and this led him to dissolve the house.¹¹ To have a strategic hold in Nepal, a favourable government would be ideal but like elsewhere China would try to control Nepal economically.

Chinese Economic Inroads and Big Power Politics

China has gained entry in trade and infrastructure development. Efforts were made to establish closer ties during President Xi Jinping's visit to Nepal in October 2019, the first in 23 years by a Chinese President. Bilateral relations were elevated to the level of strategic partnership. Nearly 20 agreements, treaties and MoUs were signed on various sectors like transport, agriculture, and industry.¹² Xi Jinping had agreed to provide Nepalese Rupees 56 billion assistance to Nepal for development projects over the next two years. Nepal had become a member of the Chinese supported Belt and Road Initiative in 2017 and many agreements on infrastructure development have been signed within its ambit such as Kathmandu-Kerung railway, Galchi-Rasuwagarhi-Kerung 400 KV transmission line, Dipayal-Tokla-Chahre road etc.¹³ China is the highest FDI contributor in Nepal. Its Overseas Development Assistance has also increased to \$ 38 million.¹⁴

There are concerted efforts to enter education, culture and tourism sectors. Both the countries have had joint military exercises

named 'Sagarmath Friendship'.¹⁵ The China International Development Cooperation Agency is reported to have provided assistance in 15 northern districts of Nepal bordering Tibet.¹⁶ China is particularly wary of any support to Tibetans from Nepal. There are nearly 2000 Tibetans living in Nepal. Due to the Chinese pressure, Nepal had stopped giving refuge to them or to allow its territory to be used as a transit to reach India. The latter was relaxed with the intervention of UNHCR. There have been reports that many Tibetans have been arrested or deported to Tibet. The Chinese were particularly disturbed when there were pro-Tibetan demonstrations in Nepal during the Beijing Olympics in 2008. After this incident, the Chinese presence increased in Nepal and it made concerted efforts to look for political allies in the absence of monarchy. Some of their efforts have paid dividends as is seen in opposition from certain quarters within political parties to the US development assistance through Millennium Challenge Corporation Nepal Compact (MCC). Political leaders are divided on it. Nepali Congress, PM Oli and Foreign Minister Pradeep Gyawali are supportive of it but the Maoist faction considers it as within the Indo-Pacific strategy and a military alliance with the US. Global times has reported that it received a joint letter signed by the Nepalese organisation, party members and individuals from Nepal against the MCC alleging it to be an American strategy to counter the Chinese connectivity strategy of Belt and Road initiative.¹⁷

China has tried to use domestic politics and the vulnerabilities of the Nepalese political elite to its advantage. Oli, cornered by the growing opposition from within the party, had taken refuge in programmes and policies that were nationalistic. He not only laid claims on Kalapani, Lipulekh, and Limpiyadhura pass in India but also issued a new map incorporating the territory. Both the houses of parliament had unanimously approved the new map.¹⁸ General MM Naravane, the Indian Army Chief, was quoted in the media saying that, "there is a reason to believe that they might have raised the matter at the behest of someone else".¹⁹ That "someone" is considered as China — more so because Nepal's new map was issued close to the border skirmishes in Ladakh. Also, the territory of Kalapani is at the trijunction of India-Nepal and China. China is challenging India not only in the Indian Himalayas but also through the Himalayan countries. There are allegations that China has encroached in Rui village in Gorkha and other areas in

the northern districts of Nepal bordering Tibet.²⁰ It is challenging India's traditional ties and presence with the Himalayan country, as is done with other South Asian countries, further raising strategic concerns. China is getting involved into projects in Terai. It wants to make a manufacturing hub in Nepal while eyeing the big Indian market. It wants to create a \$ 450 million trade hub in Nepal. Rudra Singh Tamang, the administrative Chief of Kathmandu Metropolitan Corporation said that, "China's Shenzhen province has sister-city relationship with Kathmandu Metropolitan Corporation. With the establishment of the Chinatown, India's vast market will be open for Chinese goods via Nepal. This will also help promote trade and business for Nepal."²¹ China has established an industrial park in Jhapa and is planning to establish another in Chitwan, the hometowns of PM Oli and Prachanda respectively²².

There are many in Nepal cautious towards Chinese presence. The awe towards China is weaning in Nepal. Till recently it was an unknown, untested territory. However, there have been reports of clashes between the locals and the Chinese nationals working in projects²³. Chinese embassy had taken objection²⁴ to a news item on Covid 19 virus by Anup Kafle of Kathmandu Post, Nepali daily, and issued a statement which was considered as threat and condemned by the media fraternity. It was seen as clash between the fundamental core values of liberal democracy and communists.²⁵ Nepali media, commentators, policy experts have been critiquing China's interference in the country's domestic affairs.²⁶ The allegations that were earlier heard against India are now hurled at China especially on interference in the domestic politics. India's stance of not getting involved in the present political situation has been well appreciated in the country.²⁷ This in no way means that people have turned towards China or there is a change of heart towards India. In a personal interview Bishwa Bandhu Thapa made an interesting assessment of Nepal's neighbours that "India is like cow. It eats grass and when hungry or annoyed can kick at the most. China is like lion. It eats meat and when hungry can eat the person feeding it." This surmises the perceptions of many. Close familiarity with India brings in complexities along with it but in no way is considered a major threat to Nepal.

Conclusion

PM Oli has been smart to use India and China to his advantage.

He was considered close to India but turned towards China after he perceived that his interests were hurt by India such as he had blamed India for the fall of his government in 2016.²⁸ Today he has projected himself as an independent leader who can stand up to both India and China. At this juncture over- emphasising the China factor in Nepal would create larger than life image giving it more strength and credibility. In this hour of political instability India should not try to play favorites in the country. It would be prudent to continue developing relations with Nepal in every sector be it social, economic, or political and try to gain ground without seen as interfering or supporting any actor.

Endnotes

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