

Notes on Nepal

The Long March of Maoism

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A Long March towards bourgeois democracy?

In-depth analysis of the situation in Nepal, including the anti-monarchist protest movement, the Maoist insurgency, the international economic background and the Nepalese working class.

Terrain and culture

Nepal is one of the poorest countries in the world; most people have never used a telephone, never mind a computer, the staple diet for most of the country is 'dhal batt' – rice and/or lentils with maybe some veg – every day, for life. The terrain is a mix of three altitude zones; the Himalayan mountains – the so called 'roof of the world', their foothills and valleys, and the southern plains with some rainforest. The Kathmandu valley is the centre of administration, commerce and what industry there is. The country is a mix of 70% Hindu and 20% Buddhist religions (Buddha was born in Lumbini in the south), 4% Muslims who are clustered around the border with India, plus a few more obscure sects. In the Kathmandu valley a synthesis of Hinduism and Buddhism is practiced by the Newars, while in the eastern and western hills, the oldest religious form, Shamanism, still survives. 80% of the population work in agriculture, an estimated 40% live in extreme poverty. Gross national income per head stands at US \$240, according to the World Bank. Illiteracy is very high, though diminishing gradually; 35% of men, 70% of women.¹ The industrial working class is clustered around the Kathmandu valley and a few other urban areas; the unions claim several hundred thousand members but the figures are questionable; membership fluctuates considerably due to casualised employment and changing political loyalties. Many workers are non-unionised.² There is a rigid caste system, but religion doesn't appear to be significant in party politics, apart from the class/caste aspect. Slavery was officially abolished in the early 1900's, though a form of neo-slavery continued well into the 1990's in some more remote rural areas; family debts were inherited by the children and could never realistically be worked off as more debt was added, so were passed on in turn to the next generation as a form of indentured

¹ A thorough collection of statistics on Nepal (and other countries) can be found at the United Nations Population Fund site; www.unfpa.org

² The 7-party bourgeois alliance also includes the three national trade union confederations, the National Trade Union Congress (NTUC) claiming membership of 200,000, the General Federation of Trade Unions (GEFONT) 364,000, and the Democratic Confederation of Nepalese Trade Unions (DECONT) around 6000 (though these are all thought to be quite exaggerated or heavily fluctuating figures). The most leftist of these and closest to the parliamentary 'Communist' Party, GEFONT, supports the SPA bourgeois alliance and its democratic goals, and has, unsurprisingly, not even expressed a pretence at any broader revolutionary class agenda. There are also many more non-affiliated workers in the country. GEFONT seem to be organised in a typically bureaucratic and hierarchical structure, judging by their own descriptions. But it's unlikely that they could always be so centralised locally in practice. Given the nature of the terrain, and lack of access to phone lines in many rural areas, local branches are likely to be fairly autonomous outside of the towns. For example, they have a 'trekkers & rafters' branch; these are the guys who carry goods, often enormous loads on their backs and/or mule trains and river rafts, up and down the otherwise inaccessible mountain tracks and waterways. We would assume they would necessarily have to be organised quite autonomously in their day to day functions.

servitude. This is now outlawed, but indentured villagers are still occasionally discovered and rescued from such slavery. Yet these local archaic feudal remnants co-exist alongside a tourist industry that provides internet cafes with global satellite connections.

The modern parliamentary system was established after a bloody democracy movement in 1990, a reluctant concession from the King. As in recent events, demonstrators defied curfews, were shot down, fought back — bodies of headless cops could be seen in the streets. But it was a popular multi-class struggle to establish democracy, and the conceding of it stabilised things; but in those days the Maoists were not part of the equation. The parliament has two main parties; the relatively conservative Congress Party, and the Communist Party (Marxist-Leninist)³, which is, ironically(?), pro-China and pro-parliamentary democracy. The larger part of the poor mainly vote for the communists, but there is much cynicism about politicians and bureaucrats in general. Corruption and bribery is a fact of everyday life; and while the political class have enriched themselves, most people's standard of living has changed little since the emergence of democracy in 1990.

Maoism — the 'maobadi' insurgency

Most of the Himalayan mountain range areas are only accessible on foot, donkey or helicopter, so the State has always had a minimal presence there. Subsistence farming, seasonal work migration and tourism are the economic base of these areas. It is here that the '*maobadi*' — Maoist insurgents of the Nepalese 'People's Liberation Army' — have established themselves, in this ideal guerrilla terrain. 10 years ago they were a small student-based grouping, little known in the country and always dealt with heavily by the authorities (in 1997, when guerrilla activity had barely started, 400 students were locked up for trying to attend a party conference in a remote area). Like most so-called '3rd World' guerrilla groups (Mao, Zapatistas, Castro/Guevara, Shining Path etc), they have their origins in a 'cadre' of university intelligentsia but have gradually gained peasant support. This intelligentsia presumably sees its options stifled by lack of economic development, due to an incompetent, small and weak merchant class and a royal family/aristocracy reluctant to abandon their divine right to rule. They have a typical cadre mentality; communism equals sacrifice, hierarchy, conquest of the state, industrialisation and cult-like obedience to iconic political dogma and chief dogmatists.⁴

We are simply not well informed enough to give a definite answer as to why the guerrilla movement emerged when it did and gained such support. We can only speculate; that by 1996, there was disillusionment after 6 years of parliamentary democracy that had delivered little improvement for the poor, whilst obviously enriching politicians and bureaucrats; that joining the guerrilla army offered a sense of unity and adventure to youth more appealing than the narrow horizons of a life of subsistence farming in rural isolation. Escape from traditional cultural

³ The Maoist party is called the 'Nepalese Communist Party (Maoist)' to distinguish itself from the parliamentary CP which is (Marxist-Leninist).

⁴ It's interesting to note that seemingly *every* major peasant insurgency, from authoritarian Maoism thru the Zapatistas (old and new versions) to the libertarian communism of the Makhnovists, has had a unifying charismatic figurehead. The figureheads came to their positions largely in recognition of their skills in military strategy; but one can speculate if this is a diverting/recycling of the traditional role of peasant religious icons/mythical warriors for political goals? Prachanda is the Nepal Maoists' leader and his bog-standard Maoist ideology is known as 'Prachanda Path'.

restrictions for women may account for the high female involvement (one third of guerrillas). Perhaps the shortage of available farming land was a factor — Nepal is intensively farmed, with terraces cut out of every available hillside, and the mountain terrain means only 20% of the land is cultivable. There is also apparently a strong aspect of religious fanaticism to the maobadi guerrilla culture; *“Perhaps the most complex aspect of Maoist morale strength to grasp, particularly for Westerners, is the cult of sacrifice. Anne de Sales, in the European Bulletin of Human Research (EBHR, v24), discusses this aspect in a way that brilliantly conveys its strength and centrality as a motivating force for Maoist fighters. In 1997, writing about preparations for launching the ‘people’s war’, Prachanda noted that, “New definitions of life and death were brought forward. The physical death for the sake of people and revolution was accepted as the great revolutionary ideal for oneself as it gave true meaning to life.”...*

...This belief of what ‘death in action for the cause’ means is clearly an extraordinarily powerful motivating force when facing extreme danger. It must be fully integrated with the other factors contributing to Maoist morale in any assessment of the likelihood of RNA success through its current approach of simply killing as many Maoists as possible. For the RNA, such a policy carries with it the clear danger of measuring operational success and campaign progress by that most misleading of yardsticks – the body count.” (Himal South Asian, 2006).

In the areas they hold the Maoists have instituted reforms and controls, and have set up various organisations as parallel-state structures. According to human rights groups and survivors, they have often enforced a brutal and murderous discipline on the population in guerrilla-held areas, including the abduction of children as soldiers into the army⁵. Drinking alcohol is allowed at their discretion, and villagers are encouraged, sometimes forced or even abducted to attend political meetings. The reforms, such as equality for women, would be more or less ‘advanced’ depending on local traditions; in some areas the mountain women have long had a reputation for being more independent and self assured. They are left alone to run things for long periods when the men migrate for work. (Apart from the normal seasonal work migrations within Nepal, many poorer Nepali men pay agents large amounts to secure jobs in Saudi Arabia, as security guards,

⁵ See, for example, reports at the Human Rights News site; hrw.org — civilians are targeted from all sides in this war. The RNA mortar bombs rebel areas indiscriminately from helicopters; due to their difficulty in maintaining a presence in these areas they have trained and armed vigilante groups. These vigilantes often become a brutal law unto themselves in the villages. *“The Maoists shot at my house two nights ago. My family and I ran away into the fields, and we now spend the nights there. It was because I am a member of the vigilante group. There are forty to fifty vigilantes in this village. But we have to be part of the group. If we didn’t join, we’d be in trouble with [the leader of the local vigilante group]. If we do join, we face trouble from the Maoists. We are caught in the middle.”*

—Vigilante group member in Nawalparaisi district. 10 years of civil war has claimed 13,000 lives.

All sides, the Maoists as much as any, have been reported to use abductions, extortion, torture, murder etc of civilians in this war. The Maoists forcibly ‘recruit’ schoolchildren to their army.

“I was fourteen. The Maoists came to my village saying one person from each family must join them. I don’t have any brothers, and my sister is just nine years old—it was either me or my mother.... When the two-month program was over, I wanted to leave, but they said they would shoot me if I tried. I was carrying bags and was given a grenade—the Maoists taught me how to use it and how to throw stones.” —fifteen-year old “Parvati P.” ... “the Asian Human Rights Commission (in its 2003 report “Children and the People’s War in Nepal”) estimated that children may comprise up to 30 percent of Maoist forces.” “Data collected by Nepali human rights organizations INSEC and Advocacy Forum shows that during the ceasefire the Maoists abducted thousands of children. In its December 2005 report “Three Months of Ceasefire” INSEC suggested that from September to December 2005 the Maoists abducted 8777 persons, most of them students and teachers. Although most of the children were released after participating in political indoctrination programs, it is clear that a significant number joined the Maoist forces.” (All quotes from hrw.org)

All independent political activity is obviously dangerous and banned in rebel-held areas.

cleaners etc. They often stay for up to 4–5 years, saving money, and sending some back to family. If they're lucky, they can return, build a house and be more likely to find a wife. Another main form of migrant work is joining the Ghurka regiments – thousands of youngsters apply every year – only a tiny proportion accepted. Ghurkas (properly 'Gorkhas') were incorporated into the British army after 12,000 trashed an attempted invading force of 30,000 British soldiers in the 1814 Nepal War.)

Tourism has recovered substantially from the initial decline after the start of the guerrilla activity. In Maoist controlled areas the guerrillas levy a tax on tourists – they realise this tolerant attitude is both profitable and sensible so as to maintain the support of the many poor who depend on tourism for a livelihood. The guerrillas were smart enough to issue a statement of reassurance to tourists.

But the oft-quoted figure of 80% Maoist control of the territory is perhaps not quite as impressive as it appears. The real centre of power is the Katmandu valley, centre of government, industry and commerce. The harsh remote mountain terrain may be militarily important, but hardly economically. It is in the valley that any decisive battle will be fought. But the Maoists have launched brief raids into the valley and during the recent general strike kept it successfully blockaded.

Dealing with the neighbours; alliances and rivalries

In 1948 the British quit India; when China went 'communist' in 1949 the new Indian government became concerned at the weakness of Nepal as a buffer state. In 1950 the two countries agreed a 'peace and friendship treaty' to consolidate their alliance, including a policy of 'mutual defence'; later that year China invaded Tibet, confirming in India's eyes their worst fears of the Communists' intentions for the region. Since then, Nepal has become a strategic buffer zone its two big brother neighbours compete for influence over.

The Chinese government has pledged support towards the Nepalese government's move in curbing the Maoist insurgency. China terms them only as 'ultra-leftist guerrillas', and certainly not truly Maoist, unsurprisingly. It was reported last year that they sent 6 armoured personnel carriers to the King to aid his fight against the 'Maobadi' insurgents. This was shortly after he dismissed the prime minister; disapproving of this politically destabilising act, India then stopped its military aid – which apparently prompted China to offer its own. The acceptance of military aid from India is politically controversial⁶ – there is much hostility between some Indians and Nepalis (check out recent internet blogs), rooted in a history of land border disputes that continue on a small scale to the present, and Nepal's general dependence on its big brother neighbour. Mountainous as the northern territory is, the southern border with India is necessarily Nepal's lifeline. Nepal is landlocked and dependent for import/export trade movement on the Indian transport system, particularly the port of Calcutta. Nepal hardly even has a rail system, only on a small scale on the southern plains. (So expect few Mexican-type pics of insurgents hanging on the side of a locomotive while holding rifle proudly aloft...) India has used this dependence on

⁶ This is despite the fact that Indian officers train the Nepalese Army. There is an uneasy feeling amongst many Nepalis that India sees Nepal as historically belonging proper to a greater India, and would ideally like to annex it. But this option seems very unlikely, considering that the Chinese would probably interpret such a move as more or less a declaration of war.

several occasions to deny right of transit to Nepal as a means of blockade and political leverage to influence Nepal's internal politics

Both the US and Indian interests have been eyeing up the prospects for exploiting the great hydro-electric power potential of Nepal. The US energy company Enron, before its spectacular collapse, was preparing to begin work on a massive hydro-power project in Nepal. Enron's financial meltdown was a fortunate turn of events for the thousands of mainly poor Nepalis who would have been displaced from their villages by this project. (The damming and flooding would have been an ecological disaster too.) For Indian capital, the harnessing of the inherent energy of the Himalayan water system would be a convenient source of both electricity and (as a by-product of the energy extraction process) irrigation for agriculture.

James F Moriarty, US Ambassador to Nepal, expressed ruling class fears for the stability of the region recently, stating that the Maoists in Nepal "...also pose a threat to stability in larger parts of India". In July 2001, a regional Maoist organisation, with parties in five countries, CCOMPOSA (Coordinating Committee of Maoist Parties and Organizations in South Asia), was created⁷. According to *The Economist*, 157 out of 593 districts in India are affected by some degree of 'Naxalism' (Indian Maoist guerrilla activities). 102 of the effected districts are newly affected areas of guerrilla expansion. The strongest bases of Indian Maoism are in Bihar and Andra Pradesh. It is likely that much of the recent diplomatic pressure put on the King by US and Indian diplomats has been to point out that it is preferable to have the Maoist leadership integrated into the parliamentary process than to have them holding dual power in much of the country. How much difference this will make in the long term depends on the ultimate political goals of the Maoist leadership and what they are prepared to do achieve them.

If the Maoists were to seize power in Nepal — and the only choices appear to be this or a major accommodation of them into the political system — it would obviously displease both their neighbours, India and China. There are many Tibetan refugees in Nepal who've escaped over the border (though some were repatriated — to an uncertain fate? — recently, at China's request). China would be concerned that a Maoist victory next door might encourage similar forms of struggle in Tibet or inspire a more militant independence movement. India would also be concerned that it would encourage the extension of peasant struggles there. A repressive attitude towards a Maoist Nepal might be the one thing they could agree on. It is possible it could inspire some form of struggle in the rest of China — though the peasants and workers are in a quite different situation there, in a fast developing economy rather than a stagnant one. But there is a growing class antagonism in both the rapidly expanding economies of China and India as the emerging new class of entrepreneurial capitalists flaunt their enrichment at the expense of the poor.

But if/when the King goes, the outcome may be less predictable than some think. The Maoists have rethought their policy recently — their central committee has concluded that the armed

⁷ There is also a Maoist 'International'; the Revolutionary Internationalist Movement (RIM). The US Maoist Revolutionary 'Communist' Party — headed by the slavishly idolised Chairman Bob Avakian, and for a long time America's largest leftist group and guerrilla Maoism's biggest western cheerleaders — has a strong influence in RIM. But their website seems strangely muted about recent events; they say little except to complain that the US Ambassador is calling the Nepal Maoists "an illegitimate political force"; they don't comment on coming political choices. Presumably hedging their bets to see which way events unfold, and readying themselves to negotiate a sudden total change of the infallible political line if necessary, to justify Maoism's brightest light in the world entering parliament with their fellow bourgeois politicians. Alternatively, groupies that they are, the RCP may simply switch allegiance to some other 'hot' insurgency.

struggle is a dead end long term. A decline in spectacular damaging attacks on the Royal Nepal Army, due to foreign military aid making the RNA more effective and well protected, and the declaration of the post 9/11 War on Terror, make the Maoists more of a target for internationally-funded counter-insurgency. This produced some demoralization in the ranks and some degeneration into apolitical banditry. The Maoists could continue a skirmishing war indefinitely but they are totally out gunned (a third of their weapons are said to be 50 yr old rifles) and they have apparently acknowledged “*publicly that they cannot seize and hold anything in the face of RNA action*” – presumably the areas they do hold are seen as containment areas by the RNA. They have also realised that India would not tolerate an officially Maoist Nepal on its doorstep, nor would other global powers be too impressed.

Recent events; militant bourgeois democracy in motion, in the hills and in the streets

In November 2005, the Maoist leadership signed an agreement with the pro-democracy alliance of 7 opposition parties (SPA) stating that they favoured a democratic parliamentary system. Since then the opposition parties have apparently co-ordinated their demonstrations and strikes so as not to clash with insurgent actions.

The SPA called the general strike on Apr 6th. On the later demonstrations in late April there were millions in the streets nationwide, and reports of banks, government offices and police stations being ransacked by roaming mobs. It's possible the SPA democrats *and* the King were afraid the opposition politicians were losing control of the movement on the streets and wanted to re-establish their authority and leadership. This and external US and Indian diplomatic pressure influenced the King's capitulation.

The demonstrators ignored the curfews imposed and made them unenforceable nationwide by sheer weight of numbers. Despite beatings and shootings by police and army, they appear to have become increasingly confident and many are now openly calling for the establishment of a Republic. This is extremely blasphemous in Nepal, the last remaining Hindu Kingdom, as the King is officially considered to be an incarnation of the Hindu god Vishnu.

If a Republic is eventually declared but the King refuses to budge, (even in the face of international pressure) there may be defections in the lower ranks of the police and army, though the higher ranks of the RNA are traditionally exclusively high-caste semi-feudal loyalists from one family (the Ranas), closely interlinked with the Royals who appoint all officers. The loyalty of the security forces would probably determine whether there is an urban civil war or not. If it happens, the Maoists could ride to victory on the back of the wider pro-democracy movement and then choose between one party rule or parliamentary democracy. But if they denied democracy this would presumably provoke internal resistance and likely external intervention, and lead to a continuation of civil war and/or a Maoist reign of terror. In a post-revolutionary democratic parliament the Maoists would be sure of a large slice of power, so it seems more likely they'll go for the democratic option. This may seem an unorthodox turnabout in classical Maoist guerilla terms, but not in terms of Nepalese politics. Every major Nepalese political party has gone through an earlier period of armed struggle, before being integrated into the mainstream political arena. As things stand now, with the King giving in to the demands for new elections, the Maoists have called a 3-month ceasefire and will be standing candidates for parliament.

Maoists

Political power growing out of the barrel of a gun? It is a leftist illusion to see Maoism as outside or beyond bourgeois politics, in Nepal or elsewhere. Maoism has always had a schematic theory of progressive stages of revolution involving cross-class alliances with supposedly 'progressive' bourgeoisies in the conquest of state power. When the Chinese CP took power, having won the civil war in, 1949, their official line was that the 'class struggle' (supposedly incarnated in the political advancement of the vanguard party and their victory over the nationalists) was 'the victory of the national bourgeois democratic revolution'.

'3rd world' armed leftism is typically a form of substitutionism for the failings of a weak underdeveloped native bourgeoisie. Local conditions restrict the modernising accumulating powers of this class, both politically and economically. So the non-mercantile bourgeoisie — the student intelligentsia with restricted options in a stagnant economy — go to the peasantry, offering a unifying ideology based on peasant aspirations and progressive conquest of state power. They increasingly fulfil a statist role in guerrilla-held areas. Two Chinese anarchists describe developments after the seizure of power there in 1949; *"Having won control of the state machine, the only way to move forward for the Maoist bureaucracy was to impose a regime of ruthless exploitation and austerity on the masses.*

The bureaucracy began to carry out the task of primitive accumulation. Because of the lack of capital-intensive industry, economic development depended on the most primitive methods of extraction of surplus value: in the countryside, mobilising millions of peasants and semi-proletarians around the construction of public works and irrigation projects, built almost bare-handed by the rural masses; in the cities, forcing the workers to work long hours for extremely low wages, banning strikes, putting restrictions on the choice of employment and so on.

The new bureaucratic capitalist class in China did not emerge because of the development of new modes of production. It was on the contrary, the bureaucracy which brought the new mode of production into existence. The Chinese bureaucracy did not originate from the industrialisation of the country. Industrialisation was the result of the bureaucracy's accession to power." (Lee Yu See & Wu Che, *Some Thoughts on the Chinese Revolution*; in 'China — The Revolution is Dead — Long Live the Revolution', Black Rose Books, Montreal, 1977.)

The Maoists have now lifted their blockade on Kathmandu valley and are calling for immediate elections to the constituent assembly. Their long term strategy is likely to be defined by how well they do in these elections. '...during an interview on May 28, 2001, Prachanda admitted that "the [people's war] would not be discarded until the final construction of Communism." He confirmed, "Our talk of negotiation [with the government] is a revolutionary tactic advanced in a conscious and balanced manner after drawing lessons from the same negative experience in Peru."' (front-page.com). This statement from 2001 by the leader of Nepal's Maoists sounds uncompromising, but given the Maoist belief in cross-class alliances with 'progressive' bourgeois factions and their approaching participation in elections, there could be a pragmatic change of the invariant political line to justify the start of a 'Long March through the institutions' of bourgeois democracy. The leadership may have already accepted that the one-party Chinese model of development is simply unrealistic under present conditions in Nepal; though they may still retain a desire for it, US and Indian objections and interventions would seem to override this.

The wounded tiger may strike back with greater vengeance; off with his head?

More than ever, the King's days look numbered. If he refuses to stay out of politics and eventually makes another attempt to assert sole power over parliament, the level of repression and authoritarianism needed to maintain his long-term rule now would be unlikely to be attractive to anyone, possibly even his security forces.⁸ And he has so enraged the democratic parties and their popular support that a Republic is closer than ever. The US and Indian governments have been distancing themselves from the King. They would now see a continued royal presence with internal unrest as a destabilising influence on the region. His own court and civil servants may be losing faith in him; rumours circulated that during the 3 week general strike and protests the government was paralysed — the King's puppet ministers more or less abandoned their posts and left their secretaries to run things.

“Even though the king said in his proclamation that the present Council of Ministers would continue to function until the new one is formed, the ministers have already suspended operations. And the ministers are caught in the middle of nowhere since they are presently unable to move out of the government quarters. The general strike and the curfew clamped in the capital have made it difficult for them to move to new places ... Following the royal proclamation of April 21, the ministers have lost whatever little political significance they had. Sources said they have already stopped going to their offices.”

An old Sanskrit saying tells that “A king is only appreciated inside a country — however, a wise person is appreciated all over the world.” The present King could hardly claim either. The King's capitulation to the pro-democracy movement is for him really only a step back to the beginning, a restoration of the parliament he dissolved last year. All he's achieved is contempt for his political incompetence from interested parties — US India, China — and a much increased popular demand for a republic. The politicians returning to parliament are the same ones that Nepalis are generally cynical of after their 16 years of democratic rule, in which time little has improved for the poor; but they are still generally considered preferable to royal autocracy. On past form, the King seems too stubborn to settle down into the role of symbolic head of state. Members of the 7-party alliance are now openly calling for a republic; if they push for this the King and his army may make one last bloody stand, before exile beckons.

Events have a habit of repeating themselves in Nepalese politics — “*the first time as tragedy, the second time as farce*” etc. Since 1950, whenever faced with armed or other political opposition, the royal autocracy have repeatedly promised democratic reform, before abandoning the commitment with another wave of repression;

⁸ KATHMANDU, April 26 (2006) — Chief of the Army Staff (CoAS) Pyar Jung Thapa has said the Royal Nepalese Army (RNA) is positive about the merging of Maoist troops with the national army. Speaking to CNN following the Royal Proclamation, Thapa expressed optimism that dialogue with the outlawed rebels would usher peace in the country. In his seven-minute interview, Thapa also stated that the RNA was willing to work with any government and that it would continue to be answerable to the Prime Minister and the Defense Minister of the country. During his interview, he said the Maoists could be incorporated into the national army on the basis of their capability and qualification.

This is a curious public statement, coming immediately after the King's capitulation to the pro-democracy movement. There is more than one possible interpretation; that it is either a statement that the historically absolute loyalties of the RNA top brass are shifting away from the King to the democracy movement and its long term goals, or it is a double bluff to put the Maoists off their guard. Or both...?

- King Tribhuvan failed to live up to his promise of constituent assembly elections in the 1950s
- then, King Mahendra dismissed the first democratically elected government in December 1960.
- King Birendra gave in to the demands of democracy only after bloody protests in 1990.
- In 2004, King Gyanendra sacked the elected government and in 2005 seized absolute power, jailed the political leaders and gagged the press.

This time *could* be different; the calls for a Republic are far louder than ever, the US and India are frustrated with the King's provoking and handling of the crisis and now probably see him as a liability. Neither wants a "failed state" in the region; such a lawless area could become a convenient base of operations/transit route for various nearby guerrilla groups in North India, Kashmir (and possibly Tibet) in the future.

The global chessboard

American policy advisers explain the real regional contest as between China and India; *"The larger context for the U.S. is the ongoing contest for pre-eminence in the Eurasian land mass. Events from NE Asia, SE Asia, South Asia to the Middle East will be determined by who is the prime power in Central Asia. Nepal is one of many sideshows."* - Richard Fisher, Asian Security Studies Fellow at the Centre for Security Policy.

The US is now more stretched and fragmented militarily than at any time since the Vietnam war. The troop commitments to Iraq and Afghanistan mean that decisive US on-the-ground intervention in relatively minor regional insurgencies like Nepal are for now not a viable option. For the moment they are limited to offering military aid,⁹ advice and training on counter-insurgency techniques and applying diplomatic pressure. This is a practical weakening of America's function, global image and self-identity as geo-political military policeman of the world.

For the moment, the situation in Nepal might be classified as an unfinished bourgeois revolution. But then, perhaps one could have said that at any time since 1950. The once and for all decisive abolition of royal autocracy is the logical next historic step for the bourgeois forces — yet that is no guarantee they will finally take it.

Taking sides or making sides

And the consequences for the development of any autonomous movement of self-organised class struggle beyond and against bourgeois democracy? The industrial working class is a minority in a predominantly peasant population. We make no hierarchies of one sector of the poor being more important or radical than the other; but the industrial workers¹⁰ have certain specific po-

⁹ Military aid from the US stands at \$20m since 2002, and more is in the pipeline for 2006.

¹⁰ In a country like Nepal there is a much larger social and class division between white collar workers and blue collar manual workers, which corresponds to a much earlier period of class relationships in more 'advanced' capitalist countries. Literacy, caste and extended family business connections all have a strong influence on employment opportunities.

tential areas of struggle (transport, industry etc) that are unique to them and would be of crucial importance in any future movement. The rural and urban poor are dependent on an alliance with each other to affect any real change in their own mutual interests. So far they have only taken sides with one or other of the factions competing to rule over them. To go further than a more democratic management of continued poverty they will have to stop taking sides and start *making* sides. Despite the limits of the pro-democratic framework of recent events, many of the poor may have realised, through the flexing of their collective muscle, a sense of their own potential power to act more directly in their own class interests. Without wanting to be determinist, in the absence of an autonomous movement of the poor moving beyond demands for democracy, there will probably need to be a period of disillusionment with a new Kingless democracy system before any such autonomous movement will emerge.

More information

- www.kantipuronline.com is a mainstream Kathmandu newspaper site and has probably the best up to date news from Nepal.
- www.himalmag.com in their Mar-Apr edition has good background info on the guerrillas.

Glossary

RNA – Royal Nepalese Army – state forces

SPA – Seven Party Alliance – bourgeois democratic faction, including affiliated trade unions – now includes Maoist insurgents

PLA – People’s Liberation Army – armed insurgency wing of Nepal Maoists, commonly known as ‘maobadi’

Notes on this text

Please bear in mind that this is written at some distance from the events it discusses, relying mainly on what filters out through various medias and various biases. Consequently, it has plenty of ifs and buts; and there are bound to be some errors and limits, of both fact and interpretation. Nepal tends to normally be a bit off the radar of most people’s knowledge and awareness, so this will hopefully fill in a few gaps.

The title refers to the Long March undertaken by Mao and the Chinese communist guerrillas in 1934–35 during the civil war. The March was quickly mythologised by the new ‘communist’ state as part of the intense cult of celebrity built around Chairman Mao. Recently, some researchers have written accounts, based on their meetings with eyewitnesses, claiming that the communist version of the Long March is literally a myth; that communist leaders, far from marching, were actually carried on couches or ‘litters’ by porters for most of the journey! True or not, the March has attained legendary status as an example of the supposed exemplary heroic revolutionary commitment and sacrifice of the ‘Glorious Chairman’ and the rest of the old ruling clique.

The Long March into Parliament — Nepali Maoists take their seats

The leaders of the Communist Party of Nepal (Maoist) on Monday (15th January 2007) entered Parliament, 10 years after leaving it to begin their guerilla war.

The goal of stripping power from the monarchy has been achieved — as much by last year's widespread pro-democracy street protests as by their guerilla activity. The King is no longer head of state, has no political power and has been relieved of much royal property and other assets. Parliament has still to decide whether the monarchy is to be retained in a ceremonial role (as in the UK) as preferred by the moderates, or completely abolished as favoured by the Maoists. A temporary Constitution is in place while this question is debated.

UN officials have overseen the decommissioning of the guerilla army and their disarming, which begins today. Politically the CPN(M) has gained immensely from the war, returning to Parliament with far greater prestige and more seats; these have been allocated by the interim administration until the next General Election is held. This is dependent on resolution of the Constitutional issues, including the role of monarchy and demands of ethnic minorities for greater representation, such as in the Terai on the southern plains where there are calls for a separate federal region.

The CPN(M) will surely still spout some of the rhetoric of 'class struggle' and shroud things in terms of 'marxist ideology'. But in reality the Maoists are set to enjoy the juicy privileges that are the lot of the political class in Nepal. Routine corruption oils the wheels of power and the social status is accompanied by an extremely comfortable standard of living far above the poverty of the masses of their 'constituents'. Mao's slogan is verified, once again; for the Nepalese Maoists, political power has truly grown out of the barrel of a gun.

Democratic stresses in Nepal and its regional implications

A brief look at some aspects of the political situation in Nepal today and its wider regional context.

The rapidly expanding economies of some parts of Asia have not been accompanied by a uniformly greater integration into Western structures of political administration. South Asia is experiencing a crisis of its democratic institutions; leftists, islamicists and nationalists compete with ruling powers for conquest of the state and domination of workers and peasants. In Sri Lanka the Tamil Tigers continue their bloody independence struggle; in Pakistan opposition groups organise street protests, including armed clashes, against the President; in Bangladesh the Parliament and political activity is indefinitely suspended as the military leads an ‘anti-corruption’ crusade. The major powers in the region are concerned about this destabilisation. India, China and the Western powers are worried that political instability is fertile ground for the growth of Maoist guerilla groups and also militant Islamic formations. Much of the remoter areas of the region are ideal terrain for opposition groups to establish para-military bases. In weak democratic states — i.e. weak in terms of cultural rootedness and in terms of convincing perceived benefits delivered by democracy to the mass of poor constituents — oppositional forces are able to exploit these weaknesses of function and delivery in the democratic process.

Nepal functions as a buffer zone between India and China, the two major powers of the South Asia region. The continued unrest and instability in the country is of concern to both its big brother neighbours — competition for influence on political developments is considered important by all interested parties, the US, UN and EU included, for the long-term stability of the region.

The wild card of the YCL

Since the maoist insurgency in Nepal ended last year and their leader Prachanda led the party elite into Parliament the negotiations over the future role (if any) of the monarchy, a new constitution and the holding of elections have dragged on. After a decade of fighting, the maobadi troops, some of whom grew up as child soldiers in the army, found themselves with too much time on their hands. So the youthful ex-guerillas have been reorganised by the maoist leaders into the “*Young Communist League*”. The YCL has caused some embarrassment for the maoist parliamentarians; since the official UN-supervised ‘disarmament’, extortion and its brutal enforcement have continued in the areas they dominate. This has damaged the popularity of the maoist Party (CPN(M)) — ‘peacetime’ is turning out to be not so peaceful for local businessmen who are beaten for resisting demands for greater ‘donations’, journalists attacked for reporting these actions and residents obliged to continue paying taxes to the YCL cadre. Maoist leader Prachanda has had to make a public apology for the excesses of the YCL heavies. So the Parliamentary leadership have now attempted to remodel the YCL as a public service organisation, “nabbing smugglers and the

leakers of a national school exam paper, cleaning up garbage, clearing out the touts that plague Kathmandu airport, and directing traffic.”

The YCL’s current activities are based presumably on a number of factors;

1. Since the end of the guerilla war the young soldiers are at a loose end, many stuck in temporary camps awaiting implementation of demobilisation programs; so boredom and insecurity about their future encourage extortion and petty banditry as a possible long-term career.
2. There are rumours of internal conflicts and factions forming within the maoist camp — we can assume the Parliamentary faction, enjoying the lavish comforts of urban MPs, are considered by some hill and plains guerillas to have gone soft and reformist. While the MPs have secure political careers ahead, the rank’n’file troops face uncertainties and limited options.
3. The Parliamentary faction use the YCL as a reminder to other parties that they still have the means to return to armed struggle if they are not given the political concessions they want (as political wings always use their armed wings as a bargaining factor). They reinforce the idea that the maoist leadership must be kept ‘on-side’ in order to be encouraged to exert control over the YCL.

Perhaps the Maobadi leadership are trying to use the YCL in a somewhat similar way as Mao used the Red Guards during the 1960s Chinese Cultural Revolution . After years in the political wilderness following the disaster of his ‘Great Leap Forward’ programme (which led to millions of deaths from famine) Mao sought to regain control of the state and ruling Party. From his only remaining base of power — the Army — Mao encouraged the formation of student Red Guard units to attack his rivals in the state apparatus. Massive agitations were conducted across the country, with large Red Guard student detachments moving across the country and disrupting economic and social life for several years. But the Neplalese Maobadi leaders should also remember that Mao temporarily lost control of some Red Guard factions — some took his early calls for a ‘commune state’ based on the Paris Commune model too literally and ‘ultra-democratic’ and ‘anarcho-syndicalist’ ‘errors’ and ‘deviations’ had to be ruthlessly ‘corrected’ by the standing army under the direction of Mao. (Some disillusioned ex-Red Guards later went into exile in Hong Kong and wrote interesting critiques of their experiences.)¹

Much has been made recently by some Maoist supporters of the ‘servant of the people’ role of the troops in the maoist-controlled areas. While it may be true they have, for example, recently stopped some sandalwood smugglers operating, it has also been claimed that the smuggling has long been allowed in maobadi areas and taxes levied accordingly by the guerillas. Similarly a profitable trade in the Yarsagumba herb (*cordyceps sinensis*), reputed to be a ‘natural viagra’, is said to have been controlled for several years by the guerillas in the remote areas of the plant’s habitat. Local peasant collectors pay a tax by weight to the maobadi.

The maobadi say they have abolished the child sex trade in the areas they dominate. This is probably true — but that doesn’t prove that the other statist forces condoned it (though certain

¹ See ‘Red Guard — from schoolboy to “Little General” in Mao’s China’ by Ken Ling; Macdonald, London, 1972 and ‘Red Guard — the political biography of Dai Hsiao-Ai’ by GA Bennett & RN Montaperto; George Allen & Unwin, London, 1971.

elements may have done unofficially). It only means that any power group with the long-term concentration of security forces that guerilla troops have in an area are able to control socio-economic activity to a greater degree than under normal state policing (which is generally minimal in remoter areas of Nepal). So it's not necessarily proof of the higher moral stance of the guerrillas. And one has to take into account another form of child abuse practiced by the maoists — the press ganging/abduction of children into their army. Add to that the traditional sexual puritanism of maoism, as evidenced by the severe repression of gays and the guerilla leadership's claim that homosexuality is only a capitalist deviation that would not exist under communism.²

A visitor to Nepal reports that the maoists have instigated '*forced "strikes" whereby they told workers to strike or face their military justice (similar tactics in India have led to starvation of villagers who have no other work due to the Maoists seeking to raise working conditions but when they're unable to do so still refusing to call off the coercive strike... causing migrations). Moreover rival party members (stalinists) have been murdered in the Maoist occupied zones.*'

This para-state role as tax collector and overseer of local capital accumulation has sustained the guerilla army through 10 years of war. Some who were recruited (or sometimes abducted) as child soldiers have known no other life and the legacy of the long 'revolutionary struggle' leave the majority of them with few options other than continued petty banditry and extortion or return to a civilian life of low-wage work in town or country. Should they be under any illusions as to how radical a restructuring of economic and social relations they have fought and died for, their leaders are clear that it's business as usual and the new political bosses will be much the same as the old;

We are not against foreign capital, says Prachanda

Maoist chairman Prachanda and senior Maoist leader Dr Baburam Bhattarai at the 41st annual general meeting of the Federation of Nepalese Chamber of Commerce and Industries (FNCCI) in Kathmandu Monday, June 04, 07. The FNCCI general meeting kicked off on Sunday.

Maoist chairman Prachanda has said that his party is not against foreign capital and foreign investment.

Addressing the programme organised by Federation of Nepalese Chamber of Commerce and Industry (FNCCI) on the occasion of its 41st AGM, Prachanda said, "There are concerted efforts to portray our party as being anti-foreign investment and anti-foreign capital. This is not true. We want to develop national capital and national industries. But we are not against foreign investment."

Prachanda accused that feudal and reactionary elements were trying to portray Maoists as being against nation's economy.

"We are not against foreign capital but we are against foreign hegemony," he said, adding that his party's refusal to receive commissions and its attempt to refuse to

² And all this is acceptable to win support even from some 'anarchists', sometimes justified because there aren't any more formal radical forces in Nepal — ignoring the fact that any more radical elements would quickly face repression from maoist guerillas. Even independent trade unionists have been killed or driven out of maoist-controlled areas. Supporting some of the more liberal NGO's would be more 'radical' than siding with the sexual feudalism of the maobadi. This 3rd worldism is just dumb opportunist and/or naive leftism pure and simple.

accept all kinds of conditions imposed by donors had ruffled the feathers of such elements.

He also said that his party does not stand against private property. “Some accuse us of trying to distribute poverty. But we want to distribute prosperity,” he claimed. nepalnews.com, Jun 04 07

But the YCL may be a long-term problem for the Nepalese state; some guerillas may be integrated into the Nepalese Army, as planned, but others may prefer to take their chances as hill bandits. Some may even develop a critique of a sell-out by the Maoist leadership as they see them settle into their privileged lifestyle of Parliamentary careers.

On the southern plains

The YCL has also played a central role in the ethnic conflicts in the Terai region of the southern plains. Here the Madhesi’s are demanding a greater representation in the national Parliament and there are rumours of intentions to pursue an independent Madhesi state. India foreign policy is involved in this political situation; they have alternately aided the maoist guerillas, then turned against them.

In earlier times, the Maoist leadership waging a war against the Nepali government was led to believe that Delhi was acting for their benefit. Once the Maoists decided to join mainstream politics and become a part of Parliament as well as the government, Indian diplomats found it expedient to entice one or two breakaway Maoist factions and extend them support, on the basis of which they have launched a separatist movement in the southern plains called Terai. One of the leaders at the forefront of this “Madhesi” movement, Upendra Yadav, is a Maoist renegade who in 2004 was arrested on Indian territory with two of his comrades.

New Delhi quietly handed over the two to Nepali authorities but set Yadav free while he was still in Indian territory. There is a widely held perception that Yadav, who physically resembles the people of the nearby (to Nepal) Indian state of Bihar, is being used to sustain a hate campaign against Nepalis of “hills” origin. [...] [Put rather crudely perhaps, the Nepalis of the plains often have a closer resemblance to Indians – while those of the hill regions often resemble more the Chinese.]

Yet New Delhi was instrumental in making them a party to a 12-point agreement with the Nepali Congress-led front of seven political parties. One agreement led to another, and eventually the Maoists fully joined the constitutional process, finally becoming a part of the interim government on April 1 this year.

But now India sees them as a deadly menace, a sort of Frankenstein’s monster. But the stinging question is: Who supported them so that they could be where they are now? AsiaTimes, 6 Jun 07

The Indian and US diplomats were central to arranging the integration of the maoists into the Nepalese Parliament as a means of stabilising the region. But now the threat of a maoist-dominated Nepal (depending on how well they do in elections) has its own dangers; the native

Nepali political elite do not seem very skilled at containing the political ambitions of the maoists. One theory is that while India seeks to maintain Nepal as a buffer zone against China, they also seek to make an independent 'Madheshland' state on the Terai plains — a buffer within a buffer against possible maoist encroachment on their borders that could encourage stronger links with India's own peasant leftist Naxalite guerilla movements. A dangerous game, as a divided Nepal in turmoil could cause many other problems for India.

The Madhesi political movement has had several bloody clashes with the YCL in the past year, with 65 dead. The maoist attempts to repress the Madhesi movement, target activists, prevent rallies etc have been unsuccessful. As described above, there is a strong ethnic and caste element to the conflict; despite being supposed champions of the poor, the maoist leadership is (like leaderships of most peasant leftist movements) highly educated and in Nepal mainly from the high Brahman caste of the northern hill region (though the majority in the hill areas are obviously lower caste). In contrast the Terai plains are peopled by lower caste Madhesis who are under-represented in Parliament. The Nepali caste system and ethnic tensions have not traditionally been a cause of such violence as they have in India, but it's present influence on politics is obviously to some extent expression of a longer underlying resentment. Some commentators believe that India is capitalising on this by encouraging the unrest in the hope of engineering its breakaway Madhesi buffer state. But as always the relationship with China is uppermost;

“In a broader context, Indian is jittery over possible Chinese inroads into Nepal through the Maoists; here the interests of New Delhi and Washington converge. That the United States and India consult on Nepal has been made public by their officials on numerous occasions. In response to a US Congress committee query on March 22, Secretary of State Condoleezza Rice conceded that “our closest international partner in working on affairs in Nepal is India”.” Asia Times, 6 Jun 07

Like all the other diplomatic players in the region, China blows opportunistically hot and cold in its relationship with the maoist leadership — the Chinese provided anti-guerilla military aid to the Nepalese King only shortly before he was forced to relinquish power a year ago; and Beijing always refused to recognise the Maobadi insurgents as true Maoists. Yet Nepali Maoist leaders have made several visits recently to Beijing as guests of the ruling elite. This closer relationship worries India and the US.

With elections to the Constituent Assembly postponed from June until November-December, interested parties will be concerned that Nepal does not fall into an indefinite suspension of democratic process as has occurred in Bangladesh. Even though it's widely believed that western powers encouraged the present situation in Bangladesh as a means to resolve the political stalemate, it is in itself an admission of instability and what geo-political analysts call 'failing state' vulnerability. The 'export of democracy' is not proceeding as planned in South Asia at present.

Maoism in South Asia – Republican Nepal & Indian Naxalites

A brief look at the recent activities of Maoists in Nepal and India.

Under pressure from the Maoists, the government has finally declared that Nepal will become a republic. For several months the political process towards elections has been stalled in Nepal. The Communist Party of Nepal (Maoist) (who entered Parliament following the end of their 10 year guerilla war) originally agreed that any decision on the future role (if any) of the monarchy would be postponed until after the elections for the Constituent Assembly.

But since the end of the war the Maoists have lost much popularity; largely because of their strong-arm tactics in their long-running protection/extortion rackets levied on local businesses and residents. They have also exercised a form of periodic censorship against newspapers critical of their activities, by intimidating workers and enforcing strikes to disrupt distribution. In the southern Terai plains region they have been involved in inter-ethnic rivalry, resulting in several deaths.

Seeing this drop in support, the Maoists became determined to postpone the elections, buying time to improve their electoral prospects. So three months ago they left the government, announced they were now demanding the abolition of the monarchy and threatened a return to civil war if their demands were not granted. After months of wrangling, they have got their way. The abolition appears now as only a legal formality soon to be delivered; *“If the elected [constituent] assembly endorses a republic by a simple majority, ... the king [will] be stripped of his crown”*. The Maoists have also forced some changes to the electoral system: Prime Minister Koirala, *“who had also been opposing the Maoist demand for a fully proportional electoral system, has now reached a compromise with the rebels to hold the polls employing a mixed system in which 60% of the seats will be chosen proportionally and the remaining 40 through straight contests.”* The King was already a spent force, stripped of all power and most of his wealth – his last card was played when he suspended Parliament in 2006, but was forced to back down by a Seven Party Alliance coalition (including the Maoists) of bourgeois parties and by popular street protests. But he has played one final strategic role – as a political pawn for the Maoists. How the mighty are fallen.

For the wider Nepali ruling class, the Maoists represent a continuing problem. Any hope that the former guerillas’ integration into Parliament would lead to a more normal democratic process has been dented further by recent events. The Maoists still retain their ace card – the threat of a return to guerilla war is laid on the table whenever negotiations are not going in their favour. The Maoists are now ready to rejoin the government.

A few observations on Indian Maoism

The Nepal Maoists have had strong links with the much older Maoist ‘Naxalite’ movements in neighbouring India. There is a long and interesting article on past and present aspects of this movement, here; www.himalmag.com

The article reveals that whereas universities were previously the heartlands of recruitment for the Indian maoists – leftist guerilla movements traditionally recruited their functionaries from over-qualified students with few career prospects due to stagnant economic conditions – now the booming IT-driven economy and accompanying growth of the skilled middle class has destroyed this cadre recruitment for the the Maoist movement.

The article also reports that in those remoter forest areas with great potential for mining and other resource extractions the Maoist threat is being used by vested government and business interests as an excuse to use terror to clear forest villages and herd villagers into less remote camps near main roads. This separates them from their traditional means of subsistence in preparation for a new life as wage labour in the mines or other extractive industries. The new enclosures... or in the sanitised jargon of modern security specialists – “strategic hamleting”. www.himalmag.com

The article reports too that in some areas the Maoists are well accommodated within the local political ruling structures and have a clever scam operating with them; the Maoists keep up sufficient level of activity to show ‘evidence’ of them being a security threat – this justifies regular applications by the remote local government to the central government for increased security funding. Once secured, the proceeds from the government funds are then divided amongst the Maoists, local politicians, government officials and security forces.

After several decades of activity the Indian Maoist guerillas only have any control over the remoter densely forested areas where there is either minimal or no state presence. The article describes how this has led some Indian Maoists to drop the gun and adopt more mainstream political tactics, similar to the change in tactics of the Nepali Maoists. But most Naxalites still look with scorn upon what they see as the sellout of the Nepali party since it laid down the gun.

The local and the global

From a Western point of view the struggles of Asian peasants, landless labourers and the wheelings and dealings of their political masters may seem of little consequence. But their circumstances mirror to varying degrees the situation of large parts of the world. Though rapid population shifts to the cities are accelerating, the population of both India and China, the two fastest growing economic giants, is still massively rural – in India 70%, China around 40%. *One in 10 people on earth live in rural India.* Only in 2007 has the balance in the global population begun to shift to an urban majority. The exploitation of diminishing energy supplies and other limited resources (such as mining and deforestation) destroys environments and cultures; an industrialising process that relentlessly eats away at traditional means of subsistence – with brutal ecological and social consequences of global significance (e.g., deforestation as a major contributor to global warming; “responsible for 25% of all carbon emissions entering the atmosphere, by the burning and cutting of about 34 million acres of trees each year”).

Whether displaced, dispossessed and forced into urban shanty towns as cheap labour for the 'Export Processing Zones' supplying the global market (with those left behind in the rural village often dependent on the urban wage of relatives — a typical scenario being parents leaving their children to be raised by grandparents); or slaving down the mines that occupy their former lands; or subsisting as a semi-proletarianised reserve army of casual labour; or perhaps even as insurgent rural rebels freed from the shackles of Maoist guerilla dogma — the impoverished masses of rural Asia will be a factor of some importance. The new enclosures create new struggles.

Ethnic-political tensions fracturing the Nepalese nation-state

In the Terai region of Nepal, on the southern plains, an indefinite general strike has been ongoing for over two weeks; curfews are in force.

It has been initiated and enforced by a coalition of local ethnic Madhesi groups, in pursuit of provincial autonomy, greater parliamentary representation/proportional representation and the ‘right of self-determination’.

Its timing is an attempt to put pressure on government in the lead up to the Constituent Assembly elections – the first elections since the end of the Maoist guerilla war and the subsequent Maoist integration into Parliament. As the Terai borders India, it is the essential supply route for landlocked Nepal, hemmed in as it is by the northern Himalayan mountain range. So the strike, which prevents all transport movement, is an effective blockade of the country. In the capital, Kathmandu, supplies of fuel, food and other essentials are very low.

The Terai holds 70% of Nepal’s arable land and accounts for over half of its GDP via industry and border trading. Almost 50% of the population live in the Terai. “Madhesis” comprise many different ethnic, linguistic, caste and religious groups that inhabit the Madhes (the plains), in southern Nepal. The present ethnic movement started in January 2007. Since then numerous clashes and murders have occurred between police, nationalists and Maoists, including feuds between rival Madhesi groups. Today there are over two dozen armed and unarmed groups and parties active in the region. (See earlier report here)

There is racism against Madhesis – in the northern capital of Kathmandu their darker complexion means they can be looked down on as “migrant Indians” (there is a long-running resentment in Nepal towards their domineering Indian neighbour) and in India they can be discriminated against as “Bahadurs”, an Indian stereotype for working class Nepalis (although their historical origin is said to be as migrants from the Madhesh plains region, and the concept of Madhes or Madhesi is said to predate modern India and Nepal; yet they are perceived as culturally closer to Indians). Madhesis have little representation in government (around 5%) – those high-castes from the northern hills occupy most important state posts, and most of the Maoist leadership is from the same origin. Opportunist Madhesi politicians, some of whom have hopped from Maoist to ethnic-nationalist groups as fortunes change, now see their chance for power; they are using traditional popular resentment of caste, ethnic and regional inequalities to push towards political power and redraw the political map in their favour. There have recently been many attacks, banishments, theft of land and other intimidation of those Terai dwellers, known as ‘Pahades’, whose ethnic origin is of the northern hills. There have been resentments that recent ‘land reforms’ by the northern central government have favoured Pahades. The wide participation of Madhesi politicians in the Maoist insurgency was in hope of a fairer land reform and also of greater regional power – their separatist turn is in part an expression of their disillusionment.

The forces involved and the diverse interests they represent are potentially complex; those leading the present strike include ethnic Madhesi nationalists, seeking either regional autonomy within a federal Nepal, and/or eventual full national independence. Some of these are former Maoist leaders who split from the Maobadi movement and have had several bloody clashes with them since. Some believe that India has cultivated/encouraged these splits; as a means to create a buffer state between what they believe may become an increasingly Maoist-dominated Nepal. Many would see an Indian-backed separatist split as a prelude to Indian annexation, as happened in neighbouring Sikkim. Nepal has long been considered as a buffer state between the two rivals, India and China, and India is concerned at recent closer relationships between Nepali Maoists and the Chinese state. Other possible Indian considerations are the creation of a buffer between Indian Naxalite peasant movements (See earlier report here) and their Nepali Maoist comrades. There is also a potential for further Indian encroachments on Nepali natural resources.

Balkanisation?

There are a dozen major ethnic groups in Nepal with around fifty languages and dialects; some have already expressed their own grievances. There is some potential for a Balkanisation of Nepal, so the government will be eager to resolve the present unrest. Today (Weds 27th) it was announced that talks between the government and the United Democratic Madhesi Front (UDMF) – an alliance of three groups – had collapsed. But with the Constituent Assembly elections just seven weeks away, negotiations in some form will surely continue, in an attempt to resolve the conflict. Independence for the province has been ruled out by the government; the Maoist party, despite their ideology being historically supportive of national ‘liberation’ struggles, are also opposed to Madhesi self-determination. (Maoist leader Prachanda even branded the new rebels – some of them his recent allies – as “criminals and gangsters” unworthy of negotiation. Ironic, considering his own party has often enough been accused of using the same tactics to fund themselves and to win a place in Parliament; and whose aggressive example has surely inspired the ethnic rebels to pursue their own agenda.) An eventual compromise deal is likely to be greater political representation for the region and a degree of local autonomy. The government and its Western allies will be keen to avoid both a descent into a new civil war in Terai, and also a splitting of the country into two. Such a split would probably leave Nepal’s northern half without 70% of its arable land, totally dependent on China for trade and supplies access and would greatly increase tensions between the two big brother states of India and China.

For the dirt poor peasants and workers of Nepal there is little optimism to take from present circumstances – no doubt whoever ultimately triumphs in the political arena, there will be little gain for the most exploited as long as they remain pawns and cannon fodder for the political elites.

Terai ethnic strike ends with concessions

The general strike called by Madhesi ethnic groups of the southern Terai plains region has ended with most of their demands granted.

Two days after an agreement with the United Democratic Madhesi Front (UDMF) — paving the way for the April 10 Constituent Assembly elections — the government today signed an agreement with the Federal Republic National Front (FRNF), an alliance of seven groups agitating in Terai and eastern regions.

The government has promised that the Constituent Assembly will, after the upcoming elections, grant autonomous status to the region within the framework of the existing Nepalese nation. Ethnic representation in Parliament and in government bureaucracy will also be increased; the same rights are promised to other ethnic groups in the country. It is uncertain how many similar claims will be made, but there is already some debate as to who has the best claim to an original ethnic identity as the most ‘authentic’ Terais. The Terai is a multi-ethnic region with different groups arriving at various points in history and the somewhat loosely defined category of ‘Madhesh’ do not have by any means the longest history of a presence in the area. The Tharus claim their descent back to the Buddha — who they claim as a Tharu — and beyond into the mists of history. (Buddha was born in the Terai at Lumbini). The Tharus consider the Madhesis as later southern immigrants from what is now India. So there may be further disputes, both within the Terai and elsewhere, over who is the ‘most ethnic of the ethnics’ as competing groups challenge for local political power.

Meanwhile Maoist leader Prachanda — who, despite only recently describing the Madhesi rebel groups as “criminals and gangsters” unworthy of negotiation — has participated in the negotiations and given his blessing to the agreement. He has also stated this week that the approaching Constituent Assembly elections can become the vehicle by which they become a ‘communist’ government. This is simple electioneering on his part; any outright win by the Maoist party is extremely unlikely. Any future Maoist rule in Nepal, whether in local or central government is likely to try to model itself on the regimes of those Indian states run by local ‘Communist’ Parties — crude forms of municipal Stalinism with an increasingly market-oriented openness to foreign investors enticed by tax-free Economic Processing Zones. Much like those typically seen in other more developed Asian economies, but with even more ‘competitive’ wage levels. But that is so far wishful thinking for Nepal; one of the least developed economies with one of the least skilled workforces and a weak infrastructure — and consequently, so far, one of the least attractive investment options.

Maoists win the election in Nepal

The Maoist party — former guerrillas CPN(M) — have won a clear majority in last week’s elections. But what changes will this mean for Nepal’s workers and peasants?

The result so far is for the 240-seats first-past-the-post vote for the Constituent Assembly. Results for the decisive 335-seat proportional representation part of the Assembly will take longer, but the Maoists are expected to do well in this too.

The result is a big surprise that goes against most media predictions. It seems that the Maoists’ organisational structure, which extends to the remoter areas, has survived largely intact since the end of their guerilla war. This network served well as an election campaigning machine, particularly in the less accessible rural areas where other parties have no presence. There were reports by other parties of Maoist intimidation of voters and rival candidates. Official election observers, including some representing the UN, were reported to be overstretched in their work, and the Election Commission overseeing the fairness of procedures ordered 106 polling centers to hold re-polling due to irregularities. Nevertheless, most observers seem willing to accept the overall result. (Many who might have otherwise challenged the result may have been put off by the Maoists’ pre-election declaration that they would not accept defeat in the election; they claimed to be so sure of victory that a defeat would be evidence of their being cheated!) Even with some irregularities, the vote does appear to reflect a big shift in political allegiances among the population. Perhaps, in the world of generalised corruption that is Nepali politics, the voters decided — better the devil you don’t know than the one you do.

What is the programme of the Maoists? They have been eager in recent days to reassure local capitalists, potential foreign investors and regional neighbours. Nepal being a buffer state between China and India, the world’s two fastest growing economies, they hope to reap some benefits from the proximity and have been cultivating diplomatic relations for some time. They are quite explicit that they will pursue a programme of economic expansion; one can assume this will include some modest land reform and redistribution, attempted job creation and will follow the model of other Asian economies in attracting foreign investment with Economic Processing Zones where major tax concessions are available to foreign capital enticed by a plentiful supply of dirt-cheap labour.

Reading statements made in recent days by Maoist party leaders one can see new government policies in the making;

The Maoists central leadership has said that the party which has swung the country’s politics during the freshly concluded CA poll will not deviate from the “globalization and liberalization” process that was on in the world today.

Outlining the would be economic policy of the Maoists party when in power, Comrade Prachanda said that “we will not confiscate the properties of the owners contrary to what has been disseminated in order to malign the Maoist party”.

According to him, after the political revolution that has just finished, the Maoists will henceforth concentrate its entire efforts aimed at bringing about what he called “economic revolution in the country”.

“Rest assured, we are in favor of the capitalist economy”, Prachanda said.

Talking on the Maoists militias, Prachanda said that they could be used as **“industrial security force”** time permitting.

This may mean that the troublesome bored youth of the Young Communist League (see earlier report) – demobilised Maoist guerillas at a loose end with no clear role in the post-war society – will now be deployed to maintain a militarised labour discipline to make foreign investment even more attractive.

Prachanda also had all praise for the Indian establishment for all that the Indian government did in creating an atmosphere which could bring the Maoists back to Nepal.

“I hope India will continue its support to Nepal”, Prachanda added.

Prachanda also made it clear that **his government would continue its relations with China, the European Union, World Bank, the Asian Development Bank and the IMF.**

Telegraphnepal.com 17 Apr 08

And so all the regular ‘anti-imperialist’ sloganising so often heard coming from the Maoist camp is quickly airbrushed from history and disappears into the Himalayan mist.

... Dr. Bhattarai said that the “mantle of economic revolution would be handed over to the businessmen/industrialists and that we in the government would only facilitate their march towards economic revolution”.

We would like to assure everyone that **once the Maoists come (into government) the investment climate will be even more favourable.** There shouldn’t be any unnecessary misunderstanding about that. The rumours in the press about our intention are wrong, there are reports of capital flight, but this shouldn’t happen. And the other aspect is that once there is political stability, the investment climate will be even better. Our other agenda is economic development and for this we want to **mobilise domestic resources and capital**, and also welcome private foreign direct investment. The only thing we ask is to be allowed to define our national priorities.

The “domestic resources and capital” available to the Maoists to “mobilise” are the extremely cheap labour force and the natural resources, primarily potential hydro power projects with all their possible damaging ecological impact.

We want to fully assure international investors already in Nepal that we welcome them here, and **we will work to make the investment climate even better than it is now. Just watch, the labour-management climate will improve in our**

time in office. What happened in the past two years with the unions happened during a transition phase...

Nepali Times 16 Apr 2008

This translates as — “yes, we have in the past called strikes (to further the interests of the Party rather than the workers) by Maoist-dominated unions to prevent printing and distribution of newspapers who gave us unfavourable coverage; and we have attacked and kidnapped officials of rival unions such as GEFONT and DECONT (see allegations here)- but now investing capitalists can expect as firm a hand applied to maintain discipline in the workplace and minimise disruption to profit creation. This is in the grand tradition of Bolshevik labour relations started by Lenin”.

The Maoist ambition appears to be a sustained and speedy growth along the lines of China — but they will be starting from a far less favourable socio-economic base, in far less favourable conditions as a global recession begins to bite. The best that the Maoist state can probably hope for — at least in the short-term — is to be used as another out-sourcing area where cheap unskilled labour is exploited by its larger industrial neighbours. But that is quite enough to enrich the new ruling elite. And if, after a few years of discovering that the new whip hurts as much as the old whip, the Nepalese poor then become disillusioned with their Maoist masters and look like voting them out of power; we *may* then find the Maoists announcing that their industrial development has finally ‘abolished feudalism’ and completed the ‘bourgeois-democratic revolution’. Therefore parliamentary democracy will have become obsolete and it will be time for the ‘dictatorship of the proletariat’ in the form of an indefinite one-party Maoist state.

A nice little earner for the Maoist ruling class — in Lenin’s footsteps

Nepal’s Maoist Party has won around 220 seats in the recent Constituent Assembly (CA) election, about one-third of the total. Though the largest party, they don’t have an overall majority; they have stated their wish to lead a coalition government.

But as the result became clear Maoist leader Prachanda told journalists “*I will be declared the acting President of this country very soon...which will be followed by occupying the post of the all powerful President of New Nepal...this is the peoples’ mandate...no force on earth can disobey this mandate*”. (Telegraphnepal.com 26/4/2008); the man who has long talked of his wish to ‘abolish royal autocracy’ now speaks of his “all powerful” role.

Recent news reports reveal the wages and expenses of the newly elected members of the Assembly. While they spend an indefinite period drawing up a new national Constitution they will be paid — by Nepali standards — enormous wages;

each CA member will receive net salaries of 23 thousand one hundred rupees per month (£176/\$345/Eur224). On top of this they’ll get expenses for drinking water, electricity, telephone, rent, newspapers & “miscellaneous”. These expense allowances bring the total income of a CA member to 45 thousand 98 rupees (£345/\$674/Eur437) each per month.

The CA President (probably Maoist Party boss Prachanda) will have a monthly salary/expenses income of 60,600 rupees (£463/\$905/Eur588) — plus a petrol allowance of 24,500 rupees (£187/\$366/Eur237). The vice president will scrape by on a few thousand less.

So the ruling class, led by the Maoist ‘proletarian vanguard’, feather their nest. These salaries must be compared with the Nepali average wage of just \$200 a year (£102/Eur129); Nepal is the poorest country in Asia. Around 10% of the population takes 50% of the wealth, the bottom 40% takes 10%. 85% of Nepalese people don’t have access to health care. So the *monthly* income of a CA politician is well over three times the *annual* national average wage! Jobs within the CA are already being allocated by all the various member parties to their friends and family.

In a public appearance last week Maoist leader Prachanda said, “*I had the opportunity to play the role of Lenin itself in Nepal*”. With his fat salary and perks he is certainly following in Bolshevik footsteps; Lenin travelled in a chauffeur-driven Rolls-Royce, as did other government officials. “*Autocracy’s main enemy, Vladimir Lenin, had no reservations about inheriting the hated old regime’s automobile collection. Lenin used the Tsar’s Rolls-Royce Silver Ghost to drive around town while his colleagues divided up the rest of the collection among them. But two revolutions and a civil war had taken their toll on the cars, and in 1919 (during a time of famine and extreme hardships for the poor) the Council of People’s Commissars had to order 70 more from London.*” (Aeroflot site). Lenin moved into a dacha (country house) previously owned by a millionaire, while much of the other Bolshevik leadership took occupation of the luxurious Lux hotel in Petrograd, dining on

preferential food rations.¹ Then and now, for those who inherit the State, its perks and luxuries are clearly irresistible and seen as just reward for their conquest and devotion to power. And so the new Nepalese republic is born — the furniture and faces at the top have been shifted around a little, and that is all.

There's another interpretation (though less likely) of the reference to Lenin — as a coded pointer towards a historical precedent; that Prachanda's long-term plan is for the Constituent Assembly in Nepal to share the same fate as it did in Russia. When the Bolsheviks were ready to seize sole power for themselves, a revolutionary guard (led by Anatoli Zhelezniakov², an anarchist sailor³) dismissed the CA, dominated as it was by indecisive bourgeois moderate politicians. The Bolsheviks saw its dissolution as a decisive step in the progress from a bourgeois to a proletarian revolution (though the fact that, unlike Nepal's Maoists, the Bolsheviks did not emerge victorious from the CA elections may have influenced their choices too). The Maoists might, ideally, like to achieve a neat Leninist orthodoxy by replicating this state of affairs, but they know the necessities of 'realpolitik'. External geo-political pressures and economic realities mean that — for the moment, at least — they need to play the democratic game in order to attract foreign investment, so as to try and build up a sound politico-economic base. A strong and stable State power is always a class relation based on efficient exploitation and its rewards.

¹ "Ante Ciliga described what he called the state capitalists' 'morals on the morrow of the October revolution' as follows:

From the first days of the October revolution, the Communist [sic] leaders had shown a great lack of shame in these matters. Having occupied the building, they furnished it with the best furniture from shops that had been nationalized. From the same source their wives had procured themselves fur coats, each taking two or three at a time. All the rest was in keeping. (Ciliga, 1979, p. 121)

Far from the emergence of the privileged consumption enjoyed by the state capitalist class coinciding with Stalin's rise to power, some of the state capitalists of Stalin's day looked back with nostalgia to the comfortable life they had experienced during the early years of Bolshevik rule:

During the winter of 1930 fuel ran short and we had to do without hot water for a few days. The wife of a high official who lived at the Party House was full of indignation. 'What a disaster to have this man Kirov! True, Zinoviev is guilty 'fractionism' but in his day central heating always functioned properly and we were never short of hot water. Even in 1920, when they had to stop the factories in Leningrad for lack of coal, we could always have our hot baths with the greatest comfort.' (Ibid., pp. 121-2)

Another illustration that Stalin was not personally responsible for establishing state capitalist privilege in Russia is that during the period 1923-5, when Stalin had only an old car at his disposal 'Kamenev had already appropriated a magnificent Rolls' (Medvedev — 1979, p. 33)." (State Capitalism — the wages system under new management, Buick & Crump.)

² On Zhelezniakov, see; libcom.org

³ The Ukrainian anarchist "*Makhno defended that action and explained that Zhelezniakov, a Black Sea sailor and delegate to Kronstadt, had played one of the most active roles in 1917. Makhno merely expressed regret that the fiery sailor, who enjoyed great prestige among his colleagues, had not simultaneously seen fit to dismiss Lenin and his "Soviet of People's Commissars" which "would have been historically vital and would have helped unmask the stranglers of the revolution in good time."*

libcom.org

Victory turns sour

As a strike wave sweeps the country, the Maoist leadership agrees to banning strikes.

Since the Maoists emerged in the April 2008 Nepal elections as the largest party (though without an absolute majority) to lead the new coalition government, they have failed to heal existing divisions — in their own party, within the parliamentary political system and its ruling class — or within the intermingled social, caste and ethnic tensions across the wider society. In fact, all these divides have widened. And since November a strike wave has spread across the country.

Maoist ‘People’s Vanguard’ versus striking workers

The ongoing strike wave is diverse;¹ everyone from transport workers, labourers and poor villagers to doctors, teachers, students, journalists and other professionals are striking and blockading across the country. The demands are equally wide-ranging; wage rises to counter rising food and fuel prices, demands for better public services, local councils in remote rural areas demanding increased funding from central government, calls for land distribution to the rural poor. There are also many short local strikes and actions in protest at attacks, murders and intimidation by political factions; relatives of murdered victims demand compensation and investigation of the crimes. Some strikes are led by different unions (with their various political affiliations, including the Maoists), others actions are self-organised by participants. Therefore some will be a more genuine expression of self-organisation in pursuit of material need — while others may be called as political strikes to pursue, not workers interests, but only political advantages of one party faction over another.

And the conditions of life giving rise to the social unrest grow worse. Inflation of basic goods continues, the electricity infrastructure cannot meet anywhere near the demand of consumers; 16 hr interruptions to supply for “load-shedding” have become routine across the country and both domestic and business life is planned around them. (Some claim this is partly a result of the Maoist destruction of electricity sub-stations during the 10 year guerilla war and the subsequent decline in infrastructure projects.²) This frustrates employers and workers alike, limiting productivity for bosses and also lowering pay for workers who aren’t paid for interruptions. The

¹ www.nepalbandh.com — is a site that lists an updated chronology of ‘bandhs’ ([b-awN-dh] adj.: Bandh, a Nepali word literally meaning ‘closed’) — i.e. strikes and public protests in Nepal.

² As one blogger in Nepal says; “The Maoists can not just shrug off from their share of responsibility to their bourgeois counterparts for accepting past mistakes. While the past Panchayat, Kangressi, & “hijda” UML governments were certainly corrupt to their bone-marrow, the Maoists should not forget that they were also running a parallel government for the past 15 years. During their People’s War, the Maoists claimed to control all Nepal’s territory except Kathmandu and not only obstructed new development projects but also destroyed the existing infrastructures — a revolutionary method of weakening the “feudal governments” by forcing people into the Dark Ages. The Maoists even used to warn people not to expect any construction projects, as they were uprooting the remnants of feudalism.” drdivas.wordpress.com

hungry bellies of the poor are rumbling with discontent, and even the professional middle classes are feeling pangs of frustration.

Faced with the unrest, Maoist Party leader and Nepalese Prime Minister Prachanda proposed to fellow politicians a ban on all public sector strikes, to which the seven major parties all agreed. In a recent press interview, just prior to the agreement, the Maoist governmental Finance Minister Dr Baburam Bhattarai tried to justify a ban;

Q: The business community's concerns are exactly what you stated. One, they say, the government's attitude to labour issues leaves a lot to be desired and that labour problems are getting worse. Second, there cannot be high growth until there is an adequate supply of power.

Bhattarai: I wouldn't say the situation is getting worse. Things were much worse in the past. But the people wanted very fast recovery; that hasn't happened. Things are improving but not to the desired level. Both the management and workers have a common interest now, for the development of the economy. They both fought against the feudalism, autocracy and monarchy. Now, to create a vibrant industrial economy, is in the interest of both the management and the workers. But this reality is not sinking in their minds. This government is playing its role in creating a healthy relationship between the two. There were some disputes, especially regarding the minimum wage issue. This has been solved. So what I appeal to the management is that they should provide the minimum wage. The workers shouldn't resort to bandas and strikes. If this understanding is honoured we'll have a healthy environment in the days to come.

Q: So the party wants to ensure that whenever there is a labour dispute, legal recourse should be taken?

Bhattarai: Yes. At least for some time, there should be no bandas and strikes in the industrial, health, education sectors, on the major highways, in the public utility sectors. The government is trying to build political consensus on this issue.

www.kantipuronline.com

80% of Nepal's population is rural and amid the rocky mountain terrain there is a shortage of arable land (only about 20% can be cultivated) and a lack of infrastructure; unsurprisingly there is increasing seasonal and permanent migration to cities into casualised employment. But most of the country is too economically weak to develop much beyond a subsistence economy – and in the present global recession attracting significant foreign investment looks more remote than ever.

Nepal is in reality an underdeveloped capitalist economy with certain remaining feudal hangovers within social relationships. (These traditions are either declining or adapting to modern-day norms.) Abolition of monarchy and the pro-democracy movements in recent decades might be seen as part of an unfinished bourgeois revolution³ – yet the Maoist leadership generally present their desire to move towards greater industrialisation as the *beginning* of a bourgeois-democratic revolution. The Maoists portray the present period as one in which Nepal is emerging from feudalism (as supposedly evidenced by the recent abolition of the monarchy; unlike,

³ See our earlier analysis; libcom.org

e.g. ‘feudal’ royalist Britain!) and so needs to build up a strong national industrial economy. The lack of a strong national entrepreneurial bourgeoisie has hindered such a development in Nepal, and — like nationalist and leftist parties across the ‘3rd World’ — the Maoists intend to play that developmental role themselves, in alliance with other ‘progressive’ bourgeois forces. The Maoist leadership are reported to be discussing with China the creation of Special Economic Zones (SEZ) in Nepal. SEZ’s are industrial zones offering partial or complete tax exemption to foreign investors (and sometimes also to native capitalists) along with other financial benefits including stricter labour discipline. Having just passed the relevant legislation, their concern to impose stricter discipline on unruly workers is clearly linked to establishing SEZ’s and a general desire to attract greater foreign investment;

KATHMANDU, Jan 22: After four years of finalizing the draft, the cabinet on Thursday endorsed Special Economic Zone (SEZ) Act, paving way for the implementation of the SEZ projects in the country. [...]

...the Act treats SEZ as a land where other domestic laws related to labor and industries would not be applicable. It has mooted an autonomous SEZ Authority to oversee its operations.

The source stated that the ratification of the Act, which had so far lingered due to the differences over the **tighter labor provisions**, had become possible after the seven parties recently **agreed not to launch strikes in the industries or disturb productions.**

“The Act allows workers to unite and practice collective bargaining, but **prohibits them from undertaking activities that affect production and normal operations of industries,**” said the source. It also allows the entrepreneurs to hire workers on a contract basis. [Our emphasis.] myrepublica.com

Courted by rivals

Last year we observed;

Any future Maoist rule in Nepal, whether in local or central government is likely to try to model itself on the regimes of those Indian states run by local ‘Communist’ Parties — crude forms of municipal Stalinism with an increasingly market-oriented openness to foreign investors enticed by tax-free Economic Processing Zones. Much like those typically seen in other more developed Asian economies, but with even more ‘competitive’ wage levels. But that is so far wishful thinking for Nepal; one of the least developed economies with one of the least skilled workforces and a weak infrastructure — and consequently, so far, one of the least attractive investment options. libcom.org

Maoist leaders have expressed desires for closer economic co-operation with both its big brother neighbours. It is likely that in the long term, China intends to treat Nepal as an extended zone of its economic activity, somewhere with cheaper labour costs to outsource to, so as to offset rising labour costs in China. But, for the moment, the global recession limits the likelihood

of such investments. Nepal's southern neighbour, India, is never happy to see closer relations between Nepal and its rival China, but it has its own economic leverage. India is downstream from the untapped hydro-electric potential locked in Nepal's great Himalayan water systems, has longed wanted to exploit it and can offer investment and expertise. China is investing in various infrastructure and transport links in poorer South Asian countries, but northern Nepal is hemmed in by the Himalayan peaks and so remains dependent on India for the continued flow of essential supplies across its southern border. It is a commonplace that Nepali politicians periodically use the anti-Indian nationalist card to distract from their problems and failings at home, as the Maoists are doing at present; but for all the nationalist rhetoric, they know any threat to an open border would be, at present, close to economic suicide. (This was illustrated when India expressed its dissatisfaction at Nepal buying arms from China by closing the border for several months in the 1980s – a move that progressively paralysed Nepal.)

The Nepalese and Indian armies have traditionally had a close relationship. The famous Ghorkas serve in both armies. The Indian army trains most Nepalese officers – there is such a close relationship that the Indian Army chief is honorary chief of the Nepali Army traditionally and vice-versa. The negotiations that are dragging on over how/if/when Nepal's Maoist ex-guerillas should be integrated into the Nepalese Army are therefore of some concern to India. The Maoists are attempting to gain greater control over the Army, causing serious unease in rival parties.

Old or new maoism for the Party?

A deep split in the Maoist Party has emerged; Prachanda and co.'s ruling elite are comfortably settled in their lucrative governmental positions⁴ and appear to prefer to pursue a 'parliamentary road to [so-called] socialism'. Having ended the 10 year civil war after realising its limits as, at best, an indefinite stalemate between state and guerillas – and being forced to acknowledge that, in any case, powerful neighbours India and China would probably not sit idly by in the event of a bloody military coup likely to destabilise the wider region – the party leadership committed itself to parliamentary conquest and secured electoral victory.

Meanwhile, the lower level party cadre have gained little from the electoral road. Unlike in many other 'national liberation struggles', the Nepali Maoists did not decisively defeat other ruling class factions – instead, they achieved political power via a compromise with them. So many of the comfortable official posts are already filled; as one of the poorest countries in the world, Nepal has too few resources to expand its existing bureaucratic class or its entrepreneurial middle class sufficiently to absorb former guerilla personnel to their satisfaction. So, after ten years of war, what's on offer for those lower in the Party hierarchy seems scant reward for their efforts. Now a faction led by a senior Party leader Mohan Biadhya, popularly known as Kiran, are demanding an immediate progression towards 'full communism'; i.e., a one party state capitalist system in the style of traditional Maoism.

⁴ See our earlier comments; libcom.org

What's in a name? The PFDNR

These dissatisfied Party elements who want to 'march firmly onward to a communist state/People's Republic' are becoming more openly critical of the democratic gradualism of the Party leadership and their parliamentary roles. One recent manifestation has been the dispute over names; the pro-democratic faction wants to drop 'Maoist' from the party name and become simply the Nepal Communist Party. This is largely a gesture to the IMF and other foreign aid and investment providers, showing them that the NCP has put down the gun and embraced mainstream politics. But for the Party hardliners this is the most despicable renegade 'revisionism'. (Both sides are aware that such disputes and any resolution symbolically reflect the balance of power in the Party. Those who control the slogans, symbols, labels and icons remake the Party in their own image partly by the dissemination of images of the powerful; for the "vanguard party" they are an essential tool of hierarchical power. See "The Mao Cult"; www.iisg.nl) Similarly, a long debate between the two factions at a recent Party conference over 'the way forward' included a clumsy compromise over the retitling of the the nation-state. As "blogdai", a cynically amused Nepali blogger, put it;

Those brilliant Maoists have been banging their heads together for six days to try and mend a catastrophic rift in their party. It seems most of the hard-liners want to announce an all Communist "People's Republic" immediately; while Prachanda wants to go a little slower so as not to throw the country back into chaos. After what blogdai can only assume to be an excruciating application of sheer brainpower, our boys in red have decided to call Nepal the "People's Federal Democratic National Republic." Just think of the expense in stationary this will incur! PFDNR Nepal.

nepalnow.blogspot.com

The growth of political and economic gangsterism

The Young Communist League (YCL) is sometimes described as the disguised military arm of the Maoists, or, increasingly, as their paramilitary wing⁵. In 2006, after the Maoists agreed to end their 10-year "People's War," they signed a peace pact with the government, thereby agreeing to confine their "People's Liberation Army" (PLA) in designated cantonments under UN supervision. About 20,000 members of the Maoist PLA are living in forest camps as the government seeks to integrate them into the national Army. However, Nepal's military has said it doesn't want to accept the fighters immediately "because they are still politically motivated".

There is general disbelief at the small number of PLA fighters registered in the cantonments. It seems that the party transferred a substantial number of PLA personnel to the YCL so that they could move around freely, provide support to the party's activities and continue their fundraising activities of extortion and protection rackets levied on businesses.

At present, the frustrated former soldiers have too much time on their hands, too little money and few prospects for advancement. This is a serious problem for the Maoist politicians and for the wider society. Their racketeering and extortion, intimidation and assassination of political

⁵ See our earlier comments on the YCL; libcom.org

rivals and critics destabilises the country, inhibits industrial production, retards the formal political process and encourages the growth of other paramilitary factions such as the UML ‘Youth Force’ and various ethnic/separatist groups.

Paramilitary or parliamentary?

The YCL has been both an asset and a burden to the Maoist leadership since the ceasefire. During tough negotiations with other parties, it has been useful for the Maoists to encourage a certain level of paramilitary activity by the YCL. It has served as a warning that, if the Maoists don’t get what they want, the possibility of a return to guerilla war remains. It has also implied that if political concessions are not given, the Maoist leaders will look discredited in the eyes of their hotheaded youth and so risk losing control of them and/or be less concerned at reining them in. But now, as the two rival Party factions – hardliners and parliamentarians – face each other, who can command the loyalty of the YCL may become crucial. It seems likely that the hardliners may have the YCL on their side, the parliamentary road having delivered so little to the rank’n’file soldiers. Yet a hardline effort to immediately advance to a state of one-party rule would mean an attempted military coup; in effect, a probable return to an indefinitely stalemated guerilla war. So we could see a smaller Maoist guerilla faction taking again to the hills, while the Maoist politicians remain in Parliament. (The Maoist parliamentarians could retain their own paramilitary force and/or ally with other parliamentary groups.)

In response to growing post-election Maoist brutality, other political parties have formed youth groups. Youth cadre of the non-Maoist Communist Party of Nepal-Unified Marxist Leninist (UML)⁶ – the third largest party in Parliament – have been abducted and murdered by the YCL; last week another was viciously attacked with machetes by YCL cadre. Now the UML Youth Force – itself accused of intimidation and involvement in extortion – is threatening its own ‘People’s War’ against the Maoist-led government if the YCL are allowed to continue in their gangsterism. As one former UML leader put it, when expressing fears that the Youth Force may become as much of a problem as the YCL;

“If the ruling party itself keeps a paramilitary force then there is no reason why other parties won’t also try to form their own,” he said, adding “and if everybody starts to form their own paramilitary forces then the atmosphere in the country will be very dark. The Prime Minister should seriously think about this thing,” Nepalnews reported. www.newkerala.com

This seems to be what is increasingly happening – “*War is the continuation of politics by other means*” – (Clausewitz).

Maoists have also intimidated journalists critical of their brutality and have admitted murdering at least one⁷. Several newspapers have been targetted and temporarily shut down by Maoist

⁶ Somewhat confusingly, the non-Maoist ‘Communist Party of Nepal-Unified Marxist Leninist’ (UML) is a long-established parliamentary party, while the Maoist party – until recently the ‘Nepal Communist Party (Maoist)’ (NCP-M) – has just merged with/absorbed the smaller CPN-Ekata Kendra Mashal (EKM) and so become the United CPN-Maoist. Though, as noted in the text above, the ‘Maoist’ may soon be dropped.

⁷ “In 2007, a year after signing the peace agreement and pledging not to attack the media, Maoists killed journalist Birendra Shah in southern Nepal. For almost a month, the former guerrillas denied having a hand in Shah’s

trade unions and journalists attacked by Maoist goon squads; the union activity here being used for intimidating critics rather than pursuing workers' interests. The UML's Youth Force have also recently carried out a similar attack on a newspaper office.

In the southern Terai plains region an ethnic Madhesi movement (which includes ex-Maoists) continues to call for national independence for the territory and to compete with Maoists and other factions for paramilitary dominance of the area. A female journalist, Uma Singh, was killed in Terai last week; her murder may be a response to her writings against the dowry marriage-payment system that has such oppressive consequences for women in Nepal.⁸ But she was also critical of land seizures and extortion rackets in Terai carried out by a former Maoist cabinet minister (now sacked),⁹ and her father and brother were 'disappeared' by the Maoists during the civil war. Some suspects have now been arrested, one a local Maoist leader.

Class, state or nation?

Back in 2006 during the popular pro-democracy protests that eventually toppled the King and preceded the Maoist ceasefire, we commented;

And the consequences for the development of any autonomous movement of self-organised class struggle beyond and against bourgeois democracy? The industrial working class is a minority in a predominantly peasant population. We make no hierarchies of one sector of the poor being more important or radical than the other; but the industrial workers have certain specific potential areas of struggle (transport, industry etc) that are unique to them and would be of crucial importance in any future movement. The rural and urban poor are dependent on an alliance with each other to affect any real change in their own mutual interests. So far they have only taken sides with one or other of the factions competing to rule over them. To go further than a more democratic management of continued poverty they will have to stop taking sides and start making sides. Despite the limits of the pro-democratic framework of recent events, many of the poor may have realised, through the flexing of their collective muscle, a sense of their own potential power to act more directly in their own class interests. Without wanting to be determinist, in the absence of an autonomous movement of the poor moving beyond demands for democracy, there will probably need to be a period of disillusionment with a new Kingless democracy system before any such autonomous movement will emerge.

libcom.org

disappearance. However, after continuous pressure by Nepal's leading media organization, the Federation of Nepalese Journalists, [the Maoists] accepted responsibility. The main suspects accused of actually carrying out the attack are still at large." www.isn.ethz.ch

www.isn.ethz.ch

⁸ Dowry is a financial obligation paid by the bride's family to the family of the bridegroom. (Less commonly, in some cultures payment can be in the opposite direction -referred to as "bride-price".) On dowry, see; english.ohmynews.com and for speculation on the caste basis for dowry and bride-price traditions; www.hindubooks.org

⁹ www.nepalitimes.com.np

Is the time ripe for such a movement, is it close and soon to emerge from the present confusion? The Maoists were, for many Nepalese, a hope for major change in the stagnating corruption of political life. But this illusion is evaporating. The options ahead look difficult for the ruling class and bleak for the poor — as the Parliamentary political process is impeded by distrust and the added decision-making problems of a coalition government; as parliamentary rivalries threaten to spill over into paramilitary war; as a split within the Maoists between gradualist democrats and one-party state capitalists looks more likely; as electricity infrastructure, food and fuel inflation hardships increase daily.

If the Maoist hardliners break away from the parliamentarians and take the YCL paramilitaries with them, this could easily spark a renewed civil war involving the national Army, various paramilitary wings of parliamentary parties (including Maoist oppositionists) and also smaller ethnic separatist groups.

Perhaps the one bright spark is the ongoing strike wave; maybe an independent social movement of rural and urban poor will emerge from the growing cynicism with the false promises of political solutions. Most Nepalis appear weary of war and many disillusioned with politics. But with these class struggles surrounded by a tangled web of intersecting ethnic, separatist, nationalist and political group tensions, and these divisions and rivalries becoming more brutal and militarised — the potential of an autonomous working class movement emerging look difficult, to say the least. And divided though the ruling class is, the one thing that unites them, from left to right, is the necessity to ban strikes. The politicians have already illustrated that — whatever the gloss put on it — they understand their conflict as an inter-class one to decide among themselves who will govern and exploit the poor, and by what methods.

Nepalese Maoists restate intention to ban strikes and other news

Reports of recent developments in Nepal and the Maoist-led government's proposed crackdown on workers' struggle.

Several months ago we reported public statements by Maoist government ministers that they intended to legislate to ban strikes (see libcom.org). This was received badly by some pro-Maoist internet leftists; on more than one site it was falsely insinuated that we were dishonest and/or inaccurate (though they failed to show any evidence of this), that we had misinterpreted the meaning of these statements or their motive etc. With quite desperate and convoluted argument, some even tried to defend a strike ban as part of the 'building of socialism' in the interests of the working class.

As previously reported, to encourage foreign capitalist investment the Maoists have already passed legislation to restrict workers' rights to defend their interests in the proposed Economic Processing Zones (EPZs).

KATHMANDU, Jan 22: After four years of finalizing the draft, the cabinet on Thursday endorsed Special Economic Zone (SEZ) Act, paving way for the implementation of the SEZ projects in the country. [...]

...the Act treats SEZ as a land where other domestic laws related to labor and industries would not be applicable. It has mooted an autonomous SEZ Authority to oversee its operations.

The source stated that the ratification of the Act, which had so far lingered due to the differences over the **tighter labor provisions**, had become possible after the seven parties recently **agreed not to launch strikes in the industries or disturb productions**.

"The Act allows workers to unite and practice collective bargaining, but **prohibits them from undertaking activities that affect production and normal operations of industries**," said the source. It also allows the entrepreneurs to hire workers on a contract basis. [Our emphasis.] myrepublica.com

Now Maoist finance minister Dr Bhattraï has told Nepal's International Chamber of Commerce that the promised strike ban will soon be operational;

"We are in a new political set-up and it demands a new outlook in business and industries also," said Bhattraï. He assured entrepreneurs that the private sector would remain a key economic player in the country. He asked business communities to explore fields of competitive advantage.

Nepal is in political transition and there are many problems in trade and commerce sector. “The government knows the problems and is working to solve them,” Dr Bhattarai said. The government has been providing subsidies in fuel to industries from the second half of March.

Furthermore, **the government is planning to restrict bandhs [street protests] and strikes in industries and essential commodities. “Such regulations will come soon,” he assured.**

(Himalayan Times online — Apr 10 2009)

That seems clear enough, even for pro-Maoist leftists.

Other news;

Masters and slaves — bonded labourers return to masters for support.

The Maoist-led government in 2008 officially abolished the *Haliya* system of bonded labour that survived in the more remote parts of Nepal. “*Haliya* also refers to the bonded labourers and the literal translation means ‘one who ploughs’. Labourers have to work as *haliya* to pay off loans to their moneylender-landlord. Once in debt they lose all control over their conditions and through exorbitant interest rates and other charges become trapped and unable to pay off their debt.” (Anti-Slavery International.) The *Haliyas* largely belong to three categories: the traditional ones, born into *Haliya* families; *Haliyas* who spend their lives trying to pay off debt inherited from their forefathers; and those who till their masters’ land. A majority belong to the second category. *Haliya* predominantly affects the *Dalit* untouchable Hindu caste of western Nepal.

But since abolition the government have provided no infrastructure to replace the former means of subsistence, leaving the ‘*Haliyas*’ (bonded labourers) and their dependents with no means of support.

Quote:

“The government did precious little to ensure our rehabilitation,” said a frustrated Dhani, who had little option but to opt for servility to fend for a large family of 10 members.

His life story resonates with social ills that are yet to be weeded out in this day and age.

Dhani was released from Gore Saud’s household last year. Subsequently, he submitted a plea in the District Office, Doti, claiming his freedom.

But, in retrospect, the longing for a better secured future has backfired.

“I’ve to depend on my old master again since the government has failed to come up alternative means of livelihood for me,” lamented Dhani.

For some, things are even worse;

Quote:

Dhani has a brother-in-arms in Tula Ram Mul of Barbata of Doti, who, too, is seeking a bonded existence all over again. He had gained freedom a good three years ago.

But, even human bondage is not finding any taker these days as Tula Ram found out to his dismay.

Nar Bahadur Sarki, a freed Haliya from Chhatiban, is also in the horns of a dilemma. He has been denied an opportunity to serve his old master.

(Himalayan Times online – Apr 9 2009)

Inter-Maoist bloodletting

Matrika Yadav, a former leading Maoist, has split from the ruling Unified CPN (Maoist) party – claiming that leader Prachanda/Kamal and co have abandoned socialist principles and are living in luxurious corruption. (Maoist ministers have chauffeur driven cars and salaries 40 times the average Nepali wage.) He has organised a new party – CPN-Maoist – with other disaffected Maoists.

On Wednesday night (8th Apr) these two factions clashed in Biratnagar bazaar, south-east Nepal. Matrika's faction torched a bus in which the Unified Maoist cadres were travelling. Shots were fired, with some casualties including police. Since then the police are patrolling in large numbers and have had to use baton charges and tear gas to break up clashes. Things are now reported to have quietened down.

Across Nepal such clashes are occurring regularly between different political rivals – disputing various political, ethnic, separatist and other territorial claims. One legacy of the Maoist civil war is that the gun is becoming the first resort in settling rival claims – bullets have become the dominant mode of political discourse.

“The fierce one” speaks with forked tongue; Nepalese Maoists leave government — sackings, lies and videotape

Last week (on Monday 4th May) Unified Communist Party of Nepal (Maoist) Chairman and Prime Minister Pushpa Kamal Dahal (also known as Prachanda, “the fierce one”) resigned. This was the latest twist in a long running power struggle.

Prachanda had sacked Nepal Army (NA) chief Katawal, who is considered central to resistance to Maoist attempts to seize control of the Army, after General Katawal had refused to integrate thousands of Maoist guerilla People’s Liberation Army (PLA) troops into the regular Army. But the country’s President, Ram Baran Yadav, a member of the main Nepali Congress opposition party, overruled PM Prachanda and told the General to stay put. This was welcomed by the other governing parties fed up with the increasingly dictatorial style of the Maoists; but as the Maoists are the majority party, the ruling Constituent Assembly is now barely functional.

Wary of each other’s motives, it seems that both the NA and PLA had broken the 2006 peace agreement by beginning new recruitment — though both excused themselves by claiming that they were only filling vacant posts. All political and military factions are aware that control of the army is key to the Maoist project of eventual seizure of state power.

“In a televised address to the nation, Prachanda said he was stepping down in response to an ‘unconstitutional and undemocratic’ move by Nepal’s president to stop the elected Maoist government from sacking the army chief.” This proved highly amusing when, later that day, a video of Prachanda speaking to the Maoist guerilla PLA commanders was released anonymously to the media.¹ Recorded after the Maoists had signed the peace deal and promised their commitment to parliamentary democracy, it showed Prachanda telling the faithful that this was all a clever ploy, a temporary tactical move to capture sole state power for themselves. He jokes about how they manipulated the United Nations Mission in Nepal (UNMIN) verification process of registering troop numbers, as part of the peace deal. He reveals that the real guerilla strength was only 7,000 rather than the 35,000 actually registered. This would help them later claim more places for loyal ex-guerillas within the Nepalese Army — as part of the ‘integration’ process — as a means to take control of it.

... it has revealed that the Maoists had taken a strategy to let the Constituent Assembly elections happen only if they could win. Dahal said the Maoists would let the CA elections happen only if they could smell a victorious situation. “Either we would not let

¹ Links to video of the speech (with English subtitles);

On fooling UNMIN over troop numbers; www.youtube.com

On taking over army; www.youtube.com

On using ‘disbursement’/compensation cash to prepare for revolt; www.youtube.com

the CA happen or the (Nepali) Congress would not. The CA elections will happen only in the situation in which either the Congress or we can win.”

The video broadcast by Image Television for the first time on Monday after Dahal stepped down from the government over the Chief of the Army Staff’s dismissal controversy was reportedly shot at the UNMIN monitored Shaktikhor cantonment on Jan. 2, 2008 before the historic Constituent Assembly elections.

Admitting that the real strength of the PLA was around 7000, Dahal who was the supreme commander of the PLA said the Maoists, however, managed to show the figure as 35,000 to the United Nations Mission in Nepal (UNMIN), and got 20,000 verified.

“Before the compromise was made in fact we were few. We were about 7,000,” says Dahal in the video talking about the UNMIN verification results, “We managed 35,000 in the camps and it (figure) came around at least 20,000.”

“We shall not say this to others,” the then PLA chieftain said with smiles and added, “But this is the fact.”

Stating had the party shown the PLA’s real strength after the verification the count would drop to 4000, Dahal said, “Our leadership shrewdly made up the regular army from 7,000 to 21,000,” adding, “We haven’t decreased (in number), we have increased. Moreover, we have formed the YCL [Maoist paramilitary thuggish youth wing] outside. We haven’t left that (army) structure. We have been adding up thousands there also.”

Addressing the Maoist combatants residing at the cantonment at the time when the country was preparing for the CA elections, he revealed the plan to disapprove the UNMIN verification after winning the polls. “After we win, we will not consider the verification as basis (for the army integration). We will make other provision. Why would we abide by that after we win? ... Why would we follow it when we are on the upper hand?”

Moreover, Dahal said the PLA that is politically aware can hold full control over the national army even if it gets entry in a small number. “They (Nepal Army) know only to tread boots. This is not the case with us,” he said, and argued that it was the reason for army chief (Rookmangud) Katawal to publicly speak against the army integration. (eKantipur.com – 5 May 09)

To rob the living and the dead

Prachanda also revealed his plan that both compensation money given to the families of Maoist guerilla ‘martyrs’ killed in the decade of civil war – and also funds to maintain living ex-guerillas still garrisoned in cantonments under UNMIN supervision – should be divided so that 90% went to the Party to be used for funding an insurrection to seize state power.

Anybody who had bothered to compare the contradictory statements of Maoist leaders since they entered government would know that they will play up their insurrectional intentions when talking to the Party faithful (to keep them on-side and ever-optimistic of a brighter future) and play up their democratic commitment when talking to the international diplomatic community (to secure aid and investment and a secure niche in the wider geo-politics of the region). So the video revelations are no great surprise – but are nevertheless a great embarrassment to Prachanda – the UNMIN, for example, will not be amused at seeing him gloating over fooling them.

In his speech Prachanda also took a quick swipe at the American Maoists of the Revolutionary Internationalist Movement, dominated by the Revolutionary Communist Party, led by the slavishly adored guru Chairman Bob Avakian; “*We are members of RIM. Indian Maoists are not in RIM. The American communists do nothing but talk. Sometimes they criticise us and sometimes they support us. When they will find us joining the government, they might write some articles which I am sure no one reads or understands.*”

Another embarrassment — if he realises it — is that Prachanda has admitted in the video that the military capability of the Maoist forces is much weaker than was generally believed. With a recent gradual slow drift away from the cantonments by bored ex-guerillas these numbers have likely decreased even further. So the Maoists’ constant threat to return to civil war if they don’t get their own way politically now perhaps looks less threatening. They could take up the gun again, but with even less prospects now than the indefinite military stalemate of their previous achievements. This is one reason why they are likely to look for a political solution to enable them to re-enter government.

The greater game

“it was the Indian establishment which facilitated the Maoists to assume power in Nepal through the use of the 12 point agreement that was signed in New Delhi on November 22, 2005”. (Indian foreign minister Pranav Mukherjee — January 2009)

It is regional geo-politics that has inevitably snared Prachanda. Nepal cannot escape the influence of its big brother neighbours, India and China. During the decade of Maoist guerilla war Prachanda is said to have spent much time in India being courted by Indian intelligence services. It was they who set up the 12 point programme of 2005, the peace deal that ended the civil war and brought the Maoists into alliance with other bourgeois forces against the King and led to the present Republic. This led to the Maoists’ intergration into parliamentary politics. Since the Maoists’ election victory they have developed closer ties with China. China has a policy of buying influence and useful infrastructure in poorer regional neighbour countries. As part of this process it funds development of transport infrastructure which has a potential dual commercial and military use. India is concerned that Nepal may become another pearl in this Chinese regional “string of pearls”.

India, for historical, geographical, commercial, cultural and linguistic reasons, has traditionally had the greatest influence over Nepal. Nepalese politics has always been conducted in the shadow of Indian surveillance and Indian interests. Hemmed in by the northern Himalayas, the southern border has been the essential trade and supply route for Nepal — and India has, when displeased with Nepalese policies, shut down border traffic and so exerted its will on Nepal. So the closer ties with China has annoyed India — and it is widely believed that Indian intelligence directed the Nepalese President to block the dismissal of General Katawal. The Indian and Nepalese armies have always been very closely connected, the Nepal Army being trained by the Indians. The Indian army chief is also ceremonial head of the Nepal Army and vice versa.

The Maoists must have now regained their lost senses in having taken India for granted. India used and overly used the Maoists to sideline the arrogant Monarch ... The Indian establishment had not even imagined that a person who resided in New Delhi for more

than eight years enjoying lavish care and comfort will exhibit his intolerance towards the dictates and sermons of the New Delhi administration. (Himalayan Times – 4th May 09)

“The fierce one” – India’s lapdog

It seems that Prachanda, under pressure from his Party rank’n’file, went against Indian wishes in insisting on dismissing Katawal. This was anyway an unnecessary risk; General Katawal was due to retire in three months time. Since his resignation Prachanda has complained of those who ‘serve their foreign masters’. The political establishment with close ties to India are commonly known as ‘Indo-pendents’. Yet now his Indian masters have shown him who’s boss, Prachanda/Dahal goes running back to them to try to placate them. He has been reminded that those who put him in power expect his loyalty and obedience;

Dahal, while, on the one hand, addressing the party mass meets criticizes the local partners for serving to their foreign masters (read India), on the other, in his talk with the Indian media revels indirectly that he is also subservient to the Indian dictates. This double standard!

In an interview with the Hindu at the Baluatar residence on Sunday May 10, 2009, Pushpa Kamal Dahal reveals that he had asked Ambassador Sood to request New Delhi to send Foreign Secretary Shiv Shankar Menon or some other senior Indian officials for talks on the increasingly tensed standoff over the sacking of the Nepal Army chief.

“We knew some confusion is there between the Maoist-led government and India on this question,” said the former rebel leader turned Prime Minister of the country.

In an attempt to appease the Indian leadership, the Prime Minister who during the decade long rebellion lived in India, also tells that the flurry of High Level Chinese delegation visiting Nepal had arrived in Nepal uninvited. A big setback to China, indeed!

“The initiative for these visits came solely from the Chinese side...mainly because of the Tibet crisis”, Dahal tells The Hindu dated May 11, 2009. (Telegraph Nepal – May 11 09)

Meanwhile the Maoists again play the anti-India nationalist card at home, portraying themselves as heroic defenders of national sovereignty – yet, as was pointed out;

a Maoist team led by none less than the party chairman Pushpa Kamal Dahal had met a high ranking delegation of India’s notorious intelligence agency RAW (Research and Analysis Wing) in July 2007 in Sikkim of India.

The crème de la crème of the Maoists leadership crossing over the Nepali territory to meet the RAW top-agents comprised of none other than Prachanda, deputy in command Baburam Bhattarai, leader Ram Karki and Nepalese expatriate leader of the Maoists Party, Hari Bhakta Kandel alias Pratik.

Mr. Pratik is an Indian national who has a house in Damak, Jhapa district.

The Maoists’ leaders had crossed the Nepali territory on July 27, 07 at around 6:00 PM and arrived in Nepal the next morning staying in the alien land for over 12 hours.

The RAW team was led by T. Hermis- the then chief of the Indian intelligence agency. Hermis was a RAW man in Kathmandu and stayed here for over three years in the

Indian embassy. Mr. Hermis is now a retired man and currently resides in Banglore. Thus, the Maoists party's fresh anti-India rhetoric holds no water, as they were once close to the RAW and had been told to rule Nepal. (Telegraph Nepal – May 11 09)

Since the Maoists left the government their cadres have been clearing rival political forces out of villages in their rural strongholds, under threat of death;

In Argakhachi District, a senior Maoist leader, Top Bahadur Rayamajhi ordered his cadres to capture each and every village, whip the Nepali Congress and UML cadres, those who have supported what the Maoists take as, the unconstitutional move of the President.

Leader Rayamaji has served a week-long warning to all to join the Maoist party or else face the stringent penal actions.

“If the President remains undeterred in his move, we are also ready to take-up to the arms”, Rayamajhi threatened addressing a gathering in Sandhikarkha, Argakhachi.

Innocent citizens continue to arrive at the district headquarters along with their family members in the district of Bardia. All have similar pain and plight.

“They were told to leave the village else killed by the Maoist”, reports declare. “No one sleeps during the night, they fear the Maoists would come at night and kill them,” locals who have gathered in the District Headquarters told the media.

In Pokhara, Kaski, the YCL cadres in a broad day light mercilessly thrashed Transport Workers.

This is the Maoist version of Peoples' Supremacy, perhaps. (Telegraph Nepal – 12 May 09)

Prospects

Nepal has not recovered from the civil war – the same conflicts are merely played out at a political level, yet constantly threaten to return to military conflict. The entrenched political elite – largely subservient to the Indian ruling class – are slow or disinterested in granting the basic social reforms the Maoists call for, and which have given them popular support; ie, land reforms, an end to indentured servitude, caste and ethnic oppression, desperate poverty, health and education access etc. Certainly a Maoist dictatorship would only be a newer more modern form of class rule – one where the duties and rights of a ‘good communist citizen’ may well include a denial of the right to strike, as already proposed by Maoist ministers in the interests of economic development (see; libcom.org). An attempt at a programme of social reforms would probably be a sensible measure by any new opposition coalition government. But the largely insensible shorted-sighted and fragmented Nepali ruling class – with a weak national economic base – is unlikely to have the historical perspective to act in their own long term interests and so pre-empt the Maoists in this way. Nepal seems set to slide into increasing fragmentation, as various ethnic and separatist demands are voiced in various regions. The strongest of these is on the southern plains, where the Madhesi movement (partly led by ex-Maoists, likely backed by Indian intelligence) is staking a political (and increasingly para-military) claim for regional autonomy, possibly as a first step towards full national independence. (Depending on who forms it, the Madhesi politicians may hold the balance of power in the next government, so are insisting on major concessions.)

At its most extreme, this fragmentation could lead to a country broken into two northern and southern proxy spheres of influence — a Chinese-dominated north next to an Indian-dominated south. It is not that the larger powers probably want this fragmentation and destabilisation on their doorstep; but if mini-statelets (or warlord territories) emerge across Nepal these will inevitably be drawn into competitive allegiances with their larger neighbours. Any prospects for the emergence of a strong independent working class movement tend to get disorientated among the confusion and brutality of political claims of rival contenders competing for the role of new ruling class.

Though with no overall majority, the Maoists hold 38% of the seats in the Constituent Assembly, twice as many as the nearest rival. The parties have struggled for months now over the writing of a new constitution; but this requires a two-thirds majority in favour. In 1994 Prachanda's Maoists abandoned their Parliamentary seats and took to the hills to prepare for their guerilla war. Despite their regular threats, the prospect of the Maoist majority now picking up the gun again seems unlikely. For the moment, they will probably continue with a rolling series of street protests and blockades (bandhs). Nepal waits to see what, if any, new government will be formed and whether the Maoists will return to it.

Myths and realities: the Nepalese Maoists and their strike ban legislations

In January and April 2009 two libcom news articles were published¹ reporting that the Maoist-led government had expressed their intention to use legislation to ban strikes in some industries. These articles were quite widely reproduced on various websites and caused some controversy; online pro-maoists were particularly upset. So much so that some of them used a combination of inaccuracy and distortion in an attempt to discredit the articles. We have refuted these dishonesties wherever possible, but as they have continued² we have decided to restate the facts here for convenient reference.

Since the articles were written we have also found some additional proof of the Maoists' intentions to ban strikes and we present it here.

Part 2 is a more general commentary on the political role of Maoism in Nepal and its function in promoting capitalist development.

“We are not fighting for socialism,” he said ... “We are just fighting against feudalism. We are fighting for a capitalistic mode of production. We are trying to give more profit to the capitalists and industrialists.” (Prachanda, Nepalese Maoist Party leader — *Daily Telegraph*, 31 Oct 2006. www.telegraph.co.uk)

Having won the most seats, but without an absolute majority, the Communist Party of Nepal (Maoist) became the leading party in a coalition government in 2008. Even *before* they entered

¹ libcom.org
libcom.org

² Perhaps the most ridiculous of all these attempted smears and lies is the most recent, where we are accused of launching; “*what seemed to have become a clear attack against the UCPN-M by an Anarchist organization known as Libcom*” ... “*This of course struck waves of anger by those on the left, ranging from anarchists & leftist-communists.*” ... “*the selected reporting by Libcom was used in nothing more than a propaganda campaign in order to demonize the Maoist-led government.*” The author appears to compare (or equate?) our criticisms with the propaganda campaigns of bourgeois states — a typical Stalinist amalgam technique that tries to discredit all criticism by conflating the radical with the conservative — a sign of the absence of any more credible defence;

“The propaganda campaign continues

Through out each separate region, which similar resistance being waged by Maoist rebels, & similar counter-resistance being waged by the bourgeois states, a propaganda campaign has been used with no mercy in order to try & dismantle what oppositional forces stands in the way of the ruling elite. These campaigns are not coincidental, they are not unintentional. These are campaigns, in which are merely waged by capitalist/imperialist forces ...” (*The War on Truth Against the Maoist Rebels*; August 16, 2010 by BJ Murphy redviolence.wordpress.com)

The rest of the article is a simple repeat of earlier Western pro-maoist inaccuracies and excuses.

Other examples of pro-maoist responses and distortions; kasamaproject.org — followed by some excellent critical comments by ‘kdog’.

www.revleft.com — our comments begin at post no. 42.

kasamaproject.org — comments correcting various slurs and untruths begin in comments beneath article at post no. 33. The debate here was at least, for the most part, reasoned and not merely dismissive.

www.revleft.com — a longish debate between left-communists and anarchists against pro-maoists.

www.indymedia.org.nz — see comments beneath article.

government the Maoists made it clear they were happy to sign up to a policy to repress militancy in the workplace and discourage strikes; in 2006 they signed a 10-point agreement with other parties to end the decade-old guerilla war and join an interim coalition government. Known as the Comprehensive Peace Agreement (CPA), Point 7 of the agreement declares:

“Both sides believe in the fact that the industrial climate in the country should not be disturbed and production should be given continuity and that the right of collective bargaining and social security should be respected.” Any disputes with employers should be solved “in a peaceful manner”. (www.wsws.org)

The Maoist position on how state power should be used to deal with strikes is one of the few issues they have remained consistent on since a governmental role became a possibility. This shows that the claim that this attitude originated as a response only to “reactionary strikes” by other rival parties is false.

The libcom articles made clear that the Maoists had expressed clear *intentions* to ban strikes, not that they *had* actually banned any strikes. The article was republished elsewhere by others unknown with the changed title “*Maoists ban strikes*”; some pro-maoists have used this fact to try to distort the issues. They split these hairs to deny that their Maoist heroes ever did ban any actual strikes so as to distract from the fact that, regardless, they clearly expressed *an intention to do so* and legislated a strike ban to give their government the power to do so. The Maoists headed the Ministry of Labour when the legislation described below was introduced.

But the Maoist-led government *did* enact legislation to ban strikes. This came into force during their rule; so, under their rule, strikes became illegal, having been banned by their legislation. Most rational people would accept that, once that legal ban became operational and striking became illegal, that a strike ban was then in place. By some strange logic, pro-maoist apologists claim that in the case of Nepal this was not so. We suspect that if any Western non-leftist government enacted similar legislation that the pro-maoists would have a different view. So if the article was republished by others with the title “*Maoists ban strikes*” this is anyway hardly a distortion.

There has therefore been confusion made, sometimes deliberately, when describing what strike ban proposals and what actual legislation the Maoists made when leading the government. We will try to clarify the process here. Two different pieces of legislation were invoked to give anti-strike powers. Firstly, in January 2009 the *Special Economic Zone Act* was ratified.

Background to the SEZ Act

The *Special Economic Zones Act* had been drafted four years before by an earlier government and had lain dormant until the Maoist-led government revived and endorsed it as an anti-strike weapon. Special Economic Zones (SEZs) are geographical regions where production and export-import activities are concentrated. They are governed by specific economic laws giving preferential tax concessions/exemptions to investors. A defining characteristic of SEZs and their attraction to potential investors is their stricter labour discipline, usually including laws banning strikes. Workers are employed on perpetual short-term contracts and so vulnerable to dismissal at short notice with little or no compensation. The goal is usually for less-developed poorer nations to attract an increase in foreign direct investment (FDI) in the country.

Though areas have been designated for the Zones, there are no operational SEZs in Nepal at present (the planned opening of the first in Feb 2009 was postponed but the first is due to open in 2012(?) at Bhairahawa). But the implementing of the SEZ Act was clearly an attempt to pave the way for attracting both foreign and local investment in future SEZs. This is the method now commonly used in Asian countries for stimulating industrial development; to utilise their plentiful supply of low-wage labour power to produce for export markets in richer countries. The Chinese model is typical of SEZs, and one very influential on Nepalese Maoists;

Not surprisingly, some of the most successful SEZs in China were actually totally exempt from national labor laws when they were first created in the 1980s. (www.uiowa.edu Feb 2010)

The formation of the first SEZ in Shenzhen in May 1980 and their rapid growth was followed by the removal of any right to strike from the revised Chinese Constitution in 1982. (This was apparently also influenced by the independent Solidarnosc union movement in Poland at the time, which the Chinese state saw as a disturbing example of workers challenging the domination of Stalinist-type state capitalist regimes.)

A recent 2010 report describes the kind of labour conditions common to the Chinese SEZs that have so inspired the Nepalese Maoists;

A recent spate of stories focusing on electronics companies with manufacturing operations in the Special Economic Zones (SEZs) have highlighted poor labour standards and reputational risks relevant to all multinational corporations with subsidiaries and supply chains in China. [...]

During 2010, various sources raised concerns about the working conditions for young workers at the Foxconn factory in Shenzhen, where it is reported that 12 workers, aged around 20 years old, have committed suicide since the beginning of this year. [...]

An undercover investigation by a journalist into the suicides at Foxconn found that most employees “do not make a living,” so are forced to work overtime.

Every month each employee would sign a “voluntary overtime affidavit” waiving the 36-hours legal overtime limit, per month, so that they could earn a living wage. [...]

A report published in January 2009 by the US-based NGO National Labour Committee (NLC), entitled “High Tech Misery,” also reveals sub-standard working conditions in plastics and electronics factories in Dongguan.

The report claims that employees are forbidden from going to the restroom or talking to colleagues.

Workers are also fined for being one minute late and work an average of 81 hours per week, sitting on wooden stools with no backrests. According to Maplecroft’s report, the SEZs are well-known for their ability to attract foreign investors because of tax incentives and a large pool of cheap labour.

However, SEZs are also subject to a prevalence of labour rights violations due to weak enforcement of labour laws. [...] (China Labour Standards; chriswhiteonline.org – 28/07/2010)

MARCH 2008

In March the Maoists published their party manifesto for the upcoming Constituent Assembly governmental election, clearly stating their programme of capitalist development centred around attracting foreign investment in SEZs;

Foreign investors who specially invest in industries that provide substitutes for import shall be welcomed. Joint investment with 51% national investment shall be highly emphasized. Keeping in mind the large market in India and China, 'special economic area' shall be established in major Southern and Northern border areas to establish export-oriented industries. (New ideology & new leadership for a new Nepal: commitment paper of the CPN(M) for the CA election, March 2008; www.cffn.ca)

APRIL 2008

After the Constituent Assembly election of April 2008 the Maoists became the leading party of the coalition government. The development of SEZs were again emphasised as a key part of Maoist economic policy. As Maoist party chief and new Prime Minister Prachanda made clear, the Chinese model of hyper-exploitation of the working class is the preferred path to 'socialism' for the Maoists;

"We will build special economic zones like China," Prachanda said. "The special economic zones stimulated China's economic development, and we want to learn from China. China's experience is really helpful for us." In the interview, Prachanda emphasized the geographic proximity between China and Nepal, and the high respect that Nepalese people have for China and Chinese people. "For Nepal's national independence, it is critically important for Nepal to maintain intimate relations with China" (Nanfang Daily, June 30 2008). (www.jamestown.org)

OCTOBER 2008

When the Maoist-led government set their first Budget in October they stated;

"... The Act relating to the special economic zones will be enacted in this Fiscal Year. Necessary provisions are made in the accompanying Finance Act for providing customs and income tax exemption facilities in the special economic zones." (Oct 6 2008) (neilsnepal.wordpress.com-...)

So despite their regular 'anti-imperialist' rhetoric the Maoists were bending over backwards to invite foreign capital to exploit the cheap labour of the country (and in the process make the Nepali ruling political and economic elite richer).

JANUARY 2009

As promised, the SEZ Act was then endorsed in January 2009 to pass into law;

KATHMANDU, Jan 22: After four years of finalizing the draft, the cabinet on Thursday endorsed Special Economic Zone (SEZ) Act, paving way for the implementation of the SEZ projects in the country. [...]

...the Act treats SEZ as a land where *other domestic laws related to labor and industries would not be applicable*. It has mooted an autonomous SEZ Authority to oversee its operations.

The source stated that *the ratification of the Act, which had so far lingered due to the differences over the tighter labor provisions, had become possible after the seven parties recently agreed not to launch strikes in the industries or disturb productions*.

“The Act allows workers to unite and practice collective bargaining, but *prohibits them from undertaking activities that affect production and normal operations of industries*,” said the source. It also allows the entrepreneurs to hire workers on a contract basis. [Our emphasis.] myrepublica.com

So eager were the Maoists to get the SEZ zones of hyper-exploitation up and running that opposition leaders were complaining that in their haste the Maoists had bypassed normal parliamentary legislative procedure by unilaterally using an “ordinance” mechanism to activate laws onto the statute books, rather than the normal legislative route, so as to avoid wider scrutiny by other parliamentary parties in the Constituent Assembly;

... the Nepali Congress (NC) leader Dr. Ram Sharan Mahat has deplored the government for bringing out ordinances “by sidelining the parliament.” He said that the introduction of ordinances instead of legislations at the parliament smacked of Maoists’ totalitarian attitude. (thaindian.com – 29th Jan 09 www.thaindian.com)

The intention of the Maoists to attract investment by offering a potentially strike-free SEZ environment are clearly shown in the above reports and Maoist statements. But due to the general political instability (making investment unattractive) and changes of government in recent years, no SEZs have opened for business and the SEZ Act was apparently stalled in the final stages of its implementation into the law books; it has gathered dust in legal limbo since the Maoists left government. (The Act had suffered a similar fate in the hands of the government that preceded the Maoist-led regime.) Recent reports in 2010 suggest that SEZs may soon finally become operational and the Act receive its final passage into the law books.

All the above only gives additional proof that the various excuses made by Western pro-maoists – that there is no available evidence that the Nepali Maoists intended to legislate for anti-strike powers or had any intentions to ban strikes etc – are false. The invented excuse that a strike ban proposal was only made in response to disruption caused by strikes organised by “reactionary parties” to “undermin[e] the Maoist-led government” is also shown above to be false; the SEZs were part of the Maoist economic program from before they entered government and the 4-year-old *SEZ Act* of an earlier government was revived to facilitate establishing SEZs.

The population of Nepal is presently around 80% rural and agricultural, though migration to the towns continues to grow. About three million Nepalese – over 10% of the population – have also gone abroad seeking work for varying periods. But wage labourers are only a small minority in Nepal; agriculture employs 76% of the workforce, services 18% and manufacturing/craft-based

industry 6%. Most of the non-agricultural manual workers work in the informal craft sector, mainly in small workshops. The garment and carpet industries, once employing several hundred thousand workers, with substantial exports, have suffered a recent drastic decline — partly due to the phasing out of the World Trade Organisation quota system in 2005. For those who see increasing capital accumulation encouraged by appropriate state policy as their political agenda — and all the main parties are in principle agreed on this — industrial development aided by foreign investment remain key goals.

The development of capitalism and of an exploited proletariat is the goal of Nepali Maoism — they claim it is an essential part of the building of ‘socialism/communism’. If the workers don’t know what’s good for them and that they must not defend their conditions with strikes then a future Maoist state would soon teach them by force of law. For the Maoists, the ‘liberation of the proletariat’ will apparently be advanced by submission to the investment opportunities and preferences of international capital. As one of the world’s poorest countries, Nepal’s investment appeal is in the cheapness of its surplus labour force — and a government willing to keep wages at an “attractively” low level. A quick look elsewhere in Asia shows what this means for workers; eg, this is the basis of the “success” story of the Bangladesh garment export industry (paying the lowest industrial wages in the world to an often malnourished workforce³) and other poor countries; and these are the countries Nepal’s Maoists (or whichever other bourgeois party is in power) must compete with in a race to bottom to attract SEZ investors.

One might have thought that a Party claiming to represent the most oppressed would have made a political issue of the existence of anti-strike legislation and demanded its abolition when it was in a position to do so. But quite the contrary — as well as the *SEZ Act*, there is also a second piece of anti-worker legislation the Maoists armed themselves with...

Another anti-strike law invoked — background to the Essential Services Act

The second legislation used by the Maoist-led government to arm themselves with strike ban powers was the *Essential Services Act*. The 1957 *Essential Services Maintenance Act* allows governments to ban strikes for six months at a time. The Maoist government Ministers were coming under increasing pressure from Nepali capitalists to restore order on the streets and in the workplace. The Maoists, as an opposition party, had popularised the ‘bandh culture’ of strikes, shut-downs and street blockades; in government they were now facing its use by various competing groups with diverse demands.

MARCH 2007

By March 2007 — after the Maoist ceasefire and in the approach leading to the election for the Constituent Assembly — the Nepali bosses were so exasperated by the economic disruption that they even conducted their own bandh to pressure the government and the Maoists to stop the widespread bandhs that had been disrupting commerce⁴. Ten days later the Maoist leaders — eager to show Nepali capitalists and potential foreign investors that they were prioritising capital

³ For some curious effects of malnutrition on Bangladeshi workers, see; libcom.org

⁴ www.nepalbiznews.com March 19,2007

accumulation as a potential future government — met with representatives of Nepali businessmen and agreed to form a joint committee to deal with the problem;

Maoist chairman Prachanda, senior Maoist leader Dr. Baburam Bhattarai and president of Maoist-affiliated trade union Shalik Ram Jamarkattel met with president of Federation of Nepalese Chambers of Commerce and Industries (FNCCI) Chandi Raj Dhakal, president of Nepal Chamber of Commerce (NCC) Surendra Bir Malakar and president of Confederation of Nepalese Industries (CNI), Binod Chaudhari where the two sides agreed to form the committee. (www.nepalbiznews.com March 28,2007)

One can imagine how loudly Western pro-maoists would denounce it as a ‘sell-out’ if left party and union leaders in Western countries formed joint committees with their local Chambers of Commerce. But when the Nepal Maoists do it, it magically becomes its opposite — part of a ‘revolutionary’ process.

APRIL 2008

In a TV interview a week after their election victory in April 2008, the Maoists again reassured the Nepali ruling class it would be business as usual;

Baburam Bhattarai, the deputy chief of the Maoists, ... “Our party has no plans to confiscate private property,” Bhattarai said, marking a change in the philosophy of an armed party that had in the past said it would seize the excess land of capitalists and aristocracy and distribute it among the landless in a revolutionary land reformation measure.

“We promise full security to private ownership, property and investment.”

The architect-turned-revolutionary said the new vision for a “new, affluent and developed” Nepal included transforming the current agro-based economy into an industrial one.

“We envision a pro-industry, capitalist economy with more investment in tourism, hydropower, medicinal herb-based industries and agro-based industries,” Bhattarai said.

He said the government led by his party would encourage private investment in productive sectors so that more jobs were created while discouraging investment in non-productive sectors.

He also tried to allay fears of labour militancy under a Maoist government.

“The government will bring together labourers and owners and the tripartite negotiations will come up with a new labour act,” he said. (www.thaindian.com — April 20th, 2008)

On trips abroad PM Prachanda tried to encourage foreign investment in Nepal. After nearly a year of governing — and two months after the anti-strike SEZ Act was endorsed — the Maoists’ message to capitalists and the working class on the undesirability of strikes remained the same;

MARCH 2009

PM 'Prachanda' assures to solve industrial sector's problem

By Biz Correspondent on March 18, 2009

Prime Minister Pushpa Kamal Dahal 'Prachanda' on Wednesday said the government was committed towards resolving problems being faced by the industrial sector of the country.

Saying that the industrial sectors are backbones of the nation economy, PM Prachanda during a meeting with representatives from business community, said that government was going to prohibit all kinds of strikes in industrial sector declaring the sector as banda free zone.

Representatives of from Federation of Nepalese Chambers of Commerce and Industries (FNCCI), Confederation of Nepalese Industries (CNI) and Nepalese Chambers of Commerce had met the PM 'Prachanda' and submitted a memorandum urging the government to address various issues related with industrial sector... [Our emphasis] (www.nepalbiznews.com – nepalbiznews.com 18 Mar 2010)

APRIL 2009

Three weeks later, fellow Maoist Minister Bhattarai echoed Prachanda's strike ban desires;

"We are in a new political set-up and it demands a new outlook in business and industries also," said Bhattarai. He assured entrepreneurs that the private sector would remain a key economic player in the country. He asked business communities to explore fields of competitive advantage.

Nepal is in political transition and there are many problems in trade and commerce sector. "The government knows the problems and is working to solve them," Dr Bhattarai said. The government has been providing subsidies in fuel to industries from the second half of March.

Furthermore, the government is planning to restrict bandhs and strikes in industries and essential commodities. "Such regulations will come soon," he assured. (Himalayan Times online – Apr 10 2009 – also; Apr 9, hamropalo.com)

And come soon they did – in the same week it was reported that;

KOSH RAJ KOIRALA

KATHMANDU, April 7: The government has invoked the Essential Services Act (ESA) 2014 B.S, which *bans strikes, in 16 various crucial service areas*, starting Monday.

Among other things, the ESA bans all manner of strikes in the import and distribution of petroleum products including LPG (liquefied petroleum gas).

This latest move by the government comes in the face of growing instances of strike in various essential areas and just a week after petroleum dealers and tanker operators launched nationwide strikes, causing acute shortage of petroleum products in Kathmandu Valley and other parts of the country.

Home Ministry spokesperson Nabin Ghimire said the import and distribution of *petroleum products has been recognized as an essential service and strikes in this service banned*, at the request of the Ministry of Commerce and Supply. “*We hope that enforcement of the act (ESA) will do away with the tendency of organizing strikes in the critical services area,*” he added.

As per the Essential Service Act 2014 BS, *those directly involved in strikes against essential services are subject to a six-month jail term or a Rs 200 fine or both. Likewise, those inciting strikes or tacitly supporting the strike organizers are liable to a one-year jail term or a Rs 1,000 fine or both.*

Last year also, the Home Ministry had enforced the ESA to ensure the availability of essential services. However, the ESA then did not recognize the import and distribution of petroleum products as an essential service. “We have also included internal security-related services as an essential service,” spokesperson Ghimire said.

The ESA remains in force for six months from the date of its notification through the Nepal Gazette [an official government legal publication].

According to a notice published in the Nepal Gazette, the government has recognized drinking water supply, electricity supply, hotels, hospitals and drugs manufacturing, garbage collection and disposal, and banking and insurance as essential services. Surface and air transport services, communications services including the post and telephones, airports and government printing and publication services are also included under the ESA. [Our emphasis]

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So the Maoist-led government had invoked the ESA to enforce what is a virtual blanket ban on strikes⁵. As far as we know they only appear to have used this law against oil tanker operators; but a spokesperson for the Maoist-led government is quoted explicitly referring to its wider application; “*We hope that enforcement of the act (ESA) will do away with the tendency of organizing strikes in the critical services area,*” “The ESA was activated in the same week that Maoist finance minister Dr Bhattraï told Nepal’s International Chamber of Commerce that the promised strike ban would soon be operational, and could clearly be used to deliver what he promised to bosses; “*the government is planning to restrict bandhs and strikes in industries and essential commodities. Such regulations will come soon,*” he assured.” (Himalayan Times online — Apr 10 2009)

⁵ The scope of the Act is extremely wide;
2009-Oct-01

The Essential Services Act (ESA), 1957, bans strikes and protests in 16 sensitive service sectors that are essential for the public. They are as follows:

Banking services, Postal service, Electronic and print media, Telecommunication service, Transportation service including road, air and marine transport, Work related to civil aviation and maintenance of aircraft, Public security, Services on railway station and government storages, Mint and government print service, Manufacture of defense goods, Electricity supply, Drinking water supply, Hotel, motel, restaurant, resort and tourist accommodation and other similar kinds of service, Import and distribution of petroleum goods, Hospital, health centres and manufacturing establishment of medicine and distribution, Garbage collection, transfer and recycling services. (the-himalayantimes.com)

MAY 2009

The Maoists left government before they got much chance to use these powers more widely — on 4th May 2009 Maoist Party Chairman and Prime Minister Pushpa Kamal Dahal (also known as Prachanda) resigned over a dispute with the President regarding the sacking of an army General. But the legislation that the Maoist-led government had revived and implemented is clearly a provision for an almost blanket ban on workers' strikes.

NOVEMBER 2009

Some may claim the ESA strike ban was only done 'for the sake of the public good' to relieve shortages of basic goods and services — but this rings hollow when one sees that after leaving government Maoist-led disruption of essential services such as fuel was considered fine as a tactic — as in Nov 09;

KATHMANDU: Unified CPN-Maoist-affiliated All Nepal Petroleum Workers' Union (ANPWU) on Monday lived up to its threat, shutting down all private petrol pumps in the Kathmandu Valley for an indefinite period.

The closure comes in the wake of the Nepal Petroleum Dealers' Association's (NPDA) 'failure to fulfil' ANPWU's 16-point charter of demands.

The Maoist union's stir has spread beyond the Kathmandu Valley as well. ANPWU members today picketed at all nine Nepal Oil Corporation (NOC) depots across the nation for the fifth consecutive day. NOC depots are located in Amlekhgunj, Pokhara, Biratnagar, Nepalgunj, Surkhet, Dipayal, Janakpur, Birtamod and Thankot.

The fuel crisis is likely to deepen in the coming days.

The All Nepal Trade Union Federation (ANTUF) — the workers' front of the Maoists — today announced that it would lead the ongoing agitation. www.thehimalayantimes.com

The Western pro-maoists have invented the claim — with no supporting evidence — that "*The Maoists briefly put forward a proposal to temporarily ban strikes in certain key sectors. This was at a time when the country had no electricity for most of the day, there was a food shortage and strikes and bandhs called by reactionary parties were causing chaos and undermining the Maoist-led government.*" (southasiarev.wordpress.com) In fact in the period preceding the introduction of the ESA blanket strike ban the main rival governmental parties were not involved in organising most of the strikes and bandhs.⁶ The most common strikes and bandhs were by transport personnel and businessmen (protesting against bandh blockades and shutdowns disrupting their business), students (including Maoist groups), regional ethnic movements, low-caste rights groups and local people agitating for compensation or better services. Further, *these same types of strikes by the same groups carried on at a similarly high level for months after the Maoists left government* (as did the oil tanker strikes) — so the claim that the Maoists were only reacting with their anti-strike policies and legislation to strikes designed to target and discredit their government is false, another fiction invented by Western Maoist apologists to excuse the embarrassing anti-working class policies of the Nepali Maoists.

⁶ See the nepalbandh site; www.nepalbandh.com

To attempt to justify the strike ban proposals as ‘necessary for the public good’ is to take the vantage point of bourgeois parliamentary politicians against the interests of those workers who would be threatened by jail by these legislations. Yet as soon as they were out of government the Maoists were happy to return to bandhs and strikes that impeded the distribution of basic goods – these political demonstrations were in their Party interests and its pursuit of power, while workers’ strikes for working class economic interests would have clearly been against the interests of a Maoist government and its goal of capitalist accumulation; ie, its exploitation of the working class.

When in power, strikes become increasingly undesirable for the Maoists – when out of power they again become a political weapon. So we can conclude; shortly before they decided to leave government the Maoists stated that they wanted to stop workers’ strikes, and they then invoked/activated legislation giving them the legal power to do so. While in power the Maoists revived and endorsed legislation for SEZs incorporating anti-strike clauses – and also invoked and activated the blanket anti-strike law *The Essential Services Act*. Two pieces of anti-strike legislation prepared for use under their rule. That’s pretty good going for the self-appointed champions of the exploited masses.

Yet the Western pro-maoist cheerleaders and excusers have expressed a 3rd Worldist leftism with typical double standards. If anyone proposed any banning of strikes in the West these Western leftists would be the first to talk of class oppression – but clearly, in places like Nepal it’s supposedly in the interests of the workers themselves to have their strikes banned. We’ve been here before and we know where it leads... to workers being jailed for ‘counter-revolutionary disruption of socialist construction’.

APRIL 2010

In 2010, strikes and bandhs have remained a problem disrupting the smooth functioning of commerce. And recently there have been proposals for a new strike ban. As in the past, the Maoist leaders are reported to be in agreement with the other bourgeois politicians for a ban;

KATHMANDU, April 3: The government is mulling over banning forceful closure of industries and restricting all forms of strike that affect productions at the export-oriented industries for six months.

The new provision that the government is seriously contemplating to address the long-running demand of the private sector, however, will allow trade unions to place professional demands and stage protests like working with black bands. [..]

To enforce the new rule, the government is currently discussing on two options: declaring state of ‘industrial emergency’ or activate Essential Service Act, listing export-oriented industries as one of the essential sectors. These options were recommended to the cabinet by a high-level government committee, involving secretaries from various ministries.

“Both these options can be implemented and can help keep export-oriented industries free from strikes,” the source added.

But since the implementation of the provision will need strong commitment from all political parties, the committee, in coordination with the private sector, also *held a*

series of interactions with senior political leaders, including the UCPN (Maoist) leaders, to forge consensus on it.

“The leaders were concerned that the step might curb workers’ rights to push professional demands and pursue collective bargain. But *once we informed them about formation of an all party mechanism to uphold them, they agreed to it,*” said Kush Kumar Joshi, president of Federation of Nepalese Chambers of Commerce and Industry (FNCCI).

FNCCI that is elated by the positive response from the leaders has even urged the government to enforce the new provision within 15 days.

However, given the experiences of political leaders easily disowning the commitments they made in the past, sources said that the government is still not satisfied with the level of consultations and is soon holding talks with the trade unions as well. [Our emphasis]. (Apr 3rd 2010 www.myrepublica.com)

Considering their present hostility to rival parties, some leftists might have expected the Maoists to have exploited this anti-working class proposal to show to the working class the true interests of their rival parties. But that would be to call the Maoists’ own bluff – as their previous activities show they are in agreement with banning strikes when having the state power to do so.

Part 2

“Bolshevism will remain formidable as long as it can maintain its monopoly on the interpretation of revolution.” (Cronin & Seltzer – Call It Sleep)

Maoism retains the conception of socialism and communism inherited from 19th century social democracy; the myth that it’s simply a form of administration of production, politically administered by leftist politicians on behalf of the workers who are now “freed” in their labour by being “represented” in government by those who rule over them in their name.

As we have said previously; “Maoism is another form of management of class society, not the abolition of class society nor a road leading to it.” Developing capitalism means developing the exploitation of a proletariat; whether this exploitation is directed primarily by a one-party state that calls itself ‘communist’, or (often more efficiently and with greater concessions) by parliamentary democracy in alliance with private capital, the relationship between state, ruling class and working class remains one of class exploitation..

As we replied to some pro-maoists who tried to excuse/defend the strike bans on the basis that with such policies the Nepal Maoists were building socialism;

You are in effect saying that until Nepal has developed sufficient infrastructure to a certain level, the workers must postpone their class struggle and so leave themselves defenceless – and you are trying to justify that by saying that the advancement of that class struggle is secured by the presence of the maoists in the ruling class, who must be free to exploit the workers as part of ‘the building of/struggle for socialism’. Nothing could be more absurd,

anti-working class and counter-revolutionary. (mikeely.wordpress.com
– our intervention begins at comment 33.)

The Maoists still hope to eventually re-enter government as the leading party; perhaps then we will finally see the full flowering of the Maoists' policy on labour relations in practice.

Building capitalism is not a 'revolutionary road' to communism

It is clear from the various Maoist statements on economic and governmental policy that their primary conflict with rival sections of the ruling class are *political* – while they agree with them that *socio-economic* class relations of capitalism must not be abolished but developed and intensified⁷. The Maoists see the Nepali bourgeoisie as hindered by their lingering 'feudal' roots, this so-called 'semi-feudalism' making them incapable of developing the productive forces.⁸ The entrenched caste-ridden political bureaucracy, land-owning class and merchant capitalists have been a fetter on industrial development. Therefore the Maoists seek to play the role of surrogate bourgeoisie and remodel the political system so the traditional vested interests no longer hamper industrial expansion and modernisation – so “concluding the capitalist people's revolution”, as they put it! Alongside this accumulation through exploitation of the working class a certain level of 'social

⁷ For further evidence see; libcom.org

But guerilla war is not at all a uniquely radical tactic of the Maoists – all the main Parliamentary bourgeois parties today have had periods of armed struggle in their history in pursuit of bourgeois democracy. That the Maoists regularly make various contradictory statements about the extent of their commitment to parliamentary politics as an end in itself is partly a reflection of factional differences within the party – and of the distance between any Maoist-desired one party state-capitalist regime and what greater global powers (India, China, US, EU) will tolerate.

⁸ A term describing the pre-capitalist social relations emerging in Europe in the Middle Ages, unsurprisingly, has limited application in Nepal today. It appears to be more a clumsy application of standard Leninist phraseology rather than striving for historical and materialist precision in categorisation. So it is somewhat misleading to talk of the 'semi-feudal social relations' of the countryside; land tenure in Nepal is not a static relic of “feudal” times. There have been modern land reform policies since the short-lived democratic governments of the 1950s. These were continued by the monarchy. Land is a valuable and appreciating commodity in Nepal; agricultural fertility, urban development, proximity to tourist locations and transport networks determine value and create a lucrative real estate market. One can talk more accurately of “the persistence of semi-feudal forms of exploitation in an increasingly monetised rural setting” – and the conditions “of the poor peasantry, the semi-proletarians and the landless” (P Chandra). But subsistence farming of peasant smallholdings alongside some larger estates and tenant farming – rather than vassals and serfdom – are the characteristic forms of land tenure. There is also a semi-proletarian character to many of the young villagers; they will often travel to towns for seasonal waged work during quieter farming periods, while others travel abroad to work for sometimes lengthy periods before often returning to farming. The money they return with and send back as “remittance” is changing the economic relations of the rural areas through acquisition of land, housebuilding, youth migration creating farm labour shortages and so higher wages etc. It is these forces – the relations of a mobile working class to global labour markets – that are now changing rural social relations rather than the ideological claims of political parties to be 'abolishing feudalism'.

“The Maoists continue to analyse and represent the Nepali political economy largely as a feudal enterprise. For instance, Baburam Bhattarai recently described Nepal as being within 'precapitalist socioeconomic relations' (Bhattarai 2002a). However, some economists have argued that 'the Nepali state is no longer ruled by feudals: it has long since passed, especially since the 1980s, into the hands of the trading class comprador bourgeoisie' (Gyawali 2002: 37). The Maoists are, in effect, 'trying to overthrow feudalism in a country already ruled by merchants' (ibid.)” (A *Himalyan Red Herring?* – Saubhagya Shah; Himalayan 'People's War', Ed. Michael Hutt, Hurst & Co., London 2004. libcom.org)

This 'feudal' analysis allows the Maoists to present themselves as the most progressive, visionary historical force and 'validates' (or excuses) their pro-capitalist program.

wage' — benefits, pensions, rising living standards etc — might at some point be generated to satisfy the Maoists' voter base, stabilise society and encourage local consumerism. That is the extent of the radical nature of the Maoist project. Other unashamedly capitalist powers have achieved the same elsewhere, whilst more stagnant 'underdeveloped' economies sometimes achieve (generally more modest) reform via more drastic leftist political manoeuvres and interventions. The Nepalese Maoist project is intended to use the state to develop 'public-private investment partnerships', a modernised variation from traditional leftist state-capitalism; that this is wrongly associated with real communism — the self-emancipation of the working class and abolition of class society — is only a continuation of a mythology that remains one of the most illusory lies of the 20th century — thankfully, with generally diminishing appeal.

The great delusion of 3rd Worldist leftism is to believe that the bourgeois state can be used to impose capitalism's relations of production and political structures with the intention of abolishing them later. The processes of wage slavery, commodity production, class rule, bourgeois ideology and state power are thereby reinforced by the assimilation into the mechanism of class society of what claims to be its enemy.

This strategy — using Mao's description of a period of "New Democracy" — is couched in traditional Maoist terms; but this is not China 1949 and a Maoist seizure of sole state power in Nepal now is far less likely. Unlike Mao's victory in 1949, in Nepal the traditional bourgeoisie is not defeated politically or militarily and must be dealt with in the parliamentary arena. The Maoists could not win but only achieve an indefinite stalemate in the guerilla war that ended in 2006; the Nepal Army, closely tied to its Indian counterpart, remains a decisive force. The traditional dominance of Nepali politics by southern neighbour India's diplomacy and intelligence services, the growing economic influence of northern neighbour China, the wider geo-political influences of the US and EU; all make Nepal a sideshow in a much bigger geo-political Great Game. So a traditional Bolshevik state-capitalist regime (though still desired by one Maoist faction) hardly seems feasible here.

After leaving government in May 2009 a video was released showing Prachanda telling a Maoist gathering how he had fooled the UN monitors of the ceasefire peace agreement (UNMIN) over the numbers of former Maoist combatants.⁹ He revealed that the real active strength of his People's Liberation Army at the end of the guerilla war was not the official figure of 20,000, but really only 7,000 (not many from a population of 30 million); since 2006 ex-soldiers have been stuck in cantonments awaiting resolution of an elusive political deal as to how they might be integrated into the national Army. Bored and wanting to get on with their lives, numbers have dwindled further as some have drifted away, a few have been discharged and there has been the occasional suicide; so the ability to reignite a "People's War" appears remote, unpopular and with even less chance of advancing the Maoist project.

Considering the relatively small numbers engaged in Maoist military activity and the Party's failure, after 15 years, to have engineered 'the masses' to join them in a revolutionary overthrow of the state, one can conclude that the remaining popular support for the Maoists is much more a mandate for political reform than for revolution. The recent May 2010 demonstrations in the capital Kathmandu — repeatedly promoted by the Maoists as the 'final push' that would continue until the government was toppled — were a miserable flop, as most of the bussed-in peasants (some complaining of Maoist pressure to attend) drifted away after a few days to hurry back

⁹ See; libcom.org

for the planting season. This inability to sustain the protests exposed further the limits of the Maoists' support.

“But the transformation, either into joint-stock companies, or into state ownership, does not do away with the capitalistic nature of the productive forces. In the joint-stock companies this is obvious. And the modern state, again, is only the organisation that bourgeois society takes on in order to support the general external conditions of the capitalist mode of production against the encroachments as well of the workers as of individual capitalists. The modern state, no matter what its form, is essentially a capitalist machine, the state of the capitalists, the ideal personification of the total national capital. The more it proceeds to the taking over of productive forces, the more does it actually become the national capitalist, the more citizens does it exploit. The workers remain wage-workers — proletarians. The capitalist relation is not done away with.” (Engels — Anti-Duhring, 1878)

“***We do not believe that private property should be abolished***” (Prachanda, Chairman of the UCPN(Maoist) — interview with BBC news, 3rd Sep 2008) news.bbc.co.uk

“... In this sense, the theory of the Communists may be summed up in the single sentence: Abolition of private property. “ (Marx & Engels, *The Communist Manifesto*, 1847)

“... property turns out to be the right, on the part of the capitalist, to appropriate the unpaid labour of others, and to be the impossibility, on the part of the labourer, of appropriating his own product.” (Marx, *Capital*, 1867)

For the Maoists, and leftism in general, the difference between capitalism and socialism/communism is only a difference of political administration; who runs the state and how. This reductionism fails to see (or masks with a ‘socialist/communist’ ideology and phraseology) that capitalism is the social organisation of extracting surplus value out of those directly producing — and is the particular forms that this exploitation of labour takes in its historical evolution. The state administration is one mechanism to facilitate this process. In societies like Nepal with more stagnant and unresolved political structures, rooted in longstanding historical factional ruling class rivalries, leftist state-capitalist regimes can attempt to resolve certain contradictions of political structure and function for underdeveloped capitals and so prepare the conditions for a more efficient, modernised and profitable phase of accumulation. This is an underlying reality of what the political conflicts in Nepal are based on — whether the state and its political mechanisms can be used to transcend the various fragmented political and economic interests that have prevented socio-economic development and innovation. Added to the mix are the geo-political implications of Nepal’s traditional role as buffer state between the two emerging industrial giants of India and China, and all the external pressures, limits and necessary diplomacy this brings.

The underlying contest between the two ideological forces in Nepal (broadly characterised as the Indo-centric and the proto-liberational formations) has largely determined the contours of Nepali political life over the past fifty years, and will continue to do so. (*A Himalyan Red Herring?* — Saubhagya Shah; Himalayan ‘People’s War’, Ed. Michael Hutt, Hurst & Co., London 2004.)

This “underlying contest” applies as much to the Maoists, their changing positions and their own internal factional divisions as to their political rivals. Whoever is in power in Nepal is there largely at the grace and tolerance of Indian political strategy and its regional imperial role¹⁰; and must also accommodate China’s increasing economic and infrastructural investment which will buy them deeper long-term political penetration.

There is a fundamental false consciousness at work; while the Maoists believe themselves the masters of historical progress, leading society through the necessary linear stages of economic development prior to communism – they are in fact as much the historical tools of the global expansion of capitalism. International capital has so far found Nepal of little attraction to invest in; the proposed SEZs and anti-strike legislation is an attempt to attract the capital investment necessary to kickstart the economy. The fact that political power has become an end in itself, for Maoist leaders Prachanda (who sees himself as Nepal’s Lenin) and co, is actually an obstacle to the political resolutions that would bring the stability necessary to make Nepal an attractive investment option. So the anti-strike legislation will probably eventually be used to try to bring an end to the bandh culture popularised by the Maoists. This will occur either when the Maoists have achieved power (or a leading role in power-sharing) and no longer need to mobilise their supporters towards that end – or when the Maoists have been decisively defeated and the political system has been restructured by other forces.

Nationalism and class struggle are irreconcilably opposed. A nation is a bourgeois reality: it is capitalism with all its exploitation and alienation, parcelled out in a single geographical unit. It doesn’t matter whether the nation is ‘small, ‘colonial’, ‘semi-colonial’ or ‘non-imperialist’. All nationalisms are reactionary because they inevitably clash with class consciousness and poison it with chauvinism and racialism. (*Third Worldism or Socialism*; Solidarity – libcom.org)

¹⁰ India’s domination of south Asian geo-politics and its continued central role in Nepal cannot be underestimated. Shah’s article illustrates well the divide and rule policies of Indian regional diplomacy, their hegemonic grip and the Nepali Maoists’ accommodation to it. Despite Prachanda periodically playing the anti-India nationalist card against overbearing Indian political interference, communication lines are kept open at diplomatic levels. This ‘defending the nation’ pose was during the civil war presented to the Nepali public even as Prachanda and co. were secretly comfortable guests of the imperial big brother India and operating out of Indian bases. The predominantly well-educated and high-caste Maoist leaders might pose in combat fatigues on occasion; but while rank’n’file Maoist combatants were dying for the ‘revolutionary cause’, some Maoist leaders were for several years given supplies and shelter in India as part of the negotiations and manipulations of the Indian intelligence services – even as India supplied the Nepal Army with military hardware to combat the Maoist insurgency and shoot ‘the comrades’ down.

“By supporting and supplying both sides of the civil war in Nepal, new Delhi has perfected the imperial art of divide and rule.” ... “These contradictory moves from India, especially after 11 September 2001, can perhaps be explained by the possibility that the various organs of the Indian state, viz. the foreign ministry, defence establishment and the intelligence services, were pursuing different sets of objectives within the same policy framework towards Nepal, and not necessarily working at cross-purposes.” ... “A month after the Indian foreign minister had labelled Nepali Maoists ‘terrorists’ and publicly pledged support to the Nepali government in the conflict, the senior Maoist leader Krishna Bahadur Mahara flew in from New Delhi on an Indian Airlines flight to lead the Maoist delegation in the third round of talks with the government held in Kathmandu. Subsequently, many of the Maoist leaders continued to provide regular statements and interviews to various media from different Indian cities.” (*A Himalayan Red Herring?* – Saubhagya Shah; Himalayan ‘People’s War’, Ed. Michael Hutt, Hurst & Co., London 2004.)

This is not to deny that there exists genuine conflicts of interest between the various competing factions in the Nepali political arena; but the apparent issue of nationalistic conflicts has at times been used by both Maoists and the Indian state as a convenient smokescreen for collaboration and manipulation where their paths intersect in pursuit of their respective strategic goals.

If one can only conceive of 'revolution' as a political programme of Party policies of capital accumulation pursued and implemented within the framework of the nation state, commodity exchange and private property — then one is not talking about a process of the self-emancipation of the exploited or any challenge to the social relations of capitalism. (And one has learnt nothing from the historical tragedies of 20th century Bolshevik counter-revolution.) We remain unconvinced that using 'underdevelopment' as an excuse for strengthening and generalising capitalism brings communism closer — to think so, one's conception of communism must be nationalistic, and fixated on accumulation of surplus value and commodity exchange as the measure of the possibilities for communism. From this political perspective, communism is at present too expensive for the leftist nation-state to 'buy into', so accumulation must be intensified until communism can affordably be 'purchased' by sufficient capitalist development! No room in that quantitative capitalist logic for the abolition of wage labour, state, classes, commodities etc — as part of the process of revolutionary struggle of the exploited in their *qualitative* transformation of social relations. 'The masses' remain mere components of the accumulation process; the footsoldiers, cannon, farm and factory fodder of the Maoist party elite (who quickly began to live as well as other politicians; "the *monthly* income of a CA politician is well over three times the *annual* national average wage!" (libcom.org)). The political horse-trading, 'court intrigues' and diplomatic double-dealing that have dominated Maoist activity in recent years — both in international diplomacy and the parliamentary arena and also internally between the Party's rival factions — are not class struggle, but only political competition within the political elite for possession of the state.

Nepal is sandwiched between two of the largest and expanding Asian industrial economies, India and China. If one rejects the notion of necessary/inevitable historical stages within narrowly national frameworks one can see that advanced means of production are present in the region — and their artificial scarcity imposed by present social relations could readily be overcome, and so communised and spread by a revolutionary social movement that refused to be bound by nationalist ideology, national borders or particular state interests and forms. That is more difficult than a vanguard party seizure of national political power (i.e., a mere change of administration rather than proletarian revolution of social relations and conditions — leftist bureaucratic power v proletarian insurgency), but in our opinion is the only realistic means of self-emancipation for the working classes (both urban workers and poor peasantry); i.e. the abolition of class society. But proletarian self-organisation and communisation is all very far from the public/private partnerships, state capitalist and/or SEZ pretensions of the Nepali state, Maoist-led or otherwise. Capitalist development is capitalist exploitation in motion and it is an error to equate the presence of leftist parties within the state and their increased bureaucratic power with an actual seizure and transformation of productive forces and social relations by an insurgent proletariat themselves.

Even if that is off the agenda, the immediate interests and confidence of the working classes can only be defended and advanced by recognising the reality of their class relations in Nepali society; that there is a ruling class that seeks to exploit them, and that some of them will call themselves Maoists.

September 2010

The predictable rise of a red bourgeoisie: the end of a mythical Nepalese Maoist ‘revolution’

Reflections on the recent evolution of Maoism in Nepal.

Disarmament, the Party elite rob the rank’n’file, more strike bans, luxury mansions etc...

In March 2011, after a long period of negotiations between the main parties over how to advance the ‘peace process’ and write a new national constitution, the Unified Communist Party of Nepal (Maoist) re-entered government. Having left government in 2009, this return was made possible by the resolution of the ‘integration process’ for Maoist ex-combatants, finally agreed between the main parties. Six years after the end of the Maoist Peoples’ Liberation Army (PLA) decade of guerrilla war and after years of inactivity in cantonments (barrack camps) awaiting an agreement, the majority of PLA combatants opted for integration as career soldiers into their former enemy, the state Nepal Army (NA). Under the terms of the Comprehensive Peace Agreement (CPA) the remainder were given resettlement grants to finance a return to civilian life.

A Maoist minority, the ‘hardliner’ Baidya faction, opposed the integration deal and disarmament but were too weak to oppose the UCPN(M) majority grouped around the Prachanda & Bhattarai factions. After a free-for-all jockeying for power in the Party, and various shifting combinations of opportunistic alliances between the three, Prachanda and Bhattarai formed an alliance to sideline Baidya and force through demobilisation. After a long period of instability in Nepali politics, the Maoists rejoined government with Bhattarai as Prime Minister.

Disarming; political power grown out of a gun – into Parliament (and the money)

The Baidya faction would prefer a policy of “people’s revolt” for establishing something closer to a Maoist one party dictatorship. Baidya is a militarist whose power base and constituency is primarily the hardline section of the PLA, while Prachanda & Bhattarai are now primarily Party parliamentary politicians appealing to a broader base. They are also, unlike Baidya, involved in wider diplomacy; as always, India continues to lay down the law diplomatically to a large degree in Nepali politics. Prachanda has exhausted all attempts in and out of power to circumvent India’s wishes, while Bhattarai has always been a more skilled pragmatist acknowledging that India must be accommodated – so they have allied to secure their comfortable parliamentary careers and a role for the Party in Nepali governmental politics.

The more realistic Party factions had long realised that the military war was not winnable against the might of well armed NA and Indian forces — and that there is little popular enthusiasm for the ‘revolt’ some factions repeatedly pretended to promise so as to rally their troops; or to threaten rival parties with as a bargaining chip, but never delivered.¹ The 2010 May protest in Kathmandu — promoted as a ‘final push to topple the government’ — was a fiasco for the Maoists that revealed the limits of their support and options.²

Any political mandate from supporters they have is far more for reform than revolution; numbers of supporters and voters have never translated into anywhere near equivalent numbers of soldiers. So the military option is unpopular, unlikely and unwinnable. Bhattarai had long realised this, Prachanda belatedly and Baidya is now reluctantly forced to see he may have to accept it. Baidya has probably missed the boat on establishing a credible parliamentary political career and the NA may not offer him a military role even if he wanted it. The present Party crisis and the factional splits over strategy are indicative of the historical impasse they’ve reached.

Many former PLA combatants, wanting to get on with their lives, drifted away or got bored of poverty and restrictions in the cantons while waiting years for a promised integration solution. As the PLA rank’n’file stagnated, meanwhile internal Party complaints grew about the luxurious lifestyles and enrichment of the Party leaders — as they lived the high life on their massive parliamentary salaries, bought property and sent their kids to private schools.

Whatever rhetoric they occasionally still spout to please the Party’s left wing, Prachanda & Bhattarai have accepted that the military war is over, so in the integration Agreement they’ve traded their (already much declined) military capacity for political goals. And that is the only realistic option for the Maoists — like most other Nepali parliamentary parties, including the conservative Nepali Congress, they’ve had their period of armed struggle and are now, with difficulty, being accommodated into mainstream politics. The guerrilla war has turned out to be simply the Party leaders’ way of demanding entry on more favourable terms. (A small armed splinter group could conceivably begin guerrilla operations, but with even less chance of success than the PLA’s past efforts.)

Those who continue to fantasise about a UCPN(M) led Maoist guerrilla ‘revolution’ are well past their sell-by date. Nearly all the online pro-maoist cheerleaders who for over a decade slavishly praised Nepali Maoism as the heroic leaders of world revolution have now retreated into a

¹ The Maoists used the same cynical tactics as other parties to inflate the image of their popular support;

“After demolishing large parts of the city to widen roads, the municipality and government have trained their sights on Kathmandu’s squatter settlements like this one on the banks of the fetid Bagmati. Politicians settled supporters on the floodplains and public land in Kathmandu over the past 20 years to pad up vote banks, occupy prime real estate and muster numbers for street demonstrations. Many in the slums are millionaires with other houses and property in the city, and they now have so much political clout no politician dare evict them.” www.nepalitimes.com

“The settlers below Bagmati Bridge in Thapathali were first brought in by the Maoists in 2006 for the pro-democracy movement against king Gyanendra. They have subsequently been used for political rallies like the six-day total shutdown in 2009.

“It was us who provided the numbers for the Maoist party for its show of strength in political rallies,” says Dipak Rai, who leads the Struggle Committee of Squatters, “and now the same party is trying to get rid of us.

The Maoists, it turns out, were just following in the footsteps of the UML which perfected vote-bank resettlement in Kathmandu into a fine art.” www.nepalitimes.com.np

² Bussed-in peasants began draining away after a few days of orchestrated protest in Kathmandu, some complaining of being pressured to attend by Maoist cadre. For all their claimed rural support base, the Maoists appear to have badly miscalculated by timing the protests just as the peasants’ crucial planting season began.

deafening silence, without offering any credible analysis or explanation for such developments³ (predictable though they were to those not blinded by naïve romantic illusions of ‘heroic’ guerillas and faraway events).

The real class struggle within the Party; the bosses rob the rank’n’file

The pseudo-communists have simply reproduced within the Maoist Party the social relations of the wider society. Having faced up to the likely realities of civilian life and their uncertain career prospects — and in the shadow of the Party’s political elite’s shameless money-grabbing since the ceasefire — the middle and higher ranks of the People’s Liberation Army have decided it’s every man for himself and have been looting the PLA lower ranks, demanding a large part of their government demobilisation payments. Many rank’n’file PLA ex-combatants have reported being looted by the Maoist upper ranks. The following is just one of many recent Nepali press reports containing similar statements by both named and unnamed ex-PLA members;

6 Feb 2012

Combatants’ Farewell: Violence as party ‘demands’ fighters’ cash

Dozens of combatants complain commanders snatched cheques, ID cards

Bechu Gaud in Nawalparasi & Motilal Poudel in Surkhet

With the Maoist party allegedly trying to pocket about half the money given to combatants opting for voluntary retirement, the process of bidding farewell to the former Maoist fighters has faced a new hurdle.

Dozens of retiring Maoist combatants on Sunday complained that their commanders snatched away pay cheques and identity cards. In Surkhet, commanders snatched away account payee cheques of some 26 combatants of the Jharana Smriti Brigade, Section Vice-Commander Man Bahadur Chand told the Post.

Things turned violent at the fourth division in Nawalparasi after the commanders forced the fighters to deposit 40 percent of the money. Witnesses said a bruised fighter was seen staggering outside the camp after a brawl. Commander Ranadip allegedly beat up some four combatants inside the camp after they refused to follow the “order”.

Each of the 7,365 combatants is collecting cheques worth Rs 250,000 to Rs 400,000 as part of the first instalment

³ The appeal of 3rd worldist ‘Marxism’ to western leftists is partly a rejection of revolutionary possibilities for the western working class. Western Maoism is now largely US-based, where for a long time Maoist politics dominated leftism. It remains based partly on romanticising faraway struggles — far enough away to blur all contradictions and to be uncritically fed dubious flattering propaganda. ‘Anti-imperialism’ is seen as sufficient reason to support and excuse the most repressive regimes (though Mao’s cosying up to Nixon and Pol Pot’s 1970s bloodbath were to finally shatter some illusions). In the 1960s many white leftists (oft-times motivated by guilt) saw the white working class as ‘bought off by imperialism’ — and US blacks as most oppressed, therefore the US ‘proletarian vanguard’. Many black leftist groups identified with 3rd world national liberation struggles — and guilt-ridden white leftism often followed their lead.

“We risked our lives for the party’s sake and now the party is doing injustice to us,” said combatant Dhan Bahadur Rana from Arunkhola, Nawalparasi. “The amount we are paid is peanuts. We are shocked that the party is trying to take it from us.”

Section Vice-Commander Chand of Surkhet said the party demanded he deposit Rs 200,000 and take home the rest, a mere Rs 50,000. [...]

www.ekantipur.com (our emphasis)

It has been revealed that part of the wages due to PLA cantonment residents in past years were paid to the Party administration. There is concern too by PLA rank’n’file from all Party factions that savings held in trust by the Party for ex-combatants may not be returned (probably having been spent largely subsidising the expensive lifestyles of the Party elite);

‘Where’s our deposit money, comrades?’

Wednesday, 07 December 2011 09:22

POST B BASNET/KIRAN PUN

KATHMANDU, Dec 7: With the process of their integration and rehabilitation moving ahead smoothly, personnel of the Maoist People’s Liberation Army (PLA) have sought the return of money the party has kept as “deposits”.

The Maoist party has been retaining Rs 1,000 from the salary of each of the 19,525 combatants every month since November 2006 till November, 2011.

The combatants were told that Rs 500 out of the Rs 1,000 was to be deposited as each combatant’s savings, while the rest of the money was to go to party headquarters, the combative outfit Young Communist League (YCL), and for various activities.

According to sources, the PLA commanders will soon hold talks with Chairman Pushpa Kamal Dahal about the return of the money.

“Our painful waiting at the cantonments is finally over and it is time to part ways. So the party should now return the money which was kept as savings,” said a PLA vice-commander who did not want to be named.

The total amount of money the party has collected from the salaries of the 19,528 combatants since 2006 stands Rs 1.17 billion.

Going by what the party pledged to the combatants, Rs 585.84 million should now go back into the pockets of the combatants.

But many junior PLA commanders doubt if the party will return the money easily.

“We are not sure if we will get the total amount we are supposed to get as voluntary retirement packages, let alone return of the deposits,” says a junior level commander.

But some others are mulling ‘tough measures’ against the party if the money is not returned.

“We may have to resort to legal procedures for justice. We will knock at the doors of the courts,” said a junior commander. [...]

Each of the seven PLA divisions is said to have millions of rupees kept from the combatants' salaries. According to sources, a large portion of the money has already gone to party headquarters.

Besides, the combatants' money has been invested in many ventures including the Jana Maitri Hospital and some FM radio stations.

Sources: Republica
www.ffp.org.np

A new strike ban

When previously in government during 2008–2009 the Maoists had endorsed and enacted legislation to ban strikes. Our articles on this provoked many excuses, lies and personal slanders from pro-maoists online,⁴ though none could discredit the truth of our comments. Recently, *as confirmation of our earlier analysis* and just a month after UCPN(Maoist) began to again lead the government, we find that Maoist PM Bhattarai – along with the Maoist-affiliated ANTUF union – has brokered and endorsed a new (4 year!) strike ban agreement with employers;

30 Sep 2011

Govt nod for No Work No Pay policy

HIMALAYAN NEWS SERVICE

KATHMANDU: The government today endorsed the March 24 agreement between employers and major trade unions that proposes implementing 'No Work No Pay' policy and providing social security allowance to workers.

Endorsing the deal, **today's meeting of Central Labour Advisory Committee, held under the chairmanship of Prime Minister Baburam Bhattarai**, who is also looking after the Labour and Transport Management Ministry, made a four-point pact to maintain industrial peace.

Endorsing the March 24 pact between Federation of Nepalese Chambers of Commerce and Industry (FNCCI) and three major trade unions – General Federation of Nepalese Trade Unions (GEFONT), National Trades Union Congress and **All Nepal Trade Union Federation (ANTUF)** – the meeting has solved most of the labour-related problems in the industrial sector, Krishna Hari Puskar Karna joint-spokesperson for the ministry, said.

The government has pledged to introduce Social Security Act within three months."It

⁴ libcom.org

libcom.org

libcom.org

Other examples of pro-maoist responses and distortions;

<http://kasamaproject.org/2010/01/05/unraveling-a-lie-no-nepals-maoists-didnt-ban-strikes/>

– followed by some excellent critical comments by 'kdog'.

www.revleft.com – our comments begin at post #42.

kasamaproject.org – comments correcting various slurs and untruths begin in comments beneath article at post #33. The debate here was at least, for the most part, reasoned and not merely dismissive.

www.revleft.com – a longish debate between left-communists and anarchists against pro-maoists.

www.indymedia.org.nz – see comments beneath article.

is a great achievement,” Bishnu Rijal, the GEFONT president, said. “We have also agreed to form a committee of employers, trade unions and the government to solve labour disputes,” he said, terming the move a milestone in the history of Nepali trade union. **The meeting agreed to form a Minimum Wage Board and enforce the ‘industrial peace year’ declaration that envisages banning industrial strike for the next four years.**

FNCCI has hailed the deal. “Employers are happy with the deal. We are withdrawing our case from Supreme Court,” said Pashupati Murarka, president of FNCCI’s Employers Council’, referring to the plea it had filed against the government in the Supreme Court for ‘neglecting’ the March 24 pact and publishing the labour ministry’s April 16 agreement with minor trade unions in the government gazette. The panel has hiked the monthly salary of tea estate workers by Rs 1,064. www.thehimalayantimes.com

(Our **emphasis**)

This episode exposes the rank opportunism of the Maoists. The Bhattarai faction of ANTUF had originally opposed this no strike agreement in an alliance with the Baidya faction. This was at a time when these factions found it opportune to temporarily ally politically against Prachanda’s clique as all 3 factions competed for influence over Party policy and control of the union (and its lucrative income). A few months later and, having become PM, Bhattarai signed the same anti-strike deal his union faction had once opposed. The opportunism and cynical shifting alliances of all the Maoist leaders is shameless; eg, in 2008, when Prachanda was PM and he and Bhattarai endorsed strike ban legislation there were no reports of objection from Baidya. Instead Baidya was then promoting the Party’s ‘Prachanda Path’ dogma and its governmental policies as the world’s great new revolutionary theory.

The strike ban again endorsed confirms the productivist goals of Maoism; the working class is to be exploited in the name of ‘communism’ to develop capitalism as a supposed route to ‘communism’. (‘Communism’ = Party rule + industrial development via working class exploitation.) The strike ban will be useful in disciplining the working class to accept their allotted historical role, as will the hyper-exploitation conditions of the Maoists’ proposed Special Economic Zones (SEZs) with their more repressive labour conditions designed to attract foreign investors.⁵

Capitalism within the Party

Now, there has been rapid deterioration in party’s proletarian conduct and working style. The competition of individual concern, interest and return is trying to replace collective concern, initiative and sacrifice for party and revolution. Mutual help, reverence and healthy criticism among comrades is gradually being replaced by the trends of non-cooperation, intolerance and unhealthy criticism. The economic anarchy and opacity, on the one hand, is rapidly making the party slide down from the communist ideals and, on the other, it is making the mutual relation among comrades very much suspicious and unhealthy. A communist system of unconditionally depositing cash or appliances obtained from any source by a comrade of any level of the party has been disappearing

⁵ On SEZs, see; libcom.org

and a very bourgeois process of piling up and using them personally by those whoever can is burgeoning. From this, thousands of honest and revolutionary cadres have been victims of desperation, humiliation and discomfort, for they are entrapped in the problems of solving their own daily subsistence, minimum supply of daily necessities, family problems and basic problems of the local people, where as a trend of taking individual benefit by a few party officials and some 'actives' is growing. This situation has created wide dissatisfaction among the revolutionary cadres and it has time and again given rise to natural unrest and fury before the party leadership and the party centre. In order to bring this situation to an end, there is no other way than sorting out plan to develop proletarian conduct and working style and implementing them firmly in the party. (Present Situation and Historical Task of the Proletariat; UCPN(M) document, 2009 – www.ucpnm.org)

The Maoists are no different from other Nepali parties insofar as they too run various schemes of varying legality to finance the Party and enrich those at the top of their hierarchy. The revenue sources include smuggling⁶ and protection rackets extracting payoffs from businessmen, in which the Young Communist League (YCL) have been active. Rival Party trade union factions have accused other Maoist union leaders of operating their own form of protection, whereby strikes are avoided or ended by employers paying off union bosses.⁷ The Maoist unions also provide security personnel for the lucrative Kathmandu casinos.⁸

Recent official declarations by Nepali political parties show that the Maoists are by far the richest of all. Yearly Party income is reported to now exceed 90 million rupees; more than one million US dollars.⁹ Yet this wealth is concentrated in few hands – with consistent complaints from the Party rank'n'file that an elite of Party leaders have become very wealthy since the ceasefire, taking family trips abroad, acquiring property and sending their children to private schools.¹⁰ These hierarchical inequalities of institutional power and wealth are the *real* class conflict within the Party, rather than the ideological and policy conflicts between Party leaders often misnamed as 'class struggle' over the 'correct line'.

30 Jan 2012

Nepal's top Maoist under fire for luxury mansion

By Deepak Adhikari (AFP) – 2 days ago

⁶ See this smugglers dispute where rival Party factions grassed each other up/snitched to the Party and to the cops; www.myrepublica.com

⁷ On union rivalry, see; www.thehimalayantimes.com

The Maoist ANTUF union reflected the wider Party divisions when it split along the lines of the three factions and had to be patched back together; "What does the dissolution of the three parallel Maoist trade unions mean? It means that the situation had become untenable in the eyes of the public, even if the absurdity of three separate unions belonging to the one mother party was simply a reflection of the seemingly irreconcilable three-way split in the highest echelons of the not quite United Communist Party of Nepal, Maoist." www.nepalitimes.com.np

⁸ "The casinos in Kathmandu are another source of income for the union. Sources say the union raises more than Rs 100,000 from each of the eight casinos here. "The union gives protection to the casinos and the casino owners pay handsome amount to the union leaders for that," says a junior leader of the union." archives.myrepublica.com

⁹ www.ekantipur.com

¹⁰ www.myrepublica.com

KATHMANDU — Nepal’s top Maoist politician, who led a 10-year insurgency in the Himalayan country which left 16,000 people dead, was accused Monday of selling out after moving into a lavish mansion in Kathmandu.

Pushpa Kamal Dahal, who goes by the nom-de-guerre Prachanda (The Fierce One), is a former Communist guerrilla who rose from humble village beginnings to lead a “people’s war” against Nepal’s royal family and its political elites.

The rented 15-room property — 1,500 square metres (16,000 sq feet) of prime real estate near the bustling city centre — includes parking space for more than a dozen vehicles and a table tennis room, his office told AFP.

“The Maoists have deviated from their stated goal. It used to be socialism but now they have surrendered to bourgeois state power,” said Mumaram Khanal, a political analyst and former Maoist leader.

“It is natural in such a situation to transform into someone with the characteristics of a member of parliamentary politics. They are revolutionary only in words, not in deeds.” [...]

The new mansion costs the Maoist party just over 100,000 rupees (\$1,300) a month, the aide told AFP, a modest sum in many countries but almost three times the average annual income in Nepal, one of the world’s poorest countries.

www.google.com

... The home is in Kathmandu’s exclusive Lazimpat where his wealthy neighbours once lived in fear of his Maoists coming to power and seizing their property.

Instead, Prachanda has moved in among them, into a red-brick mansion next to a home owned by one of his former class enemies, General Shanta Kumar Malla (Rtd), a former military adviser to the late King Birendra.

The compound includes a 15 room suite of offices and a private family residence and parking space for ten cars. [...]

His son has said on his Facebook page that he had moved for security reasons and to live somewhere more befitting a “man of Prachanda’s stature”.

But it has compounded the resentment of some of his comrades who have noticed his designer suits, expensive watches and luxury cars. www.telegraph.co.uk
(Our emphasis)

As the leadership has accumulated massive parliamentary salaries and other less visible revenue streams the Party rank’n’file have for years complained of the luxurious lifestyles of the Party elite — with little effect. The long containment of the PLA ex-combatants in the cantonments has been very convenient for the Party elite; with the rank’n’file quarantined and neutralised the leadership’s business of accumulation of political power and its accompanying wealth has been achieved with minimum effective opposition from the poorest PLA veterans.

The real and imagined village

Nepali Maoists talk about abolishing feudalism (or ‘semi-feudalism’) and again mystify terms. Rather than talking about capitalism and feudalism as modes of production they refer to various surviving cultural habits and institutions originating in feudalism as proof that feudalism still exists, rather than its remnants adapted to an evolved setting.¹¹ They confuse a moral judgement of conditions of exploitation in poorer countries with an analysis of production relations; i.e., how a surplus is extracted from labour in the context of Nepal’s function in a global economy. The predominantly rural population of Nepal is not peopled by medieval serfs – but by a majority of smallholding farming families operating within a capitalist market (alongside some larger landowners, tenant farmers and rural landless labourers). While much peasant farming is at subsistence level, rather than market-driven, it is not this that solely defines the mode of production and its social relations. Many of the peasantry are unable to feed themselves year-round from their available land – and so pursue a semi-proletarian existence as migrating seasonal workers selling their labour power elsewhere. Many are also longer term migrant workers; a million peasant and urban sons and daughters work abroad and are integrated into the global economy as modern proletarians.¹² Their ‘remittance’ cash sent home has transformed the Nepali economy, in particular the property and land market.

Blinded by their redundant categories, the Maoists miss what is most interesting about recent developments in peasant life;

It is commonly observed that traditional feudalism still prevails in the Madhesh. But, in reality, it has now been replaced by a labourer dominated society. About two to three decades ago, when labourers from Madhesh started going to Punjab, Haryana and also to ... for a quarter of a year ... Their migration was for a limited period, that is when they had no work for their engagement at home. It was a periodic employment migration. But, for the last two decades, labourers have been going to the Gulf countries for employment. In the beginning, the Muslim community took the lead. But now there is hardly any landless family that doesn’t have one or two members working in those countries. The common people have considered foreign employment as the only means of eradicating their poverty. Interestingly,

¹¹ The dominant overall mode of production is easily confused by shallow 3rd Worldist observation;

Question; which ‘3rd World’ country is described thus? “Not until the 1960s did the urban population surpass the rural population.” ... “Until the middle of the twentieth century, agriculture was dominated by small holdings and family farms. Two factors have affected rural land holdings since World War II. There has been an acceleration of the rural exodus leading to a strong migration toward cities, along with a consolidation of farm lands that had been scattered through inheritance patterns.”

Answer; No, not a developing Asian country that would be termed as at least ‘semi-feudal’ by Maoists – the country is France. www.everyculture.com

¹² A recently published report by World Bank (WB) on “Immigration And Remittance Fact Book 2011”, stated that till 2010, some 982,200 Nepali people have migrated to foreign lands, which accounts for 3.2 percent of total population of the country, reports Karobar daily. Of the total Nepali immigrants, 68.2 percent are female while 13.8 percent are refugees. The top 10 destinations for Nepali immigrants include India, Qatar, USA, Thailand, UK, Saudi Arabia, Japan, Brunei, Darussalam, Australia and Canada. Those Nepalis who have migrated to other countries for the purpose of study account for 3.5 percent of total migration. [...] “In 2011, the country received US \$ 3.5 billion as remittance, which accounts for 23 percent of the country’s GDP.” www.nepalnews.com Other sources claim the number of migrants as much higher, up to 2 million.

they go there even after paying exorbitant interests on the money they take as loan for paying the agents towards their services and airfare. [...]

There is a glaring change in the living conditions of the people. They are now living in the cemented brick-houses, which are replacing the thatched huts gradually. Cemented roofs or tiled roofed houses can be observed almost everywhere in the village. [...]

The second priority of investment of remittances falls on the procurement of land, which is the prime permanent source of income for the have-nots as it is very much needed to meet the food requirement. The availability of land for sale in abundance is yet another factor facilitating the transfer of ownership of land. The traditional landowners are desperate for selling off their land as there is a dearth of labourers in the villages. The dearth of labourers is attributed to the young workers having left the villages for foreign employment. The cost of cultivation has increased substantially. There is very little irrigation facilities and lack of timely and adequate availability of fertilisers. The ownership of land is gradually getting transferred from the haves to the have-nots, the new class of labourers. It can be safely said that nearly forty to fifty percent of the land ownership have been shifted during the last fifteen years from the traditional owners to the landless class.

Interestingly, the female members of the families are becoming landowners. Since the male members of the families are out of home to earn their livelihood, the female members of the families naturally become the land owners when any new piece of land is bought. For instance, out of four registrations we made, three registrations were in favour of female owners. This is really a milestone of social changes taking place in the remote areas. [...]

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www.thehimalayantimes.com

So here we have an odd, but modern, form of proletarian condition; village poverty — partly caused by insufficient land for subsistence of families — encourages migration for work abroad. This creates a labour shortage at home that encourages bigger landowners to sell their untitled land — to be bought by the remittance earnings causing the labour shortage. And so the earnings of the peasant-turned-emigrant proletarian can often be used to more fully establish the returning emigrant as landed peasant. (Or to expand the base of smallholders-cum-seasonal proletarians.)

Rural feudalism? No;

At Tribhuvan International Airport (TIA) [in Kathmandu], scenes of youths like Gaihrs forming serpentine lines to board airplanes headed toward major labor destinations, mostly an unchartered territory for most of them, is not uncommon. Their aim is to reach the intended destination, not get duped by manpower agencies, and land on a decently-paying job. The expectation of their families is likewise.

Enter Kathmandu and head toward the Ministry of Foreign Affairs (MoFA) and you will see a much more chaotic scene: Anxious, curious, and confused aspirant migrants waiting to get their passport issued. [...]

Go farther away from the city center and you will see a completely different terrain. New buildings are popping up everywhere and there is an influx of migrants in and around city centers. Some of the villages lack the backbone of local economy i.e. youths. Elderly and kids are the main inhabitants of villages as youths have/are headed either to overseas labor destinations or to major city centers. Daily wages for manual labor have more than doubled. Interestingly, each alternate house either has a 'cold store' or a retail store—one wonders from where demand comes from. Perhaps, this is the best way to kill time. The opportunity cost of labor appears zero to them. There is no better way to waste labor than be self-employed—unproductive sales person waiting for customers in a place where pretty much every household owns a retail store!

The influx of money sent by migrants sweating and saving pennies overseas is changing the way we consume and invest. While consumption accounts for over 90 percent of GDP, gross domestic savings is equivalent to a mere 9.7 percent. Banks are becoming big fat kids from slim ones as remittances are constantly pouring in, facilitating instant easy lending to a handful of sectors. Due to political instability, squeezing returns on investment and pressure to maintain comfortable profit margin, banks are eschewing lending to traditional employment-generating sectors. Instead, money is channeled into construction, real estate, and import-consumption sectors. These sectors are referred to as “unproductive” i.e. they do not absorb much labor for employment given the scale of domestic investment.

In the last five years, construction and real estate sectors grew at an average of 4.5 percent and 7 percent annually, respectively. In real estate, credit flow doubled from Rs 7.71 billion to Rs 14.92 billion in the past two fiscal years. Unfortunately, GDP growth rate was around 3 percent and industrial sector growth just over 1 percent. Due to neglect and flawed priority, the contribution of remittances in stimulating the real sectors is minimal. [...]

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www.myrepublica.com

The Nepalese banks have in recent years followed the global economy in its expansion of debt provision — predictably fuelling an inflated property market which is already falling into negative equity (i.e., properties now worth less than they were bought for) and which seems on the brink of a major crash.

The working class remaining at home, though expanding, remains a minority of a largely (80%) rural agricultural population. Nepal is sandwiched between the two emerging industrial giants of India and China; it is the relationship to those neighbouring proletariats that will likely define the chances ultimately of any radical movement of the poor in Nepal — which would need to have a very different character to the Maoist insurgency.

Elsewhere in the remoter poorer areas of the countryside aid shipments of rice rations by NGOs and government have, by creating a subsistence dependency, influenced the stagnation of agriculture and created a business chain of suppliers, importers, transporters, distributors and state and NGO bureaucrats that often remains keen to perpetuate this profitable dependence. Tourism in wealthier, more ideally situated, rural areas has in recent years also helped inflate

the property market into eventual negative equity and is another connection to global markets. None of these economic conditions can be described as “rural (semi-)feudalism”.

Nepal is not “feudal” but increasingly integrated into a global capitalist economy that uses less developed regions to source a cheaper mobile surplus labour power. Maoists may feel obliged to claim a dominant (semi-)feudalism still needing to be overthrown — as a convenient excuse to justify their capitalist goals and to try to make those goals appear differently motivated than rival parties. (They can also then claim that they are fulfilling some grand historical mission.) But it is not anti-feudal Maoism transforming the Nepali economy — but rather its relationship to global capital and its supply of labour power to it. The party squabbles over the political management of the Nepali state may be a long, slow and still unresolved process — but, as shown above, meanwhile global capital itself continues to develop the capitalist economy by its intense exploitation of the Nepali poor. The national management of that exploitation and its relationship with global capital (e.g., via those zones of hyper-exploitation — the Maoists’ beloved SEZs — and by attracting foreign investment) is the real point of contestation for all rival Nepali parties.

Conclusion

It is a leftist illusion to see Maoism as outside or beyond bourgeois politics, in Nepal or elsewhere. Maoism has always had a schematic theory of progressive stages of revolution involving cross-class alliances with supposedly ‘progressive’ bourgeoisies in the conquest of state power. When the Chinese CP took power, having won the civil war in, 1949, their official line was that the ‘class struggle’ (supposedly incarnated in the political advancement of the vanguard party and their victory over the nationalists) was ‘the victory of the national bourgeois democratic revolution’. (Nepal: A Long March towards bourgeois democracy? — libcom article, 2006; libcom.org)

Maoist ideology advocates conquest of state power and, as part of that process, stages of collaboration with a “bloc of four classes” including the “progressive bourgeois forces”. So recent developments are only the predictable outcome of the general logic embodied in Maoist practice. There is no ‘sell out’ or ‘betrayal’; Nepalese Maoism did not ‘betray’ but (regardless of what it thought itself doing) fulfilled its role as the armed faction of the anti-monarchist pro-bourgeois democratic forces (‘revolution’ is arguably stretching definitions too far). Global geo-political realities always determined that the Maoists were confronting, not only the Nepali ruling class, but also the regional interests of their giant neighbours India and China alongside the wider diplomacy of the US and EU. Unlike their earlier Chinese Maoist model, under less favourable conditions Nepalese Maoism failed to even defeat the national ruling class militarily or politically; the only ‘betrayal’ then is to have deluded themselves and their followers that a state conquest was ever likely or near — and that such a conquest could ever lead to a classless society. If the subsequent abolition of royal autocracy in 2008 was to be classified as any kind of “revolution” at most it could only be as a political/constitutional ‘revolution’ consolidating bourgeois democracy,¹³ and this was not achieved by the Maoists alone but by a multi-party alliance.

Maoism largely takes the Marxist terminology originally developed as descriptive and interpretive of 19th century western industrial society and applies it to a very different form of capitalist

¹³ As we had indicated in 2006 during the pro-democracy protests;

society where the typical western industrial development and its proletariat is often minimal or absent. This leads to various mystifications, such as the notion that ‘Marxist’ ‘revolutionaries’ must function as a surrogate bourgeoisie and force this development. Unlike Maoism, Marx never intended to develop a theory of peasant revolution based on class collaboration; yet his more mature thoughts on rural societies — derived largely from study of the Russian *mir* peasant communes — saw that there wasn’t necessarily an ‘inevitable’ stage of capitalist development that peasantries had to pass through as a pre-condition for ending capitalism.¹⁴

Maoism sees all working class interests and revolutionary potential as dwelling only within the Party — therefore obedience to the leadership’s Party line is the first and last ‘revolutionary duty’. If one accepts the totalitarian mentality of this absolute identity between Party and class then all criticism of the Party and opposition to it must be “counter-revolutionary” and “anti-working class” and be treated accordingly. Unsurprisingly, Western pro-maoists have long been happy to excuse and defend all the above examples of exploitative practices within Nepali Maoism; the strike bans, promotion of Chinese-style hyper-exploitative SEZs, parliamentary participation and its accompanying creation of a wealthy Party elite etc. All these anti-working class/anti-rural poor measures are acceptable to those who equate all working class interests as embodied in the progressive accumulation of political power by the Party. The conception of ‘revolution’ and ‘communism’ remains on the bourgeois terrain of possession of state power; it has nothing to do with proletarian *self*-organisation and everything to do with the organisation *of* the obedient proletariat *by* the ruling party. Hence the treatment of the working class as a passive component of class society, allotted its roles. For ex-PLA combatants — as guerrilla cannon fodder to enable the political ascent of the Party elite, to be then looted and discarded by them. (The Party leadership spent much of the war in India far from any bullets.) For the workers — to be a passive voter constituency aiding the same political ascendancy and as labour power to be pimped to global capital via SEZs and strike bans. (Exposing the emptiness of decades of Maoist “anti-imperialist” sloganising.)

The western pro-maoists have no apparent analysis of what some of them call a ‘sell out of the Nepalese Revolution’. At best, they blame it on a deviant ‘revisionist line’ taken (for some unexplained reason) by the Party leadership; the same leadership they had uncritically praised, for over a decade and until only a few weeks before disarmament, as the purest revolutionary idols who were faithfully applying Maoism in Nepal.

But, in the misty eyes of western pro-maoists, the final unforgiveable sin was for Nepali Maoism to destroy the romantic spectacle of heroic 3rd World guerrillas fighting (a mythical) ‘feudalism’. The recent PLA disarmament betrayed all their wet dreams and their present silence of sheepishly withdrawn support will likely only be broken by the adoption of some other far-away romantic guerrilla ‘Cause’ run by similar political rackets. We can expect little insight and reflection on, eg, the predictable link between the accumulation of political power by the Party

“Since 1950, whenever faced with armed or other political opposition, the royal autocracy have repeatedly promised democratic reform, before abandoning the commitment with another wave of repression; ... For the moment, the situation in Nepal might be classified as an unfinished bourgeois revolution. But then, perhaps one could have said that at any time since 1950. The once and for all decisive abolition of royal autocracy is the logical next historic step for the bourgeois forces ...”

libcom.org

¹⁴ Late Marx and the Russian Road: Marx and the “Peripheries of Capitalism” — ed. T. Shanin, Monthly Review Press, 1984.

elite of a hierarchical organisation and their simultaneous accumulation of material wealth and luxurious lifestyle. Nor many insights on the limits of guerrilla activity generally – though all the blood of the PLA guerrilla “martyrs” has achieved little but the enrichment and career advancement of the Maoist Party elite and has challenged the existence of a class society not one bit.

One can only see the Maoists as “selling out” if one thought them capable of “buying in” to a proletarian revolution as a vanguard party leadership. But if one believes the self-emancipation of the working classes via the abolition of class society could only begin to develop within a different historical process – one diametrically opposed to the un-communist Maoist Party and their vanguardist, statist, nationalist and productivist conceptions of change – this is largely beside the point. Given these conceptions, present events were not only predictable, but arguably embedded in the hierarchical practice and program of the Party from the beginning.

Guerilla Maoism has generally been limited by its rural isolation from, lack of resonance with and weak grounding in the urban working class; but the UCPN(M) has now made limited inroads via their trade unions. The Party leadership ruled over a guerilla army used as a mass of impersonal human material – in much the same way it seeks to exploit the labour power of the working class. In both the war and post-war eras the Party’s hierarchical command structures have sought to reduce the mass of individual subjects to an objectified mass, passive components to be exploited; in wartime as a mass of peasant military labour – in peacetime as a mass proletarian labour army.

But a general growing Nepali disillusionment with politics may breed clarity. The perpetual intense competition of left and right factions of Nepali politics for control of the state has dominated society to the extent that it’s tended to subordinate all other struggles to these organisations’ goals. But recent developments could be seen historically as perhaps beginning to ‘clear the decks’ for what is always ultimately necessary for struggles of the exploited; to recognise that those who seek to rule over ‘the masses’ in their name are often the greatest obstacle to radical social movements and must be opposed as the aspiring left wing of the ruling class. The self-organisation of struggles must be a struggle against such enemies as much as any other; how many among the Nepali exploited will draw this conclusion and use it to inform their future practice is too early to say.

To call the Maoists’ present factional rivalries ‘class struggle within the Party’ is another myth; these rivalries occur far above the heads of the exploited, who have no more influence on them than on the squabbles of any other party leadership – the masses of poor are mere spectators, even if such power battles are undertaken supposedly in their name. The relationship is the same as between all other political party representatives and their constituencies. The claim that they represent opposing class outlooks is, again, transplanting mystified Marxian terms onto the leftist wing of the bourgeois democratic process and its internal rivalries. (All three Maoist leaders are from highly educated, high caste relatively upper class backgrounds.)

The armed struggle is over (unless Baidya’s faction were to make a last desperate attempt) and has paved the way for the Maoist majority to be integrated into parliamentary politics. So far there has been no “Nepalese Revolution” to “sell out” as disillusioned pro-maoist ex-cheerleaders claim. Even in Maoist terms they’ve failed to get anywhere near their oft-expressed and distorted conception of ‘revolution’ – ie, the Party’s exclusive seizure of state power. (Some will desperately claim they are still progressing through the ‘necessary stages’ towards that.) They can’t even claim sole credit for overthrow of the monarchy – that was achieved in alliance with a

wider “Jana Andolan-II” pro-democracy movement, including a Seven Party Alliance and major street protests¹⁵. Nor can they claim any evidence for a revolutionary sentiment among the vast majority of the poor; the leaked Prachanda video revealed the PLA strength at ceasefire as only 7,000 after a decade of guerrilla war¹⁶. So we see no ‘revolution’. To talk about ‘a sell out of the Nepalese Revolution’ also implies that the Maoists co-opted/recuperated and led astray a larger revolutionary movement. But there was no such movement pre-dating the Maoist guerrillas — and, as recent events make even clearer, the Maoists’ activity was an armed reformism seeking military and political entry and accommodation within the bourgeois state, as functionaries and beneficiaries of the ruling class. Pro-maoists may pretend otherwise, but the remaining internal Maoist conflicts are not between ‘revisionist’ and ‘revolutionary’ ‘lines’; but only about the extent and pace of this accommodation and its rewards.

The competing Party factions have expressed no disagreement over the Party’s long term economic programme; ie, its plans to exploit the working class via SEZs, strike bans etc. The conflicts are over which route to be taken to maximise the accumulation of political power (with its accompanying wealth) and how it is to be allocated between the competing Party factions: i.e., the politics of a red bourgeoisie.

¹⁵ One could argue over how crucial the Maoists’ participation in Jana-Andolan II was in achieving its goals. But the existence of such a movement was certainly not dependent on the Maoists — as shown by the first Jana-Andolan democracy movement in 1990 which occurred years before the emergence of the Maoist Party and its guerrilla activity. On People’s Movement-II; en.wikipedia.org

¹⁶ libcom.org

Appendix 1: A Himalayan Red Herring? Maoist Revolution in the Shadow of the Legacy Raj

Written by Saubhagya Shah during the Maoist guerilla war in Nepal, an analysis of how the Maoists and the conflict were put to use by Indian diplomacy as part of their wider regional domination.

“...The core tensions of the Legacy Raj are sustained by the polymorphous character of the post-independence power elites, whose conception of self and mission oscillates between that of anti-colonial heroes on the one hand and heirs to the British Raj on the other. It is this contradictory impulse that generates cycles of destabilisation outwards into the regional system in the form of economic pressures, political subversion, proxy wars and military adventures.”

... “Precisely because India lacks formal treaty rights commensurate with its ambitions in Nepal, New Delhi has undertaken a range of diplomatic and covert manoeuvres to ‘mold the political evolution of Nepal in its own image and to establish some kind of de facto protectorate.’ ... “The familiar historical terrain the Maoists have traversed over the past seven years en route to their final rendezvous with the Legacy Raj provides a basis for identifying the Maoist war as a replication of the conventional form of oppositional politics, rather than a revolutionary break from it. All successful oppositional engagements have so far entailed a coupling with Indian interests in order to encircle, coerce and compromise the Nepali state, and it appears that the Maoists have also opted for this proven strategy, albeit in a different guise.”

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‘If the impetus for conflict develops externally, if the strategists, supplies, and grounding ideologies come from outside the country, and if all of these are structured principally to benefit foreign goals, what is the relevance of the concept of internal war?’ (Nordstrom 1999)

‘What if these theorists are so intent on combating the remnants of a past form of domination that they fail to recognize the new form that is looming over them in the present?’ (Hardt and Negri 2000)

The notion that the armed campaign launched by the Communist Party of Nepal (Maoist) in 1996 is a reaction to chronic poverty, inequality, lack of development, corruption and general neglect by the government has assumed the status of a truism among the Maoists’ apologists and critics alike. As general descriptions, these characteristics certainly hold true, and to a large extent they help to legitimise and rationalise the rebels’ actions. Such generalisations, however, do not explain why the present insurgency chose a particular time-space coordinate or a specific form for its manifestation. Nor does the argument that destitution and underdevelopment were causal factors explain why Rolpa, Rukum, Salyan, Dang and Pyuthan districts of Rapti zone

became ground zero for the Maoist insurgency. If social and economic marginalisation alone were responsible for the emergence of the communist revolt, the hill districts of Karnali, Seti and Mahakali zones would be far more likely candidates, not only because of their grinding poverty and chronic food shortage, but also because of the nature of their terrain and their inaccessibility from state centres. By national standards, Rapti zone displays average developmental indicators: most of the district headquarters are linked by a road network, the area is traversed by the all important east-west Mahendra highway, and it enjoys a network of basic rural telecommunication facilities (Gurung 1998: 171). Rapti zone also boasts a relatively prosperous agricultural countryside. In recent years, Rapti hill districts have even achieved a small measure of commercial success in exporting cash crops such as fruits, spices and vegetables.¹ It is therefore apparent that the epicentre of the Maoist uprising is by no means the most marginal region in Nepal. A holistic analysis of the Maoist insurgency must therefore move beyond simplistic economic causality and engage with the other processes and forces that are at work: the economic context can only be a point of departure, not the analytical conclusion. I suggest that the factors that led to the rapid growth of the insurgency include: acute disunity within the ruling parliamentary parties; the ideological and structural weakness of the Nepali state; the rapid ethnicisation of the Maoist movement; a long-standing culture of recruitment into foreign armies in the Maoist heartland; extra-territorial linkages; and, most significantly, the general retreat of the Nepali state during the initial phase of the conflict (Shah 2002).

The immediacy of the Maoist crisis has caused many to forget that this is not the first time that Nepal has experienced an armed rebellion in its hinterlands. Similar disturbances in the past were quickly defused when the state displayed sufficient determination and coherence in its response. A decisive stance on the part of the state prevented minor uprisings from developing into protracted guerrilla wars. In contrast, the reaction of the state to the Maoist insurgency has been characterised by utter confusion, to the extent that even after six years of particularly destructive violence the government in Kathmandu had yet even to define the nature of the threat. Official pronouncements continued to describe the Maoist insurgency variously as a simple law and order problem; as a socio-economic malaise; as terrorism; or as just another 'political issue'. In the absence of any conceptual clarity among the ruling elites, public security deteriorated rapidly, even as the Maoists consolidated their organisation and military assets at a brisk pace between 1996 and 2001.

Rather than seeing the people's war as a phenomenon unto itself, I will argue that the present conflict does not merely exhibit strong parallels with the oppositional politics of the past century in Nepal, but is in fact a continuation of that tradition — a tradition that is sustained by the particular nature of South Asian inter-state relations and wider global opportunities and constraints. The recourse to history and geopolitics not only makes familiar what otherwise appears unique, but also offers a tentative trajectory for the current conflict in Nepal. We are, after all, enjoined by Mao himself to 'Look at its past, and you can tell its present; look at its past and present, and you can tell its future' (Mao Zedong 1967: 11).

In linking the Maoist movement to the wider regional context, the unit of analysis must always extend beyond the national borders, especially those of a nation characterised as a 'periphery of a periphery' (Cameron 1994). What happens across the porous boundary often has more influence

¹ It may be recalled here that Rapti zone was the beneficiary of a USAID-funded integrated rural development project during the 1970s and 1980s.

on events than what goes on inside. Therefore, I argue for a historically linear and geopolitically horizontal frame of reference for the people's war. Furthermore, the notion of national security as the sum total of internal and external determinants implies that any examination of the Maoist issue in Nepal must be attentive not only to the internal dynamics but also to the external forces that shape the present conflict (Thomas 1986, Gordon 1992). Theoretically and empirically, the challenge is to recognise the internal and external sources of the war and trace the specific pathways of their intersection.

Methodologically, the topic of Maoism in Nepal is still highly problematic for a scholarly assessment because the complexities of the guerrilla conflict expose the limitations of both anthropological and social-scientific approaches. On the one hand, the arbitrary violence and physical risks of a war zone make a sustained ethnographic rendering of the insurgency impossible.² On the other hand, the sudden twists and turns, public posturing, hidden agendas, and a shifting nexus of clandestine alliances at both national and regional levels overwhelm standard social science tools. Any attempt at drawing a coherent picture of the on-going war has to rely largely on newspaper reports, the elliptical public utterances of the protagonists, party political literature, and cryptic pronouncements from various government sources. In the fog and din of war, hazarding meaning in the silences and absences of the propaganda campaign often rests on a creative deployment of Max Weber's notion of *verstehen* and Paul Ricoeur's suggestion of a 'hermeneutics of suspicion'.

I have found 'oppositional politics' to be a much more useful conceptual tool in explicating the Maoists' motives and actions than splitting hairs over the semantics of 'terrorism' or 'people's war', which are overburdened with ideological and moral expediencies. When shorn of its rhetorical posture, the CPN (Maoist) seeks quite simply to overthrow the present regime and monopolise state power. The means employed to achieve this goal will be seen as 'terrorism' or as 'people's war', depending upon the sympathies of the evaluator. Moreover, by examining the present conflict as a form of oppositional politics geared primarily to capturing the whole or a part of state power, it becomes possible to establish explanatory connections and continuities with earlier forms of oppositional politics in Nepal and their external implications.

THE COERCIVE ENVIRONMENT

Considering the numerous wars, ethnic and secessionist conflicts, nuclear stand-offs and foreign military interventions of the last five decades, the description of the post-colonial settlement in South Asia as 'intrinsically unstable' comes across as an understatement (Gordon 1992: 19, see also Ramana and Nayyar 2001, Ganguly 2001, Kothari and Mian 2001, Sisson and Rose 1990). A combustible mix of colonial legacy, imperial ambitions and religious extremism ensures that the whole region, home to a fifth of all humanity, is never far from Armageddon. At the heart of the subcontinental maelstrom is the Legacy Raj Syndrome: a regional milieu characterised by a high level of inter-state depredation and bad faith. The core tensions of the Legacy Raj are sustained by the polymorphous character of the post-independence power elites, whose conception of self

² Conducting research on conflict issues or contested arenas is never risk free, but the sheer violence of guerrilla war is likely to distort the direction and focus of research, or simply make it impossible. These risks are particularly severe for local scholars, intellectuals and journalists. For a pertinent discussion of research methodology in dangerous contexts see Jipson and Litton (2000).

and mission oscillates between that of anti-colonial heroes on the one hand and heirs to the British Raj on the other. It is this contradictory impulse that generates cycles of destabilisation outwards into the regional system in the form of economic pressures, political subversion, proxy wars and military adventures. Independence, which bequeathed the greater part of the British Raj to the Indian republic, also left it with a split personality. Ashis Nandy's examination of the post-colonial mind is apposite in this context:

It is not an accident that the specific variants of the concepts with which many anti-colonial movements in our times have worked have often been the products of the imperial culture itself; even in opposition, these movements have paid homage to their respective cultural origins. I have in mind not only the overt Apollonian codes of Western liberalism that have often motivated the elites of the colonized societies but also their covert Dionysian counterparts in the concepts of statcraft, everyday politics, effective political methods and utopias (Nandy 1982: 198).

While India's representation of itself as the 'largest democracy', its anti-colonial legacy and its Gandhian profile offer a certain moral high ground on the world stage, New Delhi's ability to shake things up in the immediate neighbourhood provides the masters of the Legacy Raj with experiential proof of their imperial inheritance and a direct measure of their self-worth. Because the history of empires in recent centuries has been dominated by white Euro-American expansion and hegemony, even the most astute observers have failed to recognise the derivative imperial practices of black and brown sahibs, even when their impact is no less consequential for millions (Ahmad 1983, Ludden 2002, Hardt and Negri 2000). The 'pathological urge to dominate' (Manoni 1990: 102) apparently transcends racial and territorial discontinuities. The chasm between India's international persona and its regional practices has led some to the 'sobering thought that colonial powers such as Britain, France and USA should display greater respect for UN principles than democratic India' (Datta-Ray 1984: 60). Thus, the lived experience at the regional margins is out of line with the two dominant tropes of South Asian scholarship and discourse: 'post-colonialism' and 'independence'.

Following their anti-colonial struggle, the Indian elites cultivated a progressive internationalist identity by subscribing to the principles of Panchasheel (the five principles of peaceful coexistence in interstate relations), non-alignment, and the United Nations. Nehru and his generation of Indians claimed the moral leadership of the Third World in a discourse of de-colonisation and Afro-Asian solidarity. This was projected in moral opposition to the Western powers, which were seen as tainted by colonialism and slavery. Paradoxically, however, within South Asia the Indian nationalists mimicked and consolidated the British colonial worldview and practices (cf. Rose and Scholz 1980, Jayawardena 1992, Jalal 1995, Werake 1992). Consequently:

The long anti-colonial struggle left the Congress party with a hybrid security policy. It was a policy that was shaped both by the nature of the predominantly non-violent struggle and by British colonial attitudes to security. The two made uneasy bedfellows. Generally, this innate tension was resolved through application of the Gandhian doctrine of non-violent conflict resolution in India's dealings on the world stage and adherence to the colonial inheritance in its actions on the subcontinent (Gordon 1992:6).

The duality was apparent in many of the Indian leaders. Even as they chased the British out of the subcontinent, Nehru and others ‘...sought to have India recognized as the rightful successor to the British Raj’ in the region (Wriggins 1992: 97). Accordingly, India’s goal of ‘quarantining the subcontinent from what it would regard as outside interference’ has remained the basic foreign policy objective since independence (Gordon 1992: 172–3). India made its proprietary claim to the quarantine zone in January 2002, when Colin Powell, the US secretary of state, visited Nepal to offer support to the government in its fight against the Maoist rebels. The *Times of India*,³ a mainstream newspaper that consistently reflects the Indian government’s thinking on regional matters, expressed its objection to Powell’s visit thus: ‘If Pakistan-based cross-border terrorism violates Indian sovereignty, the same sovereignty is no less transgressed when, despite the 1950 treaty with Nepal, Indian sensibilities are ignored by Mr Powell’s explicit offer of military aid to the Himalayan kingdom’ (22 January 2002).

Independent India came to nurture great power ambitions and was not satisfied with merely maintaining the level of influence the British had exercised over the Himalayan kingdoms (Khadka 1997: 76–8, Dhanalaxmi 1981). While the British had largely limited themselves to defining the Himalayan states’ foreign policy options, India sought to control their domestic politics as well. According to one assessment, New Delhi’s primary goal has been to ‘obtain both regional and external acceptance of India’s hegemonic status in the subcontinent’ (Rose 1978: 60). While reinforcing the basic tenets of British imperial policies, ‘Indian hegemony over the subcontinent

has been modulated in a number of phases that involved the integration of the princely states, the forcible absorption of Hyderabad, Kashmir, and Goa, the annexation of Sikkim, an imposed protectorate over Bhutan, a dominant presence in Nepal and Bangladesh, and finally the humbling of Pakistan’ (Ziring 1978: vii).⁴ In the eastern

Himalayas, a treaty concluded in 1950 turned Sikkim into an Indian ‘protectorate’. As it turned out, the danger to Sikkim did not come from any adversary, but from the protector itself: twenty-five years after Sikkim signed the treaty of friendship, India annexed it through a two-stage process of destabilisation and military occupation (see Datta-Ray 1984). A similar treaty concluded with Bhutan obliged the latter to be ‘guided’ by India on foreign affairs and defence (Rahul 1971). It can be argued that the inner contradictions of India’s regional policies have contributed much to making South Asia one of the world’s most volatile and violent regions, and that Indian officialdom tends to regard its actions as both righteous and successful.

Nepal’s relationship with postcolonial India posed different problems. Because of its older national roots and a monarchical line that pre-dated the British consolidation of India, New Delhi could not convert Nepal into a formal dependency through treaty instruments as it did with Sikkim and Bhutan. Nepal was described as ‘a wholly sovereign state’ and India had ‘no legal title to interfere in its affairs. The treaty of friendship concluded by the two countries in 1950 provides only for consultations in the event of a threat to the security or independence of either party’ (Myrdal 1968: 194). Even though the last Rana prime minister, Mohan Shamsher, had

³ For a discussion of the role played by the mainstream Indian media in projecting the Indian government’s views on Nepal see Bhusal (2001).

⁴ After the departure of the British from South Asia, the Americans sought to fill the power vacuum in the region after the onset of the Cold War and China’s involvement in Tibet and the Korean war. During this phase the Indians courted US influence, but they also resented the US presence in the region at times. For a brief discussion of the Indo-American relationship in the Himalayan region see McMahan (2002) and Goldstein (1997).

made significant concessions to India in the 1950 treaty in a desperate bid to prolong the Ranas' rule, this was apparently not enough to satisfy New Delhi's ambitions in Nepal.

Precisely because India lacks formal treaty rights commensurate with its ambitions in Nepal, New Delhi has undertaken a range of diplomatic and covert manoeuvres to 'mold the political evolution of Nepal in its own image and to establish some kind of de facto protectorate' (Myrdal 1968: 195). These initiatives have yielded mixed results for India, and have had profound consequences for Nepal. One of the most consistent features of this policy has been the covert and overt support India has provided to various oppositional outfits fighting the Nepali state, in order to exert leverage over the latter. Indian goals in South Asia and the means employed to achieve them are best framed in terms of the closely linked concepts of 'compellence' (Schelling 1966), 'coercive diplomacy' (George 1994), or 'strategic coercion' (Freedman 1998). 'Strategic coercion' refers to the 'deliberate and purposive' use of threats to 'influence another's strategic choices' in inter-state relations (ibid.: 15): 'The distinguishing feature of coercion is that the target is never denied choice, but must weigh the choices between the costs of compliance and non-compliance' with some room for bargaining as well (ibid.: 36).

Examining the linkage between terrorism and the concept of strategic coercion, Lepgold observes that in recent decades there has been an 'increase in politically motivated, state-sponsored or state-assisted violence against citizens and governments of other states' (Lepgold 1998: 135). This form of coercion can include active participation in specific terrorist acts across the border, or a more passive tolerance where a 'government is looking the other way while terrorists or drug traffickers are operating on its territory' (Lepgold 1998: 145).

Syed Ali brings the framework of 'strategic coercion' to bear on India's strategic policies towards Tibet, Kashmir and Sri Lanka, and argues that India is characterised by its use of 'covert coercion' as an instrument of regional policy. The major advantage of this form of coercion is its plausible deniability:

Those engaged in coercion have tended to be reluctant to spell out their specific demands and deadlines. Instead they have appeared to rely on the target interpreting their activities as establishing the parameters of acceptable behavior (Ali 1998: 249).

The concept of strategic coercion in interstate relations illuminates and complements Blackstock's earlier notion of 'subversion' as a foreign policy tool which falls between open diplomacy and covert military action. A state which is pursuing subversion against another can utilise local 'counter-elites', which can be either political or ethnic formations. These elements are deployed in a variety of ways in order to cause the 'splitting of the political and social structure of a victimized state until the fabric of national morale disintegrates... These tensions or vulnerabilities may be exploited by setting such groups against each other in hostile, uncompromising opposition' (Blackstock 1964: 50). A subversive strategy leads finally to:

...the undermining or detachment of the loyalties of significant political and social groups within the victimized state, and their transference, under ideal conditions, to the symbols and institutions of the aggressor. The assumption behind the manipulative use of subversion is that public morale and the will to resist intervention are the products of combined political and social or class loyalties which are usually attached to national symbols, such as the flag, constitution, crown, or even the persons of the chief of state or other national leaders (Blackstock 1964: 56).

If they are viewed in terms of Blackstock's framework, the past five decades of Nepal-India ties stand as a classically subversive relationship. The overall thrust of New Delhi's policies towards Nepal has been inspired by narrow national interests and not universal values, even if concerns about democracy, human rights and progress are occasionally raised to legitimise aggressive pursuits. A brief survey of Nepali oppositional politics and its interface with Indian strategic interests is necessary to further clarify and concretise these concepts and processes.

CO-OPTED OPPOSITION

After Jang Bahadur's bloody coup in 1846, a motley opposition began to coalesce around the exiled monarch, Rajendra, in Banaras. Unfortunately for Jang Bahadur's opponents, the British had already made a pact with Nepal's new ruler by this time. As a result, the East India Company firmly discouraged the opposition groups from organising any resistance to the usurper from Indian territory. The first serious opposition to Jang Bahadur dissipated after a brief battle in the Alau plains near present-day Birganj. King Rajendra was subsequently captured by Jang Bahadur's troops and imprisoned for the rest of his life. The defeat of the purely domestic opposition stabilised Rana autocracy for another hundred years (Bhandari 1970/1: 115, Tyagi 1974).

Nepali oppositional groups would find favour in the Indian plains only after the departure of the British from the subcontinent in 1947. With Nehru's barely concealed support, the Nepali Congress was able to quickly dislodge the 104-year-old Anglophile Rana autocracy in 1950 after a few skirmishes in the tarai towns (Nath 1975, Rowland 1967). New Delhi helped to install the first democratic government in Nepal, in the expectation that it would remain dependent upon India for its policies as well as its security. 'As much as we stand for the independence of Nepal,' Nehru made it known, 'we cannot allow anything to go wrong in Nepal or permit that barrier [the Himalayas] to be... weakened because that would be a risk to our own security' (Gordon 1992: 7-8). However, when China attacked India in 1962, it pushed across its long and disputed border with India: Beijing had no need to detour through Nepal's mountainous terrain to get to India. Even though Nehru's concerns about the security of Nepal's northern frontier were thus proved to be largely unfounded, successive generations of Indian leaders and bureaucrats continue to use the issue of Himalayan security to place conditions on Nepal's independence.

Along with the imperial prerogative of 'security', India has used its democratic credentials to give a moral colouring to its acts of economic and political manipulation in Nepal. India's decision to oust the Ranas and install a Nepali Congress Party government has accordingly been interpreted as a strategic response to the new threat posed by communist China's arrival in Tibet, or as a logical extension of India's democratic mission in the Third World. But if India was motivated by an urge to spread democracy in South Asia, why would it exclude Bhutan – a country that is under treaty obligations to abide by New Delhi's advice – from its democratic mission and instead support a non-democratic regime there? As one of the more insightful writers on power illustrates, various ideological claims 'have furnished explanations and warrants for imperialist domination and resistance to it, for communism and anticommunism, for fascism and antifascism, for holy wars and the immolation of infidels' (Wolf 1999:1). It is an irony of democracy that great powers have tended to buttress authoritarianism among useful clients while wishing democracy on non-acquiescent states. South Asia is no exception to this global paradox.

Having been ousted from power by King Mahendra in 1960, the Nepali Congress was in the midst of an armed revolt in the early 1970s. After strong protests from Kathmandu, the then Indian foreign minister Swaran Singh issued a statement assuring the Nepal government that India would not allow its territory to be used for anti-Nepal activity (Gaige 1975: 187). Later, when the Indian prime minister, Indira Gandhi, further curtailed his political activities, the Nepali Congress leader B. P. Koirala gave up the path of armed rebellion and returned from exile with a new policy of 'national reconciliation'. As a consequence there was a cessation of India-based violence in Nepal for the next decade or so.

A cursory review of the fate of oppositional politics in Nepal shows that there is a high probability of success when there is sufficient foreign support. When such patronage is lacking, political opposition has had to compromise with the Nepali state. 'You can't be victorious in an armed struggle,' reminisces K. P. Bhattarai, the former prime minister and one of the founding members of the Nepali Congress Party, 'unless you have a false border'.⁵ Like a flirtatious wink, Bhattarai's 'false border' is more than the unregulated frontier between the two countries: the wink is, rather, an allegory for the furtive affair with the alien. Frederick Gaige had come to the same conclusion from an academic standpoint almost a quarter of a century earlier when he concluded: 'Although the terai is a natural base of operations for the Nepali Congress or the Communist party...it is unlikely that without the blessing of the Indian government, opposition parties will be able to mount another serious campaign against the government' (1975: 193). Some of the notable examples of failed insurrections include Dr K. I. Singh's revolt against the agreement reached in New Delhi in 1950 between India, the Ranas, the Nepali Congress and King Tribhuvan; and the violent campaign launched by the Marxist-Leninist faction of the Communist Party in Jhapa in the early seventies. Both of these uprisings lacked external backing. In the former case, Indian troops actually intervened to capture K. I. Singh from within Nepal (Rowland 1967: 147, Sharma 1970).

Following King Mahendra's royal coup in 1960, the Nepali Congress began its second armed rebellion from bases in India. These attacks, organised by Subarna Shamsher, were developing into major threats to the regime when the Indo-China war broke out in 1962. Distracted and demoralised by the Chinese invasion on its northern frontier, the Indian government abruptly suspended its proxy campaign against the Nepali government (see also Jha 1977 and Chatterji 1980). Thus, the newly introduced Panchayat system received a reprieve that lasted for thirty years.

Although this is denied by the new orthodoxy in Nepal, New Delhi contributed significantly to the eventual dismantling of the Panchayat system in 1990. The bold proclamation made by the Indian leader Chandra Shekhar during the initiation of the people's movement in Kathmandu 1990 was not very different from Nehru's rationalisation of the ejection of the Ranas, which he issued in an expansive moment in the Indian parliament almost four decades earlier. Nehru declared, '...we have accordingly advised the government of Nepal ...to bring themselves into line with democratic forces that are stirring the world today and that there can be no peace and stability in Nepal by going back to the old order' (Rowland 1967: 146-47). Addressing an opposition rally less than a kilometre from the royal palace in Kathmandu, Chandra Shekhar, who later became India's prime minister, invoked the same moral sanctimony in attacking King Birendra and the Panchayat regime: '...no man should consider himself god, and... they [the

⁵ From K. P. Bhattarai's autobiography, *Atma Katha*, quoted in *Spotlight*, September 2001.

people of Nepal] should take courage from the overthrow of tyrants like Ceausescu, Marcos and the Shah of Iran' (Khanna and Sudarshan 1998: 53). One unalloyed acknowledgment provides a rough estimate of the extent of external collaboration in the 1990 oppositional project:

The pro-democracy movement in Nepal can never be too grateful to all Indian political parties and leaders who have supported it. Chandra Shekharjee's involvement in our movement deserves a special mention because he not only helped to organize support for it on such a wide scale in India but has also inspired the people of Nepal themselves to take part in the peaceful struggle for the restoration of their freedom and rights through his historic speech at the Nepali Congress conference in Kathmandu on 18 January 1990 (ibid.: 58–9).

Although India extracted a number of favourable treaties after 1990 and has since enjoyed the convenience of dealing with a more compliant government in Kathmandu, underlying bilateral irritants such as territorial occupation, unequal sharing of water resources, trade and transit hurdles, issues of immigration and citizenship rights for Indian nationals, and the Bhutanese refugee problem have become even more acute between the two countries since 1990. Vir Sanghvi, an Indian intellectual, acknowledges that New Delhi has played different forces off against each other in the past, and that India is now having second thoughts about what it achieved in 1990. Bilateral issues have soured such that 'Today, we are actually much worse off in terms of India-Nepal relations than we were at any point in the 1980s' (Sanghvi 2001). So, has the less than full satisfaction with the post-1990 status quo in Nepal led India to contemplate alternative possibilities? The shifting regional patronages and expedient alliances necessitate a scrutiny of the transition from the people's movement of 1990 to the present people's war.

If New Delhi's strategic goal is to exert a *de facto* dominance over Nepal which it does not enjoy through *de jure* means, a condition of perpetual disruption serves this end. Frequent shifts in alliances and regimes keep the clients on their toes, forcing them to concede more to retain regional patronage. Insecure, transient rulers in Nepal are more likely to acquiesce to Indian demands than those who do not owe anything to India for their survival. It is no surprise that many of the most controversial treaties and accords with India have been concluded by insecure Nepali rulers threatened by an externally-backed opposition, or immediately after a regime change when the new elites are burdened with gratitude for the external patronage they have received. For example, all of the controversial Indo-Nepal treaties on the exploitation of Nepal's natural resources were enacted immediately after a change of regime in Nepal: the Gandak and Koshi treaties after the ousting of the Ranas in 1950, and the Tanakpur and Mahakali treaties after the overthrow of the Panchayat in 1990. Indeed, Mohan Shamsheer signed the Treaty of Peace and Friendship of 1950 at his weakest moment, when his regime was already beginning to crumble.

In 1990, the Panchayat government had been similarly disabled by the mutually reinforcing actions of opposition demonstrations and the year-long Indian trade embargo. At a moment of extreme vulnerability, New Delhi sent a new treaty proposal on 31 March 1990 for the king to sign in return for the possibility of relieving the pressure on his beleaguered government. The terms of the new proposal were so harsh that they 'virtually put the clock four decades back to July 31, 1950' (Kumar 1992: 18). The crux of the treaty proposal rested on four restrictions on Nepal: 1) Nepal would not import arms or raise additional military units without Indian

approval; 2) Nepal would not enter into a military alliance with any other country; 3) Indian companies would be given first preference in any economic or industrial projects in Nepal; 4) India's exclusive involvement would be ensured in the exploitation of 'commonly shared rivers' in Nepal.⁶ Rather than sign the treaty with India in the hope of saving the Panchayat regime, King Birendra instead pre-empted New Delhi's calculations by abruptly handing over power to the alliance of the Nepali Congress and the United Left Front without seeking Indian assistance or mediation. While some of the Indian demands contained in the proposal were later fulfilled in the Joint Communiqué of 10 June 1990 signed by the interim prime minister Krishna Prasad Bhattarai in New Delhi, and other secret agreements entered into by the newly-elected prime minister Girija Prasad Koirala in 1991, many of the demands still remain unmet.⁷ Viewed from this perspective, the Maoist insurgency now provides a convenient leverage against the Nepali state to assist the Indian government in its pursuit of the strategic objectives contained in the treaty proposal of 1990. Moreover, the unresolved territorial dispute between the two countries, the efforts to grant Nepali citizenship to Indian immigrants, the lingering Bhutanese refugee issue and the controversial trade and transit treaty are other Indian interests that would be directly affected by the duration and direction of the Maoist insurgency.

THE RELUCTANT RULERS

During the first two years of the Maoist insurgency it became clear that the government's half-hearted, directionless approach to fending off the rebellion was failing. Instead of taking the necessary measures to contain the Maoist threat, successive governments chose the easier path of simply vacating the areas contested by the rebels. As more and more districts were lost, the Nepali police, the government's mainstay against the Maoist guerrillas, began to suffer crushing defeats, even in its defensive retreats. The gravity of the military situation aroused calls in various quarters for the deployment of the Royal Nepalese Army (RNA) against the guerrillas. However, an outcry against army deployment from within and without the ruling party weakened the leaders' political resolve and they backed away from taking the hard decisions.⁸ After causing sensations on several occasions by making public statements in support of deploying the army against the Maoists, Prime Minister Girija Prasad Koirala performed a famous *volte face* when he reportedly said 'What if the army also fails like the police, do we then invite the Indian army?'

⁶ The monarchy faced a range of daunting options when the oppositional movement got underway after the Indian embargo. 'Conjecturally, had the democratic movement in Nepal been prolonged at this juncture, the monarchy would have been confronted with a difficult choice. It would have been imperative for the monarchy and the Panchayat System either to cave in to Indian demands in exchange for (at least) India's critical restraint on the democratic forces in Nepal or order increased repression and bloodshed by further alienating the people' (Kumar 1992: 7). Kumar reproduces the text and a detailed discussion of the controversial treaty proposal.

⁷ When Nepal's interim government took power in 1990, India ended its year-long embargo on Nepal as a gesture of goodwill. Unfortunately, the democratic transition did not bring substantial changes to the bilateral relationship. Despite its profession of support for the new government, New Delhi paradoxically insisted on retaining the bilateral regime that had existed during the Panchayat era (diplomatically, it was referred to as the '*status quo ante*'). Many of the political and economic challenges that have confounded bilateral relations since 1990 are a consequence of this contradiction between the profession of democratic endorsement and the practice of coercion.

⁸ *Himal Kabarpatrika* 10, 2, 2000 (16 Kartik 2057 v.s.), and various postings on *stratfor.com* (2001) analyse the debate on army deployment against the Maoists.

Why was the Nepali government so loathe to employ the legitimate force at its disposal in order to contain an armed rebellion that was clearly spinning out of the control of the demoralised police force? The absence of the political will and vision necessary to defeat a growing insurgency not only provided the Maoists with spectacular morale-boosting victories and battle experience against the civil police, but also enabled them to amass significant quantities of arms, ammunition and communication equipment from government armouries. Furthermore, the rebels superbly exploited the chronic infighting between and among the government, parliament and the political parties as they played one side off against the other (Shah 2001). The extreme disunity within the ruling circles prevented the Nepali state from articulating a clear, consistent and convincing response during the most critical phase in Nepal's history. The ambivalent attitude of the leadership towards the armed rebellion during its formative years enabled a small fringe outfit to grow into a fearsome military machine within a few years. Had political will and unity been present, the initial disturbances would have been contained with minimal loss of life and property in 1996 and 1997 when the Maoists were still testing the political waters. Instead, the problem was allowed to fester and develop into a full-blown war that is now shaking the very foundations of the Nepali nation. In this sense, the Maoist crisis reflects a spectacular failure of leadership and governance at the highest level.

One reason for this reluctance could be the political culture of the new ruling class. Having been so recently engaged in a long struggle against the Nepali state from both within and without the country, there is still some residual discomfort and ambivalence among the new political elites in identifying with the core responsibilities of the Nepali state. The progressive, anti-establishment image cultivated during long periods of exile and opposition has not entirely worn off, nor has the romance of populist identification. It is not unusual for such politicians to experience a degree of ambivalence about employing the ultimate state power against those who happen to employ the same anti-establishment discourse, using similar populist idioms. The public perception of corruption and incompetence amongst the politicians also undermined the new elites' moral authority to take up the Maoist challenge with sincerity. Besides these personal dilemmas, there was perhaps a structural element which fostered inertia and a sense of futility among the ruling circles and prevented them from taking up the Maoist threat with a sense of conviction and purpose. Some inkling of the broader sources and inspirations behind the Maoist movement, the politicians' own experiences during the long years in opposition, and some appreciation of the nature and fate of previous oppositional movements in Nepal could have had a significant impact on the will and morale of the post-1990 democratic regime as it pondered the Maoist hazard.

DIAGNOSTIC EVENTS

An important part of the Maoists' mystique rested on their aura of being rooted in the red hills of Rukum and Rolpa. This provided them with unassailable political authenticity and moral legitimacy. It is from this moral high ground that the Maoists could label everyone else as anti-national stooges of Indian and imperialist masters. However, the sheer pace of a number of 'diagnostic events' (Moore 1994) in the recent past has chipped away at this well crafted aura of authenticity and unassailability.

The first of these ruptures in the Maoist narrative was brought about by the murders of King Birendra and his family on 1 June 2001, which came as both an unexpected bonanza and a potential pitfall for the CPN (Maoist). Prior to the regicide, the Maoists had maintained a theoretical opposition to the monarchy, but had refrained from any direct attack on the institution as they systematically isolated and eliminated the police, local critics, and lower echelon workers of other political parties. It appears that the Maoists too were momentarily taken aback by the sudden turn of events in the palace. They nevertheless came to a tactical decision to seize the moment of fear, sorrow, and confusion to fast-forward their plan for a general urban uprising.

The Maoists portrayed the dead king as a patriotic figure who had been slain by the American and Indian intelligence agencies and local reactionary elements for standing up to oppose hegemonic designs on Nepal, and for refusing to participate in the larger imperialistic strategy of encircling China. The top Maoist ideologue, Baburam Bhattarai, stated in an article in a Kathmandu paper that the massacre was the handiwork of ‘reactionaries’, ‘expansionists’, ‘fascists’ and ‘imperialists’. The Maoist leader declared that ‘anyone crowned king will only be a puppet in their [the imperialists] hands’ and added, ‘from any point of view, traditional, feudal monarchy is dead and the birth of the republic has already taken place’ (Bhattarai 2001 b). The Maoists accused the ‘Gyanendra-Girija clique’ (the new king, Gyanendra, and the Nepali Congress government headed by Girija Prasad Koirala) of being part of a larger external conspiracy. Claiming to be the only nationalist force left standing in the illustrious patriotic lineage of Prithvi Narayan, Mahendra and Birendra, the Maoists implied that they were the rightful inheritors of the dead king’s patrimony and legitimacy. The rebels called on the RNA to desert and urged the public to join a general insurrection.

In order to spark off a general uprising against the new king, the Maoists unleashed an unprecedented series of attacks across the country in an attempt to destroy the morale of the government forces. Dozens of policemen were killed in these well-coordinated attacks, and numerous barracks were destroyed. On the night of 12 July 2001, the Maoist forces captured the Holeri garrison in Rolpa without much fighting and took more than seventy policemen hostage. At this point the government finally ordered the army to rescue the captured police personnel from the Maoists. Although many details of the army’s operation in Holeri remain obscure, and none of the captives were rescued as a result of it, the Maoists suddenly ceased their offensive and entered into talks with the government. The army’s entry into Rolpa was not a battleground defeat for the rebels, nor was it a tactical success for the government, yet it succeeded in abruptly shifting the focus of the Maoist campaign.⁹ It is probable that a number of considerations encouraged the Maoist high command to retreat from armed confrontation with the army at the time. First, the intensified military campaign had failed to spark the expected general insurrection from the public. A journalist commented on the failed putsch:

⁹ The Holeri debacle, however, led to the resignation of prime Minister Girija Prasad Koirala. A number of military officials, including the chief of staff, have indicated in subsequent interviews that the civilian authorities had failed to give the military due orders and specify the rules of engagement to take on the rebels (see *Nepali Times*, 21–7 December 2001). It is likely that the prime minister issued an equivocal order that left him with enough room for denial should the operation go wrong. The army’s reluctance to proceed into combat without full backing from the political leadership and a clear operational mandate was also interpreted in various quarters as a secret plot between the king and the Maoists to discredit the multi-party system. After the CPN (Maoist) made monarchy its sole target following the royal massacre, conspiracy theories that saw a royal hand behind the Maoist rebellion have largely subsided.

There just wasn't enough critical mass in the protests for the Maoists to instigate an urban uprising by piggy-backing on public anger and shock, and the spontaneous outpouring of public grief indicated that deep down Nepalis believed, even respected, the institution of monarchy (Sharma 2001).

Clearly, the Maoist republicans had over-estimated the level of anti-monarchy sentiment among the urban populace, and especially in the army and other state organs. Without the synergy of a popular uprising, the heightened military campaign made unsustainable demands on the rebels' capabilities. Similarly, despite its rhetoric, the Maoist high command might also have come to the conclusion that it was not yet ready to take on the army. Thus came the classic tactic from Mao's book: 'one step backward'. Even though what happened in Holeri was not the Nepali army's finest hour by any stretch of the imagination, the prospect of a face-off with the army seems to have momentarily dampened the Maoist leaders' euphoria (see S. J. Shahi 2001).

The next turning point came in the form of a dramatic revelation in August 2001 that the Maoists were operating from bases in India: this cast them in an entirely new light (see Onta 2001, Lal 2001, Regmi 2002). The damning expose not only shattered the Maoists' virtuous image of being rooted in Nepal, but also raised the spectre of sinister political duplicity. Numerous intellectuals in Kathmandu pointed out the Maoists' doublespeak on India — public defiance, secret complicity — the false coin of Nepali nationalism. The columnist Puskar Gautam asked why the Maoists had chosen India as a base and why India was hosting them on its territory, and wondered if the 'People's War and the republic thereof will turn out to be the result of Indian generosity as well' (Gautam 2001/2). Given India's political interest in Nepal and the open border between the two countries, it must be considered a considerable feat for the Maoists to have concealed their Indian ties for so long.

The revelation of the Maoists' secret links with India would have been less damaging were it not for their initial shrill opposition to India. Having identified New Delhi as the hegemonic power which presided over Nepal's semi-colonial condition, the Maoists had fed the masses for years on strident anti-India rhetoric. In a leaflet distributed throughout the country on 13 February 1996, the CPN (Maoist) denounced the Nepali government for 'prostrating itself before the foreign imperialists and expansionists and repeatedly mortgaging Nepal's national honour and sovereignty to them. The present state has been shamelessly permitting the foreign plunderers to grab the natural water resources of Nepal and to trample upon our motherland' (CPN [Maoist] 1996a: 18). In one interview, Prachanda asserted that his army would ultimately fight and defeat the Indian army in Nepal. However, such strident anti-India rhetoric was not accompanied by any tangible anti-Indian action. Apart from burning a few buses belonging to schools owned by Indians, the revolutionaries fastidiously avoided touching any of the substantial Indian economic interests in Nepal, even as they systematically destroyed the national infrastructure.¹⁰ In fact, the Maoist insurgency coincided with a quickening in the pace of New Delhi's encroachment upon Nepali territory and the unilateral damming of border rivers (see Gautam 2001/2). While the Maoists intimidated Nepali citizens who wished to join Nepali military and police forces, they displayed a remarkable tolerance of the continued recruitment of Nepali youth into the armed

¹⁰ Newspapers have reported that the Maoists inflicted 12 billion rupees worth of damage on airports, hydropower stations, schools, hospitals, roads, bridges and telecommunication facilities. During the same period, the rebels captured 330 million rupees worth of cash and bullion from public banks (Yogi 2002; *Nepali Times*, 94, 17–24 May 2002).

forces of India and Britain. This was despite the fact that in the ultimatum they served on the government in 1996 the Maoists had demanded an immediate end to the recruitment of soldiers into foreign armed forces.

The secret ties with the Delhi Durbar proved to be a costly embarrassment to the Maoists, to the extent that their 'nationalist credentials are currently in tatters' (Gyawali 2002: 37). The paradox of receiving Delhi's patronage is that while it invariably leads to power and privilege in Kathmandu, the tie itself is a great drain on moral legitimacy. That is why the Nepali elites and counter-elites continue to marshal much intellectual and political labour to deny, mystify and glorify their Indian connections, deploying the circular logic of cultural kinship, geographical proximity, and historical inevitability. The Maoists likewise gained a decisive military edge from their collaboration with the Indian state. The military advantage, however, came at a significant loss of political authorship and moral autonomy as the collaboration quickly degenerated into an asymmetric clientpatron dependency.

Before the Maoists could recover from this expose, the 11 September attacks on the United States pummeled them further onto the defensive. The United States' sudden military presence in South Asia prompted Pakistan and India to try to outbid each other in their anti-terrorism credentials. Pakistan took the difficult decision to sacrifice the Taliban it had nurtured for a decade, in the futile hope that it could rescue its Kashmir front. The retreat from Afghanistan brought Pakistan's long quest for 'strategic depth' vis-a-vis India to an abrupt end. The intrusion of an external power in such a violent fashion was also a different kind of setback for India's strategic goal of quarantining the subcontinent from external forces. India knew better than to oppose the US military expedition at this juncture of world history. Instead, it sought to capitalise on the new regional equation in two ways: first, by having the US lean heavily on Pakistan to rein in the militants fighting against Indian rule in Kashmir, and, second, by bringing Pakistan to submission by emulating the new American posture on terrorism.

Despite India's efforts to project Islamabad as the 'epicentre of terrorism', Pakistan does not enjoy a monopoly on state-sanctioned terrorism and proxy wars in South Asia. External subversion, despite its redefinition as 'terrorism' in the new political lexicon, remains a standard foreign policy instrument in South Asia (see Singh 1992, Little 1994, Ali 1998, Sardeshpande 1992, Piyasena and Senadheera 1986). The use of proxy wars and subversion as instruments of foreign policy is so pervasive that when the Indian Prime Minister Atal Bihari Vajpayee exhorted the nations of South Asia to desist from all types of terrorism at the eleventh summit conference of the South Asian Association for Regional Cooperation (SAARC), Chandrika Kumaratunga, the Sri Lankan President, who has lost an eye to bombs planted by terrorists, reminded the regional dignitaries that 'We can't encourage and finance friendly terrorist organizations in one place and attempt to defeat the others [elsewhere]'.¹¹

Outside the region, Western nations had all along been urging the Nepal government not to seek a military solution, and to solve the Maoist issue through peaceful negotiations. After the attacks on New York and Washington DC, the West became less willing to counsel peace. The sudden turn in global events is likely to prove unfavourable for the Maoists in the short run. The Maoists reacted to the new US war on terrorism with their usual defiance. They accused the United States of being the biggest terrorist and even threatened to fly planes into Singha Durbar

¹¹ *Telegraph*, 25 January 2002.

(the government secretariat) and Narayanhiti royal palace to fulfil their objectives.¹² However, this public bravado was belied by a discernible and urgent desire for peace among some Maoist leaders. Kathmandu observers spoke of a

...completely changed Prachanda at the moment from what he used to be or the manner he used to serve ultimatums to the government...this changed stance of Comrade Prachanda could be due to the September 11 events in America which has tentatively vowed to wipe out the menace of terrorism from the world's map. Secondly, and most importantly perhaps, Comrade Prachanda and his insurgency got a major jolt the day the Indian leadership branded their organization as terrorist.¹³

Just as the sudden Chinese attack on India's northern defences caused Nehru to halt the Nepali Congress armed operations in 1962, the attacks on the United States in September are likely to strengthen the hand of the Nepali state against the Maoists. At the very least, the events of 2001 forced some of the main contradictions of the Maoist movement into sharp relief. As the diagnostic events discussed above indicate, the Maoists found themselves looking at a potentially adverse external environment, a more cohesive Nepali state that was gradually becoming less responsive to their intimidations, and their own ideological front that was cracking under the pace of events largely out of their control.

THE NOVEMBER 2001 OFFENSIVE

Taking everyone by surprise, the CPN (Maoist) gambled on a bold military exit from the political stalemate of late 2001. On 21 November Prachanda announced that his party was walking out of the peace talks. Immediately, the guerrillas launched a well-coordinated series of attacks across the country, destroying government headquarters in Dang, Syangja, Makwanpur and Solukhumbu districts. Dozens of security personnel and civil servants were killed and the guerrillas made off with a huge quantity of weaponry from government armouries and millions of rupees from the banks. It became clear that the rebels had used the four-month long ceasefire to strengthen their organisational base, improve their logistics, rearm, and get hundreds of their battle-hardened comrades released from detention. Up to this point the Maoists had carefully avoided confrontation with the army as they mauled the police force at will, but on 23 November they attacked the army camp in Ghorahi in western Nepal, and on the same night the government headquarters in Dang and Syangja were destroyed. The large amount of army ordnance looted from the Ghorahi army camp added automatic weaponry to the Maoists' arsenal and raised their morale enormously.

Historians will debate whether the Maoists were too successful for their own good in this offensive. The rebels probably intended to inflict quick, crushing military defeats to force the government to accede to more of their demands, a tactic that had worked in the past. However, the scale of the devastation shook the government from its slumber of denial and appeasement and caused it to muster the political will to finally face up to the aggression. On 26 November a State of Emergency was declared and the RNA was ordered to fight the Maoists, now officially described as terrorists.

¹² *Kathmandu Post*, 24 September 2001.

¹³ *Telegraph*, 10 October 2001.

For the first time in the six-year-old war, the Maoists were facing a credible resistance internally and growing isolation externally, especially in the West. In their decision to resume their violence, the rebel commanders seem to have underestimated the resolve of the government and the capability of the RNA, which had not seen sustained action since the Nepal Tibet war during the 1850s except for brief skirmishes with Tibetan guerrillas in the early 1970s (see McGranahan 2002). The Maoist gamble to take on the *ultima ratio regis* at this point was no doubt, among other things, influenced by the often dismissive assessment of the RNA as nothing more than a 'ceremonial' and 'token' force lacking substantive purpose or potency. Despite the terrible body blows it received in the battles of Ghorahi, Achchani, Gam, Sandhikharka and Jumla, the RNA did not simply crumble, as was the case with the police force. What the army lacked in terms of tactical brilliance and offensive flair was partially offset by its ability to absorb Maoist poundings without organisational collapse. During its first year of deployment the army not only checked the further growth of the Maoist military but also reoccupied some of the positions earlier vacated by the police. In all this, the army proved its critics wrong, at least for the time being. Even though the RNA lacks an advanced arsenal or adequate logistics, it has substantial historical depth and an institutional coherence that is absent in some other organs of the Nepali state. Indeed, some of the core regiments of the army predate the founding of the Nepali nation and as such they were directly involved in the national unification campaign that began from Gorkha in the 1740s. As a consequence, the army is under a greater ideological imperative to resist the Maoists than other, younger state organs.

THE COSTS OF LIBERATION

The sequence of events since 11 September 2001 and its impact on the Maoist war in Nepal makes one acutely aware of how significantly the fate of the peasant eking out a subsistence in Jumla is tied to that of a broker working in the World Trade Centre in New York or a clerk at the Pentagon in Washington DC, even if the connection is not of any consequence in the reverse direction. The most interesting realisation, however, is not that soft states like Nepal are buffeted strongly by regional and international currents, but that even an avowedly revolutionary opposition often subsists by colluding with the same hegemonic structure it claims to resist.

To what degree can an autonomous resistance movement subsist in a vulnerable nation-state? Paradoxically, movements that promise liberation may deepen dependency when the intensification of the struggle causes the protagonists to raise their bids for external support in order to vanquish internal foes. After fighting Nepal's rulers for over three decades from India, B. P. Koirala wrote, 'If the struggle is dependent on someone else's support, that person will later impose his interests and we too become ingratiated to him' (Baniya 1997/8: 40). It is too early to predict which specific demands New Delhi might seek to project through the Maoists, but it is clear that it will want to strengthen its bargaining position on several of the outstanding bilateral issues discussed earlier against a government which is internally distracted and weakened. Such motives will be disavowed, but that is the nature of 'strategic coercion':

It may also be in the interests of both parties to deny that coercion has played a role even when it has: the coercer may not wish to appear a bully while the coerced may wish to dispel any idea that he is a weakling. What is at issue here is the way

in which the actor constructs reality: the quality of that construction is a separate issue (Freedman 1998: 16).

The costs of acquiring foreign patronage add up on both sides of the present conflict. If he did not have the Maoists to vanquish at home, Sher Bahadur Deuba would not have rushed to put Nepali airspace and airports at the disposal of the United States in its war on Afghanistan. The immediate cost of this was the sacrifice of the principle of non-alignment which had been the hallmark of Nepal's foreign policy for four decades. Even though non-alignment appears anachronistic in the aftermath of the collapse of the Soviet Union, it had nevertheless been one of the few avenues in which Nepal had asserted its independent identity after it emerged from the shadow of the Ranas and their British patrons. Indeed, the quest for an autonomous existence within the nation-state system had been a major part of the Nepali nation-building project since the 1950s.¹⁴

Non-alignment was not only of ornamental value for Nepal, it had real material consequences as well. From the Indian sepoy mutiny to the two world wars, the Nepali government contributed men and material to the British war effort. Such tributary practices continued even after Indian independence, when Mohan Shamsher dispatched a Nepali military contingent to assist Indian forces during the Hyderabad crisis. After it joined the non-aligned movement, Nepal did not feel compelled to send troops to any of India's many wars in the region. It is no surprise that a section of the Indian ruling circle had been rather cool towards Nepal's bid for non-aligned status.¹⁵

The enduring frustrations in the bilateral relationship emanate from a silent struggle between Nepal's post-colonial aspirations and the neo-colonial ambitions of the Legacy Raj. The bilateral stress has also served to neatly bisect the Nepali political landscape into two antagonistic camps since the 1950s. The successors to the Ranas, the Nepali Congress Party and King Tribhuvan, were content with the new political order at home and with India's assumption of the British suzerain role. After King Tribhuvan's death, an alternative political formation soon coalesced around King Mahendra and other nationalists which sought to take the emancipation from the Ranas to its logical conclusion by seeking not only an internal transfer of power but also liberation from India's external domination. The crown's ideological shift has caused New Delhi to maintain a rather critical, and occasionally hostile, attitude towards the Nepali monarchy since the 1960s.¹⁶ S. D. Muni, a prominent Indian academic whose views help articulate New Delhi's policies on Nepal, represents the dominant Indian position when he argues, in his recent comments on the

¹⁴ There might be little substantive difference between Jang Bahadur's march to Lucknow to relieve the British and Sher Bahadur's offers of assistance during the Afghan war. Both were presented as civilisational wars of their times, and the services rendered can be read as tributary obligations of a dependent condition.

¹⁵ A typical view on this issue argues rather condescendingly that, 'Though not impracticable, the conduct of a non-aligned policy in this geopolitical setting posed concrete difficulties. For instance, if Nepal wanted to seek co-existence with communist China, it inevitably implied a dislocation of the intimate socio-economic bonds subsisting between its people and India' (Nath 1975: 308). See Myrdal (1968), Jha (1977), Khanal (1977), Muni (1977) and Rose (1977) among others for a discussion of Nepal's struggle for non-alignment and neutrality in foreign relations. King Birendra's proposal to have Nepal recognised as a Zone of Peace was rejected by India on similar grounds (Jayawardena 1992: 300).

¹⁶ Perhaps the most overt manifestation of this antagonism occurred when the Jain Commission, constituted by the Indian government to investigate the murder of former Indian Prime Minister Rajiv Gandhi, implicated the late Queen Aishwarya as a conspirator in the assassination. Many in Nepal saw the commission's report as a tactic employed to shame and intimidate Nepal's monarchy after the fall of the Panchayat (*Samakaleen*, 11 Dec. 1997; *India Today*, 8 Dec. 1997).

Nepali Maoists, that ‘The constitutional monarchy in the Nepali context is an inherently incompatible arrangement’ which poses ‘*the one real obstacle*’ in synchronising Nepal’s ‘developmental interests vis-a-vis India’ (Muni 2003, emphasis added). By implication, it would appear that the Indian ruling establishment finds all other political forces in Nepal, including the Maoists, to be amenable to its interests.

The underlying contest between the two ideological forces in Nepal (broadly characterised as the Indo-centric and the proto-liberational formations) has largely determined the contours of Nepali political life over the past fifty years, and will continue to do so. The schism is a double bind for Nepal: on the one hand the ideological fault-line disables the articulation of an internally cohesive polity, on the other hand the same fissure continues to offer a convenient point of ingress for Indian political and economic manipulation.

FLEXIBLE IDEOLOGIES, ETHNIC REALPOLITIK

Despite their appropriation of Mao’s legitimating brand name, the Nepali Maoists have displayed little fidelity to the Great Helmsman’s economic and political programmatic.¹⁷ Seven years into their people’s war, they have yet to articulate a coherent economic, political and social vision for the country. The forty-point ultimatum issued to the prime minister in 1996 (see Appendix A) was a listing of individual grievances rather than a cogent revolutionary reordering of the economy, state and society. After entering into peace negotiations in July 2001, the Maoists put forth three substantive demands: the abolition of the monarchy, the formation of an interim government, and the election of a constituent assembly. By the third round of peace talks in November 2001, the rebels were insisting only on the constituent assembly. In light of the fact that the Maoists had not spelled out what is wrong with the present Constitution or what they would like to replace it with, the insistence on electing a constituent assembly to frame a new Constitution seems like the proverbial cart before the horse.

There does indeed exist a disjuncture between Maoism as a legitimating ideological discourse and the CPN (Maoist) as its practitioner in Nepal. The core thrust of Mao’s programmatic was two-pronged: liberation from foreign domination and the reordering of internal class relations were two sides of the same revolutionary struggle. So far, the Nepali Maoists have displayed no real appreciation of Nepal’s neo-colonial position in the region or any commitment to the dual thrust of Mao’s strategy. Internally, they have moved decisively away from their vaguely defined ‘semi-feudal’ and ‘semicolonial’ mode of class rhetoric to the mobilisation of a militant ethnic constituency (See Lecomte-Tilouine in this volume, Magar 2001).¹⁸ Theoretically, Maoist publications still continue to represent ethno-national liberation as contingent on the resolution of the class conflict. Tactically, however, the Maoists’ proposals for ethno-religious and regional mobilisation are far better articulated than their formulations on economy, class, or state. The

¹⁷ The Chinese foreign ministry and its diplomats in Kathmandu have gone to great lengths to distance themselves from the Nepali Maoists. The Chinese ambassador to Nepal stated that the Nepali rebels were soiling Chairman Mao’s name by their terrorist activities (*People’s Review*, 16–22 May 2002).

¹⁸ The Maoists continue to analyse and represent the Nepali political economy largely as a feudal enterprise. For instance, Baburam Bhattarai recently described Nepal as being within ‘precapitalist socioeconomic relations’ (Bhattarai 2002a). However, some economists have argued that the ‘Nepali state is no longer ruled by feudals: it has long passed, especially since the 1980s, into the hands of the trading class comprador bourgeoisie’ (Gyawali 2002: 37). The Maoists are, in effect, ‘trying to overthrow feudalism in a country already ruled by merchants’ (ibid.).

CPN (Maoist) has declared the right to self-determination for all 'nationalities', 'oppressed' and regional groups (CPN [Maoist] 2001: 538). The process of ethnic polarisation and mobilisation calls the claims of the Nepali state to represent the diversity of the Nepali population into question, and wins the Maoists recruits and bases among the ethnic minorities.

With this objective in mind, the Maoists have created or aligned themselves with ethnic and regionalist outfits such as the Limhuwan Liberation Front, the Khambuwan National Liberation Front, the Magarat Liberation Front, the Tharuwan National Liberation Front, the Tarai Liberation Front, and the Newa Khala. Analysing the relationship between the Magar ethnic revival and the Maoist war, Marie Lecomte Tilouine (forthcoming) finds a strong convergence between the growth of the Maoist movement and ethnic assertiveness among various groups during the past decade. Even though the Maoist leadership is predominantly Bahun, Chetri and Newar, the rank and file, and especially the fighting units, are reported to contain a higher concentration of ethnic groups (Onesto 1999: 3). The selection of Rapti as the Maoist core zone is no coincidence: Magars are the largest ethnic group in the area and have contributed significantly to the Maoist guerrilla units. In an interview, Prachanda is quoting as saying. '...these nationalities are so sincere and such brave fighters – historically they have had this kind of culture' (Onesto 2000: 6). The paternalistic homology thus established by the Maoist leader between race, culture, honesty and bravery is reminiscent of the colonial discourse on martial races.

The Maoist declaration of the 'right to self-determination' for ethnic groups no doubt follows the precedent set by Mao in China and Lenin in the former USSR. Following Sun Yat Sen, Mao proclaimed the right to 'self-determination' for minorities and the need to protect their 'spoken and written languages, their manners and customs and their religious beliefs' (Mao Zedong 1965: 306). Once the communists had taken over China, however, the promise of self-determination amounted to little more than costumed affairs at state pageantries, while in the former USSR forced relocations and assimilations were the order of the day during most of the Soviet Raj.

There is a certain sophistry involved in establishing equivalence between the Chinese and Soviet notion of a 'minority' and Nepal's closely interspersed and interlocking fields of castes and ethnicities. Unlike the former USSR and China, Nepal has no clear majorities or minorities, nor are there clearly delineated ethnic territories. It was basically due to this absolute power differential between the majority and the minorities that the Soviet and Chinese communists could promise the right to secession and later deny it, with few repercussions.

If the Nepali Maoists are earnestly committed to the project of creating multiple ethnically homogeneous states out of present-day Nepal, they will clearly be deviating from the precedent set by Mao, who made an expedient use of the minority constituency during the revolutionary war. But if instead the CPN (Maoist) is seeking to fully emulate Mao by taking the ethnic fronts for a power ride, the experiment could be entirely different in Nepal. After the Maoists attain their political goals and seek to demobilise, the ethnic genie, raised on ambitions of secession and separate statehood, may not wish to go back into the bottle so quietly: ethnic chauvinism has a tendency to take on a life of its own. Unlike Mao and Stalin, the Nepali Maoists would not have the wherewithal to contain the ethnic firestorm they had ignited.

Even as the CPN (Maoist) continues to promise the ethnic fronts a self-determination that would, in theory, re-establish the pre-unification *baise* and *chaubise* principalities, in the same breath they also speak of being the true guardians of unified Nepali nationalism as founded and expounded by the House of Gorkha (Bhattarai 2001b). The Maoists have been very critical of

all other political forces for their alleged anti-national credentials, and they have asserted with puritanical zeal that they alone stand for the territorial integrity of a single country.

As if its diametrically opposed positions on the nation and multiple 'nationalities' were not confusing enough, the CPN (Maoist) passed an even more intriguing resolution at its second national convention in early 2001, calling for Nepal to enter a soviet-style federation of South Asian republics (Wagle 2001, also see Sharma in this volume). Short of a military conquest, the prospect of such a regional union emerging in South Asia through mutual consensus is highly unlikely. Despite the serious political and historical obstacles which stand in its way, it is interesting that the leaders of the ruling Bharatiya Janata Party (BJP) in India have also aired their hopes for the realisation of a subcontinent-wide 'Akhand Bharat' nation, basing these hopes on brahmanic assumptions about the religious and cultural unity of South Asia.¹⁹ The apparent convergence in the world view (or regional view, to be more precise) of India's far right and the Nepali far left is quite interesting.²⁰ All three of the Maoist propositions

reviewed here — the promise of self-determination which, when taken to its logical conclusion, would entail dividing present-day Nepal into multiple ethno-states, the nationalistic pledge to consolidate the existing nation-state; and immersion into a sub-continental federation — cannot be true at the same time. In fact they stand as mutually exclusive. Despite being often accused of dogmatism by their detractors, the Nepali Maoists display a remarkable degree of ideological mobility and deliberate ambiguity, and have proved to be particularly dexterous in maintaining contradictory positions. The drift from both Maoist and Marxian doctrine was officially institutionalised in early 2001, when the party's second national conference declared its governing ideology to be 'Prachanda Path', appropriately conveying the double meaning of 'extreme path' and 'path of Prachanda', after their party's powerful chairman.

While the Maoists are shifting internally from the rhetoric of class conflict to that of ethnic polarisation, externally, their rhetoric on imperialism and hegemony notwithstanding, they have so far exhibited little interest in undoing Nepal's subordination in the regional or global matrix. On the contrary, the rebels have adopted a Machiavellian pragmatic to turn the Nepali state's historic external limitations into potent assets. These strategies, while conveying the appearance of novel breaks with the past, invoke historical precedents at several levels. Karl Marx's sense of *dejà vu* is particularly illuminating here:

...just when they seem engaged in revolutionizing themselves and things, in creating something entirely new, precisely in such epochs of revolutionary crisis they anxiously conjure up the spirits of the past to their service and borrow from them names, battle slogans and costumes in order to present the new scene of world history in this time-honored disguise and this borrowed language (Marx 1978: 595 [[i]The Eighteenth Brumaire of Louis Bonaparte

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¹⁹ *timesofindia.com*, 22 Jan. 2002.

²⁰ Even as the CPN (Maoist) indulges in the systematic destruction of the Hindu religious and cultural edifice in Nepal, senior Maoist leaders have upheld the right of Hindu fundamentalists to build the Rama temple on the disputed Babri Masjid site in Ayodhya. Maoists have also sought to win favours from New Delhi by giving credence to Indian accusations that Nepal has become a launching ground for Pakistani subversion against India (*Spotlight*, 24–30 May 2002).

The familiar historical terrain the Maoists have traversed over the past seven years en route to their final rendezvous with the Legacy Raj provides a basis for identifying the Maoist war as a replication of the conventional form of oppositional politics, rather than a revolutionary break from it. All successful oppositional engagements have so far entailed a coupling with Indian interests in order to encircle, coerce and compromise the Nepali state, and it appears that the Maoists have also opted for this proven strategy, albeit in a different guise.

A cursory survey of the fate of recent communist insurgencies in the Third World provides us with some possible scenarios for Nepal. Under favourable external circumstances, it is conceivable that the state will defeat the Maoists, as was the case in Thailand, Malaysia and Sri Lanka. Alternatively, if the regional milieu continues to favour the Maoists, the present strife could degenerate into a long war of attrition as in Colombia at present, and Guatemala and El Salvador in the past, before the rebels finally made peace with the state. Although the CPN (Maoist) models itself on the Shining Path movement and takes much inspiration from its Andean comrades, the Peruvian State under President Fujimori largely destroyed the Peruvian Maoists. Unless the prevailing international context alters radically, the Maoists are unlikely to replicate the classic communist victories once seen in Vietnam, Cambodia, Cuba, Korea and China.²¹

Although it is a relatively weak state, Nepal has in the past displayed a remarkable ability to defuse, co-opt or neutralise armed rebellions when the rebels have lacked sustained foreign backing. If the Maoists are denied Indian support and Western governments continue to back the Nepal government in the present conflict, the Maoists will find it hard to repeat their spectacular successes. On the other hand, whenever there has been adequate extra-territorial support for Nepali oppositional forces, the Nepali state has had to concede not only to them but also to their foreign patrons. Sensing the lack of enthusiasm for orthodox communist doctrine among important constituencies both within and outside the country, the CPN (Maoist) leadership in 2002 began to quietly back-pedal on its revolutionary goal of a Maoist one-party state and a communist economy.

The only revolutionary objective now retained is the destruction of the 'feudal' monarchy (RW 2002, MIM 2002).²² The latest ideological repositioning is seen as a tactical manoeuvre to check the growing isolation from the middle classes and to make the insurgency more acceptable to a Western audience which might be opposed to communism but sympathetic to a republican cause arrayed against a 'feudal monarchy'. The ideological dissimulation from the dictatorship of the proletariat to what Maoist leader Bahuram Bhattarai describes as a 'bourgeois democratic republic' has already contributed to a vertical split within the Nepali Congress in 2002. If the ruling party fissure becomes a catalyst for a wider realignment in the underlying bipolarity of

²¹ Comparing extreme left politics in Peru and Nepal, Andrew Nickson suggests that a transition from authoritarian rule to a non-performing democratic regime is a fertile space for Maoist revolutionaries. 'In the case of Peru, the early years of the armed struggle launched by Sendero Luminoso went largely unreported in the euphoria created by the return to democracy. There was general disbelief that a tiny faction of the communist movement which had been quiescent during the military regime, would choose this moment in time to launch its revolutionary war' (Nickson 1992: 382). While there are some commonalities in the evolution of the CPN (Maoist) and the Shining Path Maoists of Peru, there are also significant differences, especially in their regional and ethno-religious contexts, which Nickson did not take into account.

²² These ideological shifts were first reflected in two articles posted on the web by Baburim Bhattarai during the first half of 2002. The first of these is addressed to a Western audience, while the second one is aimed at the Nepali middle classes and Nepali migrants working in the West.

Nepali politics, the process will produce strategic military and political options and assets for the CPN (Maoist).

It is interesting that even as the Indian government stepped forward to condemn the Maoists and offer the Nepali army some military hardware,²³ newspaper reports suggested that the Maoists continued to receive supplies and shelter in India.²⁴ By supporting and supplying both sides of the civil war in Nepal, New Delhi has perfected the imperial art of divide and rule. This is not the first time it has done so. Before Mohan Shamsheer signed the controversial treaty with India in 1950, Nehru went on assuring the Nepali prime minister that India would come to his aid even as New Delhi was readying the Nepali Congress for the eventual assault against the Ranas (K. C. 1976: 12). As B. P. Koirala put it, 'It seems that India always had two opposing jaws; one would direct [us] to stay with the king while the other would encourage [us] not to be afraid of going against the king' (Koirala 1998: 305).²⁵ The clashing of jaws is a powerful metaphor for the internecine conflict that is violently churning up the entrails of the divided Nepali polity today.

The editorial in the *Times of India* which sought to chastise US secretary of state Cohn Powell for offering the Nepal government some support against the Maoists also gave an indication of India's relationship with the Nepali rebels by contrasting them favourably with Osama bin Laden. 'Unlike the Taliban and many outfits inspired by Osama bin Laden, the Maoists of Nepal, for all their violence, represent a progressive protest movement which is neither anti-modern nor exclusivist in ethnic and religious terms,' the paper argued.²⁶ In a cogent critique of the various hegemonic discourses of civilisation, enlightenment and order the British employed to justify their domination over the Indians, Jawaharlal Nehru noted: 'Thus hypocrisy pays its tribute to virtue and a false and sickening piety allies itself to evil deeds' (Nehru 1966: 63). While it might be too early to judge whether this advocacy of the 'progressive, modern and inclusive' Maoists is inspired by Nehru's 'sickening piety' or by something noble, the message from India's fourth estate was quite clear: one country's terrorists are another's progressive agents. Given the disposition of the Legacy Raj and the oppositional imperative in Nepali politics outlined in this chapter, the contours as well as the final outcome of the present war will depend largely on the manner in which the opaque relationship between the Delhi Durbar and the Nepali Maoists matures in the months ahead.

Source: *A Himalayan Red Herring?* — Saubhagya Shah; *Himalayan 'People's War'*, Ed. Michael Hutt, Hurst & Co., London 2004.

²³ After 11 September 2001 the Indian prime minister and foreign minister publicly announced that India would help the Nepali government in its fight against the Maoists, whom they now identified as terrorists. India was the first country to do so (*People's Review*, 17 Oct. 2001).

²⁴ These contradictory moves from India, especially after 11 September 2001, can perhaps be explained by the possibility that the various organs of the Indian state, viz. the foreign ministry, defence establishment and the intelligence agencies, were pursuing different sets of objectives within the same policy framework towards Nepal, and not necessarily working at cross-purposes.

²⁵ A month after the Indian foreign minister had labelled Nepali Maoists 'terrorists' and publicly pledged support to the Nepali government in the conflict, the senior Maoist leader Krishna Bahadur Mahara flew in from New Delhi on an Indian Airlines flight to lead the Maoist delegation in the third round of talks with the government held in Kathmandu. Subsequently, many of the Maoist leaders continued to provide regular statements and interviews to various media from different Indian cities.

²⁶ 'Terror Error' (editorial), *Times of India*, 22 Jan. 2002.

Appendix 2: Marx's Ethnological Notebooks, feudalism in Asia, and strategy in Nepal

Stephen Lawrence Mikesell argues that the common leftist definition of Nepal as wholly or partially "feudal" is wrong and historically inappropriate and that those 'Marxists' claiming it are in contradiction with Marx's own expressed views.

THE NEPALESE Left starts with the premise that the countryside of Nepal, if not the state, is feudal. Although this is a more critical stance than many works which describe the country in terms of being timeless and 'traditional', it is theoretically, historically and comparatively incorrect. Moreover, it seems strategically unwise. Although this interpretation is based on materialist theory, it misreads Marx's analysis of feudalism [e.g. in Marx and Engels' Introduction to *The German Ideology* (1983) and 'Forms which Precede Capitalist Production' (1973a)]. Moreover, in the last years of his life, Marx (1972) strongly opposes it.

In the first place, that relations take feudal forms does not necessarily mean that they are feudal in content or that the state is feudal. A study of feudalism in Europe shows that it arose from the disintegration of the Roman Empire, a highly centralized state controlling the entire Mediterranean, Western Europe, and a large part of Asia. This is not at all the experience in Nepal.

Over the course of five centuries that the Roman Empire developed in Western Europe (from the first quarter of the first century BC to the last quarter of the fifth century AD), not only did Roman society drastically change, but the relations in the countryside under the Roman rule among the tribes which eventually overthrew it also transformed. Consequently, it is important not to too quickly attribute feudalism to other areas of the world without accounting for and comparing conditions that presupposed its development in Europe.

As one of the driving forces of the expansion of the Roman empire, its citizens set themselves up on landed estates in conquered provinces worked by enslaved captives. Simultaneously, the Romans established cities across Europe as seats of administration and trade. The rule of these cities over the countryside was essentially political, meaning that production itself did not in substance change. On the fringes of the empire, the various German tribes were forced to organize for war against the Roman expansion. In the later centuries, this took an increasingly aggressive form. Since the development of the Ancient city was characterized by territorial expansion with its citizens becoming a landed class, Marx spoke of this expansion of the Ancient European city as 'ruralization of the city'.

In the late empire of the fourth and fifth centuries AD, developments led to the appearance of a number of conflicting interests which increasingly weakened the empire from within while the threat from without grew ever stronger. The long years of war against increasingly powerful German tribes placed a heavier and heavier tax burden on the countryside, causing an ever larger split between the strong landholding class and the city. These developments were compounded by a growing class of restless landless citizens and freed slaves within the cities, and growing

restlessness among slaves working in the countryside, with their sympathies for the Germans. The landless proletariat remained an unorganized rabble, threatening the rulers (inducing subsequent rulers to promise greater amounts of 'bread and circuses' to sedate the masses) but never posing a threat to take over state power.

Due to the long history of expansion and centralization, when the Western Empire eventually fell at the end of the fifth century the collapse of the state machinery was so complete and widespread that it reduced political power into many small estates and individual landlords organized according to the militarized order of the invading tribes. Although much weakened and depopulated, the cities stood in opposition to the countryside. Throughout the immense area of what was once the Western Empire, cities for the first time had become relatively independent of the control of landed property interests over the state. Feudalism was then characterized by a gradual process of exertion of the independence and extension of control of cities over the countryside and eventually the state. Thus, unlike before, the expansion of the feudal cities took the form of 'urbanization of the countryside'.

At no time in its history has Nepal, however, been characterized by either the great centralization that provided the historical basis preceding the rise of feudalism or the complete collapse of the state that defined it. In the West, at least, where Rajputs had been establishing themselves from the beginning of the millennium, the state in Nepal was always characterized by increasing centralization, and at no time has control of the landed classes over it been relinquished. Unlike in feudal Europe, towns and cities never emerged in opposition to the landed property classes and the countryside. Rather, they developed as seats of control of these landed property classes. Consequently, instead of exerting their independence, the urban industrial and mercantile classes remained subordinated to the landed classes, taking their hegemonic form, caste.

The centuries from the time of King Prithivi Narayan Shah, the first king of modern Nepal (d. 1775), have been characterized by unprecedented centralization and realignment of production and development of social interests, in Nepal, India and globally. Prithivi Narayan's 'unification' of Nepal assumed already great inequality in the countryside which caused hill peasants to rally around him and his promise of agricultural land to his followers.¹ The contingency of the plots on ruling interests of the state, and the subsequent centralization, both of control by landed property within the country and the growing strength of industrial capitalism without, neither alleviated conditions in the countryside nor helped establish industry as an independent force. And while bazaar merchants became a strong force within Nepal, this has been primarily due to their role in the circulation of industrial commodities from without. The conditions of feudalism as a form of state or in the content of the general relations of the people simply never existed in Nepal.

¹ As Marx pointed out in the case of the founding of Rome, this process laying claim to sovereignty has been repeated throughout history: 'old trick of the founders of cities to draw to themselves an obscure and humble multitude, and then set up for their progeny the autochthonic claim...' "From the neighboring places a crowd of people of all kinds came for refuge, without distinguishing freemen from slaves in quest for novelty, these were the first to come, because of the (city's) greatness." (Liv. I, I.) ... Shows that the barbarian population of Italy was very swollen, discontent among them, want of personal safety, existence of domestic slavery, apprehension of violence' (Marx 1972: 226-7). Probably much the same can be said for Nepal, especially its western region.

MARX'S ETHNOLOGICAL NOTEBOOKS AND THE INDIAN SUBCONTINENT

We know quite well Marx's understanding of the global process from his earlier works, especially *Capital*. But there seems to be a continuing debate about how he interpreted developments in the Indian subcontinent. Best known are his writings in the New York *Daily Tribune* on India during the Great Revolt of the 1850s, when Marx first began to familiarize himself with India and characterized British rule as far more despotic and destructive than was ever previously experienced in India. However, he also saw this rule as representing a revolutionary force that would introduce contradictions to bring the subcontinent out of its assumed stagnation. He developed this understanding in the *Grundrisse* (Marx 1973a) with the addition of an 'Asiatic form' to his Hegelian schema of property and modes of production in the history of the world that he had previously developed in his introduction to *The German Ideology*.

Some scholars particularly reacted to this understanding of Marx, especially in its subsequent unilinear interpretations and formulations unintended by Marx. Aware that characterizations of Asia as stagnant have been an aspect of expansionist western colonial and imperial ideology, these scholars try to show how Indian and other Asian Empires were indeed feudal and thus contained dynamic contradictions in the sense of feudalism in Western Europe (Berkday 1987; Alavi 1980).

While agreeing with the critique of Western European Orientalist theory, I have been unsatisfied with these authors' attempts to use particular feudalistic characteristics in order to characterize entire regions or eras as feudal. For Marx and Engels (1983), the general character of a society or stage of social development is defined foremost by the general underlying relation of city and countryside at the basis of the division of labour characterizing the society. Selective focus on the appearance or lack of specific features can cause this essential relationship to be overlooked. Such a focus on the presence or lack of particular characteristics, such as of guilds in India (Alavi 1980) or large estates in Nepal,² cannot in itself define a modal difference.

Marx seems to have been reassessing his ideas on the subject when he turned to the newly emerging ethnological literature in the last years of his life.³ First, in applying his knowledge

² In fact the existence of guilds prove nothing, since in Europe guilds were the form taken by commerce and industry under the dominance of landed property in self defence against it, prior to their assertion of their hegemony and conquest of the state. Thus guilds can be expected to exist wherever landed property is dominant. The key experience of Western European feudalism, however, is that landed property had lost control of the centralized state and as a consequence the city stood in opposition to the countryside and landed property, eventually to subordinate it.

³ Some authors, such as John Mephram (1978), argue that in the course of writing *Capital*, Marx dropped his earlier Hegelian categories and turned to scientific ones. (A secret that seems to have eluded even Marx in his prefaces to *Capital* where he described the manner that Hegel, albeit inverted, provides the methodological basis of his analysis.) Beneath this argument lies the motive of substituting a positivist, ahistorical approach for a dialectical, historical one, removing the revolutionary implications from Marx's work. It allows Marx to be used for establishing new forms of class power, such as that of the bureaucratic intelligentsia under Stalin (which also is why Stalin argued that it was unnecessary to read the first chapter of *Capital*) or according to Althusser and the Frankfurt School of Marxism to further the ends of liberal bureaucratic intelligentsia in the west (Mikesell 1992a). Teodor Shanin (1987) in his study of the late Marx argues that in his *Ethnological Notebooks* Marx turned from a unilinear theory of history, supposedly espoused in the preface to *Capital*, to a multilinear one. However, Marx had already developed this multilinear theory in his *Grundrisse* (1973a). If in a rhetorical flourish he wrote that England represented the future of Germany (and other countries), it was because he saw capitalism as spreading over the world and subordinating all other forms,

of ancient and feudal Europe in his reading of Lewis Henry Morgan's *Ancient Society*,⁴ Marx shifted his focus from an abstract hypothetical typology of the forms of property to a historical and comparative study of the development and transformation of clan-based states into states representing private property (with the subsequent subordination of the clan to the patriarchal family).

While previously Marx had developed a theory of the rise of the city in terms of a typology of production relations based especially on his knowledge of Europe, in the Morgan notebooks he shifted his focus to the particular histories of this transformation as it occurred variously throughout the world. His focus was less on essential, ideal Hegelian framed differences, as previously, than on how the same processes took different forms and represented various interests in different places and periods throughout the world.

In particular, Marx's notebooks on Edward Phear's *The Aryan Village* focus on the substance of British colonialism in rural India. Here we see that Marx does not attribute the conditions of rural India to feudalism. To the contrary, he castigates Phear for making just this interpretation.

So small the accumulated capital of the villagers and this itself is often due to the mahajan = merchant, money dealer—one who makes it his business in the villages to advance money and grain to the Ryot on the pledge of crop. Extreme poverty of

not because he saw all forms of society as naturally evolving towards capitalism. He was already far more sophisticated than many of his epigones, who subsequently interpreted his categories unilinearly. Marx turned to intensive study of the histories of other societies late in his career to ascertain how private property and states representing private property developed out of or subordinated clan organized society (in his notebooks on Lewis Henry Morgan's *Ancient Society*), and how industrial capitalism subordinated states with already well-developed forms of private property, such as India (in his notebooks on Edward Phear's *The Aryan Village*). A careful comparison of the *Ethnological Notebooks* to his early works such as the *German Ideology* shows him using the same dialectical methodology, but with more depth, sophistication and knowledge.

⁴ Marx discarded important flaws in Morgan's work which Frederick Engels (1983) later went on to use as the basis of his own misrepresentation of Marx. Chief among them was Engels' reliance on Bachoven's theory of the 'mother right', which Marx disdainfully dismissed with two paragraphs in different parts of his *Ethnological Notebooks*. The 'mother right' presented society as originally matriarchal, due to the certainty of the natural linkage of mother to child, but eventually men imposed the patriarchy in revenge for the previous domination of women. Anthropologists generally never accepted this thesis, but probably for the wrong reason—i.e. that it seemed too speculative. Basically, it represented the dominant Victorian ideology of the newly emergent monopoly capitalism in the late nineteenth century (and more generally an ideology of the rule of middle classes that had been emerging through the course of the developments in feudal Europe) that women must be 'put in their place'. Marx, in contrast to Engels, saw in his Morgan notebooks that it was the rise of private property and the subsequent subordination of the clan to the patriarchal family that led to the subordination of women. Among the middle classes of feudal cities, the position of women worsened as property, increasingly in the form of capital, became more concentrated. Subordination of women was one way of keeping property from being dispersed among other families or lineages, particularly of wives, as happened under the communal ownership represented by the clan. This oppression of women reached its extreme in Victorian Europe, where on the one hand capitalists were fighting to prevent their capitals from being dispersed among other capitalists. On the other hand among the workers, first, more poorly paid women were being used to force down the general level of wages among the labour force, second, the cost of reproduction and maintenance of the labour force was being thrown entirely onto the wives and mothers of the workers rather than being born by the factories. These different strategies of capital reached their extreme during the latter half of the nineteenth century because of the immense competition resulting from the concentration of capital in monopolies (see Lenin 1975). Although now the oppression of women among the ruling classes is becoming irrelevant for capital (though it certainly continues in the form of male monopoly, as a class, over ruling and high status positions), the history of the oppression of women among the working classes is still relevant in the context of the spread of factories into the Third World and a concentration of national capital into transnational corporations in a manner analogous to the early rise of monopoly capitalism (see Magdoff 1969; Mitter 1986).

by far the largest portion, i.e., the bulk of the population in Bengal (the richest part of India!) seldom rightly apprehended by the English people. (Marx 1972:249)

(This ass Phear calls the Constitution of the village feudal). Outside of this Village Constitution the Mahajan, the village capitalist. The village ryot has to periodically pay money; e.g., to build new or repair hut of the homestead, to make a plow or another instrument, to purchase a pair of bullocks, the seed required for planting, finally, travel for himself and his family, several kists of rent to be paid before all his crops can be secured and realized. In the western part of the Delta, his savings seldom suffice to tide him over; the period which elapses before his yearly production realizes payment. Thus he must go to the Mahajan for money and for paddy as he wants them. Customarily it takes the form of a transaction between both sides: the paddy for sowing and for food and also other goods, become supplied under the condition that he return an additional 50% in quantity at the harvest time; money is to be repaid at another time, also at harvest time, with 2% per month interest either in the form of an equivalent of paddy, reckoned at bazaar prices, or in cash at the option of the lender. As security for execution of this agreement the Mahajan frequently takes mortgage of the ryot's future crop, and he helps himself to the stipulated amount on the very threshing floor, in the open field. (63, 64)

The Zemindar—this false English landlord—merely a rent-charger; the ryot a field-labourer, living from hand to mouth; the mahajan, who furnishes the farming capital, who calculates the labor and pockets all the profits, is a stranger, having no proprietary interest in the land; a creditor only, whose sole object is to realise his money advantageously as possible. After setting aside his golas (hut in which grain is stored) as much of the production come to his hands, as he is likely to need for his next year's business, he deals with the rest simply as cornfactor, sending it to the most remunerative market—and yet he has not legitimate proprietary status in the community, while those who have—the ryot and the zemindar for different reasons are apparently powerless. Hence, the unprogressive character of an agricultural village, as described by a young zemindar. (Marx 1972:256–7)⁵

Here it is evident that at that time in Bengal, Marx sees that the substance of relations of the landed property classes was not feudal. He saw instead that the merchants dominated the countryside and castigated Phear for interpreting the relations of the country as feudal. Under feudalism rent takes the form of the entire surplus, under capitalism the rent portion taken by the landlord represents only one part of the surplus. The rest enters into circulation as interest and profit of merchants. Even when the landlords physically collect the entire surplus in the form of rent, if conditions force them to enter it into circulation controlled by merchants (or transnational corporations), then in effect the merchants deduct the profit portion and reduce the landlords' share into the rent one.

Marx's previous typology that presented India as 'stagnant' no longer seemed relevant in his Ethnological Manuscripts. Indeed, he recognized later in the text that significant changes in landownership, including subinfeudation, had been going on prior to the entry of the British into India (Marx 1972:262). The British totally transformed the system by converting land into

⁵ German part translated by the author with minor editing, italics removed.

private property, in effect favouring the development of merchant class interests over and against those of other classes (to say nothing of the labourers).

The conversion—by the English rogues and asses of the Zemindaris into private proprietors made by itself (if also not in the idea of the former asses) all intermediate interests into rights in land, and the owner of such interest could encumber the land or alienate it within the limit of the right; he could receive his ownership itself against the complex Hindu joint-parcenary form. (147, 148) (Marx 1972:263)⁶

The implication is that by making property alienable, the British laid the ground for the full alienation of the land by *one* of the dominant classes in the countryside, the merchants, allowing it to become the *primary* dominant class under the British. This obviously served the purposes of the English, because it meant that land and labour could be concentrated under capital and the surpluses easily alienable to enter into the circulation of industrial commodities. These processes were also taking place within Nepal from at least the time of the Ranas, and they were greatly accelerated from the beginning of the twentieth century.

The full history of this mercantile class was described by Ray (1988) as originating in the handling of the credit operations of the Mughal armies. The merchants' domain of operation was the bazaar. With the entry of the British into the subcontinent, the merchants served to link between the European dominated organized business and industry on the one hand, and the artisan and peasant economy on the other. The members of the Indian capitalist class acted as servants of the colonial economy (thus coming under the term of comprador capitalists),⁷ allowing them to displace the control of landed property over the countryside and extend their strength through control of up-country markets. The string of crises of the first half of the twentieth century (the world wars and Great Depression), allowed the bazaar merchants, with their much smaller and more flexible operating margins, to push the European interests out of the organized economy and establish their own control over the state in alliance with the transnational interests.⁸

In the Himalayas, the conquest by Gorkha of the various hill states in the last part of the eighteenth and early nineteenth centuries allowed a nearly simultaneous expansion of merchants

⁶ See note 5.

⁷ The term 'comprador' has been used to denote the merchant classes in Nepal. I am not entirely comfortable with the term, because it was originally used in China to refer to Chinese agents in foreign firms who handled the Chinese employees and business of the firms. It was used by Mao to refer to a class that along with the landlord class existed as 'wholly appendages of the international bourgeoisie, depending upon imperialism for their survival and growth', which 'represent the most backward and most reactionary relations of production in China and hinder the development of her productive forces'. He contrasted these to a 'middle' or 'national bourgeoisie' which 'represents the capitalist relations of production in China in town and country' (Tse-Tung 1975:13–14). Due to its own interests in independently monopolizing state power, revolutionary strategists have thought that they can initiate revolution in alliance with the 'national bourgeoisie' and then subsequently break the alliance to complete the revolution. This strategy succeeded temporarily in Russia due to the war-induced upheaval at the time of the revolution. In China in 1927, Germany in 1920, and India in 1947 this strategy set back the revolution in the former and destroyed it in the latter two countries. In all three cases, as generally, it effectively delivered power to the bourgeoisie class. Dependency development theory or so-called 'neo-Marxism' turned this strategy into an unabashed theory of development of the national bourgeoisie, which still appeared revolutionary and somewhat daring to liberal intellectuals due to the retention of Marxist terminology and its apparent challenge of transnational interests. But even in 1926, Mao saw that, given the international character of production and the division of labour, the independence of these classes was an illusion.

⁸ The real content of the transfer of power in India (see Ghosh 1985).

from the conquered cities of Bhatgaun and Lalitpur into the hills west and east of the Kathmandu valley, respectively. They built bazaars throughout the middle hills, first on the basis of trade in indigenous products such as homespun fabrics and other goods, but increasingly of fabrics, salt, cigarettes, thread, kerosene, and other goods imported from British India and other foreign countries. This, combined with usury, allowed them to exert increasing control over the land. They entered the surpluses extracted through whatever means in Nepal back into circulation, now global in extent, contributing to the realization of values, employment of labour, investment in new means of production, and the accumulation of industrial surplus in Europe, the United States and Japan.

Thus the production and reproduction and the activity of the ruling classes within Nepal became increasingly committed to the expansion of industrial capitalism without the country even prior to the date usually set as the watermark of foreign influence, the (misnamed) 'Democracy Revolution' of 1950–1. Despite the continued existence of landlordism and patronage, key elements of the dominance of landed property were eclipsed. The combination of agriculture and industry was broken as factory-produced cloths, shoes, cigarettes, etc., displaced village-produced ones. Consumption and production in the village became another step in the circulation of industrial commodities. A large portion of the social product was put to reproducing mercenary soldiers whose purpose was (and is) to police the new global rule being established by capitalist interests. Increasing amounts of labour are being recruited into India and elsewhere. And finally, the landlords themselves enter surpluses, collected in the form of rents, into the market.

Even previously, surpluses were not entered into an estate economy characteristic of classical feudalism. Rather, they were controlled, if not directly, by a centralized state in the service of landed property distributed in the form of prebendal estates. Subsequent changes in distribution of surplus have depended upon the ability of various classes to assert their control over the state. This has in part taken the form of assertion of monopoly control by ruling families in alliance with transnational interests—a position analogous to that of the Birlas, Tatas, and other large houses of post-independence India. In opposition to them, in addition to the bazaar-based merchant and contractor interests, is a growing bureaucratic and intelligentsia interest. Although the ruling families were trying to consolidate their hold over the countryside with unprecedented expansion of state mechanisms into the villages, they instead succeeded in creating yet another class interposing its interests over the direct producers. Up to now, the radical opposition forces have failed to capitalize on this failure of the government; and they now necessarily await for a spontaneous uprising to deliver the state into their hands.

Unlike the pattern under feudalism, the expansion of the indigenous capitalist class was facilitated by increasing centralization, not breakdown of the state. Whereas in feudalism the functions of government devolved to estates and other local polities; in the Nepal state, offices and a growing bureaucracy have increasingly absorbed not only the estate functions but social ones of all kinds in the name of rationalization. Growth of industrial production and monopoly centred in other countries provided the force behind the expansion of the merchants. Presently, so-called 'development' means the increasing assertion of transnational corporate control over society and state. The form that this process takes is less consequential to the transnational corporations than the end result—who controls use of the natural environment, markets and surplus labour.

Certain strategic implications follow from this reinterpretation of feudalism in Nepal. If the present problems of Nepal are interpreted in terms of a persistence of feudalism, the problem of

change is merely one of disposal of the feudal classes and the capture of state power by a more progressive emerging national bourgeoisie. But when the problem becomes understood in terms of the transnational class relations which have subordinated Nepalese society and interests to their own, then the solution becomes of another order entirely.

Transnational capital is extremely well organized. For example, it brings sugar estates in Honduras and cocoa estates in Peru, oil in the Middle East, shipping transport from Korea, computers from Japan, and media in Manhattan together to produce and distribute cola beverages in Kathmandu. Compared with the means available to the people of Nepal, its resources are bottomless, its presence ubiquitous, its class character complex, and its ideology as many-faced as all the Hindu gods and goddesses (and incorporates them into its pantheon, needless to say). Second, even within Nepal it works through a myriad of occupations and statuses—including bureaucrats, consultants, contractors, merchants, industrialists, educators, doctors, movie producers and movie hall owners, Brahmans, and even Communists; its influence and the people who see their interests and aspirations aligned to it are everywhere. In order to capture state power, where does one start? And what does it mean to capture state power? Even the leadership of the political parties is easily purchased and co-opted.

While agitation at the level of the nation state is important, an increasingly important strategy would be to educate and organize people to recognize and confront capital in its various and changing forms and strategies. The problem is not so much one of leading a universal class, as it has often been framed in the past (usually with the aim of using this class for particular purposes), as obtaining universal engagement by that class in struggle. Even if the leadership is decapitated or sells out, as happens again and again, resistance can then continue. Mere capture of a particular nation state cannot change the present alignment of forces in the world and the general hegemony of capital. In a world where the nation state has been subordinated to a truly global form of state, where presidents and kings are merely beribboned, bemedalled and bespectacled executives of its interests,⁹ where production is shifted to wherever labour and bureaucrats are most pliant; popular change (especially a revolutionary one) necessitates the development of a broad-based local, to say nothing of international, consciousness and organization reaching to the lowest levels. Otherwise, the hoped for spontaneous uprising, if it comes, may be co-opted by one or more of class interests in league with transnational capital. Struggle must be a continuing one, dependent on people more than leaders, met in ways that are even more imaginative and diverse than the many guises of transnational capitalism.

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⁹ Even in the 1989 presidential election in the United States, the main issue besides ‘presidential appearance’ was over which candidate was the best executive. Intelligence and vision rarely entered into the discussion. Unfortunately, the immense economic and military power that transnational capital gives to the ‘national executives’ makes them immediately dangerous, in the long-term destructive, and in the short run at least, marginally accountable to their own national populations.

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