



Stabilisation Unit

**Elite Bargains and Political Deals Project:
Nepal Case Study**

**Stabilisation Unit
February 2018**

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Background to Elite Bargains and Political Deals Project

This case study is one of a series commissioned to support the SU's development of an evidence base relating to elite bargains and political deals. The project explores how national and international interventions have and have not been effective in fostering and sustaining political deals and elite bargains; and whether or not these political deals and elite bargains have helped reduce violence, increased local, regional and national stability and contributed to the strengthening of the relevant political settlement. Drawing on the case studies, the SU has developed a series of summary papers that bring together the project's key findings and will underpin the revision of the existing 'UK Approach to Stabilisation' (2014) paper. The project also contributes to the SU's growing engagement and expertise in this area and provides a comprehensive analytical resource for those inside and outside government.



Executive Summary

Nepal's conflict provides an instructive example of the interconnection between peace processes, political settlements and elite bargains. The conflict lasted from 1996 to 2006, and was driven by a number of factors including a history of state-sanctioned exclusion of lower caste, Madhesi and ethnic groups from power; poverty and inequality; and the impact of the 30-year authoritarian regime (1961-1990) known as the Panchayat, which barred political parties and promoted exclusivist definitions of being a Nepali.

A series of significant turning points took place prior to the eruption of the conflict. There was a shift in the underlying political settlement after the 1990 People's Movement, which led to a new Constitution, multi-party democracy and opened up the public sphere. The 1990 Movement raised expectations of significant changes to the old political settlement, including a more inclusive distribution of rights. However, multi-party democracy failed to meet these expectations, including for greater legal recognition of Nepal's diversity and improved state delivery. Maoist insurgents took advantage of these failed expectations when they launched their military campaign in 1996.

The build-up to an elite bargain

For many years, the monarchy had remained at the apex of the Nepali political system, boosted by Indian support and a loyal Royal Nepal Army (RNA). However, this changed in 2001, when King Birendra and much of the royal family were killed. In the aftermath, the unpopular King Gyanendra, who many Nepalis blamed for the massacre, brought into question the legitimacy of the monarchy as an institution. The monarchy's legitimacy declined even further when King Gyanendra escalated the conflict by deploying the RNA in late 2001 and when he assumed executive authority in 2002 and 2005. Failed negotiations in 2001 and 2003 allowed the Maoists to regroup, but the conflict became a stalemate.

In light of this, Maoist internal policy began to shift in favour of multi-party politics. At the same time, and partly as a result of these factors, Indian policy on Nepal also shifted after 2005 to support the political parties and the Maoists against the King. An alliance between the Maoists and political parties against the King was formalised in the historic 12-point Understanding. This coordination then deepened during the second People's Movement in 2006. The Movement led to rapid changes from 2006 to 2008, including the Comprehensive Peace Agreement (CPA) in 2006 and the abolition of the monarchy and elections to a Constituent Assembly in 2008, all of which opened up the possibility of a more inclusive political settlement.

The role of external players

India was the most important external influence on domestic political elites and played a key role in encouraging key elite bargains that emerged during the 2006-8 period. India encouraged the Maoists into mainstream politics, and after 2005, began to view the King as the biggest obstacle to stability. After a number of missteps, India also supported the main demands of the 2006 People's Movement in Nepal and helped shape international perceptions, legitimising, for example, shifts in international policy towards the royal regime in 2005.

The UN and donors supported the peace process mainly through engagement with conflict actors over human rights and attempts to address the social exclusion of marginalised communities. These human rights interventions succeeded in reducing violations and helped protect democratic space after the King's 2005 takeover. Development efforts to promote social inclusion were not accompanied by reform of the state bureaucracy; and they left out Madhesi groups and ignored the long history of foreign aid reinforcing inequalities. However, social inclusion efforts helped boost



horizontal inclusion of marginalised elites in the peace settlement, partly by building upon inclusion debates generated by the Maoists.

Elite push back and new forms of contention

The seemingly progressive initial peace outcomes in Nepal were significantly watered down during a prolonged transitional period. For elites, the new settlement threatened distributional advantages they had previously enjoyed. As well as push back against change from established elites, change stalled because of the incorporation of the Maoists into normal patronage politics, alongside the development of exclusionary forms of 'consensus' politics. Prolonged elite opposition to donor supported social inclusion measures, which were perceived as generating divisive identity politics, arguably reduced the possibility of a sustainable progressive peace. At the same time, elite push back against an inclusive political settlement also catalysed claims to power from the periphery by the Madhesi movement.



Structural and proximate causes of the conflict

A leading structural cause of the conflict was the historical exclusion from power of lower caste ethnic groups, including the Madhesi. Exclusion had been embedded in the state and wider political economy since the codification of a national state-sanctioned ethnic hierarchy in the 19th century (the 1854 Muluki Ain). The authoritarian, monarchy-led Panchayat regime (1961-1990) banned political parties, further contributing to the systematic marginalisation of minorities.¹ The results of this historical discrimination are seen today in the correlation between the status of groups in the 1854 Muluki Ain hierarchy and the place of the same groups in recent Human Development Index measurements.²

Nepal is characterised by multiple overlapping identities based on caste, ethnicity, class, religion and geography. Historically power has resided with males from two upper-caste hill-origin groups, Brahmins and Chhetris, with the country's political, military and social elite, drawn overwhelmingly from these two groups who make up only roughly 30% of the population.³ The monarchy, as well as being symbolically and ritually important⁴, was at the head of this elite and the political system until it was abolished in 2008. Throughout this period ethnic groups such as Dalits, Madhesi and Muslims were for the most part excluded from this system of power, entitlements and resource distribution. The proportion of Brahmins increased from 55% of MPs in the 1991 parliament to 63% in the 1999 parliament. Only one Dalit was elected an MP in the three elections during the 1990s.⁵

However, besides exclusion there are several other compelling and interlinked causes of the conflict. Despite development gains since the 1950s, Nepal has remained one of the poorest countries in the world with a per capita GDP of approximately \$200 in the early 1990s and 42% of the population lived under the national poverty line as late as 1996.⁶ Development spending was uneven and heavily concentrated in the Kathmandu valley⁷ resulting in rural poverty levels in 1995-6 of 43%, almost twice as high as urban poverty levels.⁸ The Mid-West and Far-West highland regions, the core areas of the Maoist's support, had a significantly higher incidence of poverty compared to other regions and sub-regions.⁹

The thirty-year Panchayat regime tightly controlled politics and society, clamping down on dissent and promoting cultural homogenisation through a narrow definition of Nepali national identity.¹⁰ Marginalised ethnic groups were expected to assimilate and to internalise the culture, religion, language and ethos of dominant groups in order to become 'Nepali',¹¹ further fuelling tension.

A further cause of conflict was the unequal distribution of land in a society where agriculture makes up approximately 35% of GDP. Landlessness became a deeply entrenched and widespread problem, with up to 25% of Nepal's population estimated to be affected.¹² Additionally, in the 1990s

¹ Burghart 1984, Onta 1996.

² Thapa, 2012.

³ Lawoti, 2010.

⁴ Mocko, 2015.

⁵ Hachhethu 2014, Thapa with Sijapati 2003.

⁶ Einsiedel et al, 2012.

⁷ Thapa, 2012.

⁸ Einsiedel et al, 2012.

⁹ Mishra, 2004. Other studies illustrated a strong relationship between regional deprivation and the origin and intensity of the Maoist conflict (Bray, Lunde and Murshed 2003; Murshed and Gates 2005).

¹⁰ Baral 2012, Lal 2011.

¹¹ Tamang 2017.

¹² IRIN 2010, Wickeri 2011.



cultivable land was running out and the area of agricultural land transferred between generations became progressively smaller.¹³

Finally, Nepal's long standing receipt of foreign aid from the 1950s onwards¹⁴ provided opportunities for rent-seeking and, arguably, dis-incentivised internal reforms.¹⁵ However, aid has also helped to empower individuals and engender what Fujikura called 'new forms of collective imagination.'¹⁶ Literacy rates amongst Nepali youth began to grow as more had access to some form of schooling and a growing number had begun to look for ways out of low-productivity agricultural work by the time the conflict began in 1996.¹⁷

Significant change in Nepal was catalysed with a series of protests from February to April 1990, which were inflamed by brutal crack-downs by the Panchayat regime. Subsequently a largely urban and Kathmandu-valley-driven movement of formally banned political parties, civil society organisations and ordinary citizens forced King Birendra to dismantle the regime.¹⁸ Compared to the repressive Panchayat era, the post-1990 period opened up the public sphere allowing publically organised NGOs, a free press and media plurality, and political parties.¹⁹ For the radical Maoists these new freedoms made organising protests and building their own organisation considerably easier. However, these freedoms raised high expectations of the new era and a more inclusive distribution of rights and entitlements across groups and classes in society.

A new government (see below for background) was in place by 1991 and expectations were high. Describing Nepali reactions after the movement to the first Nepali congress-led government in 1991, Hoftun and Raeper argued the Nepali people wanted sudden change; 'They did not want to wait for the slow transformation of public life.'²⁰ When these high expectations were not met and the elites continued to monopolise power the Maoists found fertile ground on which to mobilise. The new freedoms granted in the 1990s had allowed the Maoists space to operate and to capitalise on the contradiction between the Peoples Movement's promises of modernisation and the reality of people's daily lives.²¹

Despite improved overall national economic indicators, growth throughout the early 1990s was not evenly distributed. The gap between the rich and the poor, and cities and villages grew between 1985 and 1995, reflected in a rise in the country's Gini Index from 0.3 to 0.35²². National unemployment remained high at 17% while underemployment persisted at 32% of the economically active population.²³ Additionally, state delivery of services did not improve and long-term development interventions compounded regional inequality. There is evidence that economic growth and the failure of the early promise of multi-party politics to materialise deepened inequality in several regions by strengthening the political and economic advantages of landlords.²⁴ This was in part due to economic reforms that removed farmer subsidies, increasing their dependence on landlords who subsequently exploited the situation by delivering political parties votes for cash.²⁵

¹³ Mishra 2004.

¹⁴ Dixit 1997, Mihaly 2002, Sharma 2017.

¹⁵ Rinck 2012.

¹⁶ Fujikura 2003.

¹⁷ Mikesell 2006, Mishra 2004.

¹⁸ Hutt 1993, Hoftun and Raeper 1992, Hoftun, Raeper and Whelpton 1999, Sangraula 1997. The Panchayat regime was also severely weakened by a trade embargo imposed by India during 1989-1990 (Hoftun, Raeper and Whelpton 1999).

¹⁹ Hutt and Onta 2017.

²⁰ Hoftun and Raeper, 1992.

²¹ Lakier 2005.

²² G.Thapa 2017.

²³ Sharma 2006.

²⁴ Joshi 2010.

²⁵ Deraniyagala 2005, Joshi 2010.



This situation led to landlord-friendly policies and a lack of reform in favour of the farming population.²⁶ A failure to tackle social exclusion after 1990 stood in stark contrast to a growing public consciousness about the issue. In some areas the situation had actually worsened, with minority representation in the civil service declining in the early 1990s.²⁷

The Nepali conflict and the key actors

In the mid-1990s Nepal descended into conflict. An especially important moment in this period saw a faction of the United People's Front, a communist supporting political party excluded from participating in parliamentary politics. In 1995 the United People's Front subsequently changed their name to the Communist Party of Nepal (Maoist) CPN(M) and developed a strategy for a 'People's War'. The CPN(M) – for simplicity's sake referred to from here on as the 'Maoists' – were a small faction of radical leftists whose demands included socio-economic and land reform; an end to intrusion and domination by foreign elements (aimed at India); an end to cultural discrimination; and a new Constitution to be written by people's representatives in a Constituent Assembly.

The mode of Maoist violence varied throughout the conflict: from enforcing shutdowns (*bandhs*) to robbing banks, from extorting businesses to large armed attacks and from summary executions to symbolic attacks on state targets. During the first half of the conflict (1996-2001), the Maoists typically used violence to achieve specific symbolic and political impact. In the second half of the conflict (2001-2006) the mode of Maoist violence became more brutal, in response to the deployment of the Royal Nepal Army (RNA). This included greater use of abductions and kidnapping, the deliberate targeting of civilians and summary executions. Maoist violence was also used to settle personal vendettas or to eliminate internal Maoist party targets. In addition to the drivers mentioned above, a further range of issues drove support for the Maoists, including collective memories of brutality by state security forces, historical mobilisation by communist movements and failed regional development projects.²⁸

The main parties who alternated power in the 1990s were the Nepali Congress and the Communist Party of Nepal-Unified Marxist Leninist (CPN-UML), although they often also formed political coalitions.²⁹ Between 1996 and 2006 there were ten separate governments. As with the Maoist movement, the senior decision-making leadership of the main parties consisted of a small circle of largely male, Hindu high-caste party leaders who concentrated power in autocratic party structures. The governments were characterised by instability, infighting, and confusion over how to deal with the Maoist insurgency: no coherent policy emerged before 2001.

The monarchy played a significant role throughout the conflict. The 1990 Constitution determined that governing parties had to share power with the King. He could only exercise his authority on the recommendation of the council but in practice he retained power over the RNA. Before 2001 King Birendra had been reluctant to escalate the conflict and use the RNA against fellow Nepalis.³⁰ But after the royal massacre, in which he and much of the royal family were killed, the unpopular royal Gyanendra, who many Nepalis blamed for the massacre, became King. He believed that only the

²⁶ Joshi 2010.

²⁷ Lawoti 2012.

²⁸ Cailmail 2008/9, Fujikura 2013, Holmberg et al 2009, Lecomte-Tilouine 2013, Pettigrew 2013, Shneiderman 2012, Shneiderman and Turin 2004.

²⁹ The Nepali Congress, which played a leading role in the armed revolution to overthrow the Rana regime in 1951, is a centrist-orientated party. The CPN-UML also had origins in violence, through a radical left uprising against landlords in the 1970s in eastern Nepal.

³⁰ Chalmers 2012.



monarchy and the RNA could stop the Maoists.³¹ Six months after the massacre the King deployed the RNA against the Maoists, significantly escalating the conflict.

The security forces, consisting of the Nepal Police, the Armed Police Force (created with support from India in 2001) and the RNA were all heavily involved in the conflict. The Nepal Police were initially called on to respond to the Maoists. However, they were poorly equipped to carry out counter-insurgency operations and as a result of their ineffectiveness were confined to district headquarters, giving the Maoists additional room to operate outside of population centres.

The RNA was a professional fighting force. When it entered the conflict in 2001 alongside the Armed Police Force, the RNA was 53,000 strong and ended the conflict having expanded to around 90,000 troops.³² Decision-making in the top ranks and officer class was confined to a small group of upper-caste families. After 1996 governments increasingly wanted to deploy the RNA but distrusted it. The RNA was reluctant to get involved in the conflict without full political support from all parties.

Civil society groups operated to highlight and criticise human rights abuses committed by both sides in the conflict, campaign against draconian anti-terrorist legislation introduced by the government and the King's political activities. Civil society groups were heavily dependent on donor funding³³ and were comprised primarily of journalists, writers, artists, academics and lawyers, typically males from high-caste and middle-class backgrounds.³⁴

Of the foreign powers, India played the most crucial role in the conflict. Other foreign powers played a less direct role. The US was strongly anti-Maoist throughout the conflict and provided important military support to the RNA. This increased after 9/11 and Nepal's successful attempts to link the Maoist conflict to the 'war on terror'. In 2004 the US government placed the Maoists on the Terrorist Exclusion List and did not remove them until 2012. China played a limited role in most of the conflict and was primarily interested in the Nepali government controlling refugee Tibetan populations.

The nature of the political economy and the state

In the 1990s and early 2000s, Nepal was still transitioning into a multi-party parliamentary system and could be characterised as a weak state with limited administrative capacities at the local level, low penetration, poor service delivery and low levels of legitimacy. However, the state 'worked', especially for established elites and upper-caste groups. It provided distributional benefits through ingrained patronage networks and demonstrated a remarkable ability to absorb shocks, or, as one report described, 'resilient flexibility'.³⁵ Seemingly dysfunctional aspects of the Nepali state (education, health and transport) were difficult to reform because of the rents elites derived from their continued poor performance.³⁶ Bureaucratic traditions from the extractive state of the Panchayat and pre-Panchayat era remained in place. Remittances from labour migration and foreign aid helped to create further opportunities for rent seeking.³⁷

In the 1990s the broader political economy and state was changing and being reshaped by a decline in state authority and power, which began in the 1980s.³⁸ This was partly due to the rise of private,

³¹ Adhikari 2014.

³² Mehta and Lawoti 2010.

³³ Tamang 2002.

³⁴ Onta 2004.

³⁵ ICG 2010.

³⁶ However, in late 2016 the Nepal Electricity Authority successfully ended most power cuts ('loadshedding') in Kathmandu and most of Nepal after years of heavy electricity shortages. This was partly achieved by dismantling cartels, indicating that poorly performing aspects of the Nepali state that appear to be reform resistant can still be reformed with political support.

³⁷ Rinck 2012.

³⁸ Gellner 2011, Shah 2002.



non-state provision in sectors such as health, education, water and transport; partly as a result of contracting out some government tasks to the NGO sector; and partly due to the privatisation of some state enterprises.³⁹ At the same time, the last local elections took place in 1997 and unelected representatives headed local bodies from 2002 until local elections occurred again in 2017.⁴⁰ This took place alongside a decline in the importance of traditional authorities, especially after the political changes in 1990, and a lack of government presence in villages during the conflict. The result of this was a level of state fragmentation, especially at the local level, as well as the rise of a broker class.⁴¹

The RNA, bureaucracy, judiciary, police and political parties were central to the settlement and were typically staffed by male upper-caste Brahmins and Chhetris, originally from Nepal's mid-hills. They all included many former employees and supporters of the Panchayat regime. There was limited representation or power given to individuals from ethnic groups or to Madhesis and other groups from the southern plains. Conservative elites in Kathmandu and the districts supported the continued hegemony of upper-caste groups from the mid-hills. These elites included established landowners, high-ranking officials in the judiciary, the army and the bureaucracy; and some business leaders and intellectuals.

There were important differences inside the dominant political settlement. The two major political parties, the Nepali Congress and the CPN-UML, relied on different sources of power. The Nepali Congress had strong support from parts of the middle class, the business community, the security forces and (traditionally) the southern plains. The CPN-UML's main support base, on the other hand, was in the emerging NGO sector and among small businesses. The RNA and Police regularly competed for access to state financing,⁴² having had to factor in the new context of multiple governments during the 1990s.

As noted, by the early 1990s, Nepal's political settlement was beginning to shift and face new challenges after the 1990 People's Movement raised expectations, and as Nepal emerged "from the deep political hibernation of the Panchayat period".⁴³ These challenges included demands for greater representation in decision-making processes from ethnic groups, Dalits and women, as well as challenges from movements on the extreme left who viewed the 1990 democratic political transition as incomplete.⁴⁴ However, the political settlement was protected or insulated, to an extent, by India. India supported the 1990 Constitution and the 'twin pillars' of the monarchy and mainstream political parties, whilst also maintaining close links and giving support to the Army.

In addition, potential limits on political power inside Nepal, such as the judiciary, the media and the anti-corruption Commission for the Investigation of the Abuse of Authority (CIAA), were all tightly embedded in the political settlement and manipulated by ruling political parties. This rendered them relatively powerless, except when used by the government of the day against parliamentary opposition.

Religious, ethnic and gender conflict issues

During the conflict, the relationship between the Maoists and ethnic organisations including Madhesis was extremely important. The Maoists attitude towards ethnic groups arose from the development of nuanced theories around ethnic and indigenous 'nationalities' in contrast to a typical

³⁹ Gellner 2011.

⁴⁰ The first and second phases of local elections were held in May and June 2017.

⁴¹ Nelson 2015.

⁴² Sharma 2013.

⁴³ D.Thapa 2017.

⁴⁴ D.Thapa 2017.



communist focus on just class identity. The Maoists saw distinct ethnic and also regional identities as arising from unequal development among communities in already exploited regions, in contrast to other Nepali communists who typically saw ethnic or regional identity as backward.⁴⁵ Grievances among ethnic groups and Madhesis helped propel the Maoist movement and, in turn, the RNA disproportionately targeted ethnic groups.

As part of creating a grand united front and expanding the conflict, the Maoists also formed around a dozen ethnic and regional fronts across the country, most of which carried the name of the majority ethnic group. The Maoists also highlighted the links between the oppression of ethnicities, state formation in Nepal and 'feudal' Hindu cultural practices, such as the legal ban on cow slaughter. However, despite relative diversity inside the Maoist movement the most senior Maoist leaders were, like the leaders of the Nepali Congress and CPN-UML, largely drawn from privileged caste and ethnic groups. Both senior Maoist leaders during the conflict, Baburam Bhattarai and Pushpa Kamal Dahal (better known as Prachanda), were Brahmins.

The Maoists made strong appeals to women in Nepal, presenting themselves and their party as liberating women in Nepal from oppression. Part of the attraction for women in joining the movement was undoubtedly the Maoist claim to be fighting against structures that oppressed women as well as Maoist-led campaigns against alcohol consumption and dowries. The Maoists also included an end to patriarchy and reform of unequal property laws in their 40-point demands in 1996. Violence from the state security forces also prompted many women to take up arms.⁴⁶ However, Maoist rhetoric was not always put in practice. In radically different Party-led marriage ceremonies, the Maoists seemed to exchange conservative cultural traditions with almost equally oppressive Party-mandated strictures that failed to fundamentally challenge gender dynamics, and the 2003 Maoist negotiating team during the ceasefire was entirely male.

The evolving regional picture

During 2001-2002, India generally tried to isolate the Maoists (while also maintaining back-channel communications and allowing top Maoist leaders to stay in India) by bringing the Palace and parties together to force the Maoists into a constitutional settlement. Between 2001 and 2005, the general Indian line hardened, initially in response to the failure of the King to deploy the RNA when the Maoists kidnapped several Police personnel in Rolpa in mid-2001,⁴⁷ but also in response to the Maoist attack on the RNA in late 2001 in Dang district and as part of a broader aim to join in with the US-led war on terror so as to put pressure on Pakistan.⁴⁸ Indian concerns revolved around security including Maoist anti-India rhetoric and Maoist links to Indian Naxalites. India also wished to protect the gains of 1990, and support the constitutional monarchy and the Royal Nepal Army. After the King's takeover in 2005, Indian positions on Nepal evolved towards supporting democracy and the political parties against the King.

Much has been written about India's intentions during the conflict. However, existing research has not analysed the impact of Nepal's open border with India on conflict and post-conflict dynamics.⁴⁹ The open border limited the effectiveness of international peace process actors constrained to acting

⁴⁵ Tamang 2006, Thapa 2014.

⁴⁶ Pettigrew and Shneiderman 2004.

⁴⁷ The Maoists successfully attacked a Police post in Holeri in mid-2001, kidnapping police personnel. The then Prime Minister, G.P. Koirala, ordered the RNA in to engage the Maoists and attempt a rescue. Koirala interpreted the poor response as deliberate insubordination by the RNA and he resigned as Prime Minister, while the RNA blamed the elected government for forcing it into the conflict too quickly and without constitutional approval from the King and National Security Council (Adhikari 2014).

⁴⁸ Muni 2012.

⁴⁹ Besides Goodhand and Walton 2016.



inside Nepal, who were already hampered by a historic lack of development engagement in the Tarai region and generally did not build relations with Delhi.

Security issues dominated the regional context during the conflict. India was concerned about the relationship between Nepali Maoists and the Indian Naxalite movement, a concern that grew after the hijacking of an Indian aircraft in Kathmandu by Islamists in 1999. In addition, the global context became closely shaped by the post 9/11 war on terror as shown in the Indian state's subsequent labelling of the Maoists as 'terrorists' and increased US military support to the RNA. Later on, particularly after the King's takeover in 2005 and growing links between the Maoists and the political parties, the Indian perspective on the Maoists would shift, partly with the internal Indian aim of showing a way into mainstream politics for Indian Naxalites.⁵⁰

Early attempts to achieve a political deal

The years 1996-2000, before the Army became involved in the conflict, saw limited back-channel discussions between Maoists and the government, sometimes involving civil society members as trusted intermediaries. These attempts were unsuccessful as the state was not in a position to formulate a coherent response to the Maoists: the state was in the early transition into a multi-party parliamentary system after the Panchayat era and did not fully comprehend the nature of the Maoist threat. Additionally, disputes between parties, particularly intra-Nepali Congress party feuding,⁵¹ turned the Maoist issue into a political football to be exploited by whichever party and party faction was not in power.⁵²

The Maoists also took advantage of the intense rivalry between the Army and Police, who were both competing for access to state financing,⁵³ and of the increasing tensions between civilian governments and the military. As a result, governments veered between supporting negotiations and a belief that the Maoists were criminals and could be crushed by the Police.⁵⁴

Before the eventual Comprehensive Peace Agreement (CPA) was signed in 2006, two serious periods of dialogue between the government and the Maoists took place in 2001 and 2003, and both involved ceasefires. In 2001, the context was shaped by the royal massacre and the arrival of a new Nepali Congress Prime Minister – Sher Bahadur Deuba. The royal massacre generated huge shock and grief, delegitimised the new King's reign and led to wider questions about the legitimacy of the royal family.⁵⁵ Maoist leader Baburam Bhattarai attempted, unsuccessfully, to take advantage of the massacre to publicly call for a patriotic uprising of all Nepalis against "the puppet in the palace controlled by expansionist forces".⁵⁶

Deuba took over in 2001 from G.P. Koirala as Prime Minister following failed attempts by Koirala to deploy the RNA against the Maoists. Deuba projected himself as a peacemaker (in contrast to Koirala) and called for a ceasefire and dialogue. The Maoists reciprocated and three rounds of formal talks were held in 2001. The talks, led by a relatively senior Maoist leader, Krishna Bahadur Mahara, failed as there was no possibility of the government agreeing to the Maoists maximalist demands; an interim government, a Constituent Assembly and a republic. The Maoists had little real initial interest in talks: they were making steady progress against the Police while also benefitting from political turmoil in Kathmandu. Many analysts believed that they used the talks to regroup and gain

⁵⁰ Jha 2014.

⁵¹ Primarily Girija Prasad Koirala, Krishna Prasad Bhattarai and Sher Bahadur Deuba.

⁵² Thapa with Sijapati 2003.

⁵³ Sharma 2013.

⁵⁴ Thapa with Sijapati 2003, Thapa 2012.

⁵⁵ G.Thapa 2017.

⁵⁶ Bhattarai 2005.



publicity before extending the conflict into the next phase.⁵⁷ In November, the Maoists pulled out of talks and made an audacious attack on RNA barracks in Dang in an attempt to provoke the RNA into joining the conflict. The RNA finally did so shortly afterwards, following the declaration of a state of emergency in November 2001.

The second round of talks in 2003 took place in a different set of conditions. Prime Minister Deuba, with the support of the Palace and the RNA, had dissolved Parliament in early 2002. The King, taking a more direct political role, dismissed Deuba and replaced him with a loyalist, Lokendra Bahadur Chand, later replaced with yet another loyalist, Surya Bahadur Thapa. The involvement of the RNA and escalation of the conflict had also brought increased attention and military support to the RNA from India,⁵⁸ which was determined to preserve the 1990 settlement that provided for a constitutional monarchy, strong Army and political parties.

The 2003 talks, led by more senior officials on both sides than in 2001, took place over three rounds. The talks again failed as the Maoists repeated their demands for an interim government and a Constituent Assembly. The Maoists slightly modified earlier demands by also calling for a round-table conference and did not insist this time on a republic as a precondition. However, the King's government refused any major changes, instead proposing an all-party national government with participation by the Maoists, elections to a House of Representatives and, after elections, select but unspecified reforms to the existing 1990 Constitution. Under this proposal the monarchy would remain in place, and the King would lead a round-table conference, thereby gaining credit and legitimacy for ending the war. The Maoists would also have to hand over their arms and ammunition.

The talks completely ended with the RNA's execution of 17 unarmed Maoists in Ramechhap district in August 2003. As noted, the talks were likely to fail anyway. Additionally, the government remained disorganised and several observers noted that the talks were poorly managed.⁵⁹ It was also likely that the Maoists were buying time to regroup. Most significantly the talks excluded the political parties, which allowed the Maoists to use the talks to strategically isolate the increasingly illegitimate King, thereby driving a wedge between the monarchy and parties.

By 2005 it could be said that there was a mutually hurting stalemate and the conflict was 'ripe' for resolution. In the build up to the CPA in 2006, a variety of significant initiatives intended to bring about, encourage or promote a peace agreement arguably came from three sources. Firstly, India's general approach towards Nepal changed, especially after 2005, as they began to support political parties in order to bring the Maoists into the peace process. Secondly, international engagement with the Maoists and the security forces over human rights and international humanitarian law initially helped reduce human rights violations and became a vehicle for greater political engagement as explained further below. Thirdly, donor and aid agencies began to address the issue of social exclusion of marginalised communities through parts of their development programming, which briefly helped improve the representation and visibility of marginalised communities during the peace process.

Indian political approaches towards Nepal shifted dramatically after the 2005 takeover by King Gyanendra. India shifted from an approach focused on the 1990 'twin pillars' of monarchy and political parties, where the Maoists were the main problem, to one that increasingly viewed the King as the biggest obstacle to stability inside Nepal. New Delhi facilitated meetings between the Seven

⁵⁷ Adhikari 2014, ICG 2005, Jha 2014. The CPN(M) claimed to follow Mao's division of three revolutionary stages in a conflict, namely strategic defence, strategic balance and strategic offence.

⁵⁸ Upreti 2010.

⁵⁹ Whitfield 2012.



Party Alliance (SPA) of political parties and the Maoists, provided the confidence for parties to negotiate with the Maoists and pressured the Maoists to enter mainstream politics.

The Indian-supported talks between the Maoists and SPA resulted in the historic 12-point Memorandum of Understanding in late 2005, which called for an end to autocratic monarchy. This crucial development illustrated the extent to which the monarchy was losing relevance in Nepal's political settlement and laid the ground for the coordination between the SPA and Maoists in the 2006 People's Movement. It also foreshadowed the CPA and interim Constitution and the Maoists joining the interim government from 2007.⁶⁰

In addition, India eventually shifted to a position that by 2008 saw it raise no objections to the proposed end of the monarchy and creation of a republic.⁶¹ Much of the initial development in the Indian position in 2005 was down to reassuring internal Maoist shifts in policy in late 2005. During 2004 and early 2005 the Maoists were hostile towards political parties and India.⁶² The arrests of key Maoists leaders in India had led the movement's leader Prachanda to develop contacts with King Gyanendra in the hope of forming 'a patriotic alliance'. The King's coup in February 2005 changed Prachanda's thinking. He recognised that the King would not negotiate directly with the Maoists nor could he be defeated militarily.⁶³ This left the Maoists with no option but to work with India and the parliamentary parties against their common enemy, the King. In addition, the Maoists knew that they lacked the capacity to successfully move to conventional warfare.⁶⁴ Prachanda was also well aware of the need to avoid the fate of other communist insurgencies across the world that had continued fighting fruitlessly for years.⁶⁵ At key points the Party leadership had changed strategy based on lessons from other Communist uprisings, mainly in order to avoid getting trapped in a prolonged conflict.

In 2005-2006, human rights issues and international humanitarian law provided a way for internationals and the UN to engage in discussions with the Maoists and security forces, support the democratic movement and reduce conflict violations. Discussions about rights in conflict initially offered a way of engaging with and reassuring the Maoists, given Maoist perceptions of foreign-funded NGOs and international aid as instruments of imperialism.⁶⁶ The human rights focus also generated international attention and offered a mild counterbalance to a heavily Indian influenced process. The Maoists, while not following human rights practices, had adopted some of the language of human rights during the conflict, in part to build legitimacy among the international community.⁶⁷ Engagement increased significantly following the 2005 royal takeover, which was accompanied by mass arrests and crackdowns on free speech. Following a campaign against both Maoist and RNA human rights abuses by Nepali civil society and Nepali human rights defenders the government was forced, in 2005, to accept a large Office of the United Nations High Commissioner for Human Rights (OHCHR) field mission with an extremely robust mandate.

This international human rights presence, boosted by other organisations such as the International Committee of the Red Cross, provided support to the emerging political deal in specific ways. OHCHR's monitoring role effectively boosted the April 2006 People's Movement as well as helping to

⁶⁰ The Understanding stressed the Maoists willingness to enter mainstream democratic politics while the SPA agreed, in turn, on the Maoist demand of a Constituent Assembly.

⁶¹ Jha 2014.

⁶² Adhikari 2014.

⁶³ Adhikari 2014, Cowan 2008.

⁶⁴ Cowan 2013.

⁶⁵ Jha 2014.

⁶⁶ Adhikari 2014.

⁶⁷ Rawski and Sharma 2012.



expand and protect democratic space under the King's rule.⁶⁸ Nepali human rights defenders now had an international outlet and those detained by the King received international attention. OHCHR's Representative (later UNMIN head), was able to engage with the Maoists directly and promote dialogue, and OHCHR's detention visits and visibility contributed to a reduction in human rights violations including torture, disappearances and abductions by both sides in 2005-2006.⁶⁹ OHCHR was also able to leverage the RNA's UN peacekeeping participation as a tool to improve the RNA's conduct.⁷⁰

From 2002-2003 international development agencies and donors in Kathmandu had supported attempts to reach a political deal and reduce violence by belatedly attempting to address the issue of social exclusion in their development programmes. However, they were hampered by the fact that foreign aid in Nepal had a long history of supporting the Nepali elites from the 1950s onwards.⁷¹ Before the conflict many donors had deliberately not worked on sensitive issues, such as landlord-peasant relations and landlessness,⁷² and had typically focused on infrastructure projects such as road building, health, education and rural development.⁷³

International efforts to support an end to the conflict were negatively affected by the multiple approaches to the issue of social inclusion. The Department of International Development (DFID) initially defined social exclusion in 2004-5 as the way that women, Dalits and disadvantaged ethnic groups are 'excluded from opportunities and resources because of their social identity'.⁷⁴ DFID's approach involved helping women and excluded caste and ethnic groups to achieve more equitable access to resources and opportunities. While differences did exist, initially both donor and Government of Nepal definitions converged in practice around both the need for inclusion during the peace process and the need for excluded groups to access development. However, other more powerful definitions of social inclusion emerged during the 2011-12 elite push back against changes in the political settlement, as addressed below.

Donor initiatives to support social inclusion began from a premise that limited their long-term viability. For many donors, the answer to the problem of social inclusion was rather vague and despite sometimes suggesting otherwise, often looked simply like more 'development' for marginalised communities.⁷⁵ It was not until as late as the royal takeover in 2005 that many donors began to consider the underlying causes of the conflict and begin work on the issue of social inclusion.

While the social inclusion agenda was more than just donors rebranding the same programmes, there is evidence that its status and impact was limited. Throughout the peace process, DFID funding of social inclusion programmes, such as the Enabling State project or NGO capacity-building projects, were consistently dwarfed by huge spending on basic services (especially in the health sector) and livelihoods (especially in the Rural Access Programme to support infrastructure and roads and in climate change adaptation support).⁷⁶ Throughout the peace process large percentages of general donor funding in Nepal was used to essentially support the state, as in the multi-donor Local

⁶⁸ Rawski and Sharma 2012.

⁶⁹ Martin 2012, Rawski and Sharma 2012.

⁷⁰ Martin 2012.

⁷¹ Dixit 1997, Mihaly 2002, Mishra and Sharma (2007 [1983]), Sharma 2017.

⁷² Mishra and Sharma 2007.

⁷³ Dixit 1997, Mihaly 2002.

⁷⁴ DFID 2005.

⁷⁵ One donor-funded study stated that social inclusion would come not from the claims political movements or identity politics had made in Nepal but from gender inclusion, empowerment, improved livelihoods, and sustainable development (Tamang 2014).

⁷⁶ Personal communication, former DFID employee.



Governance and Community Development Programme (LGCDP), or to support local level elites, such as through Local Peace Committees.⁷⁷ Most significantly, donor efforts on inclusion in 2005-2006 were in fact exclusionary as they largely neglected to work in the Tarai with Madhesis, a region that had historically been neglected by the state and aid agencies.⁷⁸

Progress towards a deal

The Maoists also made significant missteps in 2006 that nearly derailed progress towards a political deal. Maoist attacks on targets in the Kathmandu valley in January 2006 appeared to confirm the fears of those who had doubts about their commitment to democracy. The attacks lost Maoists potential supporters inside Kathmandu; increased security measures inside the capital; made political parties question their alliance with the Maoists; and concerned India.⁷⁹ However, the end result was a further accord between the SPA and Maoists that reduced violence: the Maoists committed to supporting the SPA-led April 2006 People's Movement. This was a significant concession as it restricted Maoist military activity.

Emerging in 2006, the second People's Movement provided a vivid demonstration of the extent to which the altered Nepali political settlement was no longer reflected in the country's formal institutions. The Movement's key aims were to establish a republic, end autocratic monarchy and hold elections to a Constituent Assembly. While the SPA led the Movement and, alongside civil society organisations and students, publicly began the movement, the Maoists played a vital national organising role.

The King did not agree immediately to the demands of political parties and prolonged demonstrations took place before the King agreed to restore the House of Representatives (dissolved in 2002) and asked the SPA to form a new government. Although the Maoists remained suspicious of the political parties and their links to India (the negotiations were led by the SPA and did not involve the Maoists) the Maoists eventually called off further demonstrations and a series of rapid changes took place: the restored Parliament met and passed a resolution to hold elections to a Constituent Assembly (which took place in 2008), a ceasefire was declared, and political prisoners were freed. Most significantly, in terms of the underlying political settlement, Nepal was declared a secular state and the King was stripped of all powers including control of the Army (the monarchy was later abolished by the Constituent Assembly in 2008).

The formal end to the conflict and cantoning of both armies occurred months later when the CPA was signed in November 2006. Large-scale violence had ended but the Maoists and RNA would continue to be used (alongside the Maoist-affiliated Young Communist League) as bargaining chips that could be readily mobilised.

International support in the build up to the deal

The most effective interventions used to sustain the political process towards the CPA and beyond, involved a mix of low-profile international engagement and informal Indian pressure. Low-profile international engagement worked best when it recognised Indian sensitivities and acknowledged the essential (if slightly misleading) mantra of a Nepali-led peace process. Kåre Vollen, an international elections expert from Norway, working with the Election Commission of Nepal, made significant contributions towards the design of an inclusive electoral system for the 2008 elections, and helped

⁷⁷ Local Peace Committees were established in 2006 as part of the transition. They had a wide local peace-building mandate, but in practice they came to be used primarily by political parties to handle the distribution of interim relief compensation to conflict victims (Sharrock 2013).

⁷⁸ Sijapati 2013. The draft DFID/World Bank report on social exclusion in Nepal, which was completed in mid-2005, did not even have a chapter on the Tarai (Tamang 2009).

⁷⁹ Adhikari 2014.



to build confidence in the electoral system among political parties. He also convinced senior individuals in the major political parties of the need for an inclusive design.⁸⁰

India played a central role in facilitating every significant political change after the King's takeover in 2005. It relied on a complex mix of trustworthy individuals with connections to the Maoist leadership, Indian government coalition partners from the left, political leaders who were relatives of King Gyanendra and traditional linkages to Nepal from Indian diplomats, intelligence operatives, and journalists.

Less successful were interventions that appeared not to recognise the Nepali-led nature of the peace process and were not grounded in political realities inside Nepal. The US Ambassador in Nepal in 2005 was vocally anti-Maoist and did not recognise the illegitimacy of the King. India also made missteps in appearing to try and save the King from his own actions during the 2006 People's Movement. Similarly, the involvement of multiple external conflict resolution NGOs was of limited use, except for those that had a presence in Nepal and could offer specific expertise.⁸¹

Besides international and regionally facilitated mediation and the deployment of OHCHR, international actors played an important role in support of the CPA from 2006 and shortly afterwards through the United Nations Mission in Nepal (UNMIN). UNMIN is a useful example of the impact of a relatively light UN presence and limited mandate of short duration.⁸² The unique nature of UNMIN, as a political mission, arose out of a desire in the UN to respect Nepali ownership of the peace process, as well as Indian opposition to a larger UN presence.⁸³ After the signing of the CPA in 2006, the presence of UNMIN was vital in reassuring the parties and the Maoists, counterbalancing the role of India to some extent, supporting the inclusion agenda and, perhaps most significantly, providing an important external actor for both sides to direct their political frustrations against, especially during the 2006-2008 period before elections. Practically, UNMIN played an important role in three areas: assisting in the initial cantoning of the two armies, helping to legitimise the contentious 2008 elections and averting clashes on multiple occasions between the Maoists and Nepal Army through the Joint Monitoring Coordination Committee.⁸⁴

UNMIN, however, suffered from a limited mandate and high expectations from many Nepalis. It also lacked a viable national counterpart body, such as an effective Ministry of Peace, that could have assisted in implementing the CPA. UNMIN's attempts to engage in broader peace building were also repeatedly blocked by India, as underlined in 2007 when it was India, not UNMIN that played the lead role in persuading Madhesi political parties to take part in the 2008 election.

What was achieved?

The period 2005-7 saw the peace and constitutional reform processes open up the possibility of a more inclusive political settlement. Following the CPA's signing, the Interim Constitution was adopted by Parliament. Maoist ideas on social inclusion became part of mainstream discourse.⁸⁵ The Interim Constitution, while far from perfect and arguably prolonging the transition by leaving the most contentious issues to future negotiations, also allowed for the creation of a new government

⁸⁰ Former Carter Center senior staff member, personal communication. Other individuals who made important contributions include Ian Martin, who used his pre-UNMIN UN positions in Nepal to carry out some limited, low profile 'good offices' tasks. (Whitfield 2012). During the long process of security sector reform Paul Jackson, a UK-based academic, also made significant contributions towards breaking the impasse on integration of former Maoist combatants into the Nepal Army.

⁸¹ Whitfield 2012.

⁸² Martin 2010; Suhrke 2011.

⁸³ Martin 2010; Martin 2012; Suhrke 2011.

⁸⁴ Martin 2012.

⁸⁵ Adhikari 2014.



and contained significant progressive measures. But perhaps inevitably, this period of flux served to generate elite push back, especially after 2008. For elites, elements of the peace process and tentative changes in political settlement were deemed ‘too inclusive’ and threatened the historic distributional advantages they had previously enjoyed through old institutional arrangements such as through reservations in the army and for government jobs.⁸⁶

By watering down agreements on federalism and inclusion and through the politics of consensus, existing political elites resolved not to incorporate numerous groups into the revised settlement. The deal resulted in a significant breakdown in the relationship between Madhesi and Kathmandu, leading to a movement of ‘transformative competitive violence’ in the Tarai.⁸⁷ The elite push back against a national inclusive political settlement catalysed claims to power from the periphery in the form of the Madhesi movement, which drew upon historic grievances.⁸⁸ The first Madhesh movement was triggered in 2007 over federalism and disputes with the CPN(M).⁸⁹ The second Madhesh movement in 2008 fought for changes in the electoral system. The third movement, with support from India, involved an economic blockade of the border in late 2015 in opposition to the new Constitution.⁹⁰ The settlement after 2008 also generated new excluded groups including families of the killed and disappeared, ex-Maoist soldiers disqualified from the peace process⁹¹, radical ex-CPN-M groups, and royalist parties who wished to restore the monarchy and end secularism.

Another major factor in enabling established elites to push back was the institutionalisation of politics-as-consensus in the seemingly never-ending post-conflict transition after 2006.⁹² At the national and sub-national level, consensus arose out of strong incentives to cooperate through corruption and patronage mechanisms as well as a desire by both the Maoists and state security forces to avoid accountability for wartime human rights violations. This helps explain the cross-party support for a constitutionally questionable Chief Justice-led Government in 2013 and the rushing of a new Constitution shortly after the earthquake in 2015. While the inability of a single party to dominate was a form of stability and arguably helped to reduce violence, consensus in post-war Nepal also provided a way for political actors to claim legitimacy. Consensus politics also helped to postpone the work of implementing the CPA and to delegitimise federalism as divisive.⁹³

While it reduced violence, the incorporation of the Maoist party into normal patronage politics in Nepal also diluted the possibility of a ‘progressive’ peace process. The key turning point was the shock Maoist victory in the 2008 Constituent Assembly election. The new Maoist-led government alarmed the other parties, India and the Army, who feared a Maoist takeover. These fears were compounded by the new government’s efforts to reform the civil service and judiciary, attempts to build closer relations with China and efforts to reform the RNA.⁹⁴ Disputes between Maoist Prime Minister Prachanda and the RNA chief of army staff also alarmed India, who saw the RNA as the last bulwark preventing any future Maoist takeover. Eventually in 2009, after failing to dismiss the army chief and under pressure from India, the other parties and the media, Prachanda was forced to resign

⁸⁶ Adhikari and Gellner 2016.

⁸⁷ Meehan 2016.

⁸⁸ Gaige 2009 [1975].

⁸⁹ Sijapati 2013.

⁹⁰ The Madhesh issue is partly explained by a breakdown in relations between Kathmandu and Madhesi elites. However, a broader radical social movement has now outpaced Madhesi political parties and is willing to contemplate secession from Nepal. India again appears keen for established elites and political parties to help broaden the current political settlement so as to include Madheshis.

⁹¹ Sharrock 2011; Robins et al 2016.

⁹² Sharrock 2013.

⁹³ Byrne and Shrestha 2014; Sharrock 2013; Snellinger 2015.

⁹⁴ Adhikari 2014.



and take the Maoists out of government. The Maoists then attempted to remain a viable force but this ended with a failed general strike, which was to be the last mass mobilisation of Maoist cadres.⁹⁵

Long-running divisions inside the Maoist and Communist movement sharpened during the post-2006 peace process, leading eventually to splits between pragmatists and hardliners. For party cadres, especially the youth, they resented the party leaders and felt they had been exploited and then abandoned by the party leadership. They resented Prachanda and others for behaving like other party leaders in their pursuit of wealth and patronage politics in Kathmandu.⁹⁶ For many Maoists the final straw came when it was agreed that only minimal numbers of the Maoist armed forces would be integrated into the RNA in late 2011.⁹⁷

By 2011, hardliners in the party, including some of the most committed members led by Mohan Baidya, believed that Prachanda and the movement and Baburam Bhattarai's peace-and-constitution line had failed and memorably described them as 'ideological opportunists, rightist-revisionist liquidationists and national and class traitors'.⁹⁸ Reflecting persistent differences inside the Maoist movement, hardliners claimed that accepting multi-party competition had now been a mistake, especially as no Constitution had been written, and that the leadership (in particular Baburam Bhattarai) had surrendered to Indian expansionism. Radical Maoists also resented the leadership's perceived privileging of identity struggles over class-based claims.⁹⁹ Various factions split off from the main Maoist movement, causing local security issues.

Prolonged international support for Nepal's liberal democratic constitution-making process as a transitional stabilising device also undermined the possibility of a progressive outcome,¹⁰⁰ providing an example of how faith in constitutionalism can be undermined by 'local elite game-playing'.¹⁰¹ The contentious issues not tackled in the Interim Constitution remained unresolved while government agreements reached with protesting groups and CPA issues all remained unimplemented. In the absence of local elections, politics at the sub-national level remained dominated by All-Party Mechanisms (APMs), which included political party representatives but were chaired by civil servants. APMs and other transitional institutions at the local level replicated national elite bargains by generating stability through exclusive consensus making by local political elites.¹⁰²

The new Nepali settlement was also undermined by both 'conservative' and 'transformative' competitive violence.¹⁰³ The Madhesis and several other ethnic organisations drew on long-standing forms of street mobilisations and strikes to try and enter or alter the wider political settlement, many of which resulted in clashes with the Police. While protests rarely altered political structures, the use or threat of violence radicalised the debate on issues such as inclusion, making compromise much more difficult in what appeared to be a zero-sum game.¹⁰⁴

The contested nature of the peace settlement was illustrated most clearly ahead of the first Constituent Assembly drafting deadline in May 2012 when representatives of several identity-based groups (ethnic, caste and regional) engaged in major protests regarding federalism and inclusion

⁹⁵ Jha 2014.

⁹⁶ Hutt 2012, Jha 2014, Robins et al 2016.

⁹⁷ Adhikari 2014.

⁹⁸ ICG 2012.

⁹⁹ Ismail and Shah (2015) argue that the Maoists enabled politics to be dominated by divisions over ethnicity, indigeneity, and rights-based issues. This weakened the Maoists and hindered the movement's ability to respond during elite push back.

¹⁰⁰ Robins 2016.

¹⁰¹ Bell 2016.

¹⁰² Sharrock 2013.

¹⁰³ Meehan 2016.

¹⁰⁴ Neelakantan, Ramsbotham & Thapa 2016.



across the country. The deadline was allowed to lapse, in part due to security fears arising from the protests.¹⁰⁵

More evidence is needed on the longer-term impact of post-conflict politics on Nepal's wider political settlement. The long-term stability of elite bargains struck during the post-conflict period remains unclear, in part due to the seeming ability of consensus politics and an endless transition to incorporate differences. The 2015 earthquakes arguably strengthened unity among contending elites at the national level, following consensus across the major parties shortly after the earthquake to pass the new Constitution. Outward labour migration and remittances account for nearly 33% of Nepal's GDP¹⁰⁶ and around 7.3% of the working population.¹⁰⁷ They are a key part of the political economy and, arguably, help to sustain Nepal's revised political settlement by limiting pressure on the state to reform governance.¹⁰⁸

Generally, longer-term grievances were not addressed during the political process. Often the initiatives used to address grievances were withdrawn or became part of the political settlement. However, awareness about grievances and debates about what it meant to be a Nepali increased hugely inside Nepal, mainly due to the Maoist movement but also as a result of changes in Nepali society. The CPA provisions on anti-discrimination measures and land reform as well as initiatives and legislation to ensure inclusion, affirmative action, proportional representation, civilian control of the Nepal Army, transitional justice, and greater women's rights were ignored, significantly weakened or completely failed. Provisions in the Interim Constitution in 2007 to make political party organisations – in their central committees – more inclusive failed to make a dent on the overrepresentation of hill high caste groups.¹⁰⁹ In the years after the conflict Brahmin and Chhetri castes, which constitute 30% of the population, still made up 65% of the civil service.¹¹⁰ Madhesi representation in the security forces, despite being around 30% of the total population, remained miniscule.

Donors and aid organisations largely backed away from the social inclusion agenda, following backlash from established elites that accused them of stoking ethnic-based federalism. DFID's public withdrawal of funding in May 2011 for the Nepal Federation of Indigenous Nationalities (NEFIN), following NEFIN's involvement in a nationwide strike symbolised this moment.¹¹¹ Government aid and donor support after the 2015 earthquakes was criticised for neglecting historically disadvantaged communities in favour of equal distribution of support.¹¹²

Despite relative progress made in the 2008 elections around women's rights issues, a return to pre-conflict normality also meant a return to traditional gender norms.¹¹³ Traditional gender empowerment instruments, including how to activate UN Security Council Resolution 1325 in post-conflict situations, were, arguably, not sustainable in Nepal's highly gendered political settlement.¹¹⁴ The reversal of institutional support for women's rights was illustrated in restrictions on women's ability to pass on citizenship to their children in the 2015 Constitution.

¹⁰⁵ Adhikari and Gellner 2016.

¹⁰⁶ World Bank 2017.

¹⁰⁷ Sijapati et al 2017.

¹⁰⁸ Rinck 2012.

¹⁰⁹ Hachhethu 2014.

¹¹⁰ Central Dept. of Sociology & Anthropology 2014.

¹¹¹ Adhikari and Gellner 2016; Shneiderman 2013.

¹¹² Amnesty International 2017.

¹¹³ Sharma and Tamang 2016, Tamang 2017.

¹¹⁴ Puechguirbal 2010. Despite this progress was made in LGBTI rights (Knight 2014).



Conclusion

The Nepal case study illustrates how, despite opposition, important changes have taken place in the political settlement, arguably as a result of the Maoist movement and formal peace process but also due to wider cultural and social shifts. The abolishment of the monarchy and the declaration of Nepal as a secular state are highly unlikely to be reversed. Nepalis, especially marginalised groups, have greater awareness about their own rights and how to demand them. Political parties have largely broadened their appeal and membership. The expansion of the public sphere illustrates the importance of changes that took place during the 1990s to allow for a vibrant and contested public debate that has, arguably, emboldened recent challenges from the Tarai to the political settlement.

However, the case study also illustrates the holding power of domestic Nepali elites to push back against and adapt to political shocks and shifts in the political settlement and political economy over several years. It illustrates the continuing importance of the Panchayat period in shaping ideas about Nepali identity and citizen-state relations, and how the key institutions of the RNA, bureaucracy, judiciary and police remain remarkably similar in their membership and working practices to their Panchayat-era incarnations. The security sector as a whole remains bloated, unreformed (despite provisions to do so in the CPA) and largely unchallenged by civilian leadership and democratic oversight. Significant issues such as inequality in land ownership persist.

This case study also highlights the importance of opportunities to shift the political settlement, and the need to recognise times of misalignment between the balance of power and formal institutions. The royal massacre in 2001 and the new King's two coups provided such opportunities for the Maoists, political parties and India. The 1990 and 2006 People's Movements illustrated a clear misalignment that, in both cases, curtailed monarchical power, changed the political system and brought about irreversible changes to the political settlement. The failure of the Maoist mobilisation in Kathmandu in May 2010 is also a missed opportunity for many Maoists, but one that illustrated their declining ability to shift the settlement.

The case study also provides examples of the importance of Indian influence on almost all aspects of the conflict and peace process in Nepal. While, at times, domestic political elites have defied India, sought greater ties with China and stoked anti-India nationalism, as Prachanda arguably did while first elected Prime Minister, India cannot be ignored. The role of development donors and other countries was also important in Nepal, although the case study is striking for the degree to which the political transformation was a Nepali-owned process.



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