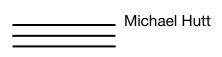
## **NEPAL AND BHUTAN IN 2005**

Monarchy and Democracy, Can They Co-exist?



### **Abstract**

Whether monarchy and democracy can coexist was the key question in both Bhutan and Nepal during 2005. Two developments in Nepal will be major factors in determining the survival of the Shah dynasty and, in the longer term, whether the Nepalese nation-state survives as a sovereign entity at all. These were the "royal coup" of February 1 and the agreement between the Communist Party of Nepal (Maoist) and seven parliamentary political parties announced on November 22. In Bhutan, a new constitution is out for consultation that would establish a two-party democracy and reduce the powers of the king.

## Nepal: Back to the Panchayat

On February 1, 2005, King Gyanendra declared a national emergency; placed all of Nepal's leading politicians under house arrest; shut down the country's phone system, internet servers, and FM radio stations; diverted international flights; and imposed strong press censorship. He then assumed the chairmanship of a handpicked 10-member Council of Ministers and announced that he would exercise direct rule for three years. The coup, which had been planned for months, was enforced by the Royal Nepalese Army, and its effect was to bring the king back to the center of the political stage. Gyanendra was surprised by the international community's negative reaction and particularly by the hostile reception his move received in India.

Gyanendra knows that his father, Mahendra, had to weather a brief storm of Indian opprobrium when he dismissed Nepal's first elected government in 1960,

Michael Hutt is Professor of Nepali and Himalayan Studies at the School of Oriental and African Studies, London. Recent publications include (ed.) *Himalayan People's War: Nepal's Maoist Rebellion*, 2004.

Asian Survey, Vol. 46, Issue 1, pp. 120–124, ISSN 0004-4687, electronic ISSN 1533-838X. © 2006 by The Regents of the University of California. All rights reserved. Please direct all requests for permission to photocopy or reproduce article content through the University of California Press's Rights and Permissions website, at http://www.ucpress.edu/journals/rights.htm.

but then was able to build a system that excluded political parties. The 1962 Constitution enshrined the system of guided "Panchayat" (Council) democracy that lasted until 1990. Gyanendra included three men in his Council of Ministers who were hard-line zonal governors during the Panchayat period and subsequently appointed two ex-Panchayat premiers as deputy chairmen. Many observers were convinced that the coup marked merely the first stage of a process designed to return the country to the political conditions of 1962.

Developments since February have tended to bear this hypothesis out. For instance, on February 18 Gyanendra ordered the establishment of a commission to investigate political leaders and officeholders of all constitutional bodies, despite the fact that a civil commission with this remit already existed. On April 11, he reintroduced the post of Anchaladish (zonal administrator) in all of Nepal's 14 zones and five development regions. The old Panchayat-period notion that Nepal could play its neighbors off against one another and thus lessen the dominance of India, was revived, and representatives of the new royal government embarked upon missions to China, Russia, and Pakistan. Pakistan stated that it would support Nepal in safeguarding its sovereignty if Nepal was threatened externally, while China offered \$989,000 in military aid, with further amounts to follow in subsequent years. New rules on news media conduct imposed severe restrictions on independent journalism, hugely increased the penalties for infringing existing rules, and prohibited any one group or individual from operating more than two types of media. This latter provision was specifically aimed at the Kantipur Corporation, which operates a radio station, television channel, and the country's most influential newspaper. The army conducted raids on the offices of a number of news organizations including, most notoriously, the Kantipur and Sagarmatha FM radio stations. A new code of conduct for non-governmental organizations (NGOs) was introduced in mid-November, prohibiting NGOs from receiving aid directly from donor countries. A number of NGOs, foreign donors, and international watchdogs denounced this move as a tool to curtail democratic and civil rights. Again, the code represents a return to Panchayat-period policies.

King Gyanendra has announced that municipal elections will be held in February 2006 and that general elections to form a new Parliament will take place by mid-April 2007 at the latest. When the political parties said that they would boycott any such elections under the current regime, the information minister declared that the elections would be conducted on a partyless basis if the parties did not participate.

The king, his Council of Ministers, and the generals of the Royal Nepalese Army continue to believe that they can face down international criticism; the freezing of all but non-lethal military aid by India, the U.K., and U.S.; an armed Maoist insurgency; and growing agitation from both political parties and mainstream civil society. It is unlikely that they are right.

# The Conflict with the Maoists and the 12-Point Agreement

The government retains control of the headquarters town of every district of Nepal. In many districts, however, this is maintained only through a heavy army presence; the Maoists remain the dominant force in the surrounding rural areas. Until September 2005, the conflict continued much as before, with casualties from low-intensity clashes reported every few days. There were also two major Maoist assaults on Royal Nepalese Army bases. In the first, on an army base at Khara in Rukum District on April 7, the Maoists suffered serious losses, but in the second, at Pili in Kalikot District on August 7, they inflicted around 40 casualties and abducted about 50 security personnel. The Maoists' capacity to mount assaults on this scale is not substantial: they possess probably no more than about 5,000 guns, many of which are very old, and they face much greater firepower. However, there is very little possibility of the Royal Nepalese Army defeating them. The Maoist army is self-sustaining and its style of combat is strongly favored by the terrain in which it operates. The Maoists know they cannot achieve a military victory over the Royal Nepalese Army even if India, the U.S., and U.K. continue to freeze military aid. The nature of this military stalemate is widely recognized outside the capital.

The king's actions during the year encouraged greater unity between the Maoists and the political parties that had been agitating against "royal regression" since October 2002. In order to hasten this rapprochement, the Maoists announced a three-month unilateral ceasefire beginning on September 3, 2005. The government refused to reciprocate, arguing that the Maoists were simply seeking an opportunity to regroup. A dialogue between the agitating parties and the Maoists had begun in May and now quickened, concluding with a meeting in Delhi on November 17 among the three most powerful Maoist leaders ("Prachanda," Baburam Bhattarai, and Krishna Bahadur Mahara) and the leaders of the Nepali Congress Party, the Communist Party of Nepal (Unified Marxist-Leninist), Janamorcha Nepal, and Unity Centre-Masal. The agreement released on November 22 stated that "autocratic monarchy" was the main obstacle to achieving peace, progress, and prosperity in Nepal. The Maoists agreed to enter a multiparty political system, and it was agreed that an elected assembly was the most acceptable forum for the necessary debate on constitutional revisions. (The election of a constituent assembly has always been the Maoists' bottom line: all negotiations with the government to date have foundered on this question, and it is the one demand that the palace is unlikely ever to concede.) Both sides admitted to unspecified mistakes and shortcomings and called for impartial outside assistance in supervising elections and overseeing the cantonment of state and Maoist forces. The agreement did not contain a commitment from the Maoists to disarm; it acknowledged that

there had been no agreement on the parties' demand for the restoration of Parliament. A restored Parliament would simply return Nepal to the status quo ante in terms of political representation, i.e., the Maoists would not be included in it. In contrast, the Maoists would expect to be strongly represented in a constituent assembly. While a restored Parliament could be expected to amend the Constitution, a constituent assembly would set out to rewrite it in its entirety.

On December 2, the CPN (Maoist) announced a further one-month extension of its unilateral ceasefire, which suggests that it wishes to continue its discussions with other parties. The announcement was made just as the king returned from a tour of African states—on which occasion civil servants were instructed to line the streets to welcome the monarch home, as they did on a regular basis before 1990. The nature of the program of joint activity against the "autocratic monarchy" was not specified in the November agreement, but it is likely to focus on obstructing the elections scheduled to be conducted in the government-held district headquarters in February 2006. If the government presses ahead with its plans for these elections, this could lead to a serious escalation in violence over the winter.

#### Bhutan

In Bhutan, meanwhile, King Jigme Singye Wangchuck has problems that are the stuff of his royal neighbor's dreams. On March 26, 2005, the long awaited draft Constitution was released for consultation. This declares Bhutan to be a "democratic constitutional monarchy." The most significant change that will be brought about if and when this Constitution is promulgated will be the legalization of political parties, although the number of these is effectively limited to two: one in government, one in opposition. The Constitution enshrines human rights, civic responsibilities, and the pursuit of "gross national happiness," but debars from government or constitutional office any individual (including a prospective monarch) who is married to a non-Bhutanese. It has been argued that the Constitution's most serious shortcoming is its refusal to accommodate Bhutan's ethnic and linguistic diversity; this is an issue that will attain much greater salience if freer public debate is one of the products of constitutional reform, as was the case in Nepal after 1990.

Bhutan's relations with India remained as warm as ever, and King Jigme was the chief guest at the Republic Day celebrations in Delhi in January 2005. India's assistance to Bhutan for its ninth Five-Year Plan was increased by over 50%, and agreements were reached on a number of issues, including establishment of a rail link between the two countries. No progress whatsoever was made on the question of the 120,000 Bhutanese refugees in southeast Nepal. King Jigme declared during his visit to Delhi that very few of them were

Bhutanese citizens and that Bhutan was under no obligation to take back even those who were. His Indian hosts were too polite to remind him that his own officials had participated in a verification exercise in one of the refugee camps, which had concluded that over 75% of the camp's inhabitants actually were Bhutanese citizens at the point of their departure from Bhutan.

The Bhutan envisaged by the drafters of its new Constitution will be a somewhat freer country than hitherto and its citizens will have more rights. The consultation process has already provoked pro-monarchical and anti-democratic protests, which give the government an excuse to introduce amendments if it so chooses. While a new constitutional order would not bring the refugees home, it should help to guard against a recurrence of the kind of crisis that forced them to flee. Meanwhile, if the Maoists and the parties continue to make common cause in Nepal, the possibility that the palace will attempt to impose a new Constitution on Nepal should not be wholly ruled out. But no Constitution drafted by King Gyanendra would receive as polite a reception as that accorded the Constitution handed down by King Jigme.