

Renewed American Engagement with Nepal's Maoists

Monalisa Adhikari

Monalisa Adhikari was Visiting Fellow at the Institute for Defence Studies & Analyses (IDSA), New Delhi.

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Summary

On September 6, 2012, the US State Department issued a press statement announcing that it had formally removed Nepal's ruling Unified Communist Party of Nepal-Maoist (UCPN-M) from its list of global terrorist groups. The Maoists and the United States have a bitter history, with the former condemning the latter for imposing imperialism through the Royal Nepal Army and the monarchy and the latter not only placing the Maoists on the terrorist watch list but also providing logistical support to the Nepal Army in its campaign against Maoist insurgents. The announcement removing the Maoists from the terrorist watch list was long overdue – as the United States has been engaging with the Maoists since they emerged as the largest party in the election for the Constituent Assembly in 2008 – and marks a significant shift in US policy towards the Maoists. America's removal of Nepal's ruling Maoist party from the list of global terrorist groups not only recognises the party's transformation from a "violent" political outfit to a political party committed to democratic norms, but also signals renewed US interest in Nepal. Although the US strategy of containing communism in Nepal has failed, it has managed to adapt to Nepal's changing political landscape where the Maoists have emerged as a major political force.

On September 6, 2012, the US State Department issued a press statement announcing that it had formally removed Nepal's ruling Unified Communist Party of Nepal-Maoist (UCPN-M) from its list of global terrorist groups. The statement read: "After a thorough review, the Department has determined that the CPN-M is no longer engaged in terrorist activity that threatens the security of US nationals or US foreign policy."¹

The Maoists and the United States have a bitter history, with the former condemning the latter for imposing imperialism through the Royal Nepal Army and the monarchy and the latter not only placing the Maoists on the terrorist watch list but also providing logistical support to the Nepal Army in its campaign against Maoist insurgents. The announcement removing the Maoists from the terrorist watch list was long overdue – as the United States has been engaging with the Maoists since they emerged as the largest party in the election for the Constituent Assembly in 2008 – and marks a significant shift in US policy towards the Maoists.

What led the United States to change its position on Nepal's Maoists? Does this also indicate a significant change in US policy towards Nepal more broadly? These are the questions that this Issue Brief seeks to address.

Combating communism?

The US' assertion of global power and Nepal's geographical location between China and India has been the main source of the former's strategic involvement in Nepal. With the end of British rule in India, the United States pursued its strategic interests through the US Operation Mission (USOM) even before a formal Embassy was established in Kathmandu.

Since the beginning, the American presence through aid had strategic contours. The initial support to Nepal's development was targeted against communism, be it by preventing it from seeping through the Chinese frontier or by putting down indigenous uprisings owing to poverty and underdevelopment. The focus on subverting communism thus remained a consistent focus of the US policy in Nepal, at least until very recently, though the patterns of aid varied. The United States maintained that political democracy could evolve in Nepal only through economic development. It even worked with the monarchy in its nation-building efforts through various economic development programmes.

Communist parties have been present in Nepal for a long time but did not emerge as important political players until very recently. They have been regularly subjected to co-option and internal feuds. The restoration of multi-party democracy and the new Constitution of Nepal in 1990 did offer space for the revival of various communist parties.

¹ <http://www.state.gov/r/pa/prs/ps/2012/09/197411.htm>, accessed on October 5, 2012.

Nepal had its first democratically-elected minority Communist government in 1994. Two years later, in 1996, the then Communist Party of Nepal-Maoist (CPN-M) launched an armed insurgency against the state. Its objectives were the overthrow of the monarchy, the convening of a Constituent Assembly, and establishment of a multi-party republic. Much to the embarrassment of the United States, the Maoist insurgents found their popular base in the mid-western hills where USAID had been heavily involved in running Integrated Rural Development Programmes.

The US Meets the Maoists

The Maoists saw the role of the US-supported non-governmental organizations (NGOs) and international NGOs (INGOs) as undermining their cause. One of their demands (in the 40-point demand sheet that was submitted to the then Prime Minister Sher Bahadur Deuba before launching the “People’s War”) read: “...bribing by imperialists and expansionists in the name of NGOs and INGOs should be stopped.”² US-funded groups such as Save the Children USA were forced to halt their programmes in several districts. At first, the United States was concerned only about the security of its citizens, aid workers and the operation of US-funded NGOs in Nepal, and did not consider the Maoists a threat to Nepal’s national security. During the initial days of the insurgency the Maoists were a small party, confined to small pockets of western Nepal. As the conflict escalated, the Maoists emerged as a major threat that dominated the political processes in the country.

After watching the escalation of the Maoist insurgency, and following the royal massacre on June 1, 2001, the United States began to enhance its engagement with Nepal. Shortly after the resignation of Girija Prasad Koirala in late July 2001 when Sher Bahadur Deuba, known for his rapport with the United States, took over as Prime Minister, Christina Rocca, the Assistant Secretary of State for South Asia, arrived in Nepal for meetings with security officials.³ 9/11 added a further fillip to this engagement by focusing US energies on “terrorism” including the Maoist insurgency. As a result, the United States began to advocate a military solution to the Maoist problem, in the process watering down everything from democracy and human rights to the parliamentary exercise that it had for long championed in Nepal. In January 2002, after the imposition of the State of Emergency and the mobilization of the Royal Nepal Army to crush the rebels, then US Secretary of State, General Colin Powell, arrived in Nepal. Shortly afterwards, the Bush administration

² <http://www.satp.org/satporgtp/countries/nepal/document/papers/40points.htm>, accessed on October 5, 2012..

³ John Mage, “The Nepali Revolution and International Relations”, *Monthly Review*, 1 May 2007, available at <http://monthlyreview.org/commentary/the-nepali-revolution-and-international-relations>, accessed on October 5, 2012.

announced it was seeking an initial special appropriation of US\$20 million for the Nepalese security forces. Following the murder of two security guards serving at the US embassy and minor bomb explosions carried out by Maoist cadres at the US Information Center, both in Kathmandu, the United States added the Maoists to the Terrorist Exclusion List in 2003.

The resumption of civil war in the autumn of 2003 after a seven-month ceasefire and unsuccessful peace talks saw the highpoint of the US military involvement in Nepal. The United States enhanced its military aid and capacity building of the Royal Nepal Army (RNA). There was a massive expansion of the Security Forces in Nepal (RNA and the paramilitary Armed Police Force).⁴ By 2005, the force which stood approximately at 46,000 in 2001 had increased to above 100,000.

During the civil war and in the post-war peace discussions, the United States did everything it could to defeat the Maoists, from nudging the King to ally with the political parties, supporting the Nepal Army by sending its Officials to US military colleges, training in counter-insurgency, and pushing for the deployment of village defence forces, among others. The United States was a silent spectator during the dismissal of Parliament by the Sher Bahadur Deuba government, thus mocking at the ethos of democracy; and unthinkingly watched the Doramba episode, where 18 unarmed Maoists were killed by the then Royal Nepal Army.

The US policy in Nepal was largely managed at the higher level in Washington. In 2004, it sent James F. Moriarty, who was Special Assistant to the President and Senior Director for Asian Affairs at the National Security Council, as the ambassador to Nepal. Moriarty was known for his fierce public criticism of the Maoists. Following the royal coup of February 2005, Moriarty did everything to persuade and pressure King Gyanendra to settle the confrontation with the political parties and to step up the war against the Maoists. The United States was confident that a united front between the monarchy and the political parties would be able to achieve a military victory over the Maoists. To its disappointment, that never happened.

Other international actors

India has always had the greatest political leverage over Nepal. Recognising India's centrality in Nepal, the United States was compelled to align its policy towards the Maoists with India's although differences surfaced given American suspicions about India's inconsistent policy towards Nepal's Maoists. For instance, in 2001, while India publicly labelled the Maoists as terrorists and provided military assistance to the Nepal Army to deal with the

⁴ Ibid.

Maoist insurgency, it simultaneously and covertly provided safe haven to Maoists in India.⁵ The United States was also more sceptical of the Maoists' willingness and ability to accept democratic politics.⁶

At the start of the Maoist insurgency, the United Kingdom and the United States were on the same page. Since 2001, their reaction to the Maoists has been multi-faceted, included both increasing development assistance to the government as well as increasing military assistance.⁷ However between 2001 and 2008, there have been significant differences between US policy and those of the European countries. By 2003, European governments had begun to adopt a more sympathetic attitude to the Maoist insurgency. According to a Wikileaks cable,⁸ Ambassador Moriarty wrote in 2006 that the Danish and Norwegians were convinced that lasting peace would come with the Maoists coming to power, and the British, while convinced that the Maoists would soon come to power, were consoling themselves that a Maoist-ruled Nepal might not be that bad. With Europe and Britain preparing for a Maoist leadership, and India taking credit for the deal that mainstreamed the Maoists, the United States was left uncertain and aloof.

Gradual shift in position

While the Indians were taking a pro-active role to try and broker a deal with the political parties and the Maoists against King Gyanendra, the United States attempted to thwart the deal, with Ambassador Moriarty following top leaders to Delhi in mid-November 2005 to lobby against the 12-point agreement.⁹ The alarm caused by perception of the rising threat of communism in Nepal, the attack on US Embassy security guards, the insecurities caused by the potential ties between China and Nepal's Maoists potential ties was slightly exaggerated. Consequently, even after the signing of the Comprehensive Peace Accord

⁵ Rabindra Mishra, "India's Role in Nepal's Maoist Insurgency", *Asian Survey*, Vol. 44, No. 5, 2004, pp. 627-46. Also see: Saubhagya Shah. 2004. "A Himalayan red herring? Maoist revolution in the shadow of the legacy raj". In: Michael James Hutt (ed.), *Himalayan people's war: Nepal's Maoist rebellion*, pp. 192-224. London: Hurst & Company.

⁶ ICG, "Nepal's Crisis: Mobilizing International Influence", Policy Briefing, Brussels/Kathmandu: ICJ, 19 April 2006, available at: http://un.org.np/sites/default/files/report/tid_105/2006-4-19-mobilising_international_influence.pdf, accessed on October 5, 2012.

⁷ Peter Burleigh, *Nepal: Western Views of the Maoist Insurgency and the Royal Takeover*, Berkeley: Institute of Governmental Studies, UC Berkeley, 2005.

⁸ Alastair Reith, "Wikileaks Reveals: U.S. Intrigue Against Maoists & Nepal Peace Process", *Revolution in South Asia-An International Info Project*, March 15, 2011. Available online at: <http://southasiarev.wordpress.com/2011/03/15/wikileaks-reveals-u-s-intrigue-against-maoists-nepal-peace-process/>, accessed on October 2005, 2012.

⁹ Prashant Jha, "A Nepali Perspective on International Involvement in Nepal", in Sebastian von Einsiedel, David M. Malone and Suman Pradhan (eds), *Nepal in Transition: From People's War to Fragile Peace*, New Delhi: Cambridge University Press, 2012.

(CPA) on November 21, 2006, the United States attempted to convince the democratic forces not to grant concessions to the Maoists.

However, this US position began to change subsequently and the first sign of the change came in the form of the visit of the former US President Jimmy Carter in his personal capacity. In his 2007 statement, Carter said: "The Maoists have disarmed to some degree and have adopted multiparty democracy. The US should establish communication with the Maoists."¹⁰ Engagement with the Maoists began inevitable after they won the elections and formed the government. Since then the US position has undergone a gradual transformation. The extent to which the US position has become transformed during the last few years can be seen from the fact that one former US Ambassador to Nepal Michael Malinowski had once refused to shake hands with a noted left-wing human rights activist Padma Ratna Tuladhar,¹¹ whereas a more recent incumbent in that office, Ambassador Scott DeLisi, has referred to Prime Minister Baburam Bhattarai as "Nepal's only hope".

Why de-list the Maoists?

Three possibilities can be defined to explain this change in the US position vis-à-vis Nepal broadly and the Maoists in particular. First, with growing anti-India sentiments in Nepal, the United States appeared to have read a strong Chinese interest in Nepal and a potential risk of an even more entrenched Chinese engagement with the country. While the Chinese policy on Nepal is guided mainly by the Tibet factor, it is alleged to be aimed at gradually reducing the influence of India and the United States in Nepal. Thus the US is attempting a course correction, especially with a new diplomatic initiative in the form of the appointment of Peter Bodde as the Ambassador.

Second, the United States historically relied upon the Royal Nepal Army and the monarchy as a stable partner. However, having assessed the Maoists' popularity and witnessing the fissures among other parties, the United States may have realised that the Maoists would be at the helm of affairs in Nepal for a long period of time. And with the calls for democratization of the Nepal Army and the focus on civilian control, the United States has been compelled to engage with the Maoists.

Third, the United States was on the wrong side of history by supporting the monarchy and the Royal Nepal Army at a time when popular support called for a peaceful political transition in Nepal. While the British and the Indians successfully repositioned themselves

¹⁰ <http://archive.newsmax.com/archives/ic/2007/6/16/100855.shtml?s=ic>, accessed on October 5, 2012.

¹¹ <http://www.indianexpress.com/news/bridging-the-divide/1000692/0>, accessed on October 5, 2012.

much earlier, and India even went ahead with brokering peace in Nepal, the United States is now trying to break its diplomatic isolation.

Further, the move comes after significant developments in the peace process and gradual transformation of the Maoists themselves. One criterion that the United States maintained in listing the UCPN-M as a terror group dealt with management of arms and integration/rehabilitation of former combatants. According to Ambassador Moriarty, "The United States believes the arms management process must be completed in an effective and transparent manner before the Maoists enter an interim Nepali government."¹² Accordingly, the US announcement delisting the Maoists overlaps with the final phase of the integration and rehabilitation process of former Maoist combatants.¹³ Moreover, US concerns about the UCPN-M's democratic credentials seem to have been resolved with the announcement of elections, signalling the entry of the Maoists into the multiparty electoral format. This has been reinforced by the UCPN-M split and the resolve of the breakaway faction that it will not go back to the jungles as an underground force,¹⁴ thus indicating the possibility that neither faction will go back to resume an armed uprising.

The move to remove the Maoist party from its list of "terrorist organisations" had been on the anvil for the last two years, and it comes just when the party does not seem to be in a position to upset the status quo in Nepal any further.¹⁵ The removal from the terror list coincides with a list of US engagements in Nepal, ranging from the resumption of Peace Corps after a hiatus of eight years; conclusion of the first joint humanitarian assistance between Nepal's Army and the US military called "Operation Pacific Angel Nepal"; Top of Form visit of the Assistant Secretary of State Robert O'Blake; and appointment of the new American Ambassador Peter W Bodde.

Although the United States has not been successful in containing the communist influence in Nepal, US policy together with the support of India and other western donors has been successful in pushing the Maoist party to transform itself from an insurgent outfit into a democratic party seeking to change society through the ballot rather than the bullet. In this context, the de-listing of Nepal's Maoists possibly indicates a renewed interest in Nepal, building on America's six decades of cooperation in development, defence and diplomacy.

¹² <http://www.globalpolitician.com/print.asp?id=2963>, accessed on November 22, 2012

¹³ <http://www.indianexpress.com/news/bridging-the-divide/1000692/0>, accessed on October 5, 2012.

¹⁴ http://www.myrepublica.com/portal/index.php?action=news_details&news_id=39419, accessed on October 5, 2012.

¹⁵ Editorial, "Nepal's Maoists", *Economic and Political Weekly*. Vol. XLVII. No. 38, 2012.

Implications

The US listing of the Maoists as a terrorist organization was often used by non-Maoist parties to question the credibility of the Maoist party. The Maoists had themselves been lobbying with the United States to remove this tag. The de-listing has removed the last obstacle to recognition of the Maoists as a non-violent political force and paved the way for enhanced US engagement with them.

For a long time, the United States looked at the Maoists as a threat to peace. Given India's immense leverage in Nepal, despite all apprehensions, the United States aligned its Nepal policy with India's. However, the de-listing of the Maoists possibly indicates renewed US interest in Nepal and its policies towards the latter could now be independent of India's influence. The assertion by the former Ambassador Scott H. Delisi that the "world is bigger than India and China"¹⁶ may be indicative of the changing American mood in this regard.

With pressures from China, the Nepalese government has often felt obliged to adopt stringent security measures vis-à-vis the Tibetans in order to live up to China's commitment to the "one China" policy. With the new American interest in Nepal, the Nepalese government may be pressurised by the Americans to concede the Tibetans their political right to protest, which could jeopardise Nepal's relationship with China. Tibet has indeed been a constant point of discussion during visits by various American officials to Nepal. China and the United States have been seen to be competing with each other to influence the Nepalese approach to the Tibetan issue. This trend is likely to continue and pose a critical diplomatic challenge for Nepal to balance its relationships with these two important countries.

¹⁶ <http://www.ekantipur.com/the-kathmandu-post/2011/12/11/interview/the-world-is-bigger-than-india-and-china/229223.html>, October 7, 2012.