Nepal plunged into a new political and constitutional crisis after Prime Minister Baburam Bhattarai dissolved the country’s Constituent Assembly on May 27, declared himself head of a caretaker government and announced elections for November 22.

The announcement followed the failure of political parties to agree on a new constitution after four years of wrangling and repeated extensions of the term of the Constitutional Assembly. The Nepali Congress (NC) and Communist Party of Nepal-UML (CPN-UML) immediately denounced Bhattarai’s decision as a power grab, demanded his resignation and the formation of a joint administration to oversee elections.

Bhattarai is from the Unified Communist Party of Nepal-Maoist (UCPN-M) which fought a protracted guerrilla war until 2006 when it joined the establishment parties in heading off a popular uprising against the monarchy. The Maoists won a plurality in the 2008 election for the Constituent Assembly which abolished the monarchy and declared a “secular state.”

The Constituent Assembly failed to finalise a constitution by the 2010 deadline, but voted to extend its own term four times. The entire period has been one of political turmoil with four unstable governments in four years.

All of the parties had agreed to extend the Constituent Assembly for another three months. But the Supreme Court ruled on May 24 that a further extension was unconstitutional and a fresh mandate was necessary.

Nepali President Ram Baran Yadav declared that dissolving the Constituent Assembly was “a matter of serious concern”, but agreed to an interim government led by Bhattarai. Sixteen parties led by Nepali Congress and the CPN-UML met Yadav to pressure him to end the caretaker regime and form a “national consensus government.”

The opposition parties have insisted that they do not want an election under a Maoist led government and will intensify their protests. The Nepali Congress has declared that it will boycott such an election. Three of Bhattarai’s allies, including the ethnically-based United Democratic Madhesi Front (UDMF), have quit his government.

The political crisis has been further compounded by a potential split in the UCPN-M by a so-called hard-line faction headed by the party’s vice-chairman Mohan Baidya. Yesterday he announced preparations were underway to form a new party. Baidya blamed Bhattarai for the dissolution of the Constituent Assembly and called for the formation of a national unity government. A breakaway would further undermine the credibility of the caretaker regime.

The main obstacle to a constitution has been the demand by the Maoists and regionally-based ethnic parties for a federal system with 14 autonomous states. Nepali Congress and the CPN-UML have bitterly opposed such a constitution. Neither side in this standoff represents the working class and oppressed masses.

Nepali Congress and the CPN-UML are defending the interests of the country’s traditional elites, which, under the monarchy, exploited ethnic differences to maintain their rule over the rural poor who comprise the majority of the population. Their fear is that a federal system will undermine their grip on power.

The UCPN-M and the regional parties represent the interests of the various ethnic elites who are attempting to concentrate greater power in their own hands to establish the basis for the exploitation of their “own” working class.

Thousands of people have already taken part in rival
protests this week, for and against a federal constitution, leading to clashes and scores of arrests by police.

The other major issue obstructing a constitution was the refusal of the army to incorporate thousands of former Maoist fighters into its ranks. The UCPN-M claimed that there were 19,000 ex-combatants, but the opposition parties accused the Maoists of inflating the numbers. Earlier this year, the Bhattarai government finally agreed to integrate 6,500 into the army and to pay compensation to rest.

Since coming to office, Bhattarai has sought to stabilise bourgeois rule and impose the burden of the country’s economic crisis onto working people. The UCPN-M abandoned its promises of land reform for the rural peasants and has offered tax concessions and “industrial peace” to encourage foreign investment.

The government enacted legislation banning strikes in essential services, including the transportation and distribution of petroleum products, health care and public transport. Those who “obstruct” essential services are liable for six months imprisonment and a 200-rupee fine. Those “ordering” industrial action are liable for one-year imprisonment and a 1,000-rupee fine.

Bhattarai has also announced the establishment of cheap labour industrial zones. Under its Immediate Action Plan for Economic Development, the government has banned strikes in infrastructure projects and has introduced a “no work, no pay” policy for those involved in industrial action.

Over the past four years, the UCPN-M has become widely discredited among the masses, many of whom voted for the Maoists in the hope that it would improve living standards and guarantee democratic rights. However, the country’s social crisis has only worsened. The official inflation rate is 10 percent and rising. A quarter of the population lives below the poverty line. In some rural areas such as the Far West, 46 percent of people are under poverty line.

All of the major and regional powers are concerned at the latest crisis in Nepal, which has increasingly become an arena of rivalry.

India, which has long regarded Nepal as part of its sphere of influence, sponsored the talks that resulted in the Maoists abandoning their guerrilla war. It is seeking to ensure rival China does widen its influence in Kathmandu. Indian external affairs spokesperson Syed Akbaruddin declared that New Delhi was “closely monitoring developments.”

The US supported the army against the Maoists and backed the monarchy until the last minute. Washington has backed its strategic partner India and also sought to widen its own role in Nepal. State department spokeswoman Victoria Nuland called on the Nepali parties to “find a way out of the present crisis.”

On May 17, the US ambassador to Nepal, Scott H. Delisi, told Pushpa Kamal Dahal, leader of the UCPN-M, that Washington was in the process of removing its designation as a terrorist organisation. He praised the role of Maoists in the so-called peace process.

The Chinese government has not issued a statement so far. However, the eKanthipur website cited Chinese analysts calling for an early resolution to the crisis by agreeing on a constitution. They warned that a “protracted transition phase could increase foreign intervention in Nepal”—a reference to India and the US.

However, with six months to go before elections and bitter opposition to the Bhattarai’s caretaker regime, the stage is set for protracted political turmoil.

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