



China and the Federalism Question in Nepal

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The elections in Nepal on 10 April 2008 that had led to the setting up of the Constituent Assembly, had mandated that a new constitution be drafted within two years. The tenure had to be extended for four years. Thereafter the Supreme Court issued an order that the new Constitution had to be enacted by 27 May 2012 and that no further extension was possible.

The last two weeks before the demise of the Constituent Assembly (CA) on 27 May 2012, were the most stressful days in the history of republican Nepal. The debate over federalism was at its peak and for the first time, was being discussed among the masses across the country, even in villages. There was great curiosity about the province to which people would belong in the future. The discussions were mainly centred on the different cartographic proposals for the provinces proposed by different groups based on geography and ethnicity according to which they were supposed to be demarcated. Though the very first meeting of the CA, held on 28 May

2008, declared Nepal a Federal Democratic Republic and the interim constitution was amended accordingly to create republican posts like president and vice-president, the practice of federalism has not been stress-free.

The weaknesses of the monarchy and the problems of underrepresentation of marginalised sections of society, led to the escalation of voices against the unitary system in Nepal. Federalism came up as a strong political agenda during the People's War, waged under the aegis of the Maoists. Since the abolition of the monarchy, the consciousness of marginalised people has been awakened and their demand has threatened the traditional structures of society. The anticipation of common people that the CA will give Nepal a constitution after settling the debate over federalism with a concrete conclusion, was however, misplaced. Rather, and unfortunately so, the CA was dissolved before it could formulate a draft of the constitution; the major cause was the unresolved issue of federalism.

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Nepali Debates on Federalism

The Maoists are clear about the federal structure and have proposed different provinces constructed under the ethnicity-based formula, but the Nepali Congress and Communist Party of Nepal (Unified Marxist Leninist, CPN (UML)) are against this recipe for future Nepal. They support a geographic model, but do not have a clear idea and their agendas confuse more than they convince¹. The other regional and ethnic parties are with the Maoists² and very much focused on ensuring the success of their future agenda

Federalism is one of the governing systems based on the principle of decentralisation of power in the form of shared rule and self-rule, and in Nepal, a way for the proportional representation of marginalised people in every sector of the state. But, knowingly or unknowingly, it is being portrayed as a magic wand which will solve every conflict and discrimination existing in society. It is not taken as the next experiment being carried out after the failure of the series of experiments of different governing systems under the unitary system, like autocratic monarchy during Panchayat Raj and constitutional monarchy after 1990, both of which could not deliver according to the expectation of the people.

As yet, the focus of demand and discussion over federalism is intra-state and has revolved around issues of identity and capability. Nepal, because of its geographic location, has geostrategic importance and given its poor economic and social conditions, cannot ignore the concerns raised by its immediate neighbours or by other major donor countries. The role of 'key' foreign players including next-door neighbours, India and China, plus the EU and the US cannot be neglected while settling Nepal's internal matters.

¹ Both Nepali Congress and CPN (UML) are for federalism based on multiple identities but have not proposed any concrete format in the CA.

² On 15 August 2012, the constituents of the United Democratic Madhesi Front (UDMF), and several small Madhesi and *Janjati* fringes formed a Federal Democratic Republican Alliance (FDRA) under United Communist Party of Nepal (Maoist): in order to "guarantee" identity-based federalism and electoral partnership for the second CA election.

India is a traditionally decisive power in Nepali politics. But, especially after the People's Movement of 2006, China has emerged as another key player in Nepali politics. These international players are also divided according to their own interests on the issue of federalism. The EU has been advocating the rights of ethnic communities and India has suggested linguistic determinants as one of the bases for delineating provinces (Republica 2013). Meanwhile, fearing a Tibetan independence movement, China appears to be opposed to ethnic federalism in Nepal.

China's Interest in Nepali Federalism

As a country sandwiched between the two Asian giants, Nepal is totally dependent on the neighbouring countries for its trade and access to the world. Its neighbours have their own system of governance, India is federal and China is unitary, and both have different concerns and interests in Nepal but security concerns are at the core for both. For China, the influx of Tibetan refugees in Nepal is the major concern. More than 20,000 refugees live in Nepal and still enter sporadically from Tibet (Hamal 2002). To reassure China, Nepal has adopted the 'One China' policy and is fully committed to ensuring that Nepali soil will never be allowed for anti-China activities. It is impossible for any government in Nepal to do a volte-face on the existing policy. The activities of Tibetan communities are regularly monitored in Nepal (Jain 2013) but China remains far from reassured.

Nepal shares some 1,400kms of land borders and substantial cultural affinity with the Tibet Autonomous Region of China across the Himalayas. In 1959, when Tibet was 'liberated', for Nepali indigenous communities of the Himalayan region like the Sherpas and the Lamas, the incident implied not only the takeover by the People's Liberation Army (PLA) of a bordering region but also the breakdown of a relationship that had existed for centuries. People across the border had family relationships³ and

³ The Tibetan and Nepali Sherpa communities have historically had marital relations until the early 1960s.

were economically interdependent. Due to cultural affinity and geographic proximity, the Chinese are more concerned about the misuse of those communities in anti-China activities, either in violent or non-violent campaigning. The Khampas unsuccessfully attempted a violent rebellion⁴ from Mustang district of Nepal which was disarmed by Nepalese Army, whose Supreme Commander-in-Chief was the King of Nepal. As a result, China supported the monarchy till the very end, considering it as a 'patriotic' force (Adhikari 2008). After the abolishing of the monarchy, China appears to be slowly and silently adopting an aggressive policy towards Nepal.

The major ethnic problems for China are in its border regions with other countries. China has consistently attempted to resolve this vexatious issue, but has not achieved any concrete solutions. The practice of 'limited regional autonomy' does not seem to have borne much fruit for Beijing (Chou 2012:154-170). In Xinjiang, China believes the feelings of Uyghur nationality resurfaced after the collapse of Soviet Union and formation of Tajikistan and Kyrgyzstan (Lai 2009). Similarly, in Nepal, if provinces are made on the basis of ethnicity, with special rights for various ethnic communities, in close proximity to Tibet, Tibetan communities living on the other side of the border may also demand the same kind of right and provide a sympathetic environment for Tibetans to 'split from the Chinese motherland'.

During the 2008 Beijing Olympics, when Nepal was just two months old as a republic, exiled Tibetans protested in Nepal for almost a month, drawing attention of the international media. Beijing was 'furious' with Kathmandu as a result, because of its weak control over the situation (Jha 2012: 353). Since then, because of the fragile situation in Nepal and the hype that Nepal is becoming a conduit for Westerners to support and finance the 'Free Tibet' movement, China has supported the strengthening of the Armed Police Force (APF) of Nepal which is deployed as the

border security force, to tighten control over the border and to stop the influx of Tibetans (Xinhua 2013).

After being elected to power in 2008, following a decade-long 'People's War', the Maoists tried to shake hands⁵ with China but ethnicity-based federalism remains a huge impediment to better relations between the two sides. Both the Nepali communist parties may have ideological linkages with Chinese leader Mao Zedong, but the model of federalism which is proposed by the Maoists, does not accord with that of the Chinese proposal. Ever since the Maoists began to raise the issues of discrimination against certain ethnic communities, the NGOs, INGOs and ethnicity-based organisations like the Nepal Federation of Indigenous Nationalities (NEFIN), working in favour of those communities, emerged as important stakeholders in Nepali politics and are now impossible to ignore. And since most NGOs and INGOs are funded by Western countries or donor agencies, this creates a sense of threat for the Chinese who have memories of the Khampa movement. This explains the statement of Yang Houlan, former Chinese Ambassador to Nepal, that China has "authentic proof" about Nepal turning into a "playground" for orchestrating anti-China activities by "alien quarters" (cited in *The Telegraph* 2011).

Chinese Influence in Nepali Politics

In April 2013, after returning from a week-long China visit, UCPN (Maoist) chief Pushpa Kamal Dahal said that China was worried about whether 'federalism would result in instability or push Nepal into anarchism'. He further clarified that the prime Chinese concern was Tibet; Beijing was worried about whether federalism with different power centres would 'provide an opportunity to manoeuvre different activities to create problems in Tibet' (Kantipur 2013). Similar concerns were raised when Mohan Baidhya, Chairman of CPN-Maoist, a faction split from the UCPN (Maoist), visited China last year in July 2012 (Himalayan Times 2012).

⁴ The Khampa rebellions were fought against People's Liberation Army of China from 1958 to 1974. They were funded, trained and armed by Central Intelligence Agency (CIA) of the US (see Sengupta 2013).

⁵ Maoist Chairman Prachanda went to China on his first visit abroad after becoming the Prime Minister and thus broke a tradition of Nepali Prime Ministers visiting India first.

These instances, it is possible to argue, show that after taking control over the commodity market, China is looking to take some control over Nepali politics as well. China appears to have two major interests in Nepal. First, it wants to pressurise Nepal to control the movement and activities of the Tibetans by nullifying the influence of the US and European Union in the Tibetan issues. Second, China seems to want to use Nepal as a gateway to South Asia to contain Indian hegemony in this region. In an interview to Kantipur Rashtriya Dainik, a Nepali-language national daily, Wang Hongwei, a veteran South Asia watcher from Beijing said that India was trying to make Nepal another 'Bhutan or even Sikkim' and that 'China would never let this happen' (Adhikari 2008). One could infer from these statements, that China would be willing to contend with India in 'the great game' in South Asia.

China takes a very different perspective from the rest of the international community towards the issues raised by Nepal's indigenous/ethnic communities. Its approach is based on the belief that ethnicity-based federalism will disintegrate Nepal by creating different power centres within the country. According to Wang, geography-based federalism could help Nepal to develop, but not ethnicity-based federalism (Adhikari 2008). Although the issue of federalism is an internal matter for Nepal and its success or failure depends on the degree of acceptance among Nepalis themselves, this so-called 'Chinese proposal' was indirectly supported by the organisations of the Brahmins and the Chhetris, the upper caste groups of the hilly regions. The 'virtual' economic-blockade⁶ of Nepal by India, during 1989-90, has led to the creation of anti-India sentiment among hill Brahmins and Chhetris, the 'ruling castes', who want China to act aggressively in Nepal to counter India. Generally, in a situation of intra-state conflict in a buffer state, 'one group seeks support outside the country' (Partem 1983: 21) and the situation provides China options for

partners in Nepali politics, which they have been searching for in the post-monarchy setup.

Contradiction in Chinese Policy

The Chinese are very sensitive about the recent protests and series of self-immolations by Tibetans living inside and outside of Tibet and would clearly not want multiple power centres near the border of Tibet. More specifically, China would not want too many federal states, near its borders. China's interests in this issue, therefore, seem more domestic than attempts at regional counterbalance. Meanwhile, Chinese scholars do seem to hint that foreign interests had directly impacted the decision-making process in Nepal. Ma Jiali, a South Asia expert, said that federalism had become an irreconcilable agenda because of the multiple interests of internal forces like Madhesi, indigenous/ethnic communities and external forces like India (Republica 2012). Similarly, Hu Shisheng, another South Asia analyst with the China Institutes of Contemporary International Relations, Beijing, in an interview to BBC-Nepali Service, appeared to indirectly accuse India of supporting the Madhes to split from Nepal and Western nations of inciting Nepal's ethnic communities, when he stated "I am not certain if India is supporting but it could be that some local groups might have been in contact with some departments of the Indian government and countries outside South Asia could also be behind these incidents" (as cited in Telegraph 2012).

Following the pattern of its involvement in the ports of Hambantota in Sri Lanka and of Chittagong in Bangladesh, China has proposed building four dry ports and cargo terminals, Yari-Pulam, Rasuwa-Jilong, Kodari-Zangmu and Olangchungola-Riwu, on the Sino-Nepal border (Singh 2012). China would obviously want to impress the people of the small, poor and weak states of South Asia by settling disputes and presenting itself as a benign power. Wang, in another interview with Republica, said that China's policy of cooperating with developing neighbouring countries is part of a larger goal of changing the existing world order (Basnet 2012). This would change the 'politically warm but economically cold' relations with Nepal to

⁶ The India-Nepal trade agreement expired on 23 March 1989, leading to the virtual economic blockade of Nepal that lasted till April 1990, till the end of *Panchyat Raj* under the absolute monarchy.

'economically close' and help in restricting the dependency of Nepal on the Indian economy and on Indian trade routes (Kumar 2012). Thus, it would appear that, on the one hand, China is spending a lot on restricting the movement of Tibetans through the border while, on the other, it is also investing more to open the border for economic cooperation. This then, is the fundamental contradiction of Chinese policy in Nepal.

Conclusion

The Chinese never fail to reiterate their policy of 'non-interference' and declare that they will 'respect' the decision of the Nepali people (Telegraph 2011). While referring to foreign influence, Ai Ping, Vice Minister at the International Department of the Communist Party of China said, 'We know better how it feels when foreigners interfere in domestic affairs' (As quoted by Bhattarai 2012). But now, it appears that it is the Chinese who are prioritizing their domestic concerns under the guise of foreign activities, while putting forth their views on Nepali federalism. China's increasing interests in Nepal give the impression that after a few years, the 'remote control'⁷ of Nepali politics may shift from South Block (in India) to Beijing and the destination of elite Nepali youth will shift from the US to China.

Nepal is not an autarkic state. Nepal is highly dependent on foreign aid and has to import almost everything. Obviously, foreign ideas will also be imported. Diplomats however, are getting unnecessary leeway in Nepal; they are left free to 'advise' different leaders and government officials by bypassing the Ministry of Foreign Affairs (Rai 2009). It seems that with the issue of federalism, the country is trapped in the clutches of the vested interests of international players. Though suggestions or ideas from foreigners may have benefits for Nepal, 'democracy cannot be simulated rather it must be grown from within' (as cited in Kumar 2008:128). Needless to say, for stability in Nepal, the second CA must not

suffer the fate of the first. It must provide a common ground for all stakeholders to sit together and generate ideas and solutions, including the future shape of Nepali federalism, without foreign interference.

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⁷ The metaphor 'remote control' has been used by Prachanda against India's influence in Nepali politics. After resigning as Prime Minister on 4 May 2009, he accused India for his downfall stating he preferred to resign rather to act as a 'puppet under remote control of unseen power'.

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