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LAND TENURE, DEMOCRACY, AND INSURGENCY IN NEPAL

Peasant Support for Insurgency Versus Democracy

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Madhav Joshi and T. David Mason

Abstract

Nepal's Maoist party has been able to mobilize peasants for insurgency, but it could not mobilize them to vote for the communists in elections. Ties of clientelist dependency enabled landed elites to mobilize peasants to vote for other parties in 1992 and 1994, but insurgent violence weakened those ties, enabling Maoists to mobilize support for insurgency.

Keywords: Nepal, democracy, Maoist insurgency, land tenure, peasants

In 1996 the Maoist wing of the Nepal Communist Party (CPN-M) launched a revolutionary insurgency that eventually established a support base sufficient to afford it a degree of local control, thus rendering the state's administrative machinery dysfunctional in some locales. In some regions, rebel control progressed to the point that the CPN-M created "liberated zones" and "people's governments" to serve as the de facto political authority in those communities. The fact that a Maoist insurgency emerged in Nepal at this point in time poses several puzzles for students of rural insurgencies and democratic transitions.

First, the collapse of Leninist regimes in Eastern Europe was supposed to spell the death of Leninist parties everywhere, except in that handful of nations where such parties maintain ruling party status (e.g., Cuba, North Korea,

Madhav Joshi is a doctoral candidate in the Department of Political Science at the University of North Texas. T. David Mason is the Johnie Christian Family Peace Professor in the Department of Political Science at the University of North Texas. Emails: <joshimr@unt.edu>, <masontd@unt.edu>.

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China, Laos, and Vietnam). Yet, when Nepal made the transition to parliamentary democracy in 1990, communist parties not only ran candidates for office with some success, but, unlike their Eastern European counterparts, they did not change their name nor abandon their official commitment to Marxist doctrine. Second, the “third wave” of democratic transitions and the end of the Cold War were supposed to spell an end to the wave of revolutions that had swept the Third World over the past 50 years.¹ Yet, not only did Nepal’s insurgency emerge after the end of the Cold War, but it was led by a party that had ran candidates for office in the initial rounds of the new democracy’s elections—elections that were theoretically supposed to immunize Nepal against armed rebellion.

Perhaps most puzzling about the Nepal case is the question of how a party can succeed in mobilizing peasants for the dangerous enterprise of armed insurgency when it could not persuade them to commit to the far less risky political act of voting for its candidates in democratic elections. Approximately 82% of Nepal’s work force is employed in the agricultural sector, mostly as small landholders, tenants, or landless peasants. Parties that advocated agrarian reform in their electoral platforms should have fared well among these constituencies. Yet, the election results were actually disappointing for these parties. The United Marxist-Leninist Party (CPN-UML, the mainstream party of the Marxist left) did win 69 of the 205 seats in the inaugural parliamentary elections of 1991, and a plurality of 88 seats in 1994. This entitled it to form a government for about nine months from November 1994 to September 1995. Even though the CPN-UML had a vague land reform agenda in its election manifesto, it surprisingly gained substantial electoral support among landlords, leading one to question the depth of its commitment to dramatic agrarian reform. In contrast, those Marxist parties that advocated more aggressive redistribution of land ownership performed poorly in the elections. The United Peoples’ Front (UPF) (the political front of CPN-Unity Center) contested 70 seats in the 1991 elections but won only nine.² On the eve of the 1994 elections, the UPF fractionalized into two factions—one led by Baburam Bhattarai and

1. The “first wave” entailed the democratization of European countries between 1828 and 1926. The “second wave” was post-World War II (1945–62) democratization that included newly decolonized states as well as several of the defeated Axis powers. The “third wave” began in 1974 in southern Europe (Portugal, Spain, and Greece) and spread to Latin America and parts of East Asia, culminating in the 1989 revolutions in Eastern Europe, eventually spreading to Africa. See Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman, Okla.: University of Oklahoma Press, 1991), pp. 14–26. On the third wave and revolution, see Jeff Goodwin, “Is the Age of Revolution Over?” in *Revolution: International Dimensions*, ed. Mark N. Katz (Washington, D.C.: CQ Press, 2001), pp. 272–83; and Robert S. Snyder, “The End of Revolution?” in *Review of Politics* 61:1 (Winter 1999), pp. 5–28.

2. UPF was an electoral coalition of communist parties consisting of CPN (Fourth Convention), CPN (Mashal), Proletarian Workers’ Organization, and Nepal Communist Party (Janamukhi).

the other by Niranjana Govind Vaidya. Vaidya's faction contested 49 seats but won none. The election commission refused to certify Bhattarai's faction as a legal party, thus forcing its candidates to contest seats as independents. Bhattarai's faction subsequently joined a splinter group of the CPN (Unity Center) led by Pushpa Kama Dahal (alias Prachanda), and these two leaders united to form the CPN-Maoist.³ The CPN-Maoist subsequently abandoned electoral politics and initiated an armed insurgency in remote regions of Nepal's countryside. By 2003, the government of Nepal estimated that the Maoist insurgency had 5,500 active combatants, another 8,000 militia, 4,500 full-time cadres, 33,000 hardcore followers, and 200,000 sympathizers.⁴ Arguably, the Maoists had been more successful at mobilizing peasants for armed rebellion than for voting.

In the analysis that follows, we offer an explanation for why peasants assumed the risk of supporting a party's armed insurgency whereas they were unwilling to provide the same party with a far less risky political currency—their votes—in democratic elections. We begin by reviewing the political economy of peasant politics in Nepal. Despite several attempts at land reform, Nepali peasant farmers have remained bound in a system of clientelist dependency dominated by powerful local landlords. These landlords can manipulate peasant voting behavior by threatening to withhold access to land and other subsistence guarantees from peasants who are suspected of having voted for parties that advocate agrarian reform. However, these same peasants can, paradoxically, be persuaded to support an insurgency that directly attacks those same landlords, redistributes their land, cancels peasant debts, and thereby frees peasants from the bondage of clientelist dependency.

As such, the Maoist insurgency in Nepal represents a cautionary tale about the prospects of democracy in an agrarian society inoculating against revolutionary insurgency. If the new institutions of democracy are captured by the same landed elite who dominated the pre-transition political economy, then that same democracy is at risk of degenerating into an electoral façade. When democratization is confined merely to competitive elections and constitutional constraints on state power are weak or non-existent, elected governments may largely preserve the power of local elites who sustain the bonds of clientelist dependency that deter peasants from voting their true preferences. Under these circumstances, mere electoral democracy cannot fully inoculate against insurgency, and the survival of a newly emerging democracy remains in jeopardy.

3. P. G. Rajamohan, "Communist Party of Nepal (Maoist)-CPN(M)," <www.ipcs.org/agdb14-nepalmaoists.pdf>, accessed on January 11, 2007.

4. South Asia Terrorism Portal, "Nepal Terrorist Groups-Communist Party of Nepal-Maoist," <<http://www.satp.org/satporgtp/countries/nepal/terroristoutfits/index.html>>, accessed on January 11, 2007.

The fate of Nepal's fledgling democracy illustrates these risks dramatically. The failure of Nepal's unstable multi-party parliamentary government to effectively address either the insurgency or the widespread poverty that feeds it led King Gyanendra to dismiss the democratically elected government in October 2002. After a succession of cabinets appointed by Gyanendra failed as well, he subsequently suspended democracy altogether and assumed power himself in February 2005. The prime minister and other elected officials were either detained or placed under house arrest, and media outlets were put under the control of the military. In essence, an insurgency that had emerged from Nepal's democratic transition with the goal of abolishing the feudal rural social structure had brought about the collapse of democracy.

Democratization and Insurgency

The Nepal insurgency poses a puzzle for contemporary research on democratic transitions because one common theme in that body of literature is that stable democracies should be relatively immune to civil war.⁵ If, as Goodwin and Skocpol argue, "the ballot box . . . has proven to be the coffin of revolutionary movements,"⁶ then Nepal's transition to democracy in 1991 should have inoculated the country against armed rebellion. This should especially have been the case since the very parties that had led previous (failed) insurgencies entered the electoral arena as peaceful competitors for elective office in the new democratic order.

The domestic corollary of the "democratic peace" proposition is that democracies are less likely to experience civil wars than non-democracies because the institutions of democracy defuse revolutionary violence by channeling dissent into electoral politics and nonviolent protest.⁷ Opposition movements need not resort to organized violence against the state because they can form legal political parties and run candidates for office. Democratic rights and freedoms afford challengers the opportunity to influence policy through nonviolent protest and other forms of collective action short of armed rebellion. Furthermore, it is theorized that political leaders have an electoral incentive to accommodate calls for reform and to refrain from repression because of the electoral costs that could ensue. Since democratic states are supposedly less likely to

5. Matthew Krain and Marissa Edson Myers, "Democracy and Civil War: A Note on the Democratic Peace Proposition," *International Interactions* 23:1 (1997), pp. 109–18; Håvard Hegre, Tanja Ellingsen, Nils Petter Gleditsch, and Scott Gates. "Toward a Democratic Civil Peace? Democracy, Political Change, and Civil War, 1816–1992," in *American Political Science Review* 95:1 (2001), pp. 34–48.

6. Jeff Goodwin and Theda Skocpol, "Explaining Revolutions in the Contemporary World," in *Politics and Society* 17:4 (December 1989), p. 495.

7. Hegre, Ellingsen, Gleditsch, and Gates, "Toward a Democratic Civil Peace?"

repress nonviolent protest, opposition groups are not compelled to choose between withdrawing from politics in order to escape state repression or shifting to violent tactics of their own in order to combat it.

Thus, theoretical arguments and empirical evidence suggest that the “third wave” of democracy should bring about a decline in the incidence of civil war. However, there are also reasons for caution on this prediction. First, where revolutionary insurgencies predate the transition to democracy and the insurgents have not participated in the transition bargain, democratization does not automatically bring about an end to insurgent violence or the immediate transformation of revolutionary organizations into conventional political parties. The persistence of revolutionary movements in the Philippines, Peru, and Colombia long after their transitions to democracy suggests that an established revolutionary movement may prefer continued conflict over entering into the “democratic bargain.” This is especially the case if the rebels believe that the best outcome they can expect from democratic processes is less than what they can gain through continued armed conflict. This, however, was not the case in Nepal. As explained earlier, the parties that eventually initiated the insurgency had previously entered the “democratic bargain” and had competed in the first rounds of national elections.

Second, the domestic version of the “democratic peace” thesis applies most clearly to fully consolidated democracies. Most “third wave” democracies, including Nepal, have yet to achieve democratic consolidation. Huntington warned that new democracies can and often do decay.⁸ Each of the three waves of democracy, according to Huntington, was followed by a period of reversal in which some newly democratic regimes reverted to non-democratic forms of governance. Przeworski and his collaborators have documented a number of factors, such as lower levels of economic development and slower economic growth, that increase the probability of a new democracy failing and being replaced by some form of authoritarian rule.⁹ The emergence of an armed insurgency certainly jeopardized the survival of Nepal’s nascent democracy. The inability of a democratic regime to defeat an insurgency can provide a justification for authoritarian recidivists to stage a coup in the name of preserving national security. This is precisely what happened in Nepal with the dismissal of the elected government in 2002 and the assumption of full power by the king in February 2005.

Finally, the consolidation of democracy is, to some extent, dependent upon the ability of newly elected leaders to resolve the economic problems that plague the rural and urban poor. Democracy supposedly empowers the poor, at

8. See Huntington, “*The Third Wave*.”

9. Adam Przeworski, Michael Alvarez, José Antonio Cheibub, and Fernando Limongi, “What Makes Democracies Endure?” in *Journal of Democracy* 7:1 (January 1996), pp. 39–55.

least in the sense that it endows them with the right to vote. Since poor peasants are far more numerous than the landed elite, their votes can actually be decisive in elections. By advocating land reform, candidates stand to gain far more votes from the large pool of poor peasants than they risk losing by alienating land owners. Yet, in new democracies where land ownership is concentrated in the hands of a small landed elite, peasants actually often remain bound to landowners by ties of clientelist dependency. These clientelist ties that bind peasant cultivators to landed elites make it particularly difficult for populist candidates to persuade risk-averse peasants to vote for them. This is the case because landed patrons can coerce peasants into voting against reformist parties by threatening peasants with a loss of land and other subsistence guarantees.¹⁰

Arguably, this dilemma limited the ability of communist parties in Nepal to build a significant electoral base among peasants in 1991 and 1994. The election manifestos of several communist parties advocated “Jasko Jot Usko Poot” (Land to the Tillers), which would have fundamentally altered the structural relationship between peasants and landed elites. However, peasants did not vote for those parties in large numbers. The persistence of clientelist politics in the countryside helps to explain the mediocre electoral performance of reformist parties and their eventual willingness to abandon democracy in favor of insurgency.

Democracy and Clientelist Politics

Why would a landless or land-poor peasant not vote for parties that advocated reforms that would benefit him and his family far more than any policy advocated by other parties on the ballot? In nations where a large portion of the population is employed in the agricultural sector and a substantial portion of their activity is concentrated in subsistence cultivation, peasants remain embedded in networks of patron-client dependency that constrain the autonomy of their political behavior. Inequality in patterns of land ownership combines with the economic marginality of peasant cultivators to compel them to seek the patronage of landed elites who can provide them with access to land and other services that amount to a “subsistence floor.”¹¹

From the peasant’s point of view, the legitimacy of the clientelist exchange is based on the “subsistence ethic” by which peasants seek insurance against the risks of a subsistence crisis. In return, they are often willing to accept highly inequitable terms of trade that virtually guarantee their perpetual poverty and

10. See T. David Mason, “Land Reform and the Breakdown of Clientelist Politics in El Salvador,” in *Comparative Political Studies* 8:4 (1986), pp. 487–517.

11. See James C. Scott, *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia* (New Haven, Conn.: Yale University Press, 1976), especially pp. 29–32.

dependence on the patron. Each client is far more dependent on the benefits provided by the landed patron than the patron is on the goods and services that any one client can provide him. The loss of a patron's beneficence could cast the peasant cultivator into the pool of landless laborers, devoid of any subsistence security and exposed to the uncertainties of the market for land, labor, and food. By contrast, the defection of one client from a landed patron's domain has little, if any, effect on that patron's well-being because the defector can easily be replaced from the same pool of landless laborers.

In exchange for using a plot of land, peasant cultivators are expected to provide the landed patron with some mix of rent, crop shares, free labor, and other services. They are also expected to support the patron politically by deferring to his instructions on matters such as whom to vote for in elections. In return, the patron provides his clients with access to land and some combination of goods, services, and emergency assistance that amount to a "subsistence floor."¹² Patrons also dispense justice locally and provide clients with protection not just from bandits and other predators but also from the state and other outside claimants to a share of the peasant's time, labor, or crops. As such, local patrons serve as a buffer between the peasant and the state. In democracies, local patrons also often act as a buffer between peasants and parties running candidates for elective office. The patron uses his ability to deliver the support of his clients as a bargaining chip in his dealings with external authorities including the state and, in democracies, political parties in the electoral scene.

Under these circumstances, withholding one's vote from political parties that advocate agrarian reform—reforms that would break the power of landed elites over the lives and loyalty of peasant cultivators—can become a rational course of action for marginalized peasants. By voting for reformist parties, peasants risk incurring the wrath of their landlord and jeopardizing their access to land and other subsistence guarantees. Formal assurances of ballot secrecy are not likely to be sufficient to induce peasants to vote against the directive of their patron. This is especially the case in new democracies with no established tradition of free and fair elections, where those charged with managing local polling stations are perceived to be agents of the landed elite (or at least not clearly autonomous from them). Thus, we would not expect a large number of votes for reformist parties in districts where land ownership is concentrated in the hands of a relatively small landed elite and a large section of the peasantry work as tenants. This would be the case because peasants would feel obligated to vote as their landlord instructs or risk losing access to land and other subsistence guarantees. The presence of a large landless population in the district would also be expected to strengthen this relationship since the size of the

12. *Ibid.*

landless population is inversely related to the bargaining strength of tenants, sharecroppers, and other renters.¹³

Nepal's Traditional Land Tenure System

The land tenure system that Nepal's new democratic government inherited in 1991 was introduced by the Shah monarchy. The authoritarian family regime of the Ranas had used the system as a means to enhance their political power and extend their reach into the countryside. The Ranas had been a powerful force in Nepalese politics for over 100 years prior to the first democratic movement of 1950–51, exercising de facto rule over the nation for much of that time.

During the Rana era, two different kinds of land tenure systems prevailed in Nepal: *raikar* (state landlordism) and *kipat* (communal land). State landlordism was based on the principle that control over the land was the sovereign right of the state. Before and during the Rana regime, the state used *raikar* land for different purposes such as *jagir* (paying salaries for government officials in land), *guthi* (providing state support for religious institutions), and *birta* (rewarding noble families, soldiers, religious teachers, and priests for their service to the state). None of these three forms of *raikar* ownership translated into a landed aristocracy because the land given for service to the government (*birta*) reverted back to the state when the recipient's service ended. Ownership rights were not permanent, and the landholder could not bequeath them to his children. Because *birta* land was more of a favor granted by the state to garner political support, most of the recipients of *birta* land were Ranas, brahmins, Thakuris, families close to the ruling elites, and relatives of royal families.¹⁴ With any change in the alignment of elite politics in the capital, *birta* land could be reassigned to supporters of the newly ascendant elite faction. Therefore, the *birta* system of land tenure never contributed to the emergence of a permanent landed aristocracy.¹⁵ Yet, it did provide the king with a reliable network of loyalists who preserved order in the countryside and served as his agents in the villages.

At any given time, the power of the then-current *birta* landholder was dominant in the villages because residents depended upon access to that land for their subsistence. *Birta* landholders had discretionary power to set rent on their lands. As agents of the state, they also had discretionary power to levy taxes on all *raikar* lands in their township and to appropriate a share of those revenues for administering justice, regulating local markets, and collecting fines. Yet, the landlords' own *birta* lands were exempt from taxation.

13. See Mason, "Land Reform."

14. Brahmins and Thakuris were members of the upper caste, who were also recipients of land from the state.

15. Mahesh C. Regmi, *Land Ownership in Nepal* (Berkeley: University of California Press, 1976), pp. 16–20.

The benefits they extracted from local peasants were of several types. Peasants were usually required to provide unpaid labor services to the landlord in return for use of a subsistence plot. Peasants had to pay land taxes in cash for the land they used and were also dependent on the same landlord for cash loans, usually at high interest rates. This often grew into a form of perpetual bonded indebtedness. Over time, population growth increased the size of the landless population, enabling landlords to extract ever higher rents and interest rates in return for access to land and loans to pay taxes. Any peasant who objected to the rental terms or interest rates could easily be replaced from the large and growing landless population.¹⁶

Communal lands were managed differently from the various *raikir* lands. The *kipat* land belonged to regional ethnic groups, largely in the hilly eastern region of Nepal. Individual households had the right to cultivate a particular plot as long as they remained a member of that ethnic community. Communal lands were exempt from taxation.

A fundamental feature of all these tenure systems was that no one retained permanent landholding rights. However, by the mid-1930s *raikar* rights were evolving into nearly full-fledged property rights as sale, mortgage, and tenancy were permitted without any restrictions.¹⁷ Following the fall of the Ranas in 1951, the government addressed the feudal land tenure system by enacting the Tenancy Rights Acquisition Act (TRAA). This act was intended to provide land title to tenants who paid taxes or rent for the land they cultivated but, ironically, the measure had the exact opposite of its intended effect by helping to institutionalize what amounted to a permanent landed elite. Taxes and rents paid by individual tenants traditionally had not been recorded in the state tax records. Instead, landlords had entered their own names for the taxes they collected on the lands they rented out. Thus, when the TRAA granted permanent title to land, the ownership transferred to the landlords who had been collecting taxes for the state rather than to the peasants who had been farming the land. Instead of improving the lives of peasant farmers and distributing “land to the tiller,” this act fortified the landlords’ legal claim to the land and created a landed elite that was more permanent than had ever been the case under the Ranas.¹⁸ As a result, the land reform issue became an enduring challenge for the state. However, the state’s ability to enact meaningful land reform was stymied by the fact that this now-permanent landed elite included high-ranking state officials, government administrators, military officers, and members of both the royal family and the Ranas. The state’s autonomy from this class of landed elites was severely compromised.

16. Arjun K. Karki, “Movement from Below: Land Rights Movement in Nepal,” in *Inter-Asia Cultural Studies* 3 (2002), p. 207.

17. Regmi, *Land Ownership in Nepal*, p. 177.

18. *Ibid.*, pp. 198–99.

The land reform movement began gaining momentum shortly after the adoption of the 1951 Constitution. Peasants staged both spontaneous and planned demonstrations against landlords in several parts of the country. The 1951 movement initiated by Bhim Datta Panta in the far western region, in particular, alarmed landlords and government officials. The government put a bounty on his head, and he was eventually captured and executed in 1954. The All Nepal Peasants Association (ANPA) was formed in 1952 to mobilize peasants behind demands for the redistribution of land to peasants. The first congress of the Nepal Communist Party in 1954 passed a resolution demanding the confiscation of land from landlords and its redistribution to tenants and landless peasants. As a result of pressure from this grassroots movement, the Nepali Congress Party (NC) formally adopted the slogan “Jamin Jotneko; Ghar Potneko” (Land Belongs to Tillers and a House Belongs to the One Who Smears It). This slogan became so popular among peasants that they voted heavily for the NC in the 1959 elections, contributing significantly to that party’s victory.¹⁹

In response to peasant unrest, the government established the Royal Land Reform Commission in 1952. This commission devised the 1957 Land Act, which was followed by the Birta Abolition Act of 1959. However, these measures did little to correct the inequality in land tenure that had been institutionalized by TRAA. The 1957 Land Act granted peasants title to land they had cultivated only if they were cultivating it themselves at the time of the act—and only if the rent or taxes they paid were officially registered in their name. As a result, only those peasants who enjoyed the favor of their landlords received title to the land they rented. Otherwise, landlords who had collected taxes from tenants but recorded the taxes under their own name retained permanent title.

Moreover, the government’s ability to implement the act—for example its ability to monitor and enforce titling on lands—was eroded by frequent cabinet changes and chronic legislative immobility in Nepal’s fledgling multi-party Parliament. When dissidents staged violent protests on the outskirts of the capital in 1960, King Mahendra blamed the governing NC party for the deteriorating internal security situation and dismissed the elected government on December 15. This was done despite the fact that the NC had a two-thirds

19. This slogan has been in use for more than five decades, since the beginning of the socialist/communist movement in Nepal. “Smears” refers to daubing a house’s walls with special clay materials. Because peasants do such work for the upper classes or landlords, the slogan implies that a house should belong to the peasants who care for it, not the landlords. This resembles the view that land should belong to the peasants who plow it. The NC in 1959 was a leftist party organized to compete in nationwide elections. Karki explicitly asserts that its success in that year’s election was a function of support from peasants who expected that the NC would initiate meaningful land reform. For details about the party and its strategies to woo peasant support, see Karki, “Movement from Below,” p. 211.

majority of seats in the national Parliament.²⁰ In its place the king imposed the *panchayat* (village council) system, ending Nepal's first experiment with democracy and with it the prospects for significant agrarian reform.

The *Panchayat* Regime and Land Reform

In 1961, the king replaced Nepal's first democratic government with the *panchayat* system, which was designed to give him a more direct and unchallenged role in government. The *panchayat* system was based on the principle of "development first and democracy later"—an ideology described by the king as being more suitable than parliamentary democracy to the social, political, and economic climate of Nepal at the time. The *panchayat* system was based on two fundamental principles. First, it was a "partyless system" in the sense that existing political parties were banned and the establishment of new parties prohibited. The ANPA was also banned. Second, the *panchayat* ideology was depicted as a means to mobilize the rural population in support of the government's goal of national development.

Under the *panchayat* system, the people elected leaders at the village level directly. The rationale behind this system was to mobilize the rural population through local elections but prevent them from forming autonomous party organizations that could directly challenge the king. The king was able to control the outcome of local elections by giving local elites—many of whom were indebted to the Crown for their land—control over who could contest elections for the village *panchayats*.²¹ With his loyalists in control of local assemblies, the king was assured that delegates chosen to each succeeding level of government would also be compliant.

The *panchayat* government sought to establish its own legitimacy by introducing a land reform initiative. Leaders of the *panchayat* regime hoped that this would help defuse popular discontent over the dismantling of the parliamentary system and the banning of the ANPA. The Land Reorganization Act of 1962 had three basic objectives. First, the government sought to alter patterns of land ownership by enacting a provision empowering the state to confiscate all of a landowner's holdings over 16.4 hectares. Second, the state sought to increase agricultural production by establishing a program of debt redemption for peasants and making additional funds available for agricultural loans. The hope was that peasant output and income would increase with additional access to loans at lower interest rates, and that debt burdens would no longer

20. Narayan Khadka, "Crisis in Nepal's Partyless *Panchayat* System: The Case for More Democracy," in *Pacific Affairs* 59:3 (1986), p. 430.

21. *Ibid.*; and Urmila Phadnis, "Nepal: The Politics of Referendum," in *ibid.*, 54:3 (1981), pp. 431–54.

TABLE 1 *Distribution of Household and Area Owned by Size of Land Holding (%)*

Size of Holding	1961		1971		1981		1991		2001	
	HH	Area	HH	Area	HH	Area	HH	Area	HH	Area
Holdings with no land	1.43	0	0.8	0	.37	0	1.17	0	0.85	0
Less than 1.0 ha	73.89	24.03	76.77	27.2	66.32	17.33	68.63	30.5	74.15	38.88
1-4 ha	19.56	35.68	18.39	39.29	28.05	46.13	27.68	50.8	23.7	50.45
More than 4 ha	5.13	41.42	4.03	33.74	5.35	36.54	2.51	18.7	1.3	10.67
<i>Total</i>	100	100	100	100	100	100	100	100	100	100

SOURCE: Central Bureau of Statistics, *Agricultural Census of Nepal* (1961, 1971, 1981, 1991, and 2001).

NOTE: HH = household; figures for numbers in totals have been rounded.

serve as an instrument of peasant subordination to landlords. Third, the land reform program was also intended to shift labor and capital from agriculture to non-agricultural sectors.

This reform program was implemented in two different phases and covered the entire country by 1966. Eventually, it confiscated and redistributed only about 1.5% of the arable land. After land reform, 7.8% of peasant household were still landless, whereas 3.3% of households owned about 26.9% of arable land with an average size of 18.3 hectares. In contrast, 62% of peasant households owned about 49% of arable land with average holdings of only 1.67 hectares. Approximately 15.4% of the arable land was held by 20.7% of households as mixed tenancy (both owner and tenant holding) with an average size of 1.64 hectares.²² In short, the various rounds of land reform adopted by the Nepali government have been generally ineffective in redistributing land (see Table 1).

An especially perverse effect of the 1962 land reform was its impact on communal lands. In particular, the act broke up communal holdings by awarding households permanent title to the individual plots they cultivated. This simply converted ethnic communities into a class of marginal smallholders. Many soon found themselves unable to produce enough for subsistence because of the progressive fragmentation of landholdings. Consequently, they were compelled to seek assistance from local patrons in the form of cash loans to pay taxes and other forms of emergency aid to avoid a subsistence crisis in bad harvest years. With landholdings individually titled, local patrons could

22. M. A. Zaman, *Evaluation of Land Reform in Nepal* (Kathmandu: Ministry of Land Reform, 1973), p. 33.

compel smallholders to sell their lands to pay off debts. Thus, the land reform of 1962 actually contributed to the growth of the landless population and to the concentration of land ownership in regions where large portions of the land had been previously communally owned.

In many respects, the 1962 land reform was a total failure. By announcing its terms before implementing it and by adopting a phased implementation strategy, the government gave landlords ample time to subdivide their holdings among relatives in order to avoid having any of their land confiscated. Thus, the figure of 26.9% of land held by landlords after land reform was misleading. Through their relatives, landlords controlled nearly the same amount of land as before the 1962 reform program. Similarly, the figures regarding tenant cultivation and mixed tenancy were also misleading. Because the act allowed a tenant to claim legal ownership of one-fourth of the land he cultivated, landlords rented out most of their land without legal documentation. This insulated their holdings from the law and still allowed them to force tenants off the land at a later date if so desired.

The economic status of peasants in Nepal remained very marginal after land reform. Peasants did not get loans from the government any more easily than they had from landlords. Government loans were also difficult to repay because production remained predominantly subsistence oriented. Bank loans usually carried a lower interest rate, but the loan still had to be paid in cash, whereas landlords could be paid in kind. If one took a government loan, the household would be compelled to market a portion of their crop sufficient to service the loan, often leaving them with less for subsistence needs. It also exposed them to fluctuations in market prices. In contrast, failure to pay the landlord's loan on time could force peasants to sell off their land or work for the landlord as bonded labor. Thus, neither source of credit—whether from the government or through landlords—afforded peasants a particularly savory choice.

In summary, the series of land reform initiatives enacted during the 1950s and 1960s was ineffective because the parliamentary system that prevailed until 1961 was not strong enough to confront powerful landed interests inside and outside of government. The 1962 reforms of the *panchayat* regime served to perpetuate the agrarian status quo and protect the landed gentry, many of whom held office in the *panchayat* regime. Because a significant share of arable land was controlled by landlords who were also government officials, the state lacked sufficient autonomy from the landed elite to enact any meaningful land reform measures that might threaten the interests of those landlord-officials. Landlord-officials controlled peasants and mobilized grassroots support for (or at least compliance with) the *panchayat* system. In essence, preserving the loyalty of local elites was apparently more important to the king than addressing peasant grievances in a meaningful fashion.

From the *Panchayat* System to Democracy

Eventually, political pressure for reforming the *panchayat* system began to build. In 1971 leaders of today's insurgency initiated an armed insurrection in the eastern regions of Nepal that has often been compared to the Naxalite Movement in West Bengal, India.²³ This armed Nepali insurrection—known as the *Jhapa* Movement—was quite successful at mobilizing peasants by targeting local landlords, but the government suppressed it in 1972.²⁴ This defeat led to factional splits within the communist movement. Some factions favored a revival of armed insurrection, while others preferred a more moderate approach. The former are now among the top leaders of the CPN-M insurgency while the latter are prominent in CPN-UML. Some of those in CPN-UML became royalist after the coup of October 2002 and supported the king's move to assume executive power directly.²⁵

Faced with mounting protest against his rule in 1979, King Birendra announced a national referendum in which voters could decide whether or not to continue a reformed *panchayat* system or switch to a multi-party parliamentary system. The main reform the king added was that the national legislature would be subject to direct election, with the prime minister elected by the legislature and responsible to it. The main restriction that distinguished this reform from a return to multi-party parliamentarianism was the continued ban on political parties.²⁶

In the May 2, 1980, referendum, people voted to continue the *panchayat* system. With the opposition fragmented and unable to unite behind the multi-party option, landed elites—loyal to the king and committed to preserving the existing land tenure system—were able to manipulate a majority of the rural population to vote for continuing the partyless system. Thus, political parties remained underground but party activists subsequently began contesting elections as independents. This allowed parties to begin cultivating a constituency

23. The Naxalite Movement is a radical communist (Maoist) movement in India. Land reform is one of the issues this movement has been advocating, making it popular among economically and socially marginalized rural populations in India.

24. Narayan Khadka, "Factionalism in the Communist Movement in Nepal," in *Pacific Affairs* 68:1 (1995), pp. 55–76. The term *Jhapa* refers to the easternmost district of Nepal, which lies in the agriculturally rich Terai (plains) area of the country.

25. Other small communist factions (CPN-Manandhar, CPN-Amatya, CPN-Burma) dissipated after the restoration of democracy and became close to the CPN-Maoist in their ideological orientation. Radha Krishna Mainali, who was a prominent leader of the *Jhapa* Movement, joined CPN-UML and, after the royal takeover in 2002, supported the king. He also became a minister in the king's cabinet.

26. Khadka, "Crisis in Nepal's Partyless *Panchayat* System," p. 443; and Phadnis, "Nepal," p. 441.

base and testing the appetite of the population for possible mass political mobilization against the *panchayat* system.

The Uprising of 1990 and the Transition to Democracy

On April 8, 1990, King Birendra capitulated to mass protests and ended the *panchayat* system, lifting the ban on political parties and inaugurating the transition to multi-party democracy. Several factors contributed to the emergence of the protest movement that brought about this transition. Among them was, first, growth in the educated urban middle class, especially the student population, which provided a ready base of participants. When the *panchayat* system was installed in 1961, about 98% of the population was engaged in agriculture and only about 9% of Nepalis were literate. By 1990 the literacy rate had increased to about 54%.²⁷

A second major catalyst was the ongoing crisis in Nepal's relations with India. Nepal's bilateral trade treaty had expired and India was reluctant to renew it unless Nepal undertook democratic reforms. The expiration of this treaty isolated Nepal economically and crippled its economy at a time when the government was confronted with mounting opposition to the *panchayat* system. Soon the international community joined India in pressuring the king to undertake democratic reforms and improve Nepal's human rights record. Many countries backed this diplomacy by withholding aid to the regime.²⁸ Statistics on foreign aid commitments—both bilateral and multilateral—reveal the severe impact these sanctions had on Nepal's already fragile economy.²⁹

The political unrest of 1990 presented the *panchayat* government with the choice of trying to subdue the uprising through repression or undertaking democratic reforms to placate the movement and avoid possible revolution. The uprising began with demonstrations in the capital on February 18. The government responded by banning opposition newspapers and arresting a number of pro-democracy activists. When the police fired on demonstrators at a later event, participation in the movement actually expanded, especially among urban professional groups. When as many as 200,000 marched on the king's palace in April, the police fired on the crowd, killing several protesters. When the

27. Calculated using census data from the Government of Nepal, *Population Census 2001* (Central Bureau of Statistics), <<http://www.cbs.gov.np/Population/National%20Report%202001/tab16.htm>>, accessed November 11, 2005.

28. Narayan Khadka, "Democracy and Development in Nepal: Problems and Prospects," in *Pacific Affairs* 66:1 (1993), pp. 44–71.

29. For more detail regarding trends in foreign aid and loans, see the Government of Nepal, Ministry of Finance website, <<http://www.mof.gov.np/publication/index.php>>, accessed on September 10, 2004.

government tried to crush the movement in urban areas, people from rural areas joined the protest and helped sustain the movement for about two months. The king finally relented on April 8.

Political parties, including the NC and the United Left Front (a coalition of communist parties) negotiated a successful transition to democracy with a constitutional monarchy and a multiparty parliament. As such, the transition was an elite bargain between leaders of an emerging political movement and the patron of the *panchayat* system—namely, the king. A new Constitution was drafted and promulgated in 1991, and the first general elections were held that year. The NC won a clear majority with the CPN-UML in opposition. Although Nepal's new Constitution established a parliamentary democracy, the king's prerogatives—including control over the Royal Nepal Army—remained intact. The Constitution guaranteed political and civil rights and legalized political parties but otherwise almost all other institutions of the *panchayat* system were left intact. What changed was that control over these institutions was now subject to multi-party elections.

While a new class of political elites emerged from the middle class in the post-1990 era, these new elites and their political parties were unable to fulfill the promises made in their election manifestos. In particular, the hope that peasants would get land reform and debt relief was never realized under the new regime, any more than it had been under the *panchayat* system or its nominally democratic predecessor. The smaller communist factions' demands for an elected constituent assembly to write a new constitution with provisions for land reform were ignored in the drafting of the 1991 Constitution because the far left had no representatives in the nine-member constitutional committee appointed by the king.³⁰

Political Instability after 1991

The government was unable to make significant progress in alleviating social and economic hardship during the first five years of Nepal's new democratic regime because of factionalism within and between the ruling parties, and their inability to hold together stable governing coalitions.³¹ The parties that emerged from underground after the *panchayat* era lacked institutional stability and

30. The interim government that appointed a constitutional committee was under pressure from the palace. Since the Constitution was not written through a constituent assembly, it excluded ethnic groups, marginalized groups, *madhesis* (plains people), *dalits* (untouchables), and women in the constitution-making process.

31. Padmaja Murthy, "Understanding Nepal Maoist's Demands: Revisiting Events of 1990," *Strategic Analysis* 27:1 (2003), pp. 41–55, <<http://www.idsa-india.org/>>, accessed November 5, 2004; Smruti S. Pattanaik, "Maoist Insurgency in Nepal: Examining Socio-Economic Grievances and Political Implications," *Strategic Analysis* 26:1 (2000), pp. 118–30, <<http://www.idsa-india.org/>>, accessed November 5, 2004.

were unable to maintain party discipline. As a result, the stability of coalition governments in Nepal was always fragile at best. Unstable coalitions of unstable parties are unlikely to undertake bold policy initiatives—including land reform—for fear of alienating critical members of the coalition and possibly bringing about the collapse of the government. Besides, rural elites controlled an estimated 90% of the seats in the first Parliament.³² This, in itself, precluded effective land reform. The primary need to preserve the governing coalition in Nepal's new democracy distracted its governing leaders from policy issues that most concerned their constituents, including the issue of land tenure and rural poverty.

Government instability became clearly evident by 1994 when then-Prime Minister Girija Prasad Koirala dissolved the Parliament after failing to get majority support for his annual agenda or even for the non-binding motion of consent from his own party. In the 1994 elections, the NC lost the popular vote and its majority status in Parliament. The 1994 election produced no majority party, but CPN-UML's plurality earned it the opportunity to form a minority government even though it had never led a government before.³³

The new government was even more volatile than the previous one, with the CPN-UML and NC forming an unlikely coalition with the National Democratic Party (NDP), a party that included former leaders of the *panchayat* system. The NDP was given the position of prime minister in order to sustain the coalition. The rural population eventually became disaffected with this governing coalition because many former *panchayat* leaders had been so quickly integrated into it. This new democratic regime also failed to enact policies that enhanced social and economic opportunities in rural areas.

Scholars have tried to explain how political violence can emerge out of an incipient democratic system when democracy is, at least theoretically, supposed to inoculate a nation against revolution. According to Hegre et al., "anocracies" are more likely to have violent political conflicts or violent rebellion because they are neither autocratic enough to crush a rebellion nor democratic enough to resolve conflict peacefully.³⁴ Yet, the same study also points to the fact that nations undergoing rapid change in their level of democracy are prone to the outbreak of political violence. According to Pattanaik, frequent changes in government do not give political parties enough time to address issues of social development and economic growth because the parties' focus shifts from

32. Khadka, "Democracy and Development in Nepal," p. 52.

33. See Ananta Raj Poudyal, "Nepal in 1995: The Communist Rule Experiment," *Asian Survey* 36:2 (February 1996), pp. 209–15.

34. "Anocracies" are polities with mixed authority patterns, referred to sometimes as "semi-democracies" or "weak authoritarian" regimes. See Hegre, Ellingsen, Gleditsch, and Gates, "Toward a Democratic Civil Peace?" p. 34.

policy debates to coalition building.³⁵ However, frequent changes in government, administrative corruption, growing social and economic disparities, and the absence of significant development initiatives at the village level are not the only variables that explain the revolutionary environment in Nepal. Instead, it is also important to analyze the demands made by Maoists and the perceptions of their active supporters prior to the party officially declaring armed insurrection against the state.

The Land Reform Issue after 1991

A half century after the rule of the Rana family ended, land tenure remains a highly salient issue among a large portion of Nepal's population. Because neither the new democratic regime nor its *panchayat* predecessor was able to enact significant land reform, land tenure became an important issue that CPN-M was able to exploit to mobilize peasants for insurgency. The persistence of traditional landlord-peasant relations is very much evident from the 2001 agriculture census that shows that about 5% of households own 37% of arable land, whereas 47% of households own only 15% of arable land with an average farm size of 0.5 hectares.³⁶ According to the 2001 population census, about 25% of households are landless, about 28% are marginal cultivators (between 0.21–1 hectares), and about 20% are small cultivators (1.01–2 hectares).

The portion of ethnic minorities that are landless is greater than their proportion of the national population; the share of ethnic minority households that are marginal cultivators and small cultivators is below their share of the national population. This indicates that there is an ethnic element to the land tenure issue as well. However, this is not to say that the insurgency is an ethnic movement. Ethnic minorities supported the Maoist insurgency because a large proportion of minority populations were victims of the inequality in the pattern of landownership.

In 1991, peasants were very optimistic about the prospects of democratization leading to meaningful land reform. All of the political parties that contested in the 1991 and 1994 elections included land reform in their election manifestos, but only the communist parties explicitly advocated "land to the tiller." Logically, peasants should have voted for these parties considering the prospects they afforded farmers to potentially break free from the subordination of landlords. The 1991 elections provided a snapshot of the constituent base of communist parties (on the ideological left) and the NC (on the ideological right). The eastern part of Nepal, which is considered relatively advanced

35. See Pattanaik, "Maoist Insurgency in Nepal."

36. Government of Nepal, *Agriculture Census 2001*, Central Bureau of Statistics, <<http://www.cbs.gov.np/Agriculture/Agriculture%20Census2001/District%20Summary/content.htm>>, accessed November 10, 2004.

in terms of education and economic development, actually favored the communist parties. In contrast, the western part of the country is where the NC had a solid constituent base. Given the ideological orientation of these parties, the communists should have won more support in the west and the Congress in the east because the communist parties' land reform agenda should have had more appeal among the large mass of subsistence farmers in the west.

Why did peasants not vote in large numbers for parties that were most likely to enact significant land reform? As long as land remained in the hands of the same landed elites as before the transition to democracy, peasants remained bound to them in various forms of clientelist dependency. Despite the fact that voting is secret, voting for a reformist party meant risking the wrath of one's landlord and perhaps jeopardizing one's access to land. During the election campaign, local elites and landlords would often invite their favored candidate to local feasts and make it clear to villagers in attendance whom they were expected to vote for. Rather than jeopardize their subsistence security, peasants tended to be allegiant to the landlord when they cast their votes.

If peasants could not be persuaded to vote for pro-reform candidates, how could they be persuaded to support an armed insurgency, a much riskier political activity than voting? When Maoist insurgents moved into a district, they first targeted landlords and their allies in the local government. Once they had eliminated the landlords, they redistributed their land, destroyed bondage papers, canceled debts, compelled local government officials to resign, and constituted "people's governments" in the villages. By driving out landlords, the rebels effectively released peasants from the clientelist obligations that had bound them, allowing them to more freely support the insurgent communists. David Seddon describes this succinctly:

The disruption of traditional local social structures and practices, encouraged by the Maoists in areas under their control and influence (which now constitutes some 80% of the countryside), can also be seen as a liberating process, enabling those previously locked into positions of subordination and subjugation to be freed of these ties and obligations in a hitherto unprecedented fashion.³⁷

The Maoist insurgency not only broke ties of structural dependency between local strongmen and peasants, but the insurgents also dispensed a new form of social justice by establishing the rights of peasants to the land they farmed. An unnamed government official in a village under Maoist control is quoted as saying, "The rich landlords have abandoned villages and their lands are now in possession of the actual tillers, thanks to the Maoists. So land disputes

37. Seddon, "Armed Violence and Poverty in Nepal: A Case Study for the Armed Violence and Poverty Initiative" (March 2005), p. 24, <http://www.smallarmssurvey.org/files/portal/spotlight/country/asia_pdf/asia-nepal-2005.pdf>, accessed January 9, 2007.

are literally non-existent now.”³⁸ Not surprisingly, interviews with peasants in affected villages indicate that they often reacted favorably to this strategy. Schneiderman and Turin report the following from an interview with a resident of such a village: “We heard that Maoists were starting to break into the houses of wealthy people, tax collectors, and moneylenders, stealing their money and property and distributing it to the poor. What amazing news, we had never heard anything like that before! I was also happy when I heard this rumor.”³⁹

Even if the rebels’ control of a village was brief, it gave peasants a taste of what life would be like if the insurgents indeed won. Integrated Regional Information Network (IRIN), which is a part of the U.N. Office for the Coordination of Humanitarian Affairs, reports a change in the life of peasants in villages controlled by Maoist insurgents by writing the following:

Some villagers told IRIN there was now less exploitation and intimidation by absentee landlords, or those from higher castes. In many areas, the rebels have banned the traditional exploitative system of *Bali Pratha* (fixed product renting) through which the Dalits—the lowest caste (untouchables)—had to be laborers for the higher caste, and were only paid with a few lentils and crops once a year for all their work. “Now I can make money for every effort I make,” said 32-year-old tailor Tara Pariyar.⁴⁰

The arrival of insurgency also altered the rural political economy in ways that Pathak characterizes as follows: “Most of the toiling peasants and workers follow the Maoist path in the hope of receiving adequate food, housing, clothing, basic education, primary healthcare, and so forth. When hundreds of thousands of tenants receive their rightful share with the help of Maoists, they support the movement to the best of their effort.”⁴¹ This gave peasants not only the incentive but also the opportunity to support the insurgents, covertly or overtly.⁴² In an interview with the British Broadcasting Corporation, a local Maoist commander in a remote district of Nepal said, “I am fighting this war to create a true people’s democracy. This is a feudal society—the king and all the landlords rule by the gun.”⁴³

38. P. C. Dubey, “Kangaroo Courts Hold Sway in Nepal Hinterland,” <<http://southasia.oneworld.net/article/view/90875/1/>>, accessed January 9, 2007.

39. Sara Schneiderman and Mark Turin, “The Path to *Jan Sarkar* in the Dolakha District: Toward an Ethnography of the Maoist Movement,” in *Himalayan People’s War: Nepal’s Maoist Rebellion*, ed. Michael Hutt (Bloomington: Indiana University Press, 2004), p. 89.

40. See IRIN, February 20, 2006, “NEPAL: Terrorism or Liberation? Life in a Rebel-Held Village,” <<http://www.irinnews.org/report.asp?ReportID=50557&SelectRegion=Asia&SelectCountry=NEPAL>>, accessed May 21, 2006.

41. Bishnu Pathak, *Politics of People’s War and Human Rights in Nepal* (Kathmandu: BIMIPA Publication, 2005), p. 180.

42. On the insurgents’ tactics, see Schneiderman and Turin, “The Path to *Jan Sarkar*”; and Pathak, *Politics of People’s War*.

43. Rahul Sarnaik, “Eyewitness: Nepal’s Maoist Power Base,” <http://news.bbc.co.uk/2/hi/south_asia/1422194.stm>, accessed on January 9, 2007.

Realizing the gravity of the situation, the ruling NC government announced a radical land reform program in 2001. Transactions on land were immediately halted and the government began working on a land reform policy. UML and other communist parties welcomed these initiatives, but other political parties such as the NDP and Nepal Sadbhana Party—the third and fourth largest parties in Parliament, respectively—opposed the reforms. Thus, party fragmentation in the governing coalition precluded the enactment of any law that would have significantly altered the pattern of land tenure. Maoist revolutionaries, for their part, demanded nationalization of all land. The government proposed a new ceiling on land ownership but failed to implement the policy because it could not accurately document over-the-ceiling land holdings for expropriation. Thus, the government's inability to enact any significant land reform left many peasants with the choice of either abiding the agrarian status quo in silence or supporting the insurgents. Thus, where the rebels were successful in driving out landlords, peasants supported the movement; elsewhere, they voted for candidates endorsed by local landlords and waited in silence for the day the insurgency would reach their village.

Conclusion

Why would a Maoist insurgency arise and thrive after a nation underwent a transition to democracy that would supposedly defuse revolutionary discontent? How can Maoist insurgents mobilize peasants for armed insurgency when they could not convince them to vote for them in democratic elections? We have tried to explain these anomalies deriving from the politics of land reform in Nepal since the 1950s. After the 1990 transition, the new political actors emerging from the middle class gave peasants hope for land reform and emancipation from their debts to local landlords. In the subsequent years, however, elected politicians could not deliver on the desired reforms. Instead, to gain electoral support, they invited landlords to contest elections for local office or seats in the national parliament. Such trade-offs sustained the new democracy but bolstered the ability of landed elites to prevent meaningful reforms that would release peasants from their bonds of clientelist dependency. This also limited representation from ethnic minorities, including *dalits* and *madhesis*, in the national parliament.

Eventually peasants shifted to supporting the Maoist insurgency, especially in areas where the insurgents were successful in eliminating the local landed elite. What electoral democracy could not deliver to peasants—land reform and relief from clientelist dependency—the Maoist insurgency brought through political violence. The success of insurgency largely resulted in a relapse into authoritarianism. This highlights the risks of authoritarian recidivism in new democracies presiding over agrarian economies. Aggressive land reform and

investment in rural development projects are necessary to dismantle the power of traditional rural elites and to free peasants from the ties of clientelist dependency that subordinate peasants to them. The redistribution of land ownership and political power in the countryside, which at least initially appears to be occurring in Nepal in light of recent political developments, should diminish the prospects of relapse into insurgency and enhance the chances of restored democracy if they are effectively implemented.⁴⁴

44. King Gyanendra was forced to restore Parliament in April 2006 after massive demonstrations and the formation of a united front between the Seven Parties Alliance (SPA) and the Maoist party protesting against the king's assumption of executive power earlier in November 2005. Shortly after the SPA government was formed, that government and the Maoist party signed a broad power-sharing agreement that included a cease fire, security guarantees for insurgents, and plans to elect a constituent assembly to write a new constitution. United Nations forces were instructed to establish security zones for the rebels with the hope of eventually integrating them into the national armed forces after their formal demobilization and disarmament. The Maoist party has about a quarter of the seats—83—in the interim Parliament. On April 1, 2007, five members of the Maoist party were also appointed to the cabinet of the interim government. The constituent election is scheduled for June. All agreements signed between the Maoist party and SPA—as well as the common minimum program of government unveiled on April 10, 2007—include provisions for extensive land reform and investment in rural development projects.