

A new start to Nepal politics: How must India progress?

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A new shah in Nepal. (Photo from Balendra 'Balen' Shah's official profile.)

A month ago, snap elections in Nepal were held with much hope and curiosity. The results were expected yet surprising. The Rashtriya Swatantra Party (RSP) formed in 2022 won a complete majority, something that Nepal had not seen since the Nepali Congress's win in 1999. Not only that. Balendra Shah, the rapper turned mayor turned prime minister won nearly 70,000 votes, highest ever in Nepali history, in the Jhapa constituency where K.P. Oli had a strong hold for decades. And this is when only 60 per cent of the electorate voted. After much speculation and relative delay, one of the youngest cabinets in the world, was sworn in in Nepal on 27 March. Within two weeks, two crucial developments have taken place. One, the order to arrest former Prime Minister Oli and former Home Minister Ramesh

Lekhak on 28 March. Two, hosting foreign ambassadors of various countries for group discussion at the Singha Darbar. These developments along with a close look at the new government in Nepal should be rightly assessed by New Delhi.

Let's look at the new leadership first. News about how 4 of 15 cabinet ministers have studied in India were being highlighted recently. However, what matters is that most of them are young, seemingly motivated and without much ideological shackles. This means there is almost a complete change of pedigree. Rabi Lamichhane is the king-maker, the founder of RSP and current President of the party. A former TV-presenter, Lamichhane has the popularity and acumen for politics, most strikingly visible from two recent events. First, he refused to take up a cabinet position, remaining back-stage to strengthen party politics. Second, despite his controversial 'prison breakout' facilitated during the Gen Z protest last year and subsequent surrender, followed by multiple charges of crime, he was allowed to continue in politics by the Attorney General, who withdrew these charges against him. Lamichhane brought in Balen Shah into RSP just before the elections. While Shah refused to lead the interim government as PM, the aim was to make him the PM for five years and nothing less. 35 year old Shah, is a Madhesi, a group that have been marginalized by the 'old' systems and processes that RSP opposes. The 2015 constitution, the seventh in the country, was a problematic point for the Madeshis. The Madhesi protests demanding devolution of more power were alleged to be backed by India, stressing bi-lateral ties between the two countries then. During his campaign, Balen, evoked anti-establishment sentiments among the Madeshi populace, urging them to not beg for rights from Kathmandu, meaning those who rule as majority. Instead, he said "its time for change". The election outcome reflects that call.

The top three portfolios - foreign affairs, finance and home ministries - have been given to Shishir Khanal, Swarnim Wagle and Sudan Gurung respectively. While the first two have been in their political domain for some time, Gurung is a by-product of the Gen Z protest. A former DJ turned activist, Gurung's tenure began with a bit of controversy. As mentioned, on 28 March, K.P. Oli and Ramesh Lekhak, were arrested at the direction of the new government, who went by the Karki Commission's report laying criminal charges on both, linked to the death of 76 protestors last year. Soon after this, Gurung wrote on X that they had "messed with the wrong generation". Now people are hoping that the new government will not be revanchist and full fill their promised "delivery based governance" instead. A 100-point government reform agenda awaits to be implemented, along with the

promises of a 7% annual growth rate, creation of 1.2 billion jobs and turning Nepal into an IT export hub in the next five years. The new government however has announced to issue a formal state apology within 15 days, for the “discrimination and deprivation of opportunities inflicted on Dalits and historically marginalised communities by the state, society and policy structures”, a step seen as historic and inclusive.

For New Delhi, that has dealt with an ‘anti-India’ sentiment in Nepal for a while now, two aspects need understanding. First, the negative point. Territorial rhetoric should not be pushed beyond politics. The fact that Balen Shah had hung a photo of ‘greater Nepal’ in his office as the Mayor of Kathmandu supposedly came after India’s projection of a map showing territories within Nepal as Akhand Bharat. His famous song ‘Jai Mahakali’ that has been repeatedly used to celebrate his political success, too has reference to Akhand Nepal. Given that a contestation of territorial claims in Limpiyadhura-Lipulekh-Kalapani tri-junction occurred not too long ago, it is best to study between lines before making strategic calculations. Recently, both India and China have agreed to re-open the Lipulekh pass to resume border trade from June 2026, after six years. This was not received well in Nepal. The only upside this time is that Shah does not as much care about China as did the previous dispensation, or so he thinks. The decision to call the ambassadors of China and India together (among those others like USA, UK, EU, Bangladesh etc.) for a joint/group discussion re-instates this position.

The second and positive point is that, the new government hopes to pursue a balanced and dynamic diplomacy, focused on development. This aligns well with India’s engagement with Nepal over building infrastructure projects and connectivity networks. In 2014, when PM Modi made his maiden visit to Nepal he had provided a HIT formula - highways, inland waterways and trans-ways. In 2023, when PM Prachanda visited India with a 80-member delegation, this continued to find space with six projects being launched and seven MoUs signed, many of them in the infrastructure and connectivity sector. From extension of gas pipeline and railways to increasing ICPs along the border, bi-lateral relations have made progress on this front and this must be sustained. In the same spirit, on 2 April, new MoUs were signed to undertake seven High Impact Community Development Project across seven districts in Nepal. These developments indicate that at least for now, India should move along already set track with a new Nepal, one with a strong majority government, technocratic in character but unhinged in approach.

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