

# Stalinist CPN-UML leader Sharma Oli sworn in as Nepal's prime minister

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On Monday, K.P. Sharma Oli, leader of the Stalinist Communist Party of Nepal-Unified Marxist Leninist (CPN-UML), was sworn in as Nepal's new prime minister by President Ramchandra Paudel. Oli's coalition secured the support of the bourgeois Nepali Congress, which has 89 seats in the 275-member parliament. With the CPN-UML holding 78 seats, their combined strength of 167 surpasses the 138 seats required for a majority.

Oli assumed the premiership after the former Prime Minister Pushpa Kamal Dahal (also known as Prachanda), who leads the Communist Party of Nepal (Maoist Centre), overwhelmingly lost a parliamentary vote of confidence on July 12. The CPN-UML had withdrawn its support for Dahal. It is the first time in ten years that the CPN-UML and the Nepali Congress have come together.

Oli is now the fifth prime minister in five years and his fourth term as PM. Nepal abolished its 239-year-old monarchy in 2008 and declared the transition to a republic in 2015. Since then there have been 14 different governments, none of which completed their full term.

Oli and Nepali Congress leader Sher Bahadur Deuba have reportedly agreed on a “power-sharing” deal to amend the country's constitution. While the agreement is yet to be made public, the *Wire* wrote on July 16 that “the two parties have agreed to ensure political stability, spur economic growth, and amend the constitution to change the electoral system and address other vital issues.”

Nepal's current electoral system is based on a mixture of proportional and first-past-the-post, with a specified number of parliamentary seats for women and various minorities, including Dalits and Muslims. According to the current arrangements, 60 percent of

Nepal's lower house members are elected on a first-past-the-post basis, with 40 percent elected through the proportional system.

*Nikkei* reported that “the bigger parties are demanding a constitutional amendment to create a first-past-the-post voting system that would curb the power of small parties and, they argue, ensure political stability.”

The dominant sections of the Nepali ruling class—in line with the demands of international finance capital, rising poverty and growing anti-government sentiment—are desperately trying to maintain political control and attract foreign investment.

The World Bank's update on Nepal in April stated that “frequent political changes, [creating] a top headwind for businesses for over a decade, could continue to deter private investment.” The *Kathmandu Post* and other local media immediately declared that the World Bank has sounded “alarm bells.”

When constitutional changes were made in 2015, the various Maoist-Stalinist parties and the Nepali Congress painted it as a major victory for democracy in Nepal. The changes, however, have produced no real social improvements in the lives of the working class and rural poor, who remain in dire poverty.

Leaders of all Nepali parliamentary parties, including Oli, Dahal and Deuba and their cronies, are mired in corruption, with some local media outlets suggesting that Oli and Deuba have come together to cover up corruption scandals. Major amendments to the constitution that undermine or eliminate the proportional system, however, could trigger political unrest.

Nepal remains one of the poorest countries in the world. According to the Fourth Nepal Living Standards Survey report for 2022–23 and released early this year,

20.27 percent of the country's population is living below the poverty line, with poverty in urban areas at 18.34 percent and 24.66 percent in rural areas.

In 2022, youth unemployment stood at around 21 percent, with millions of young Nepalis leaving the country to secure work in Malaysia, South Korea and the Middle East. Over 700,000 young people left Nepal in 2023 alone.

Underpinning the unstable political situation in Nepal, which is strategically located between India and China, are the sharpening geopolitical tensions between the US and India on the one hand, and China on the other. Washington, New Delhi and Beijing are closely monitoring political developments in Kathmandu.

Historically under Indian influence, Nepal is a key focal point for New Delhi, which wants to prevent it from aligning itself too closely with Beijing, a relationship that expanded during a previous Oli administration. In 2017, China and Nepal signed the Belt and Road Initiative agreement.

New Delhi's efforts not only serve its own geopolitical agenda but are in line with Washington's economic and military strategies, which aim to integrate Kathmandu with broader US war preparations against China.

To counter any pro-Chinese shift by the CPN-UML, the Nepali Congress has secured the foreign ministry. Arzu Rana Deuba, the new foreign minister, is the spouse of Sher Bahadur Deuba, the former prime minister, and president of the Nepali Congress.

Although Oli has previously denounced India for allegedly meddling in Nepal's internal matters, the CPN-UML does not want to antagonise New Delhi.

On July 11, Foreign Affairs Department chief Dr Rajan Bhattarai, who is a senior CPN-UML official, told the *Times of India*, "The CPN-UML doesn't believe that Nepal can progress or the interest of Nepalese people could be promoted by pursuing anti-India policy. We consider India as an important neighbour and we won't allow any activity directed against India from our soil."

On Monday, Indian Prime Minister Narendra Modi congratulated Oli, declaring that he "looked forward to working closely to further strengthen the deep bonds of friendship between our two countries and to further expand our mutually beneficial cooperation for the progress and prosperity of our peoples."

While China is yet to officially congratulate Nepal's new prime minister, it has increased its investments and defence relations with the land-locked Himalayan nation. According to the *South China Morning Post*, China is surpassing India as the largest investor in Nepal.

In recent years, Nepal's major parliamentary parties have also expanded their political and economic relations with the US.

In 2022, all of Nepal's Stalinist and Maoist parties endorsed the Nepali Congress-led government's \$US500 million Millennium Challenge Corporation (MCC) deal with the US. In March 2022, the Nepali government, in line with Washington, endorsed the UN resolution opposing the Russian invasion of Ukraine.

In late January 2023, US Under Secretary of State for Political Affairs Victoria Nuland visited Nepal, where she denounced unnamed "autocrats" for "trying to change global rules by force"—a clear reference to Beijing and Moscow. "It's enormously important for the US to have partners like Nepal," she told then Prime Minister Pushpa Kamal Dahal, leader of the Communist Party of Nepal (Maoist Centre).

The latest appointment of K.P. Sharma Oli as prime minister, and the sordid behind-the-scenes operations of the ruling class in Kathmandu and its parliamentary parties, will result in even greater attacks on the democratic and social rights of the Nepalese masses.



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