

Is Marxism Alive in Nepal?

Ostensibly Communist parties govern the Himalayan republic, but socialism remains a long way off

Wednesday 22 November 2023, by [PRASAI Khagendra](#) (Date first published: 13 November 2023).

It may come as a surprise to many to learn that, in contrast to other South Asian nations, the Left is a popular political force in Nepal. In the country's 2022 House of Representatives elections, the three Communist parties — the Communist Party of Nepal (Unified Marxist-Leninist), the Communist Party of Nepal (Maoist Centre), and the Communist Party of Nepal (Unified Socialist) — collectively won almost 44 percent of seats, claiming 40 percent of the popular vote.

This popularity is by no means a new phenomenon. Since the founding of the original Communist Party of Nepal (CPN) in 1949, the Nepalese Left has gone through a number of ups and downs, experiencing advances and retreats, losses and gains, unity and division. The Communist movement survived many struggles, both legal (peaceful and parliamentary) and illegal (underground and armed).

Even during the era of absolute monarchy, which lasted until 1990, the Communist Party of Nepal (Marxist-Leninist), which later merged with the Communist Party of Nepal (Marxist) to form the Communist Party of Nepal (Unified Marxist-Leninist), largely found support among students and teachers across schools, campuses, and universities. It was one of the main protagonists in the 1990 People's Movement, which brought down the absolute monarchy and saw the introduction of multi-party democracy.

In Nepal's first democratic elections held in May 1991, the CPN (UML) emerged as the second-largest political force, winning 28 percent of the popular vote. So impressive was its presence in Nepalese society and politics that the US magazine *Newsweek* proclaimed: "In Nepal, Karl Marx Lives". Thirty years later, ostensibly Marxist parties continue to dominate Nepalese politics, but socialism appears nowhere in sight. Is Marxism still alive in Nepal?

A Long and Winding Road

The CPN (UML) continued to grow and became the largest party following the 1994 parliamentary elections. The subsequent government it formed was unfortunately voted out after only nine months in power, arguably due to capitalist parties fearing the policies it had started to implement, which were growing increasingly popular, capturing people's imagination and encouraging their participation.

Perhaps even more remarkably, the third-largest party in the Nepalese parliament in 1991 was the United People's Front, which had 5 percent of the popular vote and held nine out of 205 seats. A semi-underground parliamentary wing of the then-Communist Party of Nepal (Unity Centre), which re-formed itself as the Communist Party of Nepal (Maoist) and adopted the policy of a "protracted people's war" in 1995, launching an armed insurgency against the Nepalese state from 1996 and quickly establishing itself as a serious political force.

The origins of the Maoist insurgency lie in the unfolding contradictions of the 1980s and 1990s.

The insurgency ended in 2006 with an agreement, inter alia, to hold elections for a Constituent Assembly. These were held in 2008, with the CPN (M) emerging as the largest party, winning 29.28 percent of the popular vote and 229 out of 601 seats. The third-largest party, CPN (UML), also belonged to the Nepalese Left.

The growth of Communist parties from the 1980s until the present day took place despite extreme international adversities. In the 1950s and 1960s, events in the Soviet Union and China greatly enthused the “revolutionary” Left in Nepal, but the Sino-Soviet split that began to unfold in the 1960s divided Nepalese Communists into pro-Soviet and pro-Chinese camps.

By the end of the 1970s, the normalization of relations between China and the United States and the mutual opening up of their economies, China’s increasing incorporation into the global capitalist system, and its pursuit of what the Communist Party of China (CPC) calls “socialism with Chinese characteristics” and what more critical quarters dub “capitalism with Chinese characteristics”, as well as the globally acclaimed “Chinese miracle” posed serious obstacles for the Nepalese Left.

Communist internationalism and its associated aid and cooperation became close to non-existent, and the capitalist system’s superiority over socialism was embraced in every corner of the world. The collapse of the Soviet Union in 1989 rendered Communist internationalism dormant and also gave capitalist proponents the opportunity to declare [“the end of history”](#), or the eternal triumph of capitalism.

After 1990, the world found itself in an age of unchecked and enormously powerful neoliberalism. Yet despite these adversities, the spectre of Communism — to borrow Marx and Engels’s phrase — continued to haunt Nepal and still does even today.

The “Success” of the Maoists

The CPN (M) gained ascendancy and established itself as a political force both in terms of popularity and power in a relatively short period. Its ascendancy can be attributed to certain factors.

First, although “Communist internationalism” was extremely weak, the CPN (M) had the Revolutionary Internationalist Movement (RIM) as its ideological headquarters and was part of an alliance called the Coordination Committee of the Maoist Parties and Organizations in South Asia (CCOMPOSA) that included a few Maoist parties from India. The CPN (M) arguably took advantage of these links.

Second, Communism or leftism was already a popular political movement in Nepal. More importantly, a large section of the country’s youth had a “radical” inclination in favour of fundamental structural transformation, and was therefore frustrated not only with the government’s neoliberal policies but also with the failings of the CPN (UML), the largest left-wing force at the time. Its performance fell far short of what it had promised and what people would expect from a Communist Party.

In 1998, in the wake of contention over the Mahakali Treaty with India, a “radical” faction formed a new party, the CPN (Marxist-Leninist), which, after a humiliating defeat in the general elections, was reunited with its mother party. But the CPN (M) recruited and garnered support from a sizable portion of those who refused to return. In short, the “radicalism” that fuelled the ascendancy of the CPN (M) was already present in the Nepalese political Left to a considerable extent.

Thirdly, the CPN (M) theorized, amplified, and exploited various contradictions present in Nepalese society, whether real or perceived. The CPN (M), as Nepalese sociologist [Chaitanya Mishra](#) observed over a decade ago, effectively utilized contradictions between the king, politicians, and civil society, between the police force and the military, between political parties, and even between factions within a single political party.

It was also true that its “success” was more military than political. It had officially adopted the policy of militarizing the whole party apparatus and of capturing state power through violence. Accordingly, every military victory was claimed as a great achievement. In line with its insistence on the primacy of armed conflict, the CPN (M) forged alliances with those forces it had vowed to defeat and even annihilate. In its own words, it had “undeclared working unity with the monarchy”, “secret diplomatic struggle” with India, and was cooperating with parliamentary parties that it had dubbed “parliamentary fascist forces”.

It is strange that in its ten years of armed struggle, the CPN (M), which had declared Indian expansionism one of its principal enemies, located its headquarters in India for eight of them. It was not conscious mass mobilization but conspiratorial tactics which constituted the principal method of the Maoist insurgency.

The Maoists’ leader (and current Prime Minister of Nepal) Pushpa Kamal Dahal, alias Prachanda, unhesitatingly extolled tactics such as taking advantage of contradictions between enemies, double-dealing, deception, conspiracy, betrayal, etc., as revolutionary methods. These tactics gave the CPN (M) an immediate but short-lived advantage. After ten years of war, and having exhausted all available conspiratorial tactics, it had no option but to give up arms and settle for peace.

Origins of the Insurgency

The origins and growth of the Maoist insurgency can be explained from a number of different perspectives. Most relevant, however, are the Maoists’ own theoretical perspectives as well as the historical and sociological backdrop to the conflict.

The CPM (M) characterized Nepal in the 1990s as a [semi-feudal and semi-colonial formation](#) ruled by a feudal class in alliance with comprador and bureaucratic capitalist classes, that was oppressed as well as suppressed by capitalist imperialism and Indian expansionism. The CPN (M) argued that this state of affairs was objectively a [revolutionary condition](#), one that necessarily called for a protracted armed struggle as the only way to bring about revolutionary social transformation. The Maoists rationalized the armed struggle with the assertion that Mao Zedong’s theory of people’s war, originally developed in China, represented a universally valid Marxist theory of liberation.

As Karl Marx first laid out in the [preface](#) to his *Contribution to the Critique of Political Economy*, two of the necessary conditions for a society’s structural or revolutionary transformation are that the forces of production must come into conflict with the relations of production, and that the productive forces are incapable of further development within the structure in question. From this perspective, the origins of revolution are to be sought not in the static or stagnated character of the social structure, but “in changes in the modes of production and exchange”, as his comrade Friedrich Engels explained some 20 years later in [Socialism: Utopian and Scientific](#).

Following this view, Mishra traces the “foundational causes” of the Maoist insurgency in Nepal to transitions in modes of production and distribution. Generally, he makes a case for the theoretical framework in which political transition must be understood with reference to a [historically shifting](#) and contradiction-prone social structure. Therefore, analysing Nepalese society’s contradictions by stylizing it as a static or stagnated semi-feudal and semi-colonial entity was clearly

erroneous. Such a stylization ignored the transformation undergone by Nepalese society and the associated contradictions that had unfolded in the recent past.

Unlike in a mature capitalist system, the socialist project in Nepal faces the dual tasks of developing the productive forces and instituting egalitarian distribution.

By the late 1980s, there was an increasingly evident contradiction between the land ownership system and household labour, as the land became increasingly insufficient while the latter expanded. The consequence was a greater distancing, detachment, and uprooting of individuals from household and community.

Yet this contradiction was partially resolved in several ways. For example, from the late 1980s onwards, Nepal was shaped by a new phenomenon of Asia-centric capitalist growth, which partially resolved the land-labour contradiction that otherwise risked becoming severe. However, the emerging forces of production were too small to absorb the population excluded by the agrarian system. Moreover, the surplus population was “educated” and did not want to revert to agriculture despite having no marketable skills.

Contrary to popular expectation, the post-1990s period witnessed the sharpening of the existing land-labour contradiction and an increase in the fluidity of structure. In addition, access to school education enabled a substantial portion of Nepal’s young to become eligible for non-agricultural occupations for the first time. The political, economic, and military structure was much more fluid than it had been during the preceding 40 years.

It was during this turbulent period that the CPN (M) formed and launched the “People’s War”. More specifically, Mishra [attributes the Maoist insurgency](#) to factors that include poverty, household and spatial inequality, a new and intensified shift in the structure of the family (e.g. a loosening of intra-family ties), Nepal’s peripheral and dependent status vis-à-vis India, and the global rise of neoliberalism characterized by the withdrawal of agricultural subsidies. In short, the origins of the Maoist insurgency therefore lie in the unfolding contradictions of the 1980s and 1990s.

Obstacles to Building Socialism in Nepal

Despite popular support and frequently winning elections at different levels of government, the Nepalese Left has not been able to push forward socialist construction in Nepal. There are several major problems associated with this inability.

According to the CPN (UML), the current task of the Left is not to begin the construction of socialism immediately but to lay its foundation. The party cites a number of obstacles to socialist construction, such as enfeebled national capital, weak productivity arising from capitalists’ interest in making money through foreign trade rather than domestic investment, the limited power of the executive branch, a growing tendency towards consumerism, the constitutional right to private property, limitations imposed by treaties, agreements, and laws pertaining to open trade, private investment, etc., the nation’s dependency on foreign powers, the unregulated border with India, feudal remnants which thwart industrialization, industriousness, and creativity, the reduced role of the state, the public sector, industry, etc. resulting from liberalization and privatization effected blindly in the recent past, growing wealth inequality, and resistance from reactionary forces.

The CPN (Maoist Centre), the name adopted by the CPN (M) in 2021, recently adopted the “Nepalese Road to Socialism in the 21st Century”, which argues that it is not possible to pursue socialist transformation because of weak industrial capital, comprador and bureaucratic capital’s

strong hold on the economy, feudal remnants, and foreign interference. Accordingly, the party has set itself the task of laying the foundations for socialism by peaceful and legal means.

Although both parties lack a robust, theoretically informed analysis of the current situation, they are right in opining the impossibility of immediately embarking on a socialist path. They are, however, oblivious to — or have ignored — important factors that negatively influence the socialist project in Nepal. More specifically, they fail to address the dominance of finance capitalism, the class question, the character of parliamentary left-wing parties, and the current global system and geopolitics.

The Dominance of Finance Capital

Unlike in a mature capitalist system, the socialist project in Nepal faces the dual tasks of developing the productive forces and instituting egalitarian distribution. At present, the underdevelopment of productive forces in Nepal primarily relates to the dominance of finance capital, which is not only unproductive but also anti-productive: it reproduces and multiplies itself without contributing to — or rather bottlenecking — the production of commodities and services. The development of productive forces in Nepal, therefore, entails transforming such capital into productive capital.

However, this remains a formidable task for a number of reasons. First, national finance capital is intricately connected and subordinated to global finance capital, the power of which is presently insurmountable for a small state like Nepal. Second, the financial class alliance at the top of Nepalese society comprises financial oligarchs and those who benefit massively from the financial system, including real estate owners, brokers, speculators, motor dealers, and the media, which receives large revenue from the system's other beneficiaries. Third, finance capital, by means of inflating property prices, loan and credit opportunities, etc., has allowed a sizable portion of the population to rise to the middle class (or at least given them the impression of belonging to this social group).

There is a widespread belief that parties on the parliamentary Left are increasingly becoming incapable of leading the socialist transformation in Nepal.

Even small landholders, whose land price has risen rapidly and unexpectedly, perceive their class status to be transformed. Finance capital has thus effectively and successfully tied up its interests with those of financial oligarchs, forging and consolidating their class solidarity. Such an alliance will try to resist any meaningful attempt to effect the required transformation. Moreover, finance capital holds sway over important actors, agencies, and institutions, including political parties, the bureaucracy, and judicial systems.

Is such a transformation thus an utterly impossible task? Of course not. However, it can only happen under certain material conditions. It will be possible, or at least easier, once finance capital stagnates and has no room for further reproduction—i.e. the time of its crisis.

Optimistically speaking, finance capital is headed towards a crisis both nationally and globally. Therefore, arguably the most important theoretical task facing the Nepalese Left is to enhance an objective understanding of the functioning, size, dynamism, national and international nexus, and power of finance capital, the law and direction of its crisis, and, accordingly, work out the modality of its transformation.

Organizing along Class Lines

The most essential condition for the socialist project is the existence of classes or oppressed and

exploited social groups that are or can be made conscious of their immediate and long-term interests in socialist policies and political programmes. The effectiveness of a party as an agency depends on how ripe socialism-aspiring classes or groups are both materially and intellectually.

We should be wary of any theory that pins socialism's hopes primarily on the greatness, idealism, dedication, enlightenment, and subjective preparedness of a few leaders and ignores class constitution. Such a theory is utopian and bound to fail sooner or later. Introducing even basic welfare provisions can be possible only when they are initiated or supported by classes or groups that have become politically significant, are represented in the state, or have their voices heard. No welfare or socialist policies have been or will be implemented by the mercy, kindness, and generosity of the exploiting classes.

The problem with Nepal's "democratic" left-wing parties is that they deal with the class question in a highly abstract and tangential manner, merely claiming to represent the interest of working classes without having embarked on an empirical and theoretical investigation to understand the dynamics and formation of classes and identify their respective interests. Without such an understanding, political organizing is bound to become clueless and even counterproductive.

Organizing and mobilizing classes or groups for socialism in Nepal has become a daunting task for several important reasons. First, the underdevelopment of capital in industry and agriculture has led to a [working class that is insignificant](#) both politically and in terms of numbers. The industrial sector's share of GDP and of the employed labour force is 14.29 percent and around 14 percent respectively.

Second, the informal sector, which usually comprises small- or medium-scale industry, agriculture, or service sectors in which workers are small in number and have relatively limited opportunities for organization, accounts for [62 percent](#) of the total employed labour force.

Third, an alarmingly large number of young people work in foreign countries. More than [4.7 million new work permits](#) were issued between 2008 and 2022. There are 1 million Nepalese working in India, but most agree that the actual number is higher. It is estimated that approximately 6 million people (32 percent of the working-age population between 15 and 65) are in foreign employment and, therefore, politically inactive. Sadly, Nepal's Left parties remain disconnected and alienated from these workers and do not represent their interests or voices.

Fourth, a sizable portion of the middle class, which came into being as a result of and has massively benefitted from neoliberal policies, strongly supports neoliberal capitalism, not socialism.

Fifth, agricultural land has been financialized in urban and urbanizing areas, inflating its prices, whereas land in remote and rural areas retains only productive value and endures suppressed prices. Therefore, peasants or landholders do not share the same class interests and are not susceptible to being organized in pursuit of the same agenda and policy. The Nepalese peasantry is no longer *one* class.

The Class Character of the Left Parties

There is a widespread belief that parties on the parliamentary Left, as they stand now, are increasingly becoming incapable of leading the socialist transformation in Nepal. One can plausibly argue that such an incapability relates to the formidable power of neoliberal capitalism vis-à-vis states like Nepal, but the parties themselves are also at fault. It has become an indisputable fact that Left parties in Nepal have lost their left-wing characteristics and have effectively *liberalized* themselves in theory, practice, and organization.

Left parties were and are in power at all three levels of government in Nepal. It would not be an exaggeration to say that, overall, they have not legislated and implemented political programmes and policies that characteristically qualify as left-wing — on the contrary, they have continued neoliberal policies and political programmes imposed on Nepal by a neoliberal world order since 1990.

The centralization of power in the hands of one or a small number of individuals in the parties of the Left is also boosted by the organizational principle of vanguardism.

The Left parties have not even introduced or implemented welfare measures already rolled out in capitalist countries. No substantive policies have been introduced to transform agriculture, develop productive cooperatives, or create, protect, and expand the public sector in the areas of production and service. Instead, these sectors have been handed over to the anarchic and exploitative mechanism of the so-called free market.

It is not the case that they were “left” in theory but failed in practice. For instance, when the Nepal Communist Party (NCP), a merger between the CPN (UML) and CPN (MC) formed in 2018, was running the federal government with a nearly two-thirds majority, the party — in a demonstrably and characteristically liberal fashion — [emphasized the private sector](#) as the “engine of growth” and reduced the role of the public sector to the “facilitator” of development.

Often, when leaders are questioned about their emphasis on the private sector at the expense of public and cooperative sectors, their readymade answer is that the private sector is regarded as one of the three pillars of the nation’s economy in the Constitution of Nepal. Surprisingly, a free, open, and competitive economy is juxtaposed with welfarism, social justice, and equality as features of a socialism-oriented system.

In addition, a *liberal* perspective has been adopted on caste, gender, identity, and other questions, with the assertion that these issues are separate from the class question and even that class politics is outdated. Likewise, the organizational practices of the Left parties, which used to be governed by a combination of vanguardism and an affinity to the working class, have become pervaded and are now ruled by capitalist logic. Money has become the sovereign leviathan.

The parties of the Left and their candidates spend huge amounts in elections which are opaquely and stealthily funded by the rich or, if they themselves are rich, by the candidates. The selection of candidates begins with “electability”, which is propagandized as hinging on the ability of the candidate to raise and mobilize funds.

Fundraising is arguably important in an election. However, funds are not raised from the classes that candidates claim to represent, but from those against whom they have to fight or compete. In election campaigns, it is not the working but the propertied class who are at the forefront. The propertied class even has a crucial say on who should be on the parties’ tickets. The rich exercise their influence by funding parties, leaders, and various activities.

The Left parties’ liberalization is also evident in the fact that the rich dominate the party leadership at multiple levels: some are newcomers and many have seen a recent transformation in their economic status. The class status and composition of the Communist parties bear a stark resemblance with that of Nepali Congress, which the former condemn as being the political representation of comprador capitalism.

The working of capitalist logic is also evident in the fact that most of the leaders and members are in

the party in order to pursue their private interest of self-aggrandizement and amassing wealth. It is private interest that predominantly prevails in terms of how party business is conducted, including the formation of factions, how members partake in and leave a faction, as well as support and oppose other members. This marks the *liberalization* of Left parties, in which the pursuit of private interest is not only morally justifiable but a sovereign norm of conduct.

When the capitalist logic becomes sovereign in a political party, it undermines democracy because, as Jürgen Habermas demonstrated in his classic work [*The Theory of Communicative Action*](#), there is an *indissoluble tension* between democracy and capitalism. Moreover, capitalism presupposes and reproduces the centralization of capital and, correspondingly, backs up a political system with the centralization of power.

Nepal's political Left is no exception to this rule. The centralization of power in the hands of one or a small number of individuals in the parties of the Left is also boosted by the organizational principle of vanguardism, which has long been practised. The undermining of democracy has not only replaced a socialist agenda with a capitalist one, but also incapacitated parties both intellectually and politically.

The liberalization of the Communist parties may have been pushed by their engagement in pragmatism or "practical" politics, which, by itself, is not problematic. It does, however, become so when, as [Prabhat Patnaik](#) puts it, "empiricisation" happens, i.e., when engagement in mundane, empirical, everyday, or "here and now" politics does not go hand in hand with the project of transcending capitalism. Empiricization, Patnaik notes, forces a party to "adjust" to a given situation and alienates it from the "basic classes" for whom it has to struggle.

Moreover, empiricization shortens the gap between the community and other political parties. Left parties have undoubtedly undergone a process of empiricization which is responsible, inter alia, for their de-leftization and liberalization.

Engaging with the World

In the current global order, nations are more interrelated and interdependent than ever. Changing dynamics in this global system inform the nature and direction of a nation's path, and Nepal is no exception to this rule.

It is highly plausible that if the present neoliberal world order continues to reproduce itself, and China and India — neighbours and economic and military giants — continue to pursue neoliberal policies, the prospect of socialism in Nepal will be miniscule or perhaps non-existent. Back in 2012, Mishra unpalatably yet realistically observed that in the immediate vicinity of twenty-first-century India and China, no mode of production holds a greater promise than a capitalist one.

A new phenomenon that could have a decisive bearing on Nepal and Nepalese socialism is the United States' rapidly increasing interest, presence, and influence in Nepal.

Yet the world order is in an epochal process of transition characterized by, inter alia, a deepening crisis in the capitalist system in general and major capitalist nations in particular, a decline of the West's power and influence and a corresponding rise of the East, a progressive and continuous movement towards multipolarity, the emergence of China as a global leader, and the intensification of China-US rivalry.

If the emerging new world order becomes fundamentally capitalist with China as a leading capitalist

power, the prospects for socialism in Nepal will be slim. But there is still room for the hope that in a multipolar world without concentrated global capital, Nepal — and similar states for that matter — can consolidate more relative autonomy and bargaining power to pursue their own developmental path, possibly characterized by a combination of proto-socialist, welfare, and regulated capitalist policies. Moreover, multipolarity may approximate a state characterized by “greater equality among the world’s civilizations” as envisioned by [Adam Smith](#), whereby people have relatively better opportunities to choose their own destiny.

If the present-day capitalist system enters a state of crisis and paves the way for a non-capitalist or socialist order, and China unambiguously embarks on a socialist path, socialism arguably stands a much better chance in Nepal — provided the Nepalese people support the project and organize and mobilize accordingly. This may sound utopian to some, but given the rapidly developing crisis of capitalism and China’s domestic trend towards redistribution, such a possibility should not be dismissed outright.

A new phenomenon that could have a decisive bearing on Nepal and Nepalese socialism is the United States’ rapidly increasing interest, presence, and influence in Nepal through activities and investments like the Millennium Corporation Challenge (MCC). This is seriously alarming in view of its security and defence strategy of open belligerence with China and of securing Nepal and other countries in the Indo-Pacific region as partners and allies to fight China.

It is understandable that China will respond to growing US influence in Nepal and the corresponding strategies it is pursuing. If the belligerence between the US and China intensifies and Nepal does not or cannot act wisely, the consequences may be so disastrous for Nepal that it will become “a yam between two colliding boulders” and have its sovereignty jeopardized.

Alternatively, Nepal can procure the status of a nation favoured by either superpower — most likely China due to its vicinity and growing power, the consequence of which can be developmental. On the other hand, if the US gains an upper hand or substantially increases its influence in Nepal, it will be a formidable obstacle to the socialist project in the country, as Washington pushes hard for capitalist policies and attempts to void alternatives by using means ranging from pressure to the threat of force.

Karl Marx continues to live in the hearts and minds of many in Nepal. However, his utopian vision, which has profoundly motivated, inspired, and enthused the Nepalese people, remains elusive and is a long way off.

Khagendra Prasai

[Click here](#) to subscribe to ESSF newsletters in English and or French.

P.S.

Rosa Luxemburg Stiftung

<https://www.rosalux.de/en/news/id/51228/is-marxism-alive-in-nepal>

Khagendra Prasai is Dean of the Faculty of Social Sciences and Education at the Nepal Open University and head of the Foundation for Critical Discourse in Nepal, a Rosa Luxemburg Foundation partner.