

# 2017 Federal Parliamentary Elections in Nepal: Prospects of Stability and Engagement with India and China

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## Abstract

Nepal held Parliamentary Elections in November and December 2017 under the newly implemented constitution in 2015. The elections were historic as the Left alliance formed with the merger of two rivals' parties namely Communist Party of Nepal (Maoist) and Communist Party of Nepal (Unified Marxist, Leninist) won the biggest political mandate. The present paper provides a detailed overview of the elections and their implications on Nepal's ties with its neighbors, especially with India and China. The paper argues that irrespective of the ideological instances held by the Left Alliance, their victory should ensure a fine a balance between India and China. Political stability along with balance with its neighbors will be helpful in Nepal's progress and prosperity.

## 1. Introduction

Nepal, geographically located at the foot of Himalayas, falling between its two major giant neighbours- India and China, is one of the newly emerged democracies in South Asia. Ruled by an autocratic royal institution for a period of 240 years, it witnessed a major political upheaval in the last decade of the twentieth century (Sood, 2017). The country became the center of global attention as it made a partial transition from monarchy to multiparty democracy in 2008 away from the royal clutches. Marred by a decade-long Maoist insurgency from 1996 to 2006, the country witnessed an eventual fall of the civil, political, constitutional and economic institutions. However, the guerrilla fighters who waged war to overthrow the royal establishment of the country in 1996, became part of the politics and mainstreamed themselves into the newly reinstated multiparty system after the Comprehensive Peace Agreement (CPA) was signed in 2006. As the Maoists surrendered their arms, the country voted them to the Constitutional Assembly (CA) in 2008 with a decisive political mandate. Nevertheless, failure in writing a new Constitution as mandated by the 2008 CA, Maoists lost a fair share of their votes in the second CA elections. Eventually, political parties further failed to write a Constitution amidst the differences and deadlocks that had continued since the first CA. As a result, the continuous rock and bell game amongst the political parties foiled long-awaited hopes for future political stability. It was only in 2015 that the CA promulgated a rushed hour new Democratic-Republican Constitution under the mounting civic and international pressure.

Promulgation of the new Constitution witnessed heated movements in the southern part (*Terai*) of Nepal. Precisely, differences over the provincial boundaries, the political representation of the *Janjatis*, *Madhesis* and provisions related to the citizenship rights of the women resulted in violence which continued for a period of four months. The movement known as *Madhesh Movement* gave another twist to the domestic politics with the entry of its southern neighbour- India. Historically, an important and dominant player in the political affairs of Nepal, alleged Indian support to the demands of *Madhesis* tested the diplomatic efforts of India at the eleventh hour. Though India failed to convince; events marked a new low in India-Nepal relations.

Following the mandate of the new Constitution, Nepal voted to elect representatives for the House of Representatives and seven Provincial Assemblies in two phases on November 26 and December 07, 2017. The elections provide a clear face to the executive, judiciary and legislative institutions in the country; meaning, the country will have a new Prime Minister, president and vice-president for a period of five years. Before the Parliamentary elections, the country also voted to elect the representatives for the local municipal, sub-municipal and village development bodies after a gap of 20-years (Sood, 2017). The noteworthy success in the local and parliamentary elections fell under cynicism

as Madhesi parties demanded the government to amend the Constitution. Though, attempted, the government led by Prime Minister Sher Bahadur Deuba failed to garner the required majority in the Assembly. Clearly, indicating the parties to comply with the political process to have a strong say through the upcoming Parliament. Since the country had already experienced the frequent change of governments since the 1990s, and in last ten years, 11 Prime Ministers in itself made it obvious for the parties to participate in the elections than delay. In this backdrop, the present paper attempts to chronologically analyse the recently concluded elections to House of Representatives and Provincial Assemblies. Also, an attempt is made to look into the political restructuring of Nepal in the last two decades along the lines of its foreign policy towards India and China.

## 2. Elections: A Historical Mandate

As the polls mark a ‘historical’ transition of Nepal from an interim democratic order, established in 2008 after a 240 years long feudal royal institution was overthrown, to a comprehensive federal democratic system under the newly promulgated Constitution in 2015, the grand victory of the United Left Alliance led by the Communist Party of Nepal- Unified, Marxist and Leninist (CPN-UML) and the Nepal Communist Party-Maoist (CPN-M) opens the prospects of durable socio-political and economic fabric of the country. Having been on the cusp of constant political instability for almost two decades due to a decade-long civil war followed by political deadlocks.

The elections were held under the structure deployed by the Constitution in 2015. The parliamentary elections followed the below-given structure:

275 members of the House of Representatives (HoR) and 550 representatives to the assemblies of the seven newly-created provinces. In the Parliament, while 165 seats have been filled by direct elections, on the basis of first-past-the-post (FPTP) basis, another 110 will be filled by proportional representation (PR), for which separate ballots were used. At the provincial level, 330 posts have been filled through the FPTP system, and another 220 will be nominated on the PR basis. Both these bodies will have 33% representation of women as mandated by the Constitution. Any shortfall in women’s representation, as it is huge under FPTP declared results, will have to be made up by the political parties through the PR system. (Muni, S.D., 2017; Quraishi, 2017)

While a 33% representation of women boosts the prospects of their political mainstreaming, reservations for other deprived communities, i.e., *Janajatis* and *Dalits* further diversify the political representation in the Parliament. In the last two Constituent Assembly in 2008 and 2013, measures were taken to address such issues, but the effectiveness of such measure remains to be seen. After a devastating earthquake in 2015, the lack of women representation in the bodies like the Post-Reconstruction Authority was jolting, and some of the International organisation had raised the issue with the government. Hence, the current developments mark a positive step in this regard. Nevertheless, the elections were regarded as fair and free due to the presence of foreign observers. The Election Commission of Nepal had accredited “45,000 domestic observers and nearly 300 foreign observers. The European Union and the Carter Centre sent the biggest teams, and both commented on the fairness of the elections” (Quraishi, 2017). A number of incidents were reported during elections in the two-phase and certain areas; the Election Commission had to conduct re-elections (Nepal Monitor, 2017).

### 2.1 Rise of the ‘Left’ Alliance

Hostile forces in the past, the two major ideologically Left parties- CPN-UML and CPN-MC came together to form the ‘Left Alliance’ to contest the parliamentary elections. Surprisingly, the junior partner in the ‘Left Alliance’- CPN-M remained in the Nepali Congress-led government while allying with UML. Contrary to their previous coalition with CPN-MC, Nepali Congress (NC) party contested elections in alliance with other smaller parties under the ‘Democratic Alliance’ banner. It is not the first time that the two left parties allied; back in 2015, the two had formed a coalition government that could not last long. The disputes on power-sharing had led to the disintegration of UML and MC led government and the CPN-MC chief – Pushpa Kamal Dahal alias Prachanda – had formed the present outgoing government with the NC.

As the Left Alliance forms the government, the deal struck between the UML and MC; the two parties have begun the discussion on merging into a single largest political 'Left Front' (Kathmandu Post, 2017). Nevertheless, the political history of the Communist Movement in Nepal since the late 1960s is a witness to the ruptures and disintegrations amongst the Left, which has been even more divided since 2006. Moreover, the vague ideological foundations of the two political parties raise more questions than they provide visible solutions to the long-standing political instability and disorder in the country (Gupta & Liang, 2017).

## 2.2 Ride to Success

The success of the UML in the parliamentary elections is remarkable, and its rise can be analysed through a number of factors. First, UML had a clear agenda to re-negotiate the issues related to constitution amendment instead bend to the demands of the *Madhesis* and *Janjatis* out rightly where Democratic Front led by NC stood softly on it. Secondly, the recent performance of the Nepali Congress on several fronts paved the way for UML. Projecting themselves as the agents of the democracy did not favor the NC party where UML fought on the agenda of development and re-orienting country's India centric outlook. The loosely knitted institutional structure of the NC and its soft tone on the issue of Constituent amendment along with an aged leadership and dominance of the one family in the decision making of the party affairs added to the downfall of the oldest political party.

On the other hand, the focal point of the election campaign on the development issues could have managed a fruitful majority for the Nepali Congress; instead, the party leadership preferred to take on the Left Front citing a future authoritarian government in case they formed the upcoming government (Nepali Congress, 2017). Also, while Prime Minister Deuba led government was able to bring the parties to participate in the forthcoming elections, the party line in the Nepali Congress failed in crediting themselves for the same during the election campaign. Nine months after Prachanda had handed over the charge to Nepali Congress as per the understanding in 2016, Deuba conducted local elections of the remaining two phases successfully. It was convincing to see that Deuba had managed political actors to participate in the local elections. He also successfully managed the local parties in pre-dominantly *Madhesi*-Province two, after they had threatened to protest and boycott the elections.

Thirdly, although, the ultra-nationalistic ideological image adopted by UML was accused of being anti-India, it received public appreciation during parliamentary elections, and it was clear from the fact that UML stood first in the First Past the Post (FPTP) and Proportional Representation (PR) system. Also, KP Sharma Oli's anti-India manoeuvres can be apprehended from his interaction with New Delhi during his tenure as the Prime Minister in 2016. After assuming charge of the Prime Minister Oli had visited India for his maiden foreign, but latter's unhappiness over his open criticism as leader of the opposition on the economic blockade, believed to be allegedly supported by India in 2015, was wide open in public. In this light, Oli administration took measures to balance cooperation with China from an existing India centric reliance. In March 2016, on his visit to China, Oli had signed some key agreements, specifically in the areas of transit, trade and defence. While Oli has been cautious of the rising regional challenges, his successors in the office did not challenge the foreign policy arithmetic deployed by him. Hence, a clear future foreign policy framework of the UML helped the party to reach to the masses.

## 3. Prospects of Tryst with the Neighbors

The prerequisite of Nepal's long-awaited stability rested with the successful conclusion of parliamentary elections. Similarly, the long-standing issues in Nepal's foreign policy objectives also required permanency in the leadership and administration. The frequent changes in the leadership have not once but several times endangered country's outlook. Hence, it affected the economic and development growth of the country. While the geographical location of Nepal has been one of the driving forces in deciding competency of country's national interests, short-term tensions with India and China have often been described as 'fate of the landlocked nations.' The success of the local elections in May, June and September 2017 had additionally paved the way for parliamentary elections. The local body elections that took place after a gap of 20 years since 1990 saw fair participation in the critical *Madhesh* dominated region and provided government prospects of further success. However, ethnic and cultural inclusiveness of the *Madheshis* with the bordering Indian state- Bihar had already done enough harm to the existing relationship between the two countries after the 2015 constitution was implemented. From the North, the new equation in the areas of development and stability contribute boosting of the relationship between Nepal and China.

### 3.1 India

As India watched the elections closely, India had another diplomatic miscalculation at hand since India had hoped that CPN-MC would realign with the considerably India friendly Nepali Congress party, but months-long secret talks provided undesired results. Not only the CPN-MC aligned with CPN-UML but also the two sides formed a 'Left Front' to take on the 'Democratic Front' led by the Nepali Congress. In a complete surprise, the comfortable majority of the Left Unity changes the course of the India-Nepal relations. In suffice, expected changes in the course of Nepal's foreign policy towards India can be chronologically analysed under the purview of interactions between the two countries under the Modi administration in India.

It was after seventeen years that Prime Minister of India paid a two-day state visit to Nepal in "August 2014 accompanied by a high-level delegation. PM Modi became the first foreign delegate to address the Constituent Assembly (CA) of Nepal since its inception in 2008" (Punit, 2015). The visit demonstrated an opportunity for PM Modi to fill the vacuum left behind by his predecessors through engaging extensively, intensely and comprehensively (Sahu, 2015). Right before the Prime Minister's visit, a meeting of the India-Nepal Joint Commission (JC) took place during July 25-26, 2014 in Kathmandu. Interestingly, the meeting of the JC took place after a long gap of 23 years. "The JC was formed in 1987 at the Foreign Ministers' level to strengthen, understand and promote cooperation between the two countries for mutual benefits in the economic, trade, transit and industrial fields and the multiple uses of water resources" (MEA, 2014). The meeting had set the agenda for his August 2014 visit of PM Modi and underscored the importance of speeding bilateral relations for long-term cooperation. The initiatives primarily stressed on rebuilding the lost ground in the years passed.

On his visit, the PM Modi congratulated Nepal on its tryst with the democracy (Gupta, 2017) and hailed the country for choosing the path of 'ballot' instead 'bullets.' Speaking at the CA, he thanked the people of Nepal, serving in the Indian Army for their sacrifices in protecting Indian borders safe. The more significant part of his forty-five-minute speech at CA was dedicated to the then ongoing process of constitution drafting in Nepal where he also offered Indian experience (if required) in drafting the Constitution. He further suggested that drafting an 'inclusive' and 'consensus-based' Constitution, which will meet the aspirations of the people of Nepal. Shared efforts for development and exploring the natural richness of Nepal for the benefit of the two countries was also highlighted. The other part of his address focused on the connectivity between the two countries through 'HIT' - an acronym for Highways, Information Ways and Transmission Ways. He also announced an additional concession line of credit of 1 billion \$US in Nepal for hydropower and infrastructural development in Nepal (PMO India, 2014). Overall, he focused on the need for tightly knitted shared development between India and Nepal.

After a major earthquake hit Nepal in April 2015, India launched its rescue operation named 'Operation *Maitri* (friendship)' on the Nepalese soil. India was one of the very first countries to have "swiftly dispatched National Disaster Response Force (NDRF) teams, special aircraft with rescue and relief materials to Nepal within six hours of the earthquake. 16 NDRF teams, 39 Indian Air Force aircraft sorties with 571 tonnes of relief material, including rescue equipment, medical supplies, food, water, tents, blankets and other utility products. Medical teams from India were deployed in various parts of the affected areas in Nepal. India also helped in restoring three power substations in Kathmandu valley. The total Indian relief assistance to Nepal amounted to approximately US\$ 67 million" (MEA, 2016).

While the teams were actively involved in the rescue operations, an 'adventurism' by the Indian media in Nepal started trending on the social media platforms with slogans as 'Go Home Indian Media/Back off India,' for allegedly being insensitive to several incidents in reporting (Biswas, 2015; The Hindu, 2015). Although this did not affect the Government of Nepal's appreciation for India's rescue efforts, it did little to stop an anti-India wave amongst the youth (Nepal Planning Commission, 2015). Overall, India's help during the crucial hours was not only lauded in Nepal, but several heads of the states across the world also praised India's prompt response to the earthquake (DNA, 2015; MoFA, 2017).

After a prolonged delay of seven years and several political deadlocks, political parties reached an agreement to pass a new Constitution in 2015. This development did not see a welcoming note on India's part, rather an increasing resentment was seen in New Delhi. Reasons put behind unwelcoming note included India's concerns over the violent clashes between the security forces, and the *Madhesis* as the later complained about their representation being undermined in the new Constitution. In a surprise move by India, Foreign Secretary S. Jaishankar was sent as a special envoy of the PM Modi on September 18, 2015, to Kathmandu, just two days before the formal promulgation of the

Constitution was to take place. This attempt for a last-minute accommodation for delaying the promulgation since 'Terai' (Southern Nepal) was witnessing violent protests, resulted in a complete failure for and it literally 'backfired' (Muni, 2015). The move was criticised because "the manner in which New Delhi publicly expressed its displeasure with Nepal's sovereign act of Constitution" promulgation (Jacob, 2016). India seemed to have sent the envoy keeping India's security priority, including the fact that protests along the India-Nepal border could destabilise the neighbouring state of Bihar as Bihar and Terai share cultural and matrimonial ties and a sympathetic wave in support of the *Madhesis* could emerge in full force. From a point, these suggestions served as a precaution, but the advice did not work in good faith.

However, it was not for the first time that India had sent an envoy to convey a subtle message. In April 2006, Karan Singh was sent as a 'special envoy' of the then Prime Minister Manmohan Singh amidst the political crisis and civil war in Nepal. While 2006 was a different phase altogether, India's advice in 2015 turned into a 'wrong advice' (Pradhan, 2015). The Constitution promulgation on September 20, 2015, was followed by a blockade at the Raxaul-Birganj border checkpoint by the protesters. Nepal alleged India for supporting the agitating forces. However, Minister of Foreign Affairs, Sushma Swaraj outrightly called it a false allegation. Eventually, 'blockade' saga rocked the upper house of the Indian Parliament.

In a new, India's relations with Nepal reached a new low under the Nepalese Prime Minister K.P. Oli. Oli assumed the office of the Prime Minister in the wake of Prime Minister Sushil Koirala's exit. His visit to New Delhi in February 2016 took place in the backdrop of the strained bilateral ties over the border 'blockade.' Seemingly, the six-day long visit was seen as an effort to resolve the existing tensions. Still, New Delhi conveyed its unhappiness over Oli administration since Prime Minister KP Oli had left no stone unturned in criticising India at the United Nations for perpetuating the 'blockade' (Tribune, 2015). As a result, India had refused to issue a joint communique during his visit to Delhi. It was one of the rarest occasions that a resented India had diplomatically conveyed its unhappiness. In the past, similar incidents have taken place, 1990 being one of them where India refused to issue a joint statement in light of Nepal's alleged arms purchase from China (ToI, 2016; Mukherjee, 2016).

In another diplomatic bedlam that once rocked the bilateral relations included the suspension of a visit by the newly elected President of Nepal to India. The newly appointed President- Bidhya Devi Bhandari, was scheduled to visit India in May 2016. It came as a surprise to India since it was on the insistence of the Government of Nepal that India had extended the invitation. Following the cancellation, Oli also recalled Nepalese ambassador to India for his alleged role in attempting to topple Oli's leadership in alliance with New Delhi (Lal, 2016). This diplomatic disaster was seen as a reactionary response to the 'cold reception' given to Oli in New Delhi (TKP, 2016). Undoubtedly, the frantic actions of the Oli led government had kept New Delhi in annoyance.

Meanwhile, with the collapse of CPN-UML and CPN-MC led government under Oli collapsed in July 2016. As a result, Prachanda in alliance with the Nepali Congress party formed a new government. Prachanda opted "a corrective 'rapprochement' towards India to ease the tensions which were left in a vacuum by his predecessor in office- KP Oli". He reappointed the recalled Ambassador to India and paid his maiden state visit to India in September 2016 (The Hindu, 2016). During the visit, a wide range of MoUs were signed. India provided economic assistance of US\$ 1 billion in light of the post-earthquake to Nepal. "Lines of Credit (LoC) of US\$ 100 million and US\$ 250 million for the development of roads and power infrastructure in Nepal were signed. India also allocated US\$ 200 million for irrigation projects and US\$ 330 million for the development of roads and Mahakali bridge from the LoC of US\$ 550 million in Nepal" (MEA, 2016).

Further, a reciprocal visit by the Indian President to Nepal was seen as a successful step in bridging the 'trust deficit.' The diplomatic exchanges had led to the convening of the fourth round of the Joint Commission in October 2016. These events indicated a 'political comfort' in the relations, particularly between the heads of the two neighbours (MEA, 2016). To keep New Delhi in balance, 'Prachanda' cooperated with India in keeping the negotiations going and addressing security concerns of India. At the same time, 'Prachanda' materialised relations with China on the pretext of the popular public opinion in engaging with China extensively. Two of the major policy decisions undertaken towards China included- "the first-ever joint military exercise between the Nepal Army and the PLA took place in March 2017. (Gupta, 2017) Importantly, the exercise was conducted in the backdrop of the ongoing maiden visit of the Nepalese President to India. It cleared the scepticism on its conduct since it was agreed during Oli's term in office" India opted not to comment on the exercise as it would have initiated the 'sovereignty' debate once again. However, a sense of

anxiety persisted in the Indian media. Second, in a policy shift, 'Prachanda' administration officially signed on China's most ambitious One Belt and One Road Initiative (OBOR) on May 12, 2017.

'Prachanda' resigned as the 39<sup>th</sup> Prime Minister of Nepal on May 24, 2017. It was part of the deal struck between the CPM (MC) and the Nepali Congress party during forming of the coalition in August 2016. Maoists chief 'Prachanda' had agreed to exit office after nine months, and the Nepali Congress had to lead the government until the parliamentary elections in January 2018. The resignation symbolised the political maturity between the two political parties, unlike in the past where political parties have defied the coalitions agreements. Following the resignation, "Sher Bahadur Deuba of the Nepali Congress party was sworn-in as the 40<sup>th</sup> Prime Minister of Nepal on June 07, 2017" (Gupta, 2017). Having served as the Prime Minister of Nepal for three times in the past- from 1995 to 1997, 2001 to 2002, and 2004 to 2005, Deuba entered into the office with a profound experience in foreign and domestic affairs. After assuming office, Deuba paid an official visit to India in August 2017, and a number of agreements were signed. Nonetheless, for a shorter tenure, Deuba managed to balance relations with India.

However late, India welcomed the elections in Nepal. In a statement, MEA spokesperson said, "India has age-old unique, time-tested ties of friendship with the country...and look forward to working with the next democratically elected government in Nepal to advance our close and multifaceted partnership across all sectors and to support Nepal in its pursuit of peace, stability, economic prosperity for all-round development" (The Stateman, 2017). Also, Indian Prime Minister congratulated the Prime Minister Deuba for successfully conducting the elections. He also congratulated UML chief KP Oli and Maoist chief Oli for their grand success in the elections (MEA, 2017). As the Left Alliance forms the new government, India's interaction with Nepal is filled with caution. Even though the past evolution of India with the potential incoming Prime Minister Oli has been marred by doubts and criticism specifically the 'blockade saga' after the promulgation of the new Constitution, Oli has been consistently supportive of better relations between India and Nepal (Sood, The Hindu, 2017).

### 3.2 China

There remains a narrow lane of doubt in agreement that China's active role regarding executing the prospects of cooperation in economic, development and connectivity spheres have surpassed trust level over Nepal's traditional partner India (The Wire, 2017). On account, the influx of soft loans, development projects, FDI and more importantly, the rise of cultural exchanges between the two countries are to be taken into account (Sahu, 2015). The traditional understanding of China's presence in Nepal was driven by putting a stop to any anti-China activities in the regions like Mustang Nepal, but the contemporary debates go way beyond. For instance, Nepal's support along with Islamabad for China's membership in the South Association for Regional Co-operation (SAARC) was a successful attempt to bring China for a more regional balancing and strengthening the institution. Though China was granted the status of an observer member, the symbolic message of China's inclusion provided other smaller members prospects of new regional cooperation.

In the pursuit of its goals, Chinese attempts have received formidable support in Nepal. Beginning with the Defence cooperation in 2008, China has managed to alter Nepal's outlook, which has traditionally been with India and the United States. Further, the subsequent governments in Nepal have welcomed regular push from China in bridging cooperation between Nepal Army (NA) and PLA. Under the umbrella of the comprehensive strategic partnership programme, China provided USD 2.6 million for the modernisation of the Nepal Army (Nayak, 2017). In a new, a defence delegation of 19 members led by the Defence Minister of China visited Nepal after a gap of seventeen years in March 2017 (ToI, 2017). The visit resulted in conducting of a ten-day-long Joint Military Exercise (JME) in April 2017 between Nepal Army and the PLA. The mechanism on JME was initiated during former PM Oli's visit to China in March 2016. The exercise focused on training the Nepal army to counter any acts of terrorism in Nepal.

Also, in the investment sector, China surpassed Indian FDI in Nepal in 2014. Onwards, Chinese FDI has managed to maintain an upper hand over India in Nepal. For instance, "in 2015-16, China topped the list with a commitment of \$57 million as FDI, where India stood third with \$18 million" (ToI, 2017). Further, the Xi Jinping government succeeded in pursuing Nepal to join OBOR. Once OBOR is fully functional, "Nepal might divert its trade from India to China because of easy access to Chinese goods and currency exchange" (Nataraj & Sekhani, 2015). In the meantime, OBOR has met India's reluctance because its pet project China-Pakistan Economic Corridor (CPEC) passes through the disputed territory in Kashmir but other than Bhutan, all countries of the region have signed OBOR. Noteworthy, OBOR had Oli's

word, but it had not moved an inch since his departure from office. Later, Prachanda agreed to sign OBOR under, importantly two days before the formal OBOR forum meet was to take place on May 16, 2017 (Ghimire, 2017).

However, on the lines, India has re-emphasised on its existing 'act east,' 'neighbourhood first,' and 'go west' policies. India argues for a "more cooperative rather than unilateral approach and believes that creating an environment of trust and confidence is the prerequisite for a more inter-connected world" (MEA, 2016; Madan, 2017). While these events do not wholly overshadow India's bilateral relations with Nepal, China cannot be ignored in India's Nepal policy. How has China managed a welcoming space in Nepal? One of the significant factors includes the diplomatic prudence of China that does not intend to differ with the decisions of the administration in Nepal on the latter's internal affairs. This creates "a popular perception that China honours Nepal's sovereignty more than any other country which is not the case with India" (Ghimire, 2017; Gupta, 2017). For instance, "China applauded the new constitution and provided material support for conducting local elections contrary to India's unwelcoming note on a new constitution and the elections" (MEA, 2015; Gupta, 2017). Therefore, occasional assertive stands taken up by India have pushed Nepal towards China.

With regard to the ongoing elections, China hailed the elections as a step forward towards stabilisation of the political situation which Beijing has been actively supporting. "This concern was clearly reflected when Chinese assistance was provided during the past elections to the constituent assembly and the local elections" (Gupta & Liang, 2017). For China, "Nepal stands in an irreplaceable geographic position and to secure an alternative route to cross the Himalayas to enter into the South Asian region and thus forward its ambitions regarding the One Belt One Road Initiative, Nepal needs to be taken into confidence" (Gupta & Liang, 2017). Hence, the most important "Nepal-China bilateral cooperation now regards enhancing their interconnection and intercommunication, increasing transportation link" (Gupta & Liang, 2017).

#### 4. Conclusion

To conclude, the political mandate of the elections is clear. The long-sought political stability is seen with optimism, and the present elections are one step forward in this regard. However, the impending issues put a critical lane of a walk for the Left Alliance. UML and MC differ over outcomes of the truth and Reconciliation Commission (TRC) as it will jeopardise CPN-MC's internal structure and to avoid an embarrassment to the party cadre, maintaining the status-quo on the issue will be a delicate task for Prachanda. Also, "the very first pre-condition for the Left Alliance to perform on its promises is to maintain unity, even if they fail to forge the promised merger of the two parties. A merger may not be easy for the UML and the Maoists as they have serious ideological differences, and divergent political approaches regarding some of the key political and constitutional issues including constitution amendment" (Muni, S.D., 2017). On the foreign policy front, the alliance will face a further hurdle. The balanced stance towards India adopted by Prachanda during his second tenure and its continuation will be perplexing. Also, the hardline adopted by UML with regard to India might not go as easy as thought. The most of Nepal's trade and transit takes place through Indian seaports and alternative mechanism via China will take time to be fully effective for obvious geographical constrains. Nevertheless, it will be an excellent opportunity for India to revisit the existing policy framework in light of the changing socio-economic and political restructuring of Nepal. A prompt mechanism should be established to resolve differences over the 1950 Treaty of Peace and Friendship, accommodating its security concerns on priority other than the existing channels like Eminent Persons' Group. With China, the prospects of cooperation look promising in terms of trade, transit, aid and development. The government of Nepal has begun to structuralise OBOR into its policy framework; yet, cancellation of the "\$2.5 billion Budhi Gandaki power project- given to the Chinese Gezhouba Group Corp to build the country's biggest hydropower plant, citing lapses in the award process" may lead discourage further Chinese investment (Reuters-Global Times, 2017). However, UML had promised to award back the project to the Chinese firm in case they formed the government. No matter this might provide more giveaway passage to Nepal, a politically unstable country where politicians would abduct foreign-invested megaprojects as a bargaining chip definitely will not offer the best deal for China (Zhang, Shubin, 2017; Gupta & Liang, 2017).

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