

By Hari Bahadur Thapa

It took just nine months in jail for former Prime Minister Sher Bahadur Deuba to whitewash his tainted image as the most notoriously corrupt politician in post-democracy Nepal.

On July 26, 2005, the powerful Royal Commission for Corruption Control (RCCC) sentenced Deuba to two years in jail. Deuba was found guilty of taking bribes while granting a road construction project to a favored contractor.

The controversial RCCC, formed by Nepal's absolute ruler King Gyanendra, was later declared illegal by the Supreme Court and shut down, which came as a blessing for Deuba. He emerged as a victim of the king's authoritarian rule and people forgot his murky history.

Deuba, who has been Nepal's prime minister three times, has a long history of allegations. He has been accused of "buying" parliamentarians to sway their vote in his favor, taking hefty commissions to grant projects and massive misuse of the state coffers. Deuba's tale is a classic story of his time, as Nepal pulls away from authoritarianism and returns to democratic rule. Against the backdrop of these transitions, the accused finds it all too easy to slip away from justice.

Deuba escaped prosecution on a technicality. Because the RCCC was an illegal commission set up by the king during his rule, it was easy for Deuba to whip up public sympathy and opposition to the RCCC. The commission was recast as the king's tool to persecute the people who opposed him, rather than to punish corrupt officials.

Not everyone could use the unpopular RCCC as a scapegoat, however. Other officials were accused and investigated by the Commission for Investigation of Abuse of Authority (CIAA). Unlike the king's RCCC, the CIAA was formed in 1990 and is considered a legitimate institution by the people and political parties.

One of the accused, Chiranjivi Wagle, was found guilty and sentenced by the Special Court for illegally accumulating assets worth 27 million Nepalese rupees (US\$ 364,707). The law is clear that his sentence carries a mandatory jail term, yet Wagle managed to avoid any time in prison. Wagle's case is not uncommon.

Currently, four former ministers who worked under Deuba are facing charges in the courts “for collecting huge amount of property by misusing their positions.”

Corruption is rampant in Nepal. With enforcement so lax, corruption becomes a matter of economics. On one side, there is a decreasing fear of accountability among officials. On the opposite side of the ledger, are the substantial rewards corruption offers. There are few risks but high gains.

Since the restoration of the multi-party democracy in the country in 1990, the independent anti-corruption body, the Commission for the Investigation of the Abuse of Authority (CIAA), has been active, but not always effective. The CIAA has been willing to confront high-level government officials and political figures. In 2004/2005 it filed 113 cases in pursuit of a total of 1.7 billion rupees (US\$23 million) embezzled from the government. But during the king’s direct rule between February 2005 and April 2006, the CIAA was swept aside, even after the rival RCCC was dissolved by the Supreme Court.

Ironically the king, who repeatedly preached about fighting corruption, did not need to look far to find it. Indeed, his personal record is dismal. The king consistently spent far more money than allocated on luxuries. He bought cars from Jaguar and Rolls Royce and took lavish vacations. According to Finance Minister Ram Sharan Mahat, in May 2006, the king spent 268 million rupees (US\$3.5 million) on several African safaris and Asian trips using the state-run airline’s jet. The king traveled with as many as 58 people in his entourage. His son, Paras, also spent lavishly on trips to Europe, Japan, Thailand and the Middle East. Paras once spent 42 million rupees (US\$560,000) to take two rhinos as a gift to an Austrian zoo.

As if the perks were not enough, the king also increased his annual salary from 120 million rupees (US\$1.6 million) to a whopping 750 million rupees (US\$10 million).

Devendra Raj Panday, Ph.D. a respected economist, said there was no division between the king’s expenses and the state’s. Under his direct rule, the king could have taken as much as he needed with no questions asked and without any risk of the accounts being audited.

"This was an example of capturing entire state by a ruler. His coup was not just aimed at capturing political powers but also the state's financial resources," Panday said.

Kishor Nepal, editor of Nepal magazine, put it this way: "In autocratic rule, corruption is beyond imagination. If his direct rule had not ended we would never have learned the extent of his corruption."

The king's ambition was not limited to money. He sought legitimacy and power as well. On Feb. 8, 2006, the king held municipal elections, which were widely boycotted by the major political parties and groups. The elections cost 240 million rupees (US\$3.2 million) a price that even some of the king's donors found unnecessary.

The king is also accused of creating new agencies and bodies that consolidated his grip on power and spread his network to the grassroots level. These institutions were accountable only to the king. According to a Home Ministry official, who refused to be named because of fear of recrimination, 54 million rupees (US\$720,000) were spent for this purpose, which he termed as "as wasteful as pouring water on sand."

During the last five months of the king's rule, then Home Minister Kamal Thapa spent 60 million rupees (US\$800,000) cracking down on demonstrations and protests against the king. Information Minister Sirish Sumshere Rana alone distributed 25 million rupees (US\$330,000) for this purpose. Since the restoration of democratic rule, there has been no action taken against Thapa or anyone in the king's government who misused state funds.

In April 2006, weeks of pro-democracy protests forced King Gyanendra to give up the power he seized in 2005. He was stripped of his authoritarian rule, as well as his official immunity from prosecution. The king was also forced to reinstate the Parliament, which was dissolved in 2002. Nepal has been without a working Parliament—and therefore any sort of representative bodies, including on the local level—since 2002.

Since the Parliament was reinstated, there has been cause for hope. Elected representatives now hold real power and have moved to restrict the king. For the first time in the monarchy's 237-year history, the income of the royal family is

taxed. Furthermore, the property owned by the king, including his palaces and jungles, will also be taxed. The February 2005 election has been invalidated and electoral commission officials behind it have been forced to quit.

But the newly restored government has its hands full. Despite criticism from all sectors, the government has been unable to challenge spending by the army, whose budget increased significantly during the past few years while it was engaged in fighting Maoist rebels.

Several parliamentary committees are actively investigating corruption cases. As the Parliament fights corruption, it may have more experience with the issue than anyone would like to admit. Chiranjivi Wagle, who was convicted of embezzlement by the Supreme Court, has been restored to his seat along with the rest of the Parliament.