

## Major Issues of Nepal's Foreign Policy (Panoramic Outlook)

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### Abstract

*The crux of the writing is to talk about the issues of Nepal's foreign policy. The policy, which is related to the international arena, is called foreign policy. The foreign policy is a vital subject for a country because the increasing demands of the country can't be fulfilled by itself. Every state has its duty to loss and gain more for these states adopt different policies for their benefit. Foreign policy is somewhat wider than domestic policy, however they have close intimacy. Foreign policy as a part of national policy encompasses the behavior of policy taken by a country with regard to other countries as well as multilateral organizations. By observing the foreign policy one can get picture of relationship of a country with others. Foreign policy of every country has the objectives and goals based on the national interest. Foreign policy is the wheel of a sovereign nation-state for conducting its relations with other state or states. Foreign policy of*

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*individual state is the basis for its international relations as well as the over-all international system. In this ground reality of Nepalese position in the world community, it is interesting matter that how does Nepal adopt the foreign policy. The analytical node in qualitative research method is used.*

**Key words:** Nepal's Foreign Policy, Nationalism, Refugees, Globalization, Terrorism

## PROLOGUE

Generally, issue means an important topic that people or government are arguing about it. So far the Nepalese foreign policy issue is concerned, it may be negative and positive. Major issues, on the relations between Nepal and its neighboring countries, especially with India, have very confronting issues. Nepal, a small landlocked country, has been maintaining good relations with friendly nations and with the immediate neighboring countries, namely India and China. Since the people's movement 1990, Nepal has been practicing the multiparty political system. Political parties are the principle actors and they are also the sources of policies of the country's domestic and foreign affairs<sup>2</sup>. They are regarding their respective roles within political system in changing context. They have the people's mandate to rule over. So people's psychology and national interest are strong foundation of foreign policy. Foreign policy is an area of state affairs where no sudden change is expected because the choices of the makers are relatively few. The success of domestic policies reflects the success of foreign policy. No country can remain isolated from international economic relations and it has to respond accordingly. Because of diversities of Nepal, diverse interests are considerable matter while formulating and implementing the foreign policy. The objective of foreign policy of any country is to preserve and promote its national interest, which mostly consist territorial integrity, independence and national survival. Though, Nepal is an independent and sovereign state throughout its history, it can't conduct its foreign policy as a sovereign state. Nepal was treated as

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<sup>2</sup> Adhikari, R. (2013). *South Asia and South East Asia*. Kathmandu: Pairavi Prakashan.

buffer state. Late King Birendra had stated in an interview to Newsweek on September 10, 1993 that “the concept of buffer zone has become outmoded Nepal is not a part of Indian sub-continent, it is really that part of Asia which touches both India and China”. Nepal respects the UN charter, world peace, and internationalization of peace, international law and order, non-alignment, five principles of Panchasheel, disarmament, and regional cooperation of SAARC. Nepal advocates the interest of small, landlocked, least developed and developing countries of the world<sup>3</sup>. Nepal lies between two large countries, India and China. Both countries are well developed in nuclear, industrial, commercial and technical power of the world. Nepal has some good relations with other country of the world. Practically, it seems that the foreign policy of immediate neighbors, especially India. Nepal should consider the reaction of neighboring country India, because of its geopolitical situation. There are so many issues before government and stakeholders to consider about it in the process of making foreign policy. Nepal border relation with India and China, refugee problem, revision of treaty of peace and friendship, transit rights of Nepal etc. are principle issues of Nepalese foreign policy. Likewise, nationalism, national identity, human rights and democracy are also essential issues in the changed context of the world today. Globalization has been a catchword for today’s world that has been transformed into a global village by the rapid wave of contributing factors, namely **(a) democracy and pluralism, (b) cultural assimilation, (c) revolution in information and communication technology, and (d) economic liberalization and free trade around globe**. It is a challenging issue for least developed and developing country like Nepal<sup>4</sup>.

### ***Issues of Nationalism and National Identity***

Nationalism is a political creed that underlines the cohesion of modern societies and legitimizes their claim to authority. Nationalism is closely linked with the origin of popular sovereignty. Every people awakened to nationalism see political self-determination as its goals. On the other hand, nationalism is an important factor in preventing

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<sup>3</sup> Baral, L. R. (2000). *Bhutanese Refugees in Nepal: Quest for New Confidence Building Measures*. Policy Study Series, Institute of Foreign Affairs, Kathmandu.

<sup>4</sup> *Annual of Political Science* (Vol. VII). (2003). Kirtipur, Nepal: Central Department of Political Science.

any power from establishing their hegemony. It is also an emotional attachment with great love to own country to be independent. The components of nationalism are feelings of territoriality expressed in love of one's homeland, common language, tradition of achievement in the arts and literature, a alternative history, and usually the fear of the enemy whose threatens the security of the nation-state. If the sovereignty refers the legal foundation, nationalism refers the essential socio-psychological base for the state. Through nationalism a state transforms itself into a nation state; the latter is thus the political organization that exhibits people considering themselves a nation. Nation, nationality, national self-determination, patriotism and chauvinism are more significant in different context. Nationalism can be defined, in the words of Couloumbis and Walfo "as a perceived identity of oneself with a territorially organized political collectivity such as the United State, the USSR, and other countries<sup>5</sup>. The psychological need to define oneself in terms of membership in a given community is at the root of national sentiment". According to Haye's statement nationalism consists of a "modern emotional fusion and exaggeration of two very old phenomena nationality and patriotism". Similarly, Louis L. Syder defines "nationalism, a product of political, economic, social, and intellectual factors at a certain stage in the history, is a condition of mind, feeling, or sentiment of a group of people living in a well-defined geographical area, speaking a common language, possessing a literature in which the aspirations of the nation have been expressed, attached to common tradition and common customs, venerating its own heroes, and in some cases, having a common religion". So the nationalism holds out the idea of self-determination as the chief objectives of any politically conscious community<sup>6</sup>. When we wish to establish a person's identity, we ask what his name is and what station he occupies in his community. So far a country is concerned, there may be various factors like history, geography, religion, economic status, political system etc. that helps us to know about. Though, Nepal is backward in various sectors as in technical, economical, military and diplomatic fields, it has some unique international identity. Nepal is a country of pluralism, known

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<sup>5</sup> Baral, L. R. (2000). *Bhutanese Refugees in Nepal: Quest for New Confidence Building Measures*. Policy Study Series, Institute of Foreign Affairs, Kathmandu

<sup>6</sup> Dahal, R. K. (1999). *Review of Nepal-India Relations: Issues and Challenges (1950-1999)*. Kathmandu, Nepal: Institute of Foreign Affairs

as “unity in diversities”. However, Nepal is a yam between two boulders, has proud of independent history. It was the world’s only one declared constitutional Hindu state. It is the land of the brave Gurkhas and Sagarmatha, the highest peak in the world. Nepal is one of the world tourism destinations because of its natural geographical features, bio-diversities, multi-ethnic, multi-religious and different historical and cultural heritages. Nepal is the land of Lord Buddha, the light of Asia Lumbini, the holy place of all Buddhists is also in Nepal. This is the identity of Nepal in the world community. The governments and leaders of Nepal move according to the direction of the international institutions, donor agencies and powerful FNGOs in most sensitive issues. Sometimes, nationalism took high position in Nepalese politics where inter-party and intra-party confrontation occupied widely as a major issue<sup>7</sup>. We know, time and again parliament was postponed due to the hot discussion on Kalapani issue and on the hot discussion on Kalapani issue and on the casualties from the dam made by India. Similarly, Nepalese political actors have criticized different bilateral agreements and treaties that are directly related with nationalism and sovereignty. Nepalese nationality, national interest and Nepalese necessity are given less priority because of the interference of foreigners in policymaking and implementation stages. Nationalism and national identity are major issues to consider while making foreign policy of Nepal of Nepal. The most important thing for government and stakeholders, is to be clear on the fact that they should be responsible for their duty of preserving and maintaining the national identity otherwise they have to face the blame of “Rastraghati and Desh Bechiiwa” etc.

### ***Issues of Non-Alignment Policy***

The concept of non-alignment was emerged in warfare circumstances, between two power blocks. It was the ideological war between two different ideologies, led by the US and USSR. Non-alignment doesn't mean passivity and neutrality. It is an independent policy based on peaceful coexistence establishing international relations. Since the rival military block have been dissolved, it is necessary to redefine

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<sup>7</sup> Dahal, R. K. (2002). *Nepal and the International System*. Kirtipur, Nepal: New Hira Books Enterprises.

non-alignment<sup>8</sup>. Experience is underway in this regard within the non-alignment movement. Non-alignment movement is guided by some fundamental principles. The principles of non-alignment are similar to the ideals of the United Nations. These principles include global peace and disarmament, national independence and preservation of sovereignty, economic equality among nations, politico-cultural identity and research for universalism. The principles of equitable access to information and technology and sound globalization process have also been adopted. The non-alignment has started before 50 years as third power block in the world. It has some objectives of balancing the superpower and sustaining independent identity of its member nations. These are following:

- *Preserve the independence, territorial integrity and sovereignty of state.*
- *Attain general and complete disarmament under effective international council.*
- *Grant the rights of self-determination to people.*
- *Promote co-existence of different systems, cultures and societies.*
- *Protect and promote human rights and fundamental freedoms, including the rights to development.*
- *Attain economic and social development of member nations.*
- *Full respect to international law and set up an establish equitable international order.*
- *Support of international democratization and to seek peaceful settlement of all disputes<sup>9</sup>.*

The non-alignment movement has always been serving the interest of small, developing countries. As the power has been shifted from bipolar to unipolar, smaller nations have to express their concerns against such unipolarism through unified voice. The non-aligned movement serves them as best platform for their purpose<sup>10</sup>. The movement still has the role of defend sovereignty, independence and territorial integrity of its members and oppose hegemony and

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<sup>8</sup> Gautam, N. (2005). *Nepalese Foreign Policy and Its Issues*. Kirtipur, Nepal.

<sup>9</sup> Dahal, R. K. (1999). *Review of Nepal-India Relations: Issues and Challenges (1950-1999)*. Kathmandu, Nepal: Institute of Foreign Affairs

<sup>10</sup> Hamal, Y. B. (2014). *Ecology of Nepal's Foreign Policy*. Kathmandu: Nepal Center for Development and Policy Studies.

unilateralism of any kinds military or economic. Nepal has been actively participating in all activities of the movement, as a founding member of the non-alignment movement, from the very beginning of Bandung Conference, 1955. Nepal's basic principle put forth in various non-aligned conferences or other multilateral forum is "live and let live". It is with this motive that Nepal wished to be "Zone of peace". Nepal, a member state of UN and a founder member of non-aligned movement, believes in world peace, disarmament and international law. Nepal shall adopt a policy of making continuous efforts to institutionalize peace in Nepal through international recognition by promoting cooperation and cordial relations in the social, economic and other spheres<sup>11</sup>.

Nepal has adhered to the five principles of Panchasheel:

- *Non-interference*
- *Non-aggression*
- *Respect for each other's territorial integrity, sovereignty and freedom*
- *Equality and mutual welfare, and*
- *Peaceful co-existence*<sup>12</sup>

Nepal is a landlocked country surrounded by two super power of Asia, namely China and India. Time and again, Nepal has been treated as favorable state of these two powers. Therefore, Nepal's policy of equilibrium and equi-proximity has significant role maintaining good relationship with immediate neighbors and other all friendly nations. The first aspect is that Nepal has maintained non-aligned posture towards its neighboring countries China and India. Secondly i) has remained non-aligned to any power blocks existing in the world political scenario. Non-alignment policy in Nepalese foreign policy is relevant and significant is present. Nepalese diplomats have yet to find out the appropriate policy prescriptions to address the proper channels to get benefits. Only the political interest has been prioritized but there are other fields of Nepalese interest to promote through the non-alignment policy. It is needed to find out such

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<sup>11</sup> Hamal, Y. B. (2014). *Ecology of Nepal's Foreign Policy*. Kathmandu: Nepal Center for Development and Policy Studies.

<sup>12</sup> K.C., S. (2004). *History of Nepalese Diplomacy*. Kathmandu, Nepal: Pairavi Prakashan.

alternatives and to make sustainable policies for overall development of Nepal<sup>13</sup>.

### ***Issue of Bhutanese refugee problem***

Bhutanese refugee problem in Nepal is a major issue of Nepalese foreign policy. Several Bhutanese refugees of Nepali origin have arrived in Kathmandu seeking political asylum. The Bhutanese people, living in Nepal as refugees, were forced to leave their country by the Bhutanese government due to fear of the growing number of people of Nepalese origin. It is an established international norm and practice that the refugees generally go to the immediate neighboring country, not in the third country<sup>14</sup>. The Bhutanese refugees could have gone to Bhutan's immediate neighbors Burma, China, or India but not in the third country Nepal whose territory is not bordered to the former. So, it is not Nepal's headache but India has transferred this problem to Nepal. 60 Bhutanese refugees had entered into Nepal through the way of India on December 12, 1990 and continued increasing number reached about 1 lakh plus, who were settling in eight campuses in Jhapa and Morang districts of Nepal. Consequently, they found Nepal as a safe heaven and started settling in few area of eastern Nepal. The huge numbers of Bhutanese refugees assisted by different INGOs, NGOs and UNHCR for necessities of their survival. Nepal also has to face the task of providing food, health care along with shelters. Huge condensation of refugees in one heavily populated district has created serious socio-ecological problems of diverse nature. Unemployment problem has been further aggravated, which is caused by the refugee. Deforestation, illegal lodging that has created serious environmental problems. Price hike, scarcity of foodstuff, prostitution, alcoholism, social conflict, water shortage and pollution etc<sup>15</sup>. are other challenging problems. HMG of Nepal took up the case from the very start to end the problem. Then Prime Minister Girija Prasad Koirala personally raised the issue with the Bhutanese King at SAARC summit at Colombo in 1991. In order to discuss the problem of the

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<sup>13</sup> Khanal, K. (2000). *Nepal's Foreign Policy - A Review: Prospective of Consensus and Reorientations*. Kathmandu, Nepal: Institute of Foreign Affairs.

<sup>14</sup> Kharel, P. (2005, November 28). Re-energising Nepal's Foreign Policy-Back to Business-After 15 years. (N. Blaze, Interviewer)

<sup>15</sup> Ibid



Bhutanese refugees in Nepal, the foreign secretary, Narendra Bikram Shah paid three days visit to Bhutan on March 30, 1992. That might be the first step of Nepalese government to solve the problem of Bhutanese refugee officially. Nepal's efforts to solve the problem began in 1993 when the number of refugee was 25,000<sup>16</sup>. Then home minister Sher Bahadur Deuba visited Bhutan on July 17-18, 1993 and held discussion with Bhutanese counterpart Lyonpo Dago Tshering. They agreed to establish a Ministerial level Joint Committee (MJC) held on October 5-7 in Kathmandu 1993 agreed to categorize the people of the refugee camps into four categories **(i) bonafied Bhutanese evicted forcefully, (ii) Bhutanese who immigrated, (iii) Non-Bhutanese people, and (iv) Bhutanese with criminal records.** Several round of talks between two countries have ended in total failures<sup>17</sup>. After tenth round of ministerial talks, Nepal and Bhutan agreed to verify the refugee camp by camp. Nepal had argued for the joint field verification of the refugee with the assistance of an impartial organization or institution such as UNHCR or persons of competence in the field. For the solution of the refugee problem, bilateral efforts should be given top priority. Field verification should be carried out forthrightly. The first round of verification ended with verifying just over 12,000 refugees of camps in Jhapa, has been verified in eight and half months. Verification at this rate may take years and years to complete. Difficulties still persist with regard to the verification process, which need harmonization of the two generations attitude in respect of the refugee question. Only few percentages of Bhutanese refugees at Khudanabari camp have been identified as eligible to return to Bhutan and they too wouldn't be in a position to return until or unless they are cleared from Bhutan's other legal conditions, Bhutanese policy and diplomacy seemed effective and reasonable to international community rather than the Nepalese community. Nepal should have adopted effective policy to solve the problem in time. Whatever might be the nature of the refugee problem, Nepal cannot sustain the problem for long. The problem needs to be solved as soon as possible. Nepal has three options **(i) bilateral negotiation, (ii) help of India, and (iii) internalization of the**

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<sup>16</sup> Ibid

<sup>17</sup> ibid

*issue*<sup>18</sup>. So for the option of bilateral negotiation, past experience of one decade indicates to go next option, which is appropriate at the present situation. India's responsible role is most significant to settle this problem. All Bhutanese came through Indian territory to Nepal and likewise they should return to Bhutan through the same route. Bhutanese refugees try to go back to home country. They were stopped in Pani Tanki, in the border area of Nepal and India by Indian government. As Nepal has no common border with Bhutan, through which route the refugees entered to Nepal, the same route should be opened for them to return back without any conditions<sup>19</sup>.

### ***Issue of Open Border***

No country can be imagined without boundary. It may be natural or artificial which distinct the territory of a country from the countries of other. Boarder is the demarcation line between nations to be independent externally and internally sovereign country. Nepal, known as the landlocked country in the world, is surrounded by the land and natural boundary. Especially, Nepal's boarder relationship with China and India is important in the geopolitics of Asia. The total length of Nepal's boarder with Indian to east, south and west of the country according to the survey department of Nepal is 1580 km<sup>20</sup>. This open border, between India and Nepal, is rather unique in the world, has not itself attained the desired objectives despite creating an intimate people to people relation between the two countries. Since the eons of the history, Nepal's boarder with India has remained open to facilitate free movement of the people and goods to each country. It is important for both countries, as geography has dictated both countries to be friends. The boarder facility provided free movement of people, goods and ease of personal contacts and relationship that it has become not only a political but also a great social and cultural continuity. Along with the positive aspect of open boarder there are negatives too. Regulation of Nepal-India border is very much sensitive issue in Nepal, particularly among the people of the Terai, in the context of socio-cultural ties of the people of Terai across the border

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<sup>18</sup> Ibid

<sup>19</sup> Khanal, Y. N. (1996). *Nepal After Democracy Restoration*. Kathmandu, Nepal: Ratna Pustak Bhandar.

<sup>20</sup> Malhotra, V. K. (2002). *International Relations, 3rd edition*. New Delhi, India: Anamol Publication Pvt. Ltd.

area. Both governments, Nepal and India, must convince their representative people that border regulation would not affect their normal life and would rather protect them from misuse of the border by unwanted and unauthorized element<sup>21</sup>. Though India is the largest democratic country of the world, it behaves Nepal undemocratically. Different border areas are being interfered, captured by India destroying border pillar (Das Gaza) in more 65 places. Nepal-India joint task force recommended both governments to regulate the border, but India didn't pay attention towards it. Indian politician and bureaucrats are still following the same policy that British India's expansionist followed. Nepal's boarder with China is rather less controversial because of geographical setting of high mountains and Himalayan range. However, it doesn't mean that they have no problems as minor disputes between the two sides have occurred in some places<sup>22</sup>. Little has come to the limelight in regard to cross-border criminal and outlaw activities. Nonetheless, business people of both sides worry about the possibility of smuggling with Chinese goods to Nepal, which, if any, needs to be effectively controlled. The Nepal-China border is regulated on the basis of the available proofs and records and the number of trade routes to be increased. At that time of visit of foreign minister Chakra Prasad Bastola to China in April 2000, it was agreed to add two more trade routes namely Kimathanka and Lizi besides the existing Tatopani, Yari, Kerong and Olangchuggola. Regulation of Nepal-India border has always remained constant a topic of discussion. The idea of closing the border save some entry and exit point has also been mooted. But closer of the border will create both the positive and negative impacts:

- *It will put Nepal at a geo-political distance between India and China,*
- *It would facilitate cheaper Chinese products taking markets in Nepal instead of the Indian ones.*
- *It could hamper the business of the Nepalese of Indian origin.*
- *Smuggling, which has harmed the healthy industrial growth and distorted the economy, will be reduced,*
- *It will reduce the complete dependence of India, a sort of dependence as seen in 1988-89 through a trade blocked,*

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<sup>21</sup> *Nepal's Foreign Policy: Issues and Options.* (1999). Kathmandu: Institute of Foreign Affairs (IFA).

<sup>22</sup> *Ibid*

- *It will certainly hinder outlaw activities from flourishing in the adjacent border points and help to control illegal trade,*
- *It will be the free flow about one million Nepalese to work in India at any given time,*
- *People from both the countries will face difficulties in getting safe and fast passage due to the administrative hassles to visit the other side for matrimonial ties, marketing, education, employment, medical treatment and other etc.*
- *It will also restrict the cheap manpower for seasonal work.<sup>23</sup>*

Various political parties in Nepal have raised this and demanded a scientific demarcation of the boundary based on historical facets and evidence. Although under the present practice, officials of the border districts, both in Nepal and India are authorized to have joint meetings, inspect the status of border pillars from time to time and report to their respective governments, these alone countries take stoke of the entire border issues and arrives at a long-term solution respecting each other's interests. In most sensitive case, Nepalese government and political leader shows passive nature in the issue including nationalism and independent implementation of the nation's foreign policy<sup>24</sup>. With low regulation capability of Nepalese state, including in the fields of foreign policy relations, Nepal has blamed as a safe haven for international criminals, smugglers and terrorists. Government seems less concerned with the proper and timely solutions to these problems. To promote national interest through the foreign policy and diplomacy, political parties and government should have conscious and make clear-cut vision and capability regarding such issues<sup>25</sup>.

### ***Issues of Revision on the 1950 Treaty***

The treaty of peace and friendship between Nepal and India concluded on July 31, 1950. Popularly known treaty as "the 1950 Treaty" had signed by the autocratic Rana PM Mohan Shumsher with India for his personal interest while revolt was going on for the democracy in Nepal. India has its own interest compelling others to

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<sup>23</sup> Pradhan, B. P. (2003). *Diplomatic Strategy for Nepal*. Kathmandu, Nepal

<sup>24</sup> Pyakurel, B. (2005). *Trade Facilitation: Nepal's Prospective* . (N. N. Pandey, Ed.) Kathmandu, Nepal: Institute of Foreign Affairs.

<sup>25</sup> Ibid

sign treaties. When the World War II was ended the world divided into ideological blocks; one is capitalist block leading by US and next one is communist block leading by USSR. Then the whole world entered into cold war. In this confronting situation of the world, India planned to be a regional power. He urged all Indian nationals to unite for the leadership of Asia. India took Bhutan and Sikkim under his control by signing on the bilateral treaties with them. So, the treaty of peace and friendship, 1950 was also a result of these circumstances<sup>26</sup>. The treaty of 1950 was most significant at this contemporary period to establish relationship with India. It seems good and relevant through reading of all articles of this treaty and really based on the peace and friendship between Nepal and India. But its practices and the letters of exchange keeping secret are very dangerous to Nepal. The 1950 treaty seems as if it is refreshing the previous treaties, the treaty of friendship between Nepal and British India in December 21, 1923, and Sugauli treaty of 1816. The treaty was kept secret for 10 years. It was, thus, against the spirit of the popular will, democracy and Nepal's interest. So, Nepal has put forward its desires for the revision of the treaty based on the provision of the treaty that is outdated and unequal in the context of Nepal. The national, regional and international situation has been completely changed today. The fundamental change of circumstances and the contradiction of the new rules of international law may cause the termination of the treaty. United Nation discourages all secret diplomacy and treaties between nations because it may be harmful to the world peace. Therefore, every treaty must be registered with the secretariat and published<sup>27</sup>. According to the UN charter (Article 102(1)). The 1950 treaty is nowhere recorded in the formal governmental documentation; even the Indian government didn't show original copy of the treaty. It was a military treaty or security document rather than a peace and friendship treaty because of the fear of just established communist China's activities that might be entered into Indian territory through open border of Nepal. Nepal has to provide each and every bit of information to India to assure whether Nepal has abided this treaty or not. Question can be raised: Is India equally abiding the treaty like Nepal? Why cannot Nepal maintain its independent policy? I it really bilateral treaty,

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<sup>26</sup> Pradhan, B. P. (2003). *Diplomatic Strategy for Nepal*. Kathmandu, Nepal.

<sup>27</sup> Ibid

which produces equally shared benefits? Nepal has no rights to purchase arms, immunities or warlike material or equipment without India's assistant and agreement<sup>28</sup>. It is direct interference of India on Nepal's security concerns. Because of these reasons, the 1950 treaty is barrier against Nepal's development in present, though the treaty was relevant and significant in that contemporary time. After the resolution of democracy, the interim government and first elected government of Nepali Congress both tried to develop better relationship with India but failed to express their ideas about unequal nature of 1950 treaty. The minority government of Man Mohan Adhikari (CPN-UML), during his official visit to India in 1995, for the first time officially requested the government of India to revise the 1950 treaty. Likewise, Foreign Minister Kamal Thapa in the coalition government had also submitted an alternative draft of a proposed new treaty. Yet, India has not given any hints to amend the treaty or to conclude a new treaty. In this context, Nepal, as small and weak country, should seek peaceful and diplomatic means to revise or replace it. It is better to take immediate step on it as a sovereign state to conduct foreign policy.

### ***Issues of Transit Rights of Nepal***

The terminology "transit" is strongly tied up with trade or commerce and development. Trade and transit go together as complementary factors. In the case of landlocked countries transit facilities are the questions of life and death for their development efforts. The treaty of trade and commerce of 1950 which tacitly recognized their importance of the restricted transit facilities to Nepal for movement of goods and manufactures through the territory of India<sup>29</sup>. Nepal is a landlocked country, facing daunting problems for free outlet export and easy import of goods. Nepal has to depend upon India for access to sea. But Nepal has experienced difficulties in securing its transit rights at times. Separate treaties on trade and transit and an agreement for between India and Nepal in New Delhi on September 3, 1991. The trade treaty, that was valid for five years and could be renewed for another 5 years. Similarly, separate transit treaty between Nepal and

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<sup>28</sup> Sharma, M. R. (April 14, 2005). *Comments of Nepalese Foreign Affairs*. Kathmandu, Nepal.

<sup>29</sup> T.C., S. (2004). *History of Nepalese Diplomacy*. Kathmandu, Nepal: Pairavi Prakashan.

India was concluded in January 1999. The treaty was automatically renewable every seven years, unless either side gave a notice in writing six months in advance. The main points as follows: "The present agreements and operational modalities for the transit routes of Radhikapur and Phulbari for the movement of Nepal's transit trade to and through Bangladesh will be continued. Importers and exporters may use open trucks, marine containers, container trucks, or rail wagons for the transportation of transit goods<sup>30</sup>. Only those transit goods, which are specified as sensitive by the government of India with prior intimation to HMG shall be allowed transformation by marine containers, container trucks, or rail wagons. The practice of requiring declaration of the intended road route to and from border entry/exit points on the customs. It has been agreed to allow an alternate road route wherever the specified routes become unusable. The provision of duty insurance has been made applicable to specified sensitive goods both for import and exports. Non-sensitive goods will be no more require duty insurance, except an under delivery by the importers and exporter to the concerned commissioners of custom. And exporters trading in sensitive goods have also been given the option of submitting a bank guarantee in place of the duty insurance requirement. Even after the conclusion of the Vienna Convention on the Law of the Sea of 1982, India imposed trade embargo on Nepal. History is witness that Nepal had to undergo pressure from the Indian side, including creation of sacrifices of basic commodities to human life etc. Nepal's right to free access to the sea, according to the provision on the Law of Sea, 1982 as a landlocked state's right of free access has been recognized as a natural right. Nepal should stand a point that its transit rights are guaranteed by international law. Nepal refers to the Articles 125(1) of the Law of Sea, 1982, which reads, "Landlocked state shall have the right to free access to and from the sea for the purpose of exercising the rights provided in this convention including those relating to the freedom of the high seas and common heritages of mankind. To this end, landlocked states shall enjoy freedom of transit through the territory of transit states by all means of transport". But it was not implemented effectively and on the basis of mutual understanding. Nepal's worry, in regard to its transit rights, is rooted to its own logical background. Transit is a

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<sup>30</sup> Pradhan, B. P. (2003). *Diplomatic Strategy for Nepal*. Kathmandu, Nepal.

necessary and permanent condition for international trade of landlocked countries like Nepal<sup>31</sup>. But India wants to link the transit rights of Nepal with border issue and bilateral trade and security interest. It seems as if India opens 15 transit routes to Nepal. But India is contributing to the promotion of Indian trade in Nepal rather than Nepal trade in India. India's option plays a great role on its efforts to ensure Nepal's transit rights through implementation of the provision of transit treaty, establishment of custom free zones at the Indian parts, and simplification of the cumbersome customs and transit procedures. India has generously explored alternatives like Haldia port, Kandla port, Jawaharlal Nehru port, Phulabari-Banglabandha transit point to Mongla and Chittagong ports of Bangladesh for Nepal. India and Nepal are cooperating with the World Bank support to build dry ports. Diplomatically Nepal should seek permanent solution of Kankadhitta-Phulbari-Banglabandha transit route. So long as India doesn't agree to develop trade in accordance with the changed situation, Nepal cannot banish its poverty. We should develop our trade operating the routes through Pakistan and Bangladesh. When the entire SAARC region is hoping to become one free trade area one day, such initiative in transit and transport are welcome signs.

### ***Issues of Globalization and Regionalism***

Globalization is a continuous phenomenon or it is a process going on extension of goods, ideas and activities from one point of a place to the world. Globalization involves not only free flow of goods, services, capital, labor and finance but also information, drugs, arms and even terrorist activities across the globe. In general globalization is the free flow of goods, ideas and services, particularly globalization is linked with economy<sup>32</sup>. So it is an integration of various economics through the world in the field of production, distribution and consumption. It is a relationship between the capital center and the periphery. Therefore, we can sum up it as a process of integration of finance, information, capital and even ideas. By "globalization" we mean the process of globalism or universalism. There are many ways in which this complex process can be understood and analyzed for better

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<sup>31</sup> Ibid

<sup>32</sup> Gautam, N. (2005). *Nepalese Foreign Policy and Its Issues*. Kirtipur, Nepal.



comprehensive<sup>33</sup>. Political, economic, religious, info-technical and socio-cultural and other factors are mainly responsible for the process of globalization throughout the world. Global democratization, global governance, e-governance, rule of law, human rights, gender equality, eradication of social discrimination, poverty elevation, liberalism, open market and free trade, multinational companies, regional organizations and different world institutions like UN and its specialized agencies (World Bank, IMF, WHO) are emerging the concepts of globalization. Globalization has both positive and negative parts that impact on the foreign policy of a country. Globalization comes with liberalization and privatization. Rapid development of information and technology or information superhighway, tourism, economic development, open market, migration, ecology, epidemic disease like AIDS, etc. accelerate the process of globalization. But powerful and capable country can take advantages from the globalization, but the reverse is the result for poor countries like Nepal. A number of sensitive impacts on the foreign policy of Nepal have been observed caused by globalization<sup>34</sup>. The first is the adaptation of global standard in order to participate in the global economy and world community; the developing nations are required to act in accordance with globally accepted rules and norms. The next one is upgrading international competitiveness. Competitiveness has become a matter of life and death question to developing countries like Nepal. While Nepal formulates foreign policy, it to assure the outer world that internal environment is stable and secure. Globalization has intensified regionalism. Competition at the global level has only increased regional cooperation, as can be seen from the growth of various regional framework. So regionalism is one of the major issues of Nepalese foreign policy. The concept of regionalism emerged with common interest of countries on the basis of regional, ideological and other benefits. In other word, it is a union of countries of same categories. Regional groupings can exchange their development initiatives through exchange of experiences, transfer of technology and collaboration on action plans on matters on common interest. The UN charter provides for the existence of regional

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<sup>33</sup> K.C., S. (2004). *History of Nepalese Diplomacy*. Kathmandu, Nepal: Pairavi Prakashan.

<sup>34</sup> Khanal, Y. N. (1996). *Nepal After Democracy Restoration*. Kathmandu, Nepal: Ratna Pustak Bhandar.

association blocks such as EU, ASIAN and SAARC etc. South Asian Association for Regional Cooperation (SAARC) is also a regional association of SAARC countries having geographical context, economic, socio-cultural, and political and other similarities<sup>35</sup>. Nepal, a founder member country of SAARC, is seeking the beneficial areas for the development of country through not only the principles and policies but also on the basis of practical form and sound behavior of all associate countries among them<sup>36</sup>. Though Nepal has no power to influence any other country of the world community but due to the geo-political situation it is affected from others easily, Nepal has entered into WTO and global activities by its compulsion. The most significant matter is Nepal's diplomacy of adaptation and adjustment policy in new situation. Nepal cannot escape globalization. But, what measures it can adopt as to promote its economic and security interest. Nepal should emphasize on its own structures to take benefits from the globalization and regionalism<sup>37</sup>.

### ***Issues of Terrorism***

Terrorism is an act of violence designed to fear of mass population. Terrorism is one of the burning problems of human society. It is a threat to peace and crime against human society. It is a threat to peace and crime against humanity. It is more complex and dreadful than criminality. Terrorism as different states or governments according to their will and manifesto irrespective to international convention or protocol have defined a term differently. Therefore, the same condition in a particular country and face particular political party or government of a state can be terrorism for others. These contradictions emerged because of the difference in political interest. At time very reasonable factors or causes for violence can be terrorist act for a time and non-terrorist latter on. Terrorism has become another great problem in the world community today. Therefore, are some main causes of terrorism:

- *Historical immunities*
- *Colonial factors*
- *Reaction against autocracy or absolute governing system.*

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<sup>35</sup> *Nepal's Foreign Policy: Issues and Options*. (1999). Kathmandu: Institute of Foreign Affairs (IFA).

<sup>36</sup> Ibid

<sup>37</sup> Ibid

- *Advancement of technology*
- *Conflict between blocks of state.*
- *Clash of civilization and culture.*
- *Political confronts.*
- *Poverty also can be a cause of terrorism<sup>38</sup>.*

International law has declared that any or all of the following activities are known as the “action promoting terrorism”. **(i) Hijackings of Aircraft (ii) taking of hostage (iii) use of mercenaries.** Nepal has been facing the problem of terrorist activities since the years. Nepal alone cannot fight against the terrorism and it is also impossible because of its geo-political situation, small and weak condition. Nepal, being the SAARC member country, is committed along with all SAARC countries to fight against terrorism collectively<sup>39</sup>. The Dhaka summit on December 7-8, 1985 recognized the seriousness of the problem of terrorism as it affects the security and stability of the region. The 2<sup>nd</sup> SAARC summit in Bangalore 17 November 1986 signed the “SAARC regional cooperation for the suppression of terrorism”. The head of the state or government of SAARC states have vital role if terrorism is to be prevented and eliminated from the region. The SAARC countries univocally condemned the all acts, methods and practice of terrorism as criminal and deplore their impact on life and property, socio-economic development, political stability, regional and international peace, cooperation and UN charter. After the AL QAEDA attack in Pentagon and New York on September 11, 2001, terrorism has become a global problem. UN Security Council passed a resolution on September 28, 2001 SC/1373, one of the several resolutions that concerned threats to international peace and security caused by terrorism<sup>40</sup>. The resolution requires all the states to take sweeping measure to requires all states to take sweeping measure to combat and opens the door to use the force as one of the means. Similarly, United States of America urged all states of the world to unite against terrorism. If any state, or organization or individual supports the terrorism or terrorist

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<sup>38</sup> Kharel, P. (2005, November 28). Re-energising Nepal's Foreign Policy-Back to Business-After 15 years. (N. Blaze, Interviewer)

<sup>39</sup> Khanal, Y. N. (1996). *Nepal After Democracy Restoration*. Kathmandu, Nepal: Ratna Pustak Bhandar.

<sup>40</sup> Pyakurel, B. (2005). *Trade Facilitation: Nepal's Prospective* . (N. N. Pandey, Ed.) Kathmandu, Nepal: Institute of Foreign Affairs.

activities, they are treated as terrorists. Nepal's full support on actions of America against the terrorism is important internal and external affairs of Nepal. After the restoration of multiparty democracy in 1990, Nepal has been facing the various terrorist activities, within the short period of democracy. While Nepal is just stepping towards democracy, arm conflicts began. Though, Maoists gave name of arm conflict as the "class struggle" and "ideology based", the activities carried out by them seem to be terror and violent with the time. Maoist in Nepal was fighting for the establishment of the rule of the proletariat. They revolted against the present system. The violent tussle between the government forces and the communist groups in Nepal has recently taken thousand lives. Though, different governments and groups have defined Maoists and their activities differently, it is ideological terrorism. Whatsoever, terrorism is a great issue of Nepal's foreign policy and in the course of diplomatic practice. Nepal's geographic condition, poverty, political instability, political and social discrimination, socio-economic condition, open border and world situation are the fertile factors for terrorism in Nepal. Security concerned is significant issue throughout the world in the context of fear of terrorism<sup>41</sup>. Nepal has also suffered from the border terrorism. Nepal's neighboring countries like China, India and Pakistan possess nuclear weapons, it has become necessary for these country, create the psychological fear to Nepal. India often raises concerns about the outlaw activities supposedly carried out by the Pakistani ISI agents in Nepal. India's is demonstrating its apprehension of the anti-India activities by the Pakistani elements, mentioning that they enter Nepal, find safe passage to India, misuse the open border between Nepal and India under the grab of being either Indian or Sri Lankan or Nepalese people of Indian origin and carry out subversive activities in India, especially in Kashmir. India got aired when some Kashmiri militant while flying from Kathmandu in December 1999 hijacked an aircraft of Indian Airlines IC 814. China also seems sensitive to the activities of the Tibetan refugees in Nepal with its apprehension that they may discretely carry out anti-China activities from Nepal, especially as to the Tibetan. Nepal's stand in this regard is straightforward, bold and realistic in that Nepalese soil has never been given and will never be given to the refugees for the purpose of

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<sup>41</sup> Ibid

carrying out activities that may be detrimental to the interests of the neighboring countries. Nepal's further holds that the country is strongly opposed to any type of the outlaw-activities by the external elements. It also condemns terrorism in any form and manifestations. Hence, there is zero possibility of any organization or people from foreign countries being given refuge in Nepalese soil for their subversive and terrorist activities. His Majesty King condemning the terrorist attack on December 13 on the parliament building of India sent a message to the president of India K. R. Narayanan. In the message, King said, "Nepal strongly condemns such heinous crimes. All countries must work together in combating and eliminating terrorism from the world" (Gorkhapatra, December 14, 2001). Similarly, PM Deuba also sent the same type of message declaring state of emergency in Nepal. In order for further prevention of outlaw activities of external elements from being carried out in the future, firm action on the part of the government of Nepal and its neighboring countries need to be taken through application of scrupulous security measures. Security should be tightened, especially around the frontiers and passport and visa system could be introduced in the case with India. Activities of the Tibetan refugee could be monitored in order to prevent unwanted activities. Nepal has been following the strategy of economic diplomacy since 1990 as a major foreign policy. Along with the liberalization policy of HMO/Nepal has also set some prioritized sectors like infrastructures, power, water, telecommunication, roads and tourism and highly rewarding agriculture sector. Economic diplomacy as practiced by the country was primarily limited to the task of selling Nepalese products by our embassies and missions located abroad. It was not regard as a vital part of diplomatic functions of the ministry of foreign affairs as mechanisms were lacking to link up our embassies and mission with the pectoral institutions for cooperation, communication, guidance and supports. Foreign policy and diplomacy are closely interrelated and therefore are the two factors of the same things. Diplomacy is means of foreign policy. Economic matters are most important to be considered while formulating the policy for the development by economic strengthening. Therefore, Nepalese foreign policy linked with economic diplomacy, much importance is attached in connection with the economic development of the country. The economic basis of Nepalese diplomacy is now in the making. Most of the developing

countries today are in the process of democratization and liberalization in their economics and in the drive for it, they are looking forward to integrate themselves into the mainstream of global economy<sup>42</sup>. Nepal has also entered in WTO, though it has backward economy. Nepal, at present is passing through its transitional phase of economic development. It was only after 1990, that the government openly pronounced its open door policy towards liberalization and privatization. So far the Nepal's effort with globalization wave has not yet been productive and satisfactory through the new economic policy. Nepal is looking for the benefits from the involvement in globalization, liberalization and open economic policies from the poverty alleviation, new investment sectors and creates lots of employment opportunities. But unfortunately, it is Nepal's landlocked character and poor economic infrastructures that have compelled to be India independent. The high costs of transit, the high electricity costs and such other related issues like easy accessibility of Nepalese goods to India etc. need close security in the growth of Nepalese economy. Major thrust of Nepal's foreign policy is economic diplomacy. Economic diplomacy can be understood as use of diplomatic apparatus for the achievement of economic goals of the country. Sometimes, economic diplomacy for the developed and powerful nations may mean achievement of its political and strategic interest through the economic means whereas it means difficulty to the economically subsided countries like Nepal, economic diplomacy, for us in connection of our diplomatic efforts towards achieving economic development goal of the country for Nepalese economic diplomacy, major priority areas have been identified. They are *i) Export promotion ii) Tourism promotion iii) Foreign direct investment iv) Foreign employment generation v) Non-resident Nepalese investment environment creation vi) Development of information and technology sectors, etc.*<sup>43</sup>

## Conclusion

Wedged between India and China, Nepal has historically followed a policy of nonalignment, both a regularly and globally. The country's

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<sup>42</sup> Dahal, R. K. (1999). *Review of Nepal-India Relations: Issues and Challenges (1950-1999)*. Kathmandu, Nepal: Institute of Foreign Affairs.

<sup>43</sup> Khanal, K. (2000). *Nepal's Foreign Policy - A Review: Prospective of Consensus and Reorientations*. Kathmandu, Nepal: Institute of Foreign Affairs.

dependence on India for trade and treatment and transit routes to the south, however, both nations reliance on common water resources, make Nepal's relation's with India especially sensitive. Since 1990, these relations have pivoted around a treaty of peace and friendship that gives India significant leverage over Nepal on economic and security matters. Historically, Nepali Congress has advocated closer ties with India, but the communist parties, particularly the ML faction, have resisted accommodating India's influence in Nepal. There has been bitter debate over the provisions of the 1996 Mahakali River treaty between Nepal and India. This treaty, which provides for joint development and utilization of the river's irrigation and hydroelectric potential by the two countries has drawn fire as a sellout of Nepal's sovereignty and interests. The Pratinidhi Sabha has ratified this treaty, but agreement on its implementation remains elusive. Other ongoing issues include the border dispute over the strategic Kalapani territory in western Nepal and the fate of the over 100,000 ethnic Nepalese refugees from Bhutan. Nepal maoist rebels was listed as terrorist group by U.S. government, and former President Bush pledged US \$20 million in aid to Nepal for the fight against them. The Maoists, led by Pushpa Kamal Dahal (Known as "Prachanda") believe that the United States was pushing for a military solution instead of peace talks and reconciliation. Nepal plays an active role in the South Asian Association for Regional Cooperation (SAARC) and hosts the organization's secretariat. SAARC promotes regional cooperation, including trade expansion and economic and social development among South Asian member nations. Nepal is also a member of several multilateral organizations, including the World Bank, the International Monetary Fund (IMF), the Colombo Plan, and the Asian Development Bank. Nepal continues to participate in various specialized agencies within the United Nations, voting with the nonaligned movement. In May 2000, Nepal began the process of accession to the World Trade Organization (WTO), a membership which remains controversial as many Nepalese believe the new trade regulations may do more harm than good. Nepal's foreign policy objective is to attain national interest or preservation and promotion of political freedom, sovereignty, regional integrity, institutionalization of peace, democracy, human rights and freedom. Along with it, Nepal's foreign policy is concerned to enhance the foreign economic assistance pursuing to the donor country and donor

agencies for development. Therefore, any foreign aid without political string is acceptable to Nepal. Though, there are some permanent and temporary factors of Nepalese foreign policy issues. Nepali stake holders must be clear on the issues which are directly related with foreign policy. There are many issues of Nepalese foreign policy, among them are: nationalism and national identity, non-alignment, Bhutanese refugee problem, open border, revision on territory of 1950, globalization and regionalism, terrorism and economic diplomacy etc. If we are able to address on these issues properly our foreign policy will get successes. Nepalese foreign policy and diplomacy is becoming much weaker in the context of globalization. There is no institutional efficiency in the foreign policy formulation and implementations. Governmental instability, political illusions, intra and extra party confrontations, lack of unanimous national vision and consensus of political parties are the factors of inefficient domestic and foreign policy of Nepal. Similarly, politicization of bureaucracy is another problematic factor of Nepalese foreign policy. Party leaders and governments manipulate all activities according to their party of personal benefits. Only taking part in bilateral or multilateral forums may not be the policy of a country. There must be some objectives and goal within it and its foreign policy. Nepalese government and ministry of foreign affairs by mistake take advices and homework with experts. Due to this reason, Nepal's immaturity always exhibits in diplomatic practice. Nepal's diplomatic efforts also failed in various issues related with neighboring countries and friendly nations either bilateral or multilateral level. Bhutanese diplomacy is strong though Bhutan seems small and weaker whether several around dialogues have been held. Nepalese people are fully confident that the world's largest democratic country India would not behave undemocratically in its relation with Nepal but it remains on only expectation. While we talk about India, India's interference in politics and territory are also acceptable to the Nepalese stakeholders. Nepal's role on SAARC is also weak. Regional cooperation is limited within the draft paper. Nepal should have to take benefits from the SAARC regional level prospective. Nepal cannot raise the issue of amendment on law of sea. Nepal should seek the rout of access to sea for the participation in international economic activities, open market economy, liberalism, privatization and globalization.



## **Recommendations**

It is changed context of national, regional and international scenario. It is most important and relevant to evaluate the Nepalese foreign policy. The question rises how political parties, leaders and governments had played a vital role in foreign policy. It is natural for us to become more sensitive as well as assertive in preserving Nepal's national interest. It is a need to avoid politicization of foreign policy issues whether they are related to India or any other country. Diplomacy is the reliable means of weaker country to obtain the national interest, objectives and goals. Foreign policy and diplomacy are two side of a coin. Therefore, Nepal should give priority on diplomatic efficiency too. So, Nepalese stakeholders have to fulfill some conditions making Nepalese foreign policy more effective. There are four factors always to consider according to the priority number.

- *To define the problems.*
- *To confirm, what to achieve?*
- *Take decision on it, and*
- *Proper implementation of decisions.*
- *Others are:*
- *Revision of foreign policy is necessary in the changed context.*
- *Should define national interest of Nepal and unanimous foreign policy agendas or issues.*
- *Long-term and short-term policy in different sectors should be confirmed.*
- *Sufficient homework is needed before taking part in bilateral or multilateral level.*
- *National debate is necessary on long-term agreement with foreign countries or agencies.*
- *Political recruitment should be limited/cutoff in the foreign sectors.*
- *Should be transparent giving the priority of open diplomacy as democratic nation.*
- *Avoiding the dependency nature, limit the foreign aid.*
- *Equi-proximity policy should be adopted instead of equi-balance policy.*
- *The pragmatic economic diplomacy should be enhanced.*
- *Lastly, further study on Nepalese foreign policy issues is must.*