

Nepal's National Interest: Policies and Recommendations - 2009

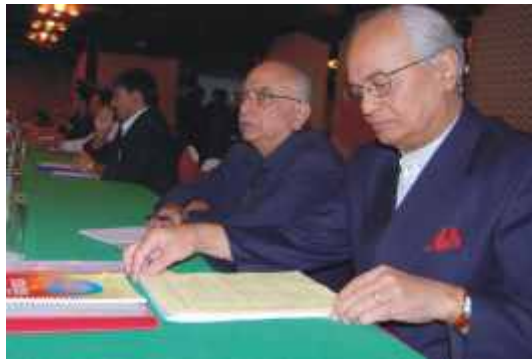
The Centre for South Asian Studies (CSAS) in cooperation with Konrad Adenauer Foundation (KAF) organized a conference on 'Nepal's National Interests: Policies and Recommendations' in Kathmandu on Oct. 21, 2009. The conference was inaugurated by the Prime Minister of Nepal Mr. Madhav Kumar Nepal. Participants included members of Nepal's Constituent Assembly, senior bureaucrats, former ministers, senior army and police officials, leaders of various political parties, secretaries of the government, academics from the university and former ambassadors. There were altogether five papers that were presented: - 1. National Interest in the Changed Political Context by Vice-Chairman of the CPN (UML) party and Former Deputy Prime Minister and Home Minister Mr. Bam Dev Gautam, 2. Nepal's National Interest and Foreign Policy by Foreign Policy Advisor to Former Prime Minister G.P. Koirala Ambassador Dr. Sambhu Ram Shimkhada, 3. Economic Stability and Trade by Secretary at the Ministry of Commerce and Supplies of the Nepal government Mr. Puroshattam Ojha, 4. Defining National Interest in an Emerging Nation State by Prof. Dr. Mohan Prasad Lohani and 5. Challenges to National Security and Safeguarding National Interests by Brig. Gen. (retd.) Ranadhoj Limbu Anbuhang.

Prime Minister Mr. **Madhav Kumar Nepal** began his inaugural address by stating that the 'Konrad Adenauer Foundation (KAF) deserves appreciation for its active role as a think-tank, research institution and consulting agency and involvement of the KAF in promoting and fostering civil education, liberal and pluralist democracy, rule of law, human rights and social and market economic structures in different parts of the world.' He further said that 'the domain of national interest has intimate connections with both domestic and

foreign policies and that it comprises of a country's goals that may range from the protection and promotion of its national sovereignty and territorial integrity to the achievement of its political, social, economic, trade, security and cultural objectives.' The Prime Minister highlighted that the country has accorded top priority to three immediate objectives and said:- 'We are keen to take the home-driven peace process to its positive and meaningful conclusion with active participation, concurrence, consent and consensus of major political forces in the country', [secondly] 'draft a new constitution in consonance with the aspirations of our people with a view to institutionalizing some core aspects like democracy, republican order, federalism, rule of law, human rights and inclusion' and [thirdly] 'accelerate social and economic transformation of the country through increased and effective mobilization of both internal



and external resources as political goals of peace process and constitution writing, and rapid socio-economic development. Prime Minister Mr. Nepal added that 'political goals of peace process and constitution writing, and rapid socio-economic development are, in fact, inter-related and they reinforce each other. It is in this context that the Government is keen to pursue and promote economic diplomacy through increased and active involvement of our diplomatic missions and private sector.'



The Prime Minister also assured that the Government will give 'due attention to the pertinent inputs and suggestions and hoped that these recommendations may serve as valuable guidelines in taking policy decisions to safeguard and promote our national interest.'

Introducing the objectives of the conference, Director of the CSAS Mr. **Nishchal N. Pandey** explained that national interest, the conference's core theme, was a term that everyone uses, but had never been clearly defined in Nepal. It was the goal or ambition whether political, economic, military, environmental or cultural.' He elaborated that the national interest of a state like Nepal were multi-faceted and clearly had several dimensions attached to it. Fundamental to that was the state's very survival, first to safeguard its territorial integrity from internal and external challenges and then to ensure well being of the Nepalese people though not necessarily in that order – both had to be taken hand in hand. Director Pandey further supplemented his point by emphasizing the importance

of the pursuit of wealth and economic growth, ensuring energy security and guaranteeing employment for thousands of unemployed youth in addition to the critical issue of safeguarding the delicate ecology of a mountainous country like Nepal as all vital ingredients of national interest.

The first Paper on Changed Political Context and National Interest by Mr. **Bam Dev Gautam** dealt with the historical changes in Nepal after the April 2006 movement and why 'national interests' should not only be re-defined to suit the altered political landscape in the country but also to uphold the age-old principles of Nepal's foreign policy in between India and China. However, Mr. Gautam cautioned that the gain made from the 2006 people's movement was on the verge of being skirted away as the CPN (Maoist) which had more than 1/3rd of seats in the Constituent Assembly was out of power. As it was a requirement in the Interim Constitution to have 2/3rd majority to decide on any crucial matter of the new Constitution, 'how will this be possible without the active support of the Maoist party?' he questioned. Mr. Gautam also outlined that the older political parties such as the Nepali Congress and his own party CPN (UML) together with couple of others had imagined that the Maoists would emerge at least as the second or a respectable third in the elections. They were utterly devastated when the Maoists emerged as the single largest party. Since then, conspiracy to deny them power and even after their government was formed, a scheme to topple the government was underway. The Maoist led government had been going ahead with the



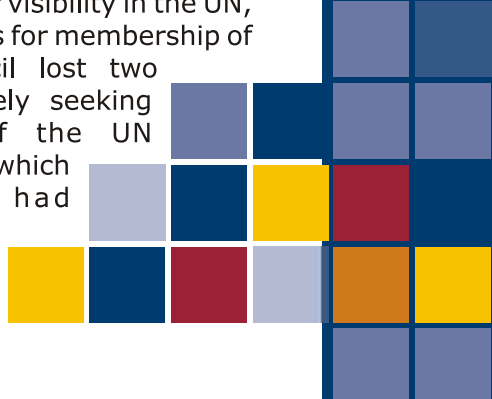


integration of ex-combatants into the security forces but this process had been stalled at the moment, he revealed.

Gautam while expanding his presentation explained that even though a federal set-up of the country was envisaged, no state would have the right to secede in the name of 'federation'. He noted that Nepal was only poor because of centuries of neglect of the aspirations of the rural people but the availability of mineral resources including petroleum had never been explored in this country. He asserted that in a nation where Sita and Buddha were born, tourism had great potential. Highlighting the major features of Nepali nationhood, the former Deputy Prime Minister stated that Nepal had always remained a proud, sovereign, independent nation and that this aspect was the fundamental element of the Nepalese national interest. In his view, even though Nepal is small in size comparing with its two neighbours- India and China, it had an independent history of a thousand years with multi-religious, multi-ethnic, multi-cultural and multi-lingual national facets.'

In the second paper titled *Nepal's National Interest and Foreign Policy* by

Dr. **Shambhu Ram Simkhada**, it was highlighted that the protection of territory of the nation and attracting FDI should have been the first priority but the frequent changes of the political leadership was causing difficulty in taking a strong stand on vital issues. He projected that Nepal which was located between two global economic and strategic powerhouses could greatly benefit from developments taking place in India and China. However, it was essential to realize that proximity added vitality, sensitivity and complexity in interstate relations demanding priority and careful handling. Strengthening of relations with the new US administration, further deepening traditional friendship with Germany, UK, France and other member states of the European Union, Russia, and Japan, were some of the other priorities together with greater visibility in the UN, exploring possibilities for membership of the Security Council lost two years ago or actively seeking the Presidency of the UN General Assembly (which Nepal had not had the opportunity to preside), enhanced Nepali role in UN peacekeeping work



and greater UN economic assistance were other priorities of Nepal's 21st Century diplomacy,' according to Dr. Simkhada. He touched upon the importance of critical agendas for a national consensus on foreign policy which according to him were:- Issues/Interests, Institutions and Individuals. He emphasized on the importance of a vigorous national debate on foreign policy issues and consensus among the main political actors that, despite ideological differences or competition for

foreign direct investment not being very encouraging as the number of joint venture projects had increased only by 8.5 percent, while the foreign investment tied with these projects had decreased by 36.4 percent to Rs. 6245 million in 2008/09. In the preceding year, 212 joint venture projects with the total FDI amounting to NRs. 9811 million were registered in the Department of Industry. He said that foreign employment had remained one of the major sources of employment and earnings to Nepalese youth, besides it being also a major source of foreign



power at home, should not compromise on national interests or use foreign policy for domestic political ends or partisan or personal gains. The most important priority of this discourse, according to Dr. Simkhada, was strengthening institutions related with foreign policy and identifying right individuals to implement policies and promote national interests.

The third paper titled *Economic Stability and Trade* by Secretary at the Ministry of Commerce and Supplies, Government of Nepal Mr. **Puroshattam Ojha** stressed on giving economic priorities their due importance. His presentation focused on vital economic signs such as the flow of

exchange to the country. In 2008/09, the Department of Foreign Employment, Government of Nepal had granted approval to 220 thousand persons for foreign employment which was lower by 11.7 percent compared to the preceding year. Similarly, he informed, that the increment in the exports to other countries could be attributed to the rise in the exports of pulses, followed by Pashmina, woolen carpets, handicraft and herbs.

Mr. Ojha emphasized that since Nepal was currently passing through a political transition, the main task in front of the nation at this critical juncture was to bring peace in the country by settlement

of all pending issues of the decade long conflict, compliance and implementation of agreements signed between the government and various political groups during various intervals, rehabilitation and reintegration of the Maoist fighters and writing a new constitution through the Constitution Assembly (CA).

Elaborating further, he pointed out that in the meanwhile, the government had to carry on the task of revamping the national economy that is sagging due to political transition on one side and the effect of global economic and financial crisis at the other which had resulted in the productivity of the economy both in agriculture and non-agriculture sector being largely affected in the process. While elaborating on the main thrust of his paper, he stated that the management of various sectors of economy including reduction of poverty, generation of employment, trade and investment opportunities and achievement of sustainable growth of economy were the major challenges

faced by the country at this point of time.'

Prof. Dr. **Mohan Lohani's** paper on *Defining National Interest in an Emerging Nation State* focused mainly on federalism and the confusion as regards to which type of federal structure to adopt while drafting the new Constitution. He informed that while the Interim Constitution has declared Nepal a Federal Democratic Republic following the abolition of monarchy by the first meeting of the Constituent Assembly in May 2008, political parties of the country have yet to reach an agreement on an acceptable model for the federal system or structure under the new constitution. Prof. Lohani further elaborated that the deadline set by the Committee for the Restructuring of State and Devolution of State Power of the Constituent Assembly for submission of concept papers on federalism ended on September 16 this year. The key coalition partners of the current government – Nepali Congress (NC) and CPN-UML failed to meet the





deadline in submitting their concept papers to the Committee. On the other hand, the Maoist proposal already before the CA, consisted of nine Autonomous regions, six of which were based on ethnicity and three on territoriality. The proposed ethnicity-based autonomous regions were: *Kirat, Tamang Saling, Tamuwan (Gurung), Newar, Magrat, and Tharuwan*. The three territorial regions were: *Madhesh, Bheri-Karnali and Seti-Mahakali Autonomous Regions*'.

While describing the current position of various parties as regards to federalism Prof. Lohani stated that Nepal was passing through a transitional phase, and the transition from unitary to federal structure, from centralized to decentralized administration was not going to be so smooth as one could expect. 'The issue of federalism has already elicited conflicting views, comments and reactions. Naturally, some politicians are opposed to the idea on the ground that it would ultimately lead to disintegration of the country,' he outlined.

Brig. Gen (retd.) **Ranadhoj Limbu-Anbuhang** in his paper *Challenges to National Security and Safeguarding National Interests*, classified national

interest in the realm of national security as under territorial integrity, national sovereignty, political independence, sustained economic growth, enduring political stability, practical diplomatic relations with neighbors, preservation of ecology and development of water resources. He also listed a few threats to national security such as 'military, psychological, political, economic, social, demographic, cultural, religious, subversion, infiltration, espionage and natural disasters including earthquake and floods.

While stressing that Nepal needed to correctly identify its national purpose and vital interests, he cautioned that the sources of threats to national interests could be natural (ecological) and manmade, external (state and non-state actors / powers), or internal agencies. However, he warned, that Nepal at present lacked centripetal force to strongly hold the nation-state together, national unity was deteriorating and Nepal's large numbers of political parties were vulnerable to manipulation of internal and external forces. Adding further, he said that Nepal was suffering from an identity crisis and continuous cultural invasion- While the country suffered from the crisis of

national leaderships and lack of national consensus on vital national issues, various ethnic and regional groups were demanding for separate states. Discussing the internal security situation, Gen. Ranadhoj pointed out the increasing number of armed groups; massive corruption, increasing culture of violence, crime, and disregard for law and order, and criminalization of politics; controversial citizenship issue; underdeveloped civil-military relation; regional, ethnic and class differences, social discrimination, insecurity of marginalized groups; brain drain of population; rising violence leading to internal displacement of people; and, over population' as the main threats to stability in the domestic political and societal fronts.

During the discussions, participants queried on a host of issues ranging from civilian supremacy of the army to a proposal on food security and Nepal acting as a bridge between India and China. There were also some suggestions on a tri-logue between Nepal, India and China on issues of regional and global importance such as climate change and the fragile ecosystem of the Himalayas.

Recommendations and the Way Ahead:

It was found during the conference that the concept of National Interest is a critical part and parcel of statehood and as Nepal moves ahead to draft a new Constitution, erect a durable political system and go for fresh elections; analysis of medium and longer term national interest(s) on four of the most pressing issues:- **Federalism, Nepal's Relations with Major Powers, Energy and Internal Security** will serve as effective guidelines not only to the government, the Maoists, the parliament and the intelligentsia but also to the Nepal Army and the private sector of the country. There has been very little study on the pros and cons of federalism in a nation just emerging out of a bloody civil war hence it was widely felt by the participants that much more in-depth analysis on this issue is required.

Similarly, as the bulk of Nepal's international relations exercise is centered around her relations with major powers, a comprehensive examination of Nepal's handling of foreign relations would serve well the policy makers and the strategic community of Nepal. This would also be of great interest to the international donors. Likewise, even with 83 thousand mega watts of potential hydropower resources, Nepalese are currently having to suffer a near 12 hours of daily load shedding coupled with the fact that even the capital city of Kathmandu is regularly besieged by shortage of petroleum products. Energy security has thus become a crucial aspect of Nepal's national interest and will involve key actors together with the help of friendly countries and investors in order to resolve the energy woes. The deteriorating security situation in the terai has become a major trauma for the post-republican phase but the grim internal security situation is not only confined to the southern plains. Around the mid-hills there has been a sudden germination of various armed groups which necessitate careful handling by the state. How to separate political groups from purely criminal squads from the multiple range of armed and violent gangs and operatives active in the country will serve both as an essential component of national interest and a vital factor of political stability in the country.





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