



## Foreword

It is with deep gratification that I write this Foreword to the Proceedings of the conference on "Revisiting Nepal's Foreign Policy in Contemporary Global Power Structure". The conference was organized by the Asian Institute of Diplomacy and International Affairs (AIDIA) in cooperation with Mid-Western University, Nepal on April 1, 2017 in Yak and Yeti Hotel Kathmandu.

The conference predominantly encouraged the interaction among more than 25 speakers from inside and outside the country including the foreign policy makers, policy experts, academicians, seasoned diplomats, international experts, foreign dignitaries and other scholars along with more than 250 distinguished participants.

I believe that the conference contributed in building the highest possible consensus on various facets of Nepal foreign policy in reference to the changing international power dynamics. The proceedings incorporate all the valuable opinions expressed in the conference by the distinguished speakers and the participants. AIDIA believes that this document will serve as an exclusive reference document for Nepal government in the process of revisiting Nepal's foreign policy.

In addition to these thoughts, particularly I would also like to take this opportunity to extend my sincere gratitude to Mid-Western University, Nepal for its collaboration as a co-organizer of the conference. I also especially express my gratitude to the former ministers of Nepal Mr. Ramesh Nath Pandey, Prof. Madhukar SJB Rana and Mr. Surendra Pandey for jointly inaugurating the conference and delivering their insightful thoughts. Similarly, I express my deep appreciation to the Industry Minister of Nepal, Hon'ble Nabindra Raj Joshi for gracing and delivering the concluding remarks.

My appreciation also goes to Mr. Shyam KC, Research and Development Director of AIDIA for facilitating the conference effectively as a convener and other responsible team members for their outstanding involvement in execution of the conference. On the behalf of the AIDIA, I thank distinguished participants, sponsors, institutional partners, media personal, volunteers and all other concern individuals and stakeholders for this instrumental support.

Finally, on the behalf of AIDIA, I request similar support from all individuals and partners and would like to express our commitment for continuous effort in promoting Nepal's national interest.

Sunil KC

Founder/Chief Executive Officer

Asian Institute of Diplomacy and International Affairs (AIDIA)



## “Revisiting Nepal Foreign Policy on Contemporary Global Power Structure”

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From Left: Mr. Shyam K.C , Mr. Basu Dev Khanal, Ms. Sushma Rai (Master of Ceremony), Mr. Bishal Neupane, Dr. Dattesh Prabhu Parulekar (Panelist and Asst. Professor, Goa University), Mr. Sunil K.C , Ms. Kamana Magar , Mr. Sakar Aryal and Mr. Sagar Kafle





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## About AIDIA

The Asian Institute of Diplomacy and International Affairs (AIDIA) is an independent, non-partisan foreign policy think-tank based in the highly geo-strategic Himalayan region. AIDIA aims to lead a new era in foreign policy and international relations and reflects the unstoppable rise of the Asian continent as the key stakeholder in the economic, strategic and geo-political equations of the present day world.

AIDIA provides a platform for policy makers, academicians and industry leaders from around the world to come together to debate, discuss and share their views on the contemporary geopolitical and geo-economics issues confronting the international community. We seek to do this by facilitating effective engagement through the various activities in order to inform, educate and initiate the involvement of Nepal's youth in foreign policy debates and decision-making. AIDIA is actively engaged in providing policy analysis, facilitating diplomatic dialogue and promoting entrepreneurial engagement among all major actors and institutions native to or that have an interest in Asia.

For more information please visit: [www.aidiaasia.org](http://www.aidiaasia.org)

The conference aimed to revisit the Nepal's foreign policy in reference to contemporary remaking of the international order, the global power shifts to Asia, reshuffling of the global balance of power, the rise of China and India and its impact on Nepal's foreign policy.

The conference made the comprehensive discussion on six thematic sessions, namely, Understanding Contemporary International System and Global Power Structure, Revisiting Guiding Principles of Nepal Foreign Policy, Scrutinizing Nepal's Presence in Regional and International Fora, Managing Geo-strategic Rivalry of Immediate Neighbors: A Pragmatic Foreign Policy Approach for Nepal, Discourse in Nepal Foreign Policy Realm (Buffer to Bridge, Trilateral Cooperation) and Nepal's Foreign Relations vis-à-vis Labor Destination Countries. The conference also provided one place for governments, foreign policy experts, academicians, seasoned diplomats, politician, international experts and foreign dignitaries to discuss in the subject matter of national importance.

## Background and Aims of the Conference:

The conference on “Revisiting Nepal's Foreign Policy in Contemporary Global Power Structure” was organized by The Asian Institute of Diplomacy and International Affairs (AIDIA) in Cooperation with Mid-Western University. The conference was successfully held on April 1, 2017 in Yak and Yeti Hotel Kathmandu, Nepal.

The one day event brought together more than twenty-five plus distinguished speaker from inside and outside the country and more than 250 distinguished participants and invited guests. The conference was jointly inaugurated by three former ministers of Nepal Mr. Ramesh Nath Pandey, Prof. Madhukar SJB Rana and Mr. Surendra Pandey.

## INAUGURATION SESSION

### OPENING REMARKS

Mr. Shyam K.C,  
Research and Development Director at AIDIA

### CHAIR of INAUGURAL SESSION

Mr. Sunil KC,  
CEO, AIDIA

### SPECIAL GUESTS

Hon’ble Madhukar SJB Rana  
Former Minister of Finance

Hon’ble Ramesh Nath Pandey  
Former Minister of Foreign Affairs

Hon’ble Surendra Pandey  
MP & Former Minister of Finance

### CO-CHAIR

Prof. Dr. Upendra Kumar Koirala,  
Vice- Chancellor, Midwestern University



From Left: Hon. Prof. Madhukar SJB Rana, Hon. Surendra Pandey, Hon. Ramesh Nath Pandey, Prof. Dr. Upendra Kumar Koirala and Mr. Sunil K.C



Former Ministers- Hon. Surendra Pandey, Hon. Prof. Madhukar SJB Rana and Hon. Ramesh Nath Pandey jointly inaugurating the Nepal Foreign Policy Conference.



## Opening Remarks



Mr. Shyam K.C.  
Director, R & D, AIDIA

**There is the urgent need for Nepal to rightly analyze the changing paradigm shift in the regional and international power structure. Nepal's geographical positioning in between two largest civilizations, the economic giant and aspiring regional and global power brings the tremendous opportunities along with sensitivities.**

of Nepal's foreign policy.

The global power shift to Asia, the rise of India and China, the remaking of the international order, reshuffling in the balance of power are some of the contemporary reality. There is the urgent need for Nepal to rightly analyze the changing paradigm shift in the regional and international power structure. Nepal's geographical positioning in between two largest civilizations, the economic giant and aspiring regional and global power brings the tremendous opportunities along with sensitivities. Balancing and receiving trust and confidence from north and south is the key to protecting and promoting national interests of Nepal. It is only possible with the precise scrutiny of their strategic rivalry and addressing their respective genuine concerns through pragmatic foreign policy approach. Exploring and enhancing Nepal's relations beyond the immediate neighbors is also vital.

### Chief Guests

Chair of the Inauguration Session, Mr. Sunil KC,  
CEO of AIDIA

Vice- Chancellor of Mid-Western University,  
Prof. Dr. Upendra Kumar Koirala

Distinguished Chair, Speakers, Guests and  
Participants,

Ladies and Gentlemen!

Welcome you all to the conference on “Revisiting Nepal Foreign Policy in Contemporary Global Power Structure” Let me briefly forward the concept of this conference. Napoleon said that “to know a nation's geography is to know its foreign policy”. Nepal is “a yam between two boulders” King Prithivi Narayan Said. So he knows the foreign policy. We know our geography, so we too all know the foreign policy. Nepal's geographical positioning in between India and China remained as the dominant determinant

As Nepal is the founding member of regional organizations like SAARC, BIMSTEC, and BBIN, the member of the international organization like the UN, WTO, and multilateral financial institutions like ADB, WB, IMF, and AIIB. Ensuring Nepal's constructive engagement on those forums is pertinent. Nepal envisioned economic diplomacy as a key pillar of its foreign



policy.

With the fairly amicable environment for investment, there are ample of the area for FDI in Nepal including hydropower, industrial, manufacturing, tourism services, construction, agriculture, minerals, and energy. So, there is the pressing need for solid work to promote economic diplomacy of Nepal. Having abundance of resources at its disposal for economic prosperity, it's unfortunate that the more than quarter of Nepal's GDP is made by remittance. There is the serious need for concerted action for ensuring the welfare and security of Nepali migrants in labor destination countries by enhancing country's institutional capacity and by updating the policy as required. In the meantime, Nepal also needs to work for effectively channelizing the huge inflow of remittance in productive sectors for national development.

Lately, the discourse about turning Nepal from the buffer state to bridge and trilateral security and economic cooperation (esp. India-Nepal-China) is taking momentum. In this context, Nepal seriously needs to explore the connectivity beyond the borders by effectively interlinking the internationally proposed connectivity proposal to Nepal from bilateral and regional level.

On a broader spectrum, the issue of connectivity or at large economic diplomacy, not merely comprises the economic dimension; it is greatly entangled in the geopolitical conundrum too. Great power politics, the notion of the sphere of influence, perceived or real threat among immediate neighbors plays an important role. The country faces hurdles to achieve its economic prosperity without acknowledging these facets of the geopolitical and geostrategic conundrum. Foreign policy experts, seasoned diplomats, and scholars are consistently pointing the need for foreign policy actors to reach the level of optimum possible domestic consensus.

For pragmatically defining, promoting and achieving Nepal's national interest, the deeper realization is needed, that the greater the

internal unity; the higher the stake in the international power politics, not merely in rhetoric. Inner dissection of Nepal may provide enormous room for international actors to play their geopolitical and geostrategic interests. Similarly, efficiency in institutional mechanism and caliber individuals is paramount to execute the foreign policy effectively– shortcomings in those areas must be addressed appropriately. The Conference “Revisiting Nepal's Foreign Policy in Contemporary Global Power Structure” hosted by AIDIA, with the objective of revisiting its foreign policy as necessary to address the reality of contemporary global power structure with substantive and productive discourse.

Through this conference, we are hoping to bring together foreign policy experts from all major political parties, academician, seasoned diplomats, international experts, foreign dignitaries and other scholars. And, to rationalize the holistic view of the Nepal foreign policy approach and contribute in the promotion of Nepal's national interests via rational-critical discourse.

By past Nepal government had set the foreign policy review committee. Nepal's government also recently announced to form an expert group for reviewing Nepal's foreign policy. In this critically-juncture, AIDIA firmly believes the conference will be truly paramount. The conference intended to bring diverse opinions from the national and international experts and to come up with a document which will put forward ideas, prescriptions, and feedback that will provide the exclusive policy framework to support Nepal's government to revisit its foreign policy in order to ensure its constructive engagement in bilateral and multilateral forum, in shifting regional and global power structure. Finally, as I stated earlier, we all know the foreign policy. Maybe we all don't know what we all know. So, let we all share, what we all know about. That will definitely help all of us, with the best possible answer to set the pragmatic foreign policy to promote Nepal's national interest.

Thank you all.



Hon'ble Mr. Ramesh Nath Pandey  
Former Minister of Foreign Affairs

**We should also tie close relation with our neighbors, we should follow the commitment that we had given to our neighbors. We need to make them believe that we are capable of taking care of their genuine interest and convince that Nepal is not going to be harmful in any situation.**

Today, as well all know that there are many types of regional or international situation, which needs cooperation and we are present here to discuss the issue. I have 6 major subjects to focus on. It will take more than one day to discuss over these topics the mentioned topics are in such inclusive way that we will not be able to understand the current situation and we will not be able to face the challenges. The government of Nepal should understand that it needs to change its way of thinking process and we are prone to think in a self- centered way it has to be changed because the world is changing very fast and it needs to accept that it is far behind in the race. We need to have our own perception about the world. The world is changing so fast and how is it affecting a country or how will it affect a country this is very important for us to understand. Before I enter into the main topics I would like to acknowledge you, when our foreign policy was declared, few states in South Asia was not even independent. Our foreign policy is so old that we cannot compare but it is our bad luck

that we are far behind and we have been isolated in this case. The question arises here, we see our weakness lies here when our neighbors India and China were equally facing challenges and were poor.

Today one is a global power and another is fighting or competing to gain that status. Both neighbors have achieved development rapidly and it has become a global market in the world, however Nepal remains in the same status, we have lost the path of development and we have wasted our time. If we look closely the question arises here, after the Second World War the way the world was created there were basic line those lines has been destroyed. In 1990 the war ended after the Second World War there was an international interim vision that was established there were cost effective mechanisms. Today these mechanisms have been destroyed and we have entered a new sphere of influence.

We need to understand that in international relation emotional sentiments are not counted, now it is more about the self-interest. In a situation where a country possesses its self-interest situation there is adjustment and readjustment for eg: in the First World War and Second World War Britain stayed as the most powerful empire



which had colonized many countries and stayed secured. After the World War II, the Cold war between two powerful nation USSR and US had



started. United States of America tied relation with China because, it knew that China did not have good relation with the Soviet Union. But in current affair China and the US are emerging as a rival force and Russia and the US have cooperated to counter China as a rising power. Now there is a situation, which has come across between us “a liberal concept of nationalism”. In the history small states had achieved national sovereignty they were focused about nationalism and national interest. Now that has converted and there is dominance of world powers.

American president Trump says America First, Indian PM, Modi says India first and Chinese president says China first. The reason why they went on the lead is because of they are self-centered and carry the feeling of nationalism inside them. Their national interest is their top priority. Small states like Nepal after gaining sovereignty the policy was shaped in such a way that the interest of people were not met, the interest of politician during that time was formed. In India when Anna Hazare started the movement, saying that the people in it, the government to execute and implement, should form the policy of India, the rules and regulations. It is not the government to decide what it should do and what it should not. Anna Hazare’s case was a prominent example to promote good governance, but the changes in the International Politics with inexperienced leaders has come and turned over the concept of international politics. In such case, how will Nepal stand in the international arena of politics?

The new political phenomenon is shaping in such way that every world leading economies are trying their best to have an impact on the international politics. American, India and China are the strong economies that are showing interest on each other. The three nations have differences as well as a common interest. China and America are competing with each other for obtaining more power and to emerge as a new leader. India has a huge role to play here between the relation of China and America. The climate summit in Copenhagen explains that China is moving strategically when it declared to support the

American western power. What will be the status of Russia? How will China bargain with Russia? Nepal should understand that stand between two world economies.

The leading countries have built their strategy to defend and both our neighbors are emerging powers and Nepal is situated between these power. The other South Asian countries do not have such powerful neighbors. In such case, how do we balance between these two economies? We need to think how we can develop a good relation when two countries are competing with each other. Nepal is a yam between two boulders and how to balance the diplomatic relation between these countries. Nepal needs to think how to change the behavior to look both the states. This might be very challenging to balance the relation with India and China. Nepal has been following wrong notion. We need a different agenda of foreign policy to deal with India and China. Our Government is not focused and weak. It is based on temporary term. Nepal should know that it is in crisis. When we look back to history what we should learn today is having to know what the genuine interest of our neighbors is. When our constitution was promulgated 90% members accepted and 10% did not, till now it has not been finalized. And we have been warned continuously by our neighbors to run the government on equality basis. India and China have the common complaints today. Last year’s Aasadh, when our leaders visited China they talk about the same issue back then and now. Why our neighbor’s concerned is so much in our internal affairs and showing interest is because of their security reason. And Nepal should be careful enough to deal with both the country’s interest the only way how to deal with this situation is that the decision that we make we should follow the same decision entirely.

We should take care of our national interest and nationalism and we should not look after benefit. One example, I would like to take tracing back from the history is that: Nepal has faced a blockade for the 3<sup>rd</sup> time now, firstly on 1968





second in 1989 and repeated currently in 2014.

In 1968 the treaty of trade and transit started, it was stated that the treaty was not compromised, then why was it said that the treaty was not successful in 1989? Now today we are in a situation where on internal matter, we can put self-perception, and there might be a possibility of growth in cooperation of rival force. Today we need to focus on how to meet the challenges that is right in front of us. We need to have one focus in our foreign policy and it will not change. We can see after Trump became the president the foreign policy was not changed it was the same old policy. Even in the case of Putin and China their policy has not changed. Foreign policy means national interest and national interest should not be changed. After Trump became the President of the US he rephrased the policy. Even in case of our country, our policy should be changed, not the interest of the nation.

We should also tie close relation with our neighbors, we should follow the commitment that we had given to our neighbors. We need to make them believe that we are capable of taking care of their genuine interest and convince that Nepal is not going to be harmful in any situation. If we meet these areas in 10 years Nepal can develop our economic as well as it can be a powerful state in South Asia. Nepal should make benefit from where it's located. Thank you!



Hon'ble Mr. Madhukar SJB Rana,  
Former Minister of Finance

**Basically all I have to say is that we have to support NAM as well as before, but in addition we have to create very strong buffer state context present realities because the multilateral world often leads to the wars and the new kind of wars are emerging which talks about hybrid wars**

Mr. Chairman, the Vice Chancellor Koirala, distinguished personality who is the honorable guest in the dice, ladies and the gentleman. I firstly thank Mr. Sunil to give me this honor, both to inaugurate the function and also to participate in another session. I am one of the participants and I would like to congratulate AIDIA for taking the subject in and I believe that's its mission is to take the foreign policy much beyond the corridors of the politics and the power also into the brains and the minds of the common people which is an admirable exercise. I would like to congratulate to this the advanced step taken. So, as far as the visiting Nepal foreign policy concern, it is recalled by the present foreign minister Dr. Mahat to anticipate on the Nepal needs of recalled foreign policy or not? I took the initiative to respond to this here, what I liked to say in brief. First of all I posted about in my Facebook on which I expected the comment and found the orthodox views that Nepal does not need a new foreign policy because it is already outlined by the great Prithivi Naryan Shah.

Well, in the present context, it does not mean our geography is same and our neighbors are same,

but the power politics and the global politics have changed from the domination from the south by the British under the British led globalism of the early age and now leading to the reverse direction of the globalization where now China is leading the globalization process. So, in that context, perhaps we have to have to change and it is impossible to change our geography we have to re prioritized our foreign policy initiatives.

Basically all I have to say is that we have to support NAM as well as before, but in addition we have to create very strong buffer state context present realities because the multilateral world often leads to the wars and the new kind of wars are emerging which talks about hybrid wars and the for this we need to build strong small defense. I think we have to look back into the 1953 treaty to revise and to make our defense as strong as possible to provide being a such strong buffer state and mostly we can say because wars are going to be eminent they will be at some form in one and other way. We should also adopt Nonalignment in our foreign policy, but also the neutrality events of war. Anyway, between the south whatever and basically in NAM which we have active participation, in United Nation through peace keeping and so forth and participation based on voting on pragmatism and merit so, WE ARE NON ALLIGN in that context. But neutrality is not to take part in any of the war taking place anywhere with this I like to thank you again for having me and listing to be.





**Hon'ble Surendra Pandey,**  
MP & Former Minister of Finance

Similarly, in case of Nepal, where we confront we do compromise. It should establish a proper agenda on how to handle its neighbor. The discussion over Treaty of 1950 has been prolonged unnecessarily. We should now be able to say that we want to keep this and we want to reject that.

Thank you!

The Director of the program, the Vice Chancellor of Midwestern University, the former Ministers, the highly designated personalities and the representatives from the various sectors. I'm not really familiar to foreign affairs issues as I'm more of economic student. However the economic and politics of a country align together. There is a saying by the President of United States that “Don't listen to what British says but do what British does”. Which means when the British Empire was established the American Presidents asked the British Government for free trade in where no taxes should be implied to their goods, but the similar case the American Government imposes higher taxes for the foreign goods.

Today, Donald Trump says American should be on the lead. However, it is not the subject of today. Every country has taught them to be on the lead. In case of Nepal why we behind are is because it has always allowed various ideologies here is no space for one orientation and one priority. So every time a new government enters the ideologies changes this results in a clash of

ideologies, which takes a country to nowhere.

If Nepalese aspires to make a proper destination with inclusive economy, then it is possible to unite all the Nepalese. If Nepal is economically strong, then the rise of nationalism will occur. Today's nationalism is completely based on economic status of the country. In my understanding the contemporary world politics is not based on federalism and colonialism where there is a fear of losing one's sovereignty. After the Second World War the dynamics have completely changed, there are certain expectation, some countries have lost their territories, some have been captured, but there is a new hope for humanity and peaceful coexistence because of international bodies like the UN. It is difficult to intervene a country in the context of international politics.

As has been a Minister I'd like to share something, once a Japanese said to me that “Nepal does not know how to bargain”, the Japanese government has no interest in Nepal but if you see closely Indian have their own interest, the Chinese have their own interest and Americans have their own interest. Nepal has been saving a lot of investment of both India and China. If Nepal were not there the investment on the border side for the security of the nation would have been huge similarly



Chinese would have sent tight security in Tibet. Nepal could have bargained with both the countries if it had realized the being a buffer zone. Nepal needs to think in one direction collectively which it needs to clear out in what case it can



compromise and in what case it can assure of its assistance.

I would like to share another case, once the advisor to PM of Bangladesh came to meet me and said "we went to India to request the access of water of Ganga river, but the Indian government replied saying the water is less to us but, if Nepal agrees to build a dam in Ganga river we can give you the access of water from there, so for that matter take the request to Nepalese government". He said he was coming from Delhi to Kathmandu, in his proposal he mentioned that if Nepal allows high dam then. But I said it is impossible to host the meeting now as the Maoist government is in power and it is not a good idea to have a discussion over this in the current situation.

Nepal should not focus on traditional theoretical talks, it should rather be focusing on what it can give and get. If it does not clarify its problems and it if cannot take its prosperity forward in this aspect the only way of economic diplomacy is prosperity from which we should figure out how we can move forward for eg; Japan and Korea, Latin America are the prominent examples where the countries have compromised and confronted their weakness. Similarly, in case of Nepal, where we confront we do compromise. It should establish a proper agenda on how to handle its neighbor. The discussion over Treaty of 1950 has been prolonged unnecessarily. We should now be able to say that we want to keep this and we want to reject that. Now the time has come for us to speak up and talk about our preferences and where it needs to compromise. It needs to clearly be able to analyze. It needs to have one destination and one orientation. Thank you!

Thank-you Note!





**Prof. Dr. Upendra K. Koirala**  
VC Midwestern University

**To define key issues of national interest and understanding among the main political actors is in need despite the ideological differences or power competition at home.**

Hon'ble guest, personality on dice, Hon'ble former minister Surendra Pandey, Ramesnath Pandey and former finance minister Madhukar SJB Rana, Sunil K.C. CEO of AIDIA , Prof. DR. Dattesh Parulekar, from University of GOA and several eminent personalities who are in front of me, former ambassador, foreign policy experts, Diplomats, Scholars, Media person, students, ladies and gentlemen.

I was supposed to deliver to welcome you all but we did some changes in the schedule as a result, the entire modus operandi of the program has been changed. But on the behalf of the organizing team I express sincere gratitude to three personalities who are in the dice who kindly accepted our request to inaugurate this session. I heartily welcome you all dignified personalities who are kindly present here to make our program successful. Midwestern Universities perhaps, it is the second university in Nepal realizing the importance of international relations and to produce future diplomats our university has started an effort. Our department head of IR and students are also here to participate in the program. So, with this information kindly permit me. Although I'm not a foreign policy maker or a diplomat, but then I perceived general knowledge of foreign policy that our country can follow in her prosperous future.

We are all aware that Nepal is going through the most crucial movement of the history. Nepal has just promulgated the constitution and it is in the way of implementation. A country has gone to a massive paradigm shift in her political, social and mind of the people from monarchy to federal democratic republic set up this has tremendously enhanced the expectation of the Nepalese people to make better socioeconomic status, honorable and dignified life. This will be achieved after only implementing our foreign policy. Nepal has moved with such a satisfactory note that to improve relations with our neighbors, with whom our immediate relations are mostly concerned. The Government of Nepal, particularly the present government appears to have float the Idea of building economic friendly bridges between our neighbors. I believe that the paramount goal of our foreign policy should be to safeguard our sovereignty, territorial integrity and independence while pursuing our interest across the border. Our national interest input basic factors like in making identity of the nation in the international arena. Desire for peace and security aspirations and priorities of our people for the development and uplift the living standards.

In a volatile and complex mode, foreign policy institutes a domain that is sensitive and ever challenging. It calls for uniting efforts in adjustment and readjustment of priorities in concern with the change in domestic circumstances and the external environment in the global competitive world foreign policy of the country like ours need to address progressive economic policy for prosperous Nepal. In a nutshell foreign policy



should be focused on three mantras these mantras are mutual cooperation, mutual coordination and mutual confidence.

Hon'ble personalities and dignified ladies and gentlemen a rigorous national debate is in need. To define key issues of national interest and understanding among the main political actors is in need despite the ideological differences or power competition at home. This is really happening nowadays. It has to be effort that they will not compromise national interest or use foreign policy for domestic political gain or practice political gain. It is urgent that political consensus is needed in our national interest basis so that we promote nationally and through diplomatic missions abroad. Also to recreate Nepal's image in international arena has to be improved through sound governance and accountability among others.

That is why we have to discuss on ways to come up with minimum national interest agenda of our foreign policy, we have invited 35 plus speakers representing various sectors. You all deal with international affairs of your respective arena. Let's discuss today and decide on the minimum agenda on our foreign policy that we all at least follow. Contributing the transformative changes, should link the South Asia and globe in terms of domestic politics. Geographic economic strategic and security aspect understanding their wise course I believe that this conference will help in enlightening Nepal's foreign policy in retrospect and identified issues for improvements in issue for ensuring Nepal's image for constructing engagement in bilateral, regional and international form. Just to promote Nepal's interest internationally.

Before I conclude my few word I am grateful to all participants presence here and I also like express my appreciation and thanks to Mr. Ganesh Karki, director of IR department of MWU, Tej Bikram Basnet, chairman of International Relations and Diplomacy, Surkhet, Nepal and especially Mr. Sunil K.C., CEO, AIDIA for organizing such

important seminar which I feel is a present need to discuss on contemporary Nepalese foreign policy. Once more I extent my welcome to all distinguished guest, ladies and gentlemen who have kept keen interest in this conference.

Thank-you!



**Mr. Sunil KC**  
CEO AIDIA

**As we are located in strategically sensitive geographical position, it is necessary to move ahead by balancing both our neighbors- India and China.**



Foreign Affairs, GoN.

As we are located in strategically sensitive geographical position, it is necessary to move ahead by balancing both our neighbors- India and China. So, these types of discussions are crucial for providing guidance to government act and behave in international arena.

I'm very happy with Dr. Upendra Kumar Koirala, VC, of Midwestern University for his continuous support. I again welcome you and request you for your support to make this conference successful. Thank you!

Vice- Chancellor, Prof. Dr. Upendra Kumar Koirala, Mid-Western University  
Distinguished Chairs, Speakers, Guests and all Participants,  
Ladies and Gentlemen!

Thank you all for joining the Inauguration Ceremony. I am delighted to extend warm welcome to you all in the conference on “Revisiting Nepal Foreign Policy in Contemporary Global Power Structure” which is jointly being organized by AIDIA and Mid-Western University. We organized this conference of national importance to discuss and debate, whether we need to revisit our existing foreign policy or not. For this reason, we invited more than 25 distinguished Scholars from Nepal and also from India and China. We also have received goodwill from the Prime Minister's Office and Foreign Secretary of GoN is present here as a speaker.

After organizing this conference, we will come up with policy recommendation document and the report will be submitted to the Ministry of



## SESSION I

### Understanding Contemporary International System and Global Power Structure

CHAIR/KEYNOTE SPEAKER
Hon'ble Ramesh Nath Pandey Former Foreign Minister, Nepal
PANELLISTS
Hon'ble Surendra Pandey Former Finance minister, Nepal
Dr. Yubaraj Sangroula Executive Director of Kathmandu School of Law and Former Attorney General of Nepal
Dr. Deepak Prakash Bhatt Director at Nepal Center for Security Governance (NCSG)
Dr. Nirmala Mani Adhikary Ass. Professor, Kathmandu University, Nepal
MODERATOR
Mr. Suresh Acharya International Relation Head Rastriya Prajatantra Party Nepal (RPP)



From Left) Mr. Suresh Acharya, Prof. Dr. Yubaraj Sangroula, Hon. Surendra Pandey, Hon. Ramesh Nath Pandey, Dr. Nirmala Mani Adhikary , Dr. Deepak Prakash Bhatt



In a session titled, “Understanding Contemporary International System and Global Power Structure”, major agendas including the remaking of international order, de-globalization and protectionism, the global Balance of power, the rise of far right parties around, the rise of China and India, external power presence in Nepal etc. were discussed.



He presented the example of South Korea that, a country, which was less developed than Nepal, now it is economically strong multiple times and he stated that, South Korea built a highway in the first place then it developed a city. “Thus, their priorities were set if they had said they will make 50 highways at that time South Korea would have remained at the same place. Similarly, If Nepal

invests 5 years planned work properly then it can generate more capital, but if it the investment is for a 25-year plan than the budgeting of the planned work will have to bear unnecessary expenses”, Mr. Pandey briefed importantly.

Furthermore, Mr. Pandey mentioned that it is important to give first priority to national interest; it is necessary to help rather than criticize your own country. “The feeling of nationalism should always be there in the heart of Nepali. It is not the time to criticize and to find flaws, it is now time to help and support each other. If we take this approach forward, then only we can move forward.

Furthermore, our nation’s diplomacy should have clear, oriented and foreign relation should be deputized.”

Firstly, Hon’ble Mr. Surendra Pandey said that for having a clear foreign policy vision, a country needs to address domestic issues and have greater clarity.

Mr. Pandey explained that all countries have benefited from economic protectionism. Till 1920 British companies imposed an extremely high tax on imported goods, but when they exported their goods they did not allow imposing tax, this was the British policy, “be it Korea or Japan if a nation does not protect themselves they will never develop”, Mr. Pandey highlighted importantly.

Mr. Pandey also stated that development is a gradual process, and it would be naïve to think that all development related issues could be addressed. “Our main focus should be from where we could start unless we do not figure out a specific issue we will never rise up.”

Since Nepal has fewer resources, but high demand it needs to have a realistic understanding of the available opportunities and existing constraints.

He concluded by saying that China is an independent country, which will continue to develop and prosper.

On a concern of moderator about political ideology and economic development that China obtains, Mr. Pandey replied that China and USSR had the same ideology both of them were rival nations once when US wanted to encounter USSR it took help from China. China utilized the situation and used UN for being a permanent member. Now it is inclined towards Russia to encounter China this is all for political gain. He quoted an example that, explaining the sentiments of the Vietnamese towards China as similar to Nepalese sentiments to India. The reason is that China has captured the market with its goods and in the case of Nepal, Indians have dominated

the market. Vietnamese cannot go against China because of the resources they are provided now. He assured that ideology does not influence ties between nations, but national interest determines the same. Nepalese should give precedence to their nation's interest over ideology, and urged to maintain relation with China. It should be open to both the neighbors it should take help from both sides he added. There is a belief that, if congress comes to power it will have Pro Indian sentiment if UML comes to power then it will have Pro Chinese sentiment. India too has this confusion, but one thing Nepal should know that Nepal stands for its own agenda and they should maintain interest of both her neighboring country Mr. Pandey clarified.

Mr. Pandey explained that, if you go the Nordic country you can see socialism from the ground and if you go to China you can that it is a completely market-based economy. He said that it is incorrect to say that China's way is wrong unless there is enough capital, until and unless there is no money in treasury you can't distribute to the people when a country becomes richer and at that time you can distribute. Today the way China has chosen, it could distribute capital to its people.

Firstly, Dr. Yubaraj Sangraula mentioned that, according to International Law and domain what is seen that is Nepal should look in own international perspectives, in recent phenomenon, world highest economy is surviving in a such way that, their population is aging, their growth rate is 0.5, and another is American as debt economy, takes loans from bank, makes and pays back. He added that, the western economy has no possibility to be reproductive now does not have the ability to govern the world. Thus, he believed that “the world belongs to Asia and as China's growth rate is 7.5% and India's growth rate is 9.5%. Furthermore, Dr. Sangraula added that, if we glanced closely then Arab, Middle East, South East Asia, China, India is the economic hub.

West looks towards the binary opposition, the

theory is always the beginning point, a logocentric concept so, what West thinks that if it subtracts east and west, the confrontation in the future is



probably is high, he coined. He said that both India and China should stop looking at key issues from a zero-sum lens it will benefit no one.

Dr. Sangraula emphasized on that, Nepal needs to think where does it want to work and what is its role between the neighbors. Nepal has some concern and it needs to clarify and convince the Indian government. Within this, he shared dissatisfaction on politician's cultures that, unless our people don't stop going to the embassy for seeking a scholarship to their kids Nepal will never form a nation. He also pointed that; Nepal should stop complaining about how China and India are problematic to them.

Importantly, he mentioned the priorities some areas of Nepal, he detailed that, firstly Nepal should connect all areas through economically, administratively and educationally, where it



should design a develop policy on how is it going to develop. This policy should be also informed to the Chinese and Indian Government and Nepal should know what the concerns of its neighbors are. If they have any security reasons then it should be able to negotiate. After this India and China will not suspect Nepal, Dr. Sangraula concerned was that Nepal does not take such initiatives.

He concluded saying that, when Harishbardhan was king in Maggad he wanted to have a relation with China imperial court, he came and asked the king Lichhivi king, Narendra Dev to take a message to the Chinese King that “we want to have a relation and he will send missionaries from Nepal to China and the objectives of him was that India wants relation with China imperial court and Nepal will connect them”. So, it is a question about Nepal it is also a question about China and India they have big civilization in the past, they have tools and their civilization and they have made Nepal a transit country and Nepal connected them. “Nepal can be a bridge country, if they have problem to visit each other they can come to us. We have open our border so we can settle the problem”, he assured meaningfully. He added a scope that “if OBOR and look east policy both their policy will work Nepal will have a big service sector, insurance, better banking and better tourism”. Nepal will have to negotiate with it, he pointed that Nepal has to convince China and India, that it is their friend and not their enemy.

About an issue, opportunities and obstacles of creating a trilateral economy corridor raised by the moderator, Mr. Sangraula overviewed that, there we have no problem or obstacles in terms of connectivity, we all Nepal, Bangladesh, Bhutan and India have already signed the motor vehicle agreement, within this our motor, passengers, and goods can travel. He added that Nepal and India both are parties to the South Asian highway and Kodari highway to Bihar’s highway is also connecting. So, he believed that “we already have the infrastructures and where we have the problem for that, I don’t see any problem, because

they already connected there.”

And other thing, he noted down was that, India is a one of the member of the BRICS. There is also the commitment for India and China to work for the new national economic corridor, India is in an AIIB and holds the vice-chair in AIIB. So, he assured that an emerging international economic order is already replacing the economic order created by WB, IMF and the Asian



development Bank, which could not address the colonialism oriented economy, they did not help the poor country, they didn’t work for rescuing the poor people, however, they introduce a rent-seeking attitude in the assistance that’s why, India and China both have made a commitment that we will not go the colonial based international economic order, are going to have new economic order. India and China are working together and we are walking behind India and China.

So, he highlighted that problem is in our mind. He also reiterated the need for greater engagement between intellectuals from Nepal, India and China.

Dr. Dipak Prasad Bhatta said that, the explanation that was given by Dr. Yuvraj Sangraula that is, promoting Eastern states and states have been focusing on Easternization because a fact that China and India has been the dominant factor and if one look’s at the trend then it can be found out from 1882 British Economy had entered which did not allow American to grow. The rise of American started after World War II when Americans suffered an economic recession it did not publicize.

He said that as the world is moving eastwards, and given our sensitive location, we have to keep a close eye on key economic and strategic developments. In this context, he detailed that, the investment for defense in the world is 40%, American investment in defense is \$ 600 billion and it has planned to invest 10% more. China has invested over \$ 235,280 billion or it can be higher, simultaneously, India is investing on defense secretly and has the capacity to build more, lastly Saudi Arabian have invested 100 billion where India lies about 45 billion and it has planned to increase drastically. So world moving towards this way only if we have money we can invest in defense and security area if we don't have enough money what we have is also obliged to close. That's why for the nation's prosperity we have to work in different economic sectors, we are only now promoting international labor Dr. Bhatta assured that.

On the other side, many countries, including China and India's strategy of influencing its soft power have adapted, China's belt road and initiative is there, this will not only connect the roads but this is more than connectivity road, it is linked from hydro to maritime. On the other hand, India and their Look East policy have been rephrased to Act East policy. New initiatives like BIMSTEC, BRICS that connect the Southeastern, minus Pakistan and Afghanistan policy makes a region named as SAMARA that connects 20 countries, he noted down significantly.

In this regional context, he underlined the scenario of Nepal that has changed from monarchical rule to Federal government, but it can be seen that there is no proper management and because of that nation's prosperity is not in way of walking. “Proper management and prosperity should track together.”

Furthermore, he accentuated out importantly that, our government leaders do not hold any good morals, their visit to embassy basically depends on the scholarship for their children, and “these morals should be demoralized”

In terms of Nepal's security, he understood that our neighbors have been investing a billion dollars for defense purpose. India has deployed 30 thousand armed forces in 550 checkpoints whereas Nepal has four thousand only. Nepal is still far behind if compared. He thinks that Nepal needs to improvise the working system, to address such differences without just repeating what our ancestors said and did.

Dr. Bhatta believed that a new generation would not be able to change the system. He added that; as internal and external threats are increasing, this needs to be addressed properly. He examined that, if Trump and Modi thinks of constructing a wall in their border then it is not the solution. “There should be a new and modern way to analyze the disputes and there should be better regulations for the border.”

About the religious security challenges for Nepal Dr. Bhatta noted that, in the ISIS caliphate world map that are fighting with Christianity, it also sees Hinduism on its map and has put China in the last. According to Indian Intelligence Agency, the net proportion of ISIS in Maldives and Bangladesh is 500 and it says that the people have joined ISIS for the economic reason but this cannot be true, it has more of ideological reason. Nepal also has the Sunni population and if it tries to do something wrong and tries to make a hub for ISIS then it can possess internal and external threat Dr. Bhatta related considerably. He said that the strategic interest of America, China and India will be based on situations like mentioned above in the future, but we don't see in that dimension. In the context, he emphasized that Nepal to make such policy of national security strategy. The federal government of Nepal has to restructure for eg: when it comes to appointing IGP of Police force it is always politicize related institution which makes it so weak and the security challenges cannot be dealt in such way, Similarly, Nepal army also needs to restructure and change Dr. Bhatta suggests. For transformation, he noted down that, it is necessary to know what public thinks, it is





necessary to collect information and needs to be purified. Plan and policy should be made and security challenges should be addressed. “None of the steps above mentioned has been followed and it is necessary to take a wise step now”, he concluded.

About the concerns raised by the moderator, on defense spending budget in the border area by regional power's, spending much on defense and its effect on Nepal's national interest, Dr. Bhatta responded that “Nepal is not in a condition to contribute investment on defense but due to the globalized world it can be utilized and it is possible to obtain such opportunities.”

He added that, in 1980's ARPANET was established; in 90's third wave revolution emerged and now is the fourth generation of the Industrial Revolution as mentioned in the economic forum. The place where we are standing it, technology has been putting a lot of impact on our day-to-day basis and in the case of defense, it is not that they have invested a lot. China has decided to decrease its armed forces from 35 lakhs to 18 lakhs, it has

reached till 22. American Soldiers decrease after WWII from 55 lakhs to 12 lakhs simultaneously India is also competing, where it is decided to increase the technological field. It has invested a lot in this field. Nepal has not been able to bring new technological invention.

He concluded that, in today's globalized world, technology is medium to survive in the upper hand. That's is why a state will invest and it will increase the investment i.e. China has invested 7.5%, India will invest around 7 to 10%. The overall budget of China's defense is 2% GDP and in India it is 10% of the overall budget. Because of this, Indians are facing more problem and Chinese are less, may be due to Indian open democratic space and diversified nation. He added that, In the case of Nepal they didn't understand our challenges, the British mentality to interfere continues here and our leader's ongoing supports are there because they only focus to be in power and to capture the authority.

Primarily Dr. Nirmal Mani Adhikari said that our central focus is entirely in India and China. He expressed dissatisfaction that, when economic diplomacy is discussed outside philosopher is always quoted, but neglects old traditional mythological paper of our own. He detailed that, if we only look at the Brahmin Grantham and go through a conversation between a character named Sharwa who is the messenger of God and a character named Madi, who is like today's business corporation or multinational companies, then Nepal should know what economic diplomacy it should have, what strategic communication it could have had in an own local way.

Furthermore, he added that, in international relation what can be seen that, we only assert according to Western concepts, but Kautilya's, Arthashastra also explains the foreign relation and beneficial opportunity. So, for our superiority, if we are able to establish our own way of thinking that will help us ultimately.

War historian explains that humankind has



recorded history and our geo-location.

Importantly, Dr. Adhikari added that Nepal as a country has a very old history if it is traced then it will conclude to Kautilya's Arthashastra but this is not enough, beyond this, the role is also seen in the myth of Mahabharat and Ramayana. The old tradition is still followed by Nepali society.

World structure remained changed, he agreed that according to time things will change and it has to change. Russia, China, and India they are developing their own vision, but Nepal is looking according to those China and India. He suggested that, “Nepal should also move in one particular direction, adapting the universal changes”, it should decide if it wants to be reactive or proactive, when it is making its foreign policy, economic policy it needs to think in a proactive way.

About the concerns of moderator's, on the scope of digital diplomacy in his concept/ framework of international order, Mr. Adhikari Replied that, it is a very important question because of technology who is in power center and raised and who is in the margin is difficult to decide. He added that nowadays the media are very powerful world widely, they directly affects the diplomacy of the country for eg: if you tweet or retweet any message, it will directly affect the diplomatic area. Furthermore, Mr. Adhikari simplified that, the communication theory that he established is now

used in 18 countries, this theory is used in many powerful states and it should not be in our belief that Nepal cannot establish a good foreign policy.

Hon'ble Mr. Ramesh Nath Pandey

Thank-you today I got the noble opportunity. I learned so many things from young generation's scholars. Knowledge about where and how is the Nepal's ideological dimension is directing in a different sphere of time is upcoming in the discussion. It denotes, Nepali people have such kinds of thought, which are directed in one direction that is promotion, and protections of Nepal's Interest. Assurance on Nepal's existence before Ramayan and Mahabharat are also coming. So, nationalism and national interest of the country is the main focus. Application of politics is the only way to for the protection and promotion of national interest.

We have the confusion on foreign policy and the role of foreign ministry has been confused. The role of ministry only comes in timeline when the foreign relation is misunderstood. The main thing is our perceptions on foreign ministry. We have to know that in present situation foreign ministry is the only one ministry which has no direct relation with the any ministry.

When Nepal's constitution was made the role of the Ministry of Foreign Affairs did not have any role to play or did not assign any role to it. When the question was being raised from other country, everyone directed towards the foreign ministry. So, Nepal's agenda of policy should be directed properly. It should focus on nation's interest.

In the contemporary period of international politics, Nepal should now focus on which direction the world politics are heading to. Countries like China who does not follow the path of democracy is progressing day by day, the United States been successful in practicing democracy but still China is ahead. So the way of democracy is a meritocracy. Even Nepal can benefit from the concept of meritocracy because our neighbors run on the basis on merit and



another neighbor is world's strongest leading country. When John Pop comes, he declared Poland as anticommunist nation, but on the other hand, this brought crisis between Soviet and Poland. The belief that you carry matters a lot in the relation of a country likewise Indian state Gujrat declared that slaughtering of cows will be punished as a lifetime prison. This declaration will eventually affect the international politics.

Furthermore, two questions were raised India and China can look after its security, Nepal cannot provide security to them, but threat does not only come from inside the country it will come from outside as well. India and China are showing concerns not about Nepal but for their own concern and benefit. Nepal to be the transit while having a conversation with PM of India and China a task force, was established and was not publicized because that would hamper the foreign relation. At the task force one section was looking after economy, one for security. But the concept should be utilized right on time. As India and China have both started constructing the railway now Nepal needs to maintain its strategy and it should be able to form a national agenda which does not violate the sovereignty of Nepal.

#### Questions

MR. Gopal Bibwas,

In the present context, should Nepal focus more on the numerical strength of its army?

MR. Matrika Poudel,

In the current situation, how can we maintain an isolationist foreign policy? And culturally how can we formulate and redesign foreign policy?

MS. Radhika Khatiwada,

Basically about the nationalism and the diplomacy, if we see the present situation leaders and ministers are trying to interpret that they are nationalist by flags and slogans in another hand most of Nepali people looking forward to go abroad, in this situation how we define nationalism and how this mentality affects our foreign policy and national interest?

Mr. Rameshwar Adhikari,

I want to ask that how we can use diplomacy and

science together to develop Nepal?

Mr. Mahesh Bahadur Basnet,

How the favoritism and corruption culture affects the nation development or in the promotion and protection of nationalism?

Mr. Suvanga Parajuli,

Where China and US is are moving towards in present context? Will bipolar system be able to remain established in international system?

Answers

Dr. Dipak Prakash Bhatta, about the Nepal's army issue, he replied that, as we are in insurgency phase. As we are viewing the challenges of the security. After conducting three phase of the election, only then it will be an appropriate time to discuss on what will be the right size of the Army. From the possibility of conflict, we are viewing from outside and inside, it is better not to go in a down or upsizing of Nepal Army. It is not necessary now for the right size, we have to discuss very importantly.

Dr. Nirmal Mani Adhikari replied that the upcoming new world system will change world view. That world view primarily is connected with our native view. For e.g., in Natya Sastra Grantha, the present scientific research is only able to cover the 20 % knowledge which is mentioned in there. Thus, in science also it can be in the center of world. If we can make agenda, conduct a serious act, Nepal also can progress in science as well.

Dr. Yubaraj Sangraula replied that we could do a lot in our agriculture with the help of science and technology. We have to make schools instead of a temple. We send of billion rupees to India from our temple sanctuary, education and remittances as well. We have to have a concern on this as well. The government should take suggestions from its own intellectuals while making policy and shaping the agenda. Countries educators/ intellectuals need to make policy instead of bureaucracy. Before ready to take diplomatic actions this practice need to demeanor.

Mr. Ramesh Nath Pandey responded that



“redesigning of foreign policy” is a wrong concept. Foreign policy is permanent. No countries foreign policy has changed, time to time. The only subject of foreign policy is the protection of national Interest. And national interest remains unchanged. Trump and Modi did not change their countries foreign policy. To gain their national interest, they just changed their conduct. So, conduct can be changed. Instead of talking about changing the foreign policy lets motivate towards to change our of way diplomacy according to time and situation. About the national security, we don't have main guiding principles. And this is not a time to make new foreign policy, economic policy, and security policy. And our interim government can't make this. We just choose our representatives to make the constitution so; they have no other mandate than this. After another election when a full phased government will be established that will make such new policy. So, present government doesn't have legal and moral rights to do such. Another thing that we have to develop foreign ministry as a norm center so that foreign ministry can scrutinize, how our every action will impact on regional local and in the global level. On that basis policy and principles will be established. Foreign policy should be institutionalized and run as per. So, we have to use diplomacy to for the establishment of national security and economic gain.

About the question on how to look the trend of nationalism, he defined that; there is the introduction of a new definition of nationalism. That focus our own interest mainly economic interest. We have to make a new agenda. And learn from the history, and don't have to overplay our Sensitive strategic location. Appointment a diplomats shows that how much we are serious in our national interest. But we are selling and buying the diplomat.

## SESSION II

### Revisiting Objectives and Guiding Principles of Nepal Foreign Policy

#### CHAIR/KEYNOTE SPEAKER

Mr. Shanker Das Bairagi  
Foreign Secretary, Ministry of Foreign Affairs Nepal

#### PANELLISTS

Dr. Dinesh Bhattraï  
Former Permanent Representative of Nepal to the United Nations

Prof. Dr. Panna Kaji Amatya  
Executive Director of Institute of Foreign Affairs, Government of Nepal

Dr. Khadga KC  
Associate Professor and Coordinator, Masters in International Relations and Diplomacy Program, Tribhuvan University.

Ms. Lucky Sherpa  
Former Member of the Constituent Assembly and Parliament of Nepal & Nepalese Ambassador to Australia

#### MODERATOR

Mr. Akhilesh Upadhyay  
Editor-in-Chief, the Kathmandu Post



(From Left) Mr. Akhilesh Upadhyay, Dr. Dinesh Bhattraï, Mr. Shanker Das Bairagi, Prof. Dr. Panna Kaji Amatya, Ms. Lucky Sherpa, Dr. Khadga KC

In the session entitled “Revisiting Objectives and Guiding Principles of Nepal Foreign Policy”, major agendas including principles of Panchsheel, adherence to the principles of non-alignment, faith in the UN charter, relevance of NAM, imperative of national interest were discussed.



Dr. Khadga K.C. stressed that; primarily national interest is the guiding principles of any foreign policy. While clarifying the primary and secondary national interest, Dr. KC argued that primary national interests like preservation of sovereignty, independence, and territorial integrity always remains unchanged. He further stated that, though there is no need of revisiting foreign policy grounded on primary national interest, however in changing global context, secondary national interest have to redefine and revisit. Basically with the rise of China along with India, the global power is now located in Asia. The ground reality of global power shift demands Nepal to redefine and revisit its secondary national interest, Dr. KC noted.

As secondary national interest is closely linked with the nation's prosperity, he pointed out that, developmental diplomacy is key to promote secondary national interest. He emphasized that the modern discourse of nationalism is concentrated in economic/developmental nationalism. Citing examples of economic nationalism of East Asia, especially from Japan, China, South Korea- countries from these part of the world much talk about the economy but we talk much about politics, Dr. KC. compared. He focused that economic nationalism is most important tools for a nation's prosperity.

In guiding principle of foreign policy, we need to steer especially on geo-economics policy. Geo-economics and developmental diplomacy, he stated, should be the new guiding principles of Nepal from now especially, to achieve prosperity through economic development in the country.

“We should now learn from China” Dr. KC quoted from Fukuyama's article and emphasized the need and the role of “infrastructure diplomacy”. Dr. KC urged, it should be our priority and major responsibility to implement the acts, which have been conducted lately in 2015 by China and Nepal. China is the role model of successful infrastructure development, so we should not hesitate to learn and forge partnership with China. Reemphasizing the need of economic diplomacy for Nepal, he stressed, Nepal have to convince her neighbors that Nepal won't undermine the irrespective security but being a free and independent nation, it is free to conduct any agreement with any country of the world for its economic prosperity. Dr. KC stated, due to internal political instability we often faced interference by external force and suggested that Nepal's political stability is foremost for development. He also urged there should be the internal consensus irrespective of ideological differences and political benefits.

Moderator, Mr. Akhilesh Upadhyay urged to relate principles of non-alignment movement in the present context. He also noted down that to redefine foreign policy is the need of developing country because of that “we don't have to fall in the trap of these great powers.”

Dr. Dinesh Bhattra defined that “foreign policy is determined by geography or physical conditions and responsible foreign policy remain rational and predictable”. National interest doesn't change, even if there is a change in the government, he said. Foreign policy is more continuity than change, but changes in international world stage sometimes affect the conduct of our foreign policy he cleared out. He further stated, problem in conducting foreign policy is not because of the principle and guidelines but the problem



is in behavior and due to the double standard shown by our political leaders- while being in power and being outside the power. He directed his dissatisfaction concerning the confusing behaviors of political leaders, their inconsistency and ambivalence.

He reminded that how Nepal had followed the essence of non-alignment before the existence of NAM. “We have judged every international issue on its merit without consideration of anybody’s fear and favor” Dr. Bhattraï quoted from the speech of the then Prime Minister of Nepal BP. Koirala while he was addressing the 15<sup>th</sup> regular session of the United Nations General Assembly in 1960.

The huge tectonic paradigm shift that we are viewing in the international stage and significant rise of China closely followed by India in the international arena, now the focus of the world is also shifting towards our immediate neighbor. In addition to this, our geophysical location and never-ending political transition is placing Nepal in the geostrategic spotlight, in this context, he argued, NAM is still relevant to us like earlier so as to maintain our relations on the basis of merit



and demerit.

He stated there is nothing to hide that we are closer to India, which has been created by geographical realities as well as enclosed by socio-cultural aspect. But, he also reminded that we also have to maintain equally good relationship with an emerging northern neighbor by acknowledging the ground realities. As both neighbors seem like opposing each other’s presence in Nepal such

nature may endanger our existence, so NAM was relevant, is relevant and will be relevant for us he accentuated.

Dr. Bhattraï highlighted, though the foreign policy is deep, complex and sensitive subject matter, it is encouraging that informing and receiving the people’s opinion is taking place now, he added, such open public discourse is not possible in Panchayat Era.

He further pointed that foreign policy has its own moral foundations, which is now eroding drastically in the absence of clarity, consistency, and credibility. In our foreign policy, he highlighted how political instability, double standard, confusion, and unpredictability of political leader is making situation of Nepal more miserable. Dr. Bhattraï presented that effectiveness of foreign policy doesn’t lie on populism, opportunism and jingoism or nationalism, but should be guided and run by ground realities.

He also portrayed Nepal’s richness in soft power and recommended that we need to preserve and promote our culture by incorporating it into our foreign policy.

The major dilemma of the present world political order is globalist or nationalist forward looking or outward looking, Dr. Bhattraï stated and he believed that world is in the phase of labor pain to give new world order. And he questioned that what will be the new world order based on? What will be the situation of liberal values and democracy be? He also slightly touched upon amazing rise of China in the absence of democracy.

Dr. Bhattraï concluded by reinstating that, to secure our future, conducting foreign policy based on ground reality is most, he added, which we can call “unique realism” that is live and let live, enemy with none and friendship with all.

Ms. Lucky Sherpa initially explained that “With the ray of hope, country is moving ahead”, she recalled the present economic growth achieved by Nepal i.e. 4.7% and “we all must be very proud”

she insisted.

Nepal’s most substantive international relations are perhaps with international economic



institutions, such as the Asian Development Bank, the International Monetary Fund, the World Bank, and the South Asian Association for Regional Cooperation, a multilateral economic development association, Ms. Sherpa stated.

She said global diplomacy is somehow focused on economic diplomacy. Most of the countries have strategized their foreign policy prioritizing the economic diplomacy as the major priority areas. Ms. Sherpa expressed her dissatisfaction going on the constitution of Nepal, which really generalized all the areas of foreign policy and economic prosperity and also has not mentioned issues like NRN and other multilateral issues.

She stated that, as Nepal possess the limited resources at its hand to influence in the international community; only effective and vibrant diplomacy can protect our national interest abroad and build our positive image in the international community. But, little attention of politicians and the policy makers in diplomacy is hindering effective, to cope effectively with the newer and more complicated challenges in international arena, she stressed.

Ms. Sherpa doubted on monitoring and evaluation mechanism of foreign ministry that looks upon what kind of role ambassadors played in raising the issues of economic diplomacy and in promoting national interest abroad. She added the ministry should focus on strong monitoring mechanism which will not only encourage

and empower diplomats but also ensures the promotions of national interest.

Ms. Sherpa underlined that Nepal doesn’t have country specific foreign policy priority, based on our broad national interest, which is very unfortunate. Nepal should at least start to frame country specific foreign policy of major and important countries and to conduct the diplomacy accordingly, she suggested.

As Nepal is placed in highly sensitive and delicate geographic location, she pointed that; no political party should take determinate views to Nepal position on foreign policy.

Prof. Dr. Panna Kaji Amatya began with highlighting the discrepancies in the practice of foreign policy in Nepal. “Foreign policy is what policy makers say it is”, he added, whatever



written in the constitution and policy documents seems less significance in practical and political parties have their own priority in foreign policy rather than national one.

Prof. Dr. Panna Kaji Amatya, defined that foreign policy is always interlinked with the national interest. He said, our national interest and Indian national interest got the crash that is quite natural. But, he noted “the only thing what we have to understand is why does India behave the way it does? Prof. Dr. Amatya added, “Whatever India is doing is quite natural whatever we have been doing is quite natural but only thing while we frame the policy we have to take in account what



is the reaction everybody is making”. Prof. Dr. Amartya pointed that in this case we are less free than India and China, “While India and China is making foreign policy they shouldn’t much think about what would Nepal say, but while we are making our foreign policy, we should think what India and China will say, it is because we have lost



the politics” he lamented.

Prof. Dr. Amartya said, “Although we talked about the NAM policy, we are not free from non-alignment”, he added there lies the politics and policy is determined incompatible with national interest. He further argued that, “non-alignment is not a foreign policy; it is just a strategy of a foreign policy in order to serve our national interest.”

“While making foreign policy we are limiting our foreign policy in between two of our neighbors.” He compared Nepal’s foreign policy to our neighboring countries foreign policy. When we are making foreign policy, we are limiting only on our neighboring countries where India’s interest have been reached from Kathmandu to Thimphu, Colombo, and Dhaka. Likewise, he compared that China has more broad and balanced foreign policy.

Prof. Dr. Amartya highlighted shifting and shrinking policy of India i.e. from SAARC to BIMSTEC, he commented humorously that, because of this nature “in the 17th summit conference of NAM Indian prime minister

didn’t go he send vice president and we are also following their path by doing same”

At last, he suggested that “cultivate friendship with India, more but don’t do against us don’t go against our national interest, this is the crux of our regional politics”

Mr. Shanker Das Bairagi addressing the argument raised in the first session that Nepal is making new foreign policy, “is wrong” He clarified, according to the constitution of Nepal we don’t have rights to bring the new foreign policy, only thing that we can do is prioritizing and adjusting the issues in line with the parameters defined in Article 50 and 51 of the constitution of Nepal.

Mr. Bairagi argued and defined the essence of NAM as “autonomy in the decision making” and he directed the question towards the problem whether we are able to practice autonomy in decision making, freely or not? Mr. Bairagi insisted to look upon how other members of NAM, are observing its principles and are they practicing principles in the United Nations or not.

Mr. Bairagi said those countries which were known as the greenhorn of NAM yesterday, is maintaining strategic alliance with big countries today, in this situation has raised the question about the relevance for us, he added. Furthermore, though NAM is the fundamental guiding principles of our foreign policy, we have to also look after and important to analyze how behaviors of others are affected to us, he underlined.

He underlined major issues for overall improvement of Nepal foreign policy. First, agreeing with Dr. Dinesh Bhattra, he said there is no problem in policy and principle, the problem lies in the conduct of foreign policy and added for this we have to devise national policy and should stop conducting it from party line. Second, foreign policy should be smart and pragmatic by analyzing the real ground of regional and global context rather than being guided by the emotion. Third, he stated, expectation should be based on possible realistic outcome. He enlarged, “in a



previous session, we talked about the trilateral cooperation and connectivity but there is no simplistic solution in foreign policy if so than Nepal wouldn't face any problem, but it is good trying to find the solution pragmatically.”

Mr. Bairagi also presented critical notion of the practice of foreign policy and said: “foreign policy is not based on specific books or theories and no one can be diplomats by reading some books however it has some own practical aspects”. Finally, he praised the organization and said this kind of public discourse helps practitioner to be enlightened and also helps public to know about the issues and domain of foreign policy.

### Questions

Kapil Dhakal,

What level of foreign policy should formulate for China and India?

Pooja Devkota,

Why we can't think Nepal's foreign policy beyond China and India?

Niraj Thapa,

What was the foreign element behind break of Gentle Agreement (Bhadra sahamati) between CPN UML and Nepali Congress?

### Answers

While addressing the questions from the floor Mr. Shanker Bairagi tried to make understand that, we have different base and guidelines to maintain relation with India and China. In detail he questioned that how we look upon in same way to those countries which have different ground and realities, we should make warm relations with them, our prosperity will move ahead on that basis he cleared out. Mr. Bairagi exemplified that, every country has neighborhood first policy similarly we should be focused on the neighborhood at first, we are not undermining the relations with other countries by saying “neighborhood first”. But “life begins from a neighborhood and international exposé begins from front” he assured.

Dr. Dinesh Bhattarai, while addressing audience questions, he presented that while Secretary of the Indian ministry of foreign affairs who come met all political leadership at time of constitution making and how the then prime minister able to convince him. Dr. Bhattarai quoted in detail the then Prime Minister Sushil Koirala that “your suggestions, we are taking that as the expression of our countries friendship indeed while taking decision we ourselves must make the decision”.

## SESSION III

Scrutinizing Nepal's Presence in Regional and International Fora

### CHAIR

Mr. Madhu Raman Acharya  
Former Permanent Representative of Nepal to the United Nations

### PANELLISTS

Prof. Dr. Shambhu Ram Shimkhada  
Former Permanent Representative of Nepal to the United Nations

Dr. Bishnu Hari Nepal  
Former Nepalese Ambassador to Japan

### MODERATOR

Mr. Gopal Khanal  
Foreign Policy Adviser to Former PM, K.P. Oli



From Right: Dr. Bishnu Hari Nepal, Mr. Madhu Raman Acharya, Prof. Dr. Shambhu Ram Simkhada and Mr. Gopal Khanal



The session on “Scrutinizing Nepal’s Presence in Regional and International Fora” explored the Nepal’s effective participation in regional organization like SAARC, BIMSTE, BBIN; international organization like UN; international economic institutions like AIIIB, WTO, IMF, and the World Bank; Nepal’s relations beyond the immediate neighbors or “Third Neighbor Policy.” Mr. Gopal Khanal opened the panel for discourse by raising the issues that incoherency in the statement presented by Nepal prior to cancellation of 19<sup>th</sup> SAARC Summit, role played or supposed to be played by Nepal as a Chair and General Secretary. He further questioned that whether we need SAARC or not, if we need what should be our role. Similarly, what should be our role in BBIN, existence of which is seems like isolating Pakistan and undermining SAARC.



Prof. Dr. Shambhu Ram Shimkhada, prior focusing on the issues, expressed his displeasure about the ignorance of foreign policy makers. Scholars have been consistently writing and explaining the sensitivity of foreign policy, its elements, and measures to be considered for the correct conduct of foreign policy. But, one can easily sense from the speeches of political and other concern power holders, where the country is today and how the present situation is, he added.

In contrast, he praised the significant/relevance of conference topic “Revisiting of Nepal Foreign Policy” in current situation and expressed his pleasure about the participation and concerns of Nepali youths on burning issues of foreign policy.

Dr. Shimkhada, in concerns about effective participation of Nepal in regional and international organization, critically opined that ‘except effective participation or involvement in United Nations peacekeeping mission, Nepal’s role in regional organization is very lethargic and ruddy.’

At the regional level, he stated that SAARC’s revival is necessary and pointed, “Nepal is responsible for the failure of SAARC.” Today largest responsibility lies with us because we have chair, we have office and the recently secretary general was there and we all are witnessing, where we are now, he stressed.

Likewise, in concerns about the revival of SAARC, Dr. Shimkhada questioned are we interested in the some incremental changes? Or do we need structural review of wholes SAARC?

Furthermore he stated that, whereas foreign policy is defined as the application of national power for the protection and promotion of national interest. The trouble with us today is “our national power is in great decline because historically Nepal’s national power has been put into some test and it has endure yet today”, he outstretched reason of declining nation powers is that “we are stuck in the confusion even inability to agree in basic elements of our national interest.”

Dr. Shimkhada at last, used the metaphor “hungry stomach and angry minds” as the major challenge of South Asian region. If managed and





channeled well, will be best resource for positive transformation yet if unable to manage, it can lead or bring the disasters. A large number of majority of our youth with hungry stomachs are in gulf regions, and those angry minds instead of getting involved in national affairs are mostly in US and Australia, he added that, that's why in terms of changing our foreign policy, he stressed, bringing those back and getting them involved and contributing to the positive transformations is the biggest challenges of nations and as partly of our foreign policy.

He defined that “foreign policy is confidence through cooperation” and noted “this is not the time for strategy for survival of Leo Rose or so we have time for the Himalayan balance of power system” and “conflict resolution through reconciliation, security through solidarity”. And Dr. Bishnu Hari Nepal, observed that our foreign policy practices are moving towards unsatisfactory progression.

Dr. Nepal said, in the context of paradigm shift and ongoing geopolitics we have to maintain relation on basis of merits and demerits of the respective countries.”

He also came down heavily on the ‘Border Diplomacy’ of which Nepal had failed. He further



said, not single attempt made in the international organization including UN for raising the voice of border encroachment in the places like Lipulek, Lipiyadhura, Kalapani, Susta.

He stated that Nepal has very weak approaching and consideration in international organization

which is the reason we didn't receive support from international community at time of blocked and argued it is a failure of our diplomacy.

While criticizing for government's inability to spend all the money from donor, Dr. Nepal also urged government should spend the entire development budget provided by international donor.

He stated that ‘Buddha is the property of the world not only of Nepal’ and insisted to take effective diplomatic effort to declaring ‘Buddha as the Light of Universe’ our inability to do so is another example of our failure of Nepal's diplomacy. He also reminded about the Nepal's original proposal of 1993/95 that Buddha should be declared as “Light of the Universe” in place of ‘Light of Asia’ only- can be the one of the major catalyst of soft power promotion.

He added India with the similar vision was successful to get Gandhi's Birthday on October 2 to be celebrated as the International Day of Peace endorsed by the UN in 2002. He expressed dissatisfaction, our government not being able to take 1995 proposal to the logical end. He lamented, “Where is our diplomacy? Where is our effort? We only talk in seminars but we lack in practical aspects of conducting foreign policy.”

He stated the importance of international forum for the promotion of economic diplomacy including tourism, trade and so on. But he urged to emphasize on domestic production so, that we can improve our trade. He also recalled that Nepal was the first country to receive ADB fund.

He viewed Nepal as a failed member state in different international and regional organizations including WTO, BIMESTEC, SAARC, UN, there is a reason, he added, why United Nations, IMF, WB, AIIB, LDC has not raised right of transit issues during the blockade in support of Nepal.

Dr. Nepal pointed Nepal has failed to manage its human resources with more than 6 million

Nepali working aboard and he marked that the Gurkha will take up the pride but we are making our citizen as the mercenaries.

Importantly, he manifested the serious need of water law in South Asia because of emerging intrastate or interstate water conflict in the region. Thus SAARC countries need water law for fixing upstream and downstream rights and urged that Nepal take lead together and participate with India.

He also emphasized on the idea of China Nepal Economic Corridor (CNEC) China Nepal India Economic Corridor (CNIEC). While arguing for a paradigm shift in SAARC -- which is obligatory he added, it is the collective failure of other countries to convince India to welcome China as a SAARC member. Dr. Nepal stated that involvement of the China in South Asia together with the India-two fastest growing economics that would make south Asia a hub for the Asian century. He also recommended Indian and Chinese leadership to realize the significance of South Asia and urge for

their cooperation for making south Asia as a hub of Asian century.

Focusing on “Economic Diplomacy”, he said, to make Nepal a “Gate Way” to large markets and fast growing economies of the world by utilizing CNEC, CINEC, CINECC, BBIN and joining OBOR.

Finally, Dr. Nepal proposed a new proposal that Nepal should advocate UNSC permanent seat for LDC’s as around 50 LDC countries represent at United Nations. Also stressed that Nepal including India and Pakistan should stand at the row of creating UN Army as being in the list of top ten contributing countries in the UN Peace Keeping Force and Show Diplomatic Skill to Manage ‘Flying Gurkha Squad.’

Mr. Madhu Raman Acharya, Chair of the session, firstly said that geopolitical challenges of Nepal is not a necessarily challenge, and if we can’t manage well the geopolitical challenges it might become a burden for us. Thus we have to think geopolitics as the opportunity for Nepal. He further added while we are talking about the rise of China and India and if we look their presence in Nepal, in terms of tourism, trade and investment India and China comes first and second respectively, except the remittances which come from third country though we are bringing remittance from and sending from India as well. Thus from any means, both neighbors are important to us, he stressed.

Mr. Acharya endorsed the fact that there may be political competition, the sphere of influence, competition between them is on certain issues, but at some point competition between India and China is good for us. We can benefit from financial assistance from both countries.

Likewise, Mr. Acharya highlighted that India and China are not necessarily adverse in matters of climate change, trade and both have mutual standing and they are also moving towards establishment for regional cooperation and co-existence. In regards of developmental approach which are proposed from both China and India they are not mutually exclusive “however we





have to understand that from Chinese One Belt One Road initiatives and India's look east policy to BBIN all are in course of driving connectivity in regional level, for economic integration and to take neighbors in confidence.

Additionally, he noted that opportunities like Nepal can be transit economy, can be transit provider, can be the dynamic bridge, and can be land linked but the opportunities may not be there forever, we might lose that if we don't tap that on time. “One day we have to go China and we have to ask for such opportunity, he cautioned.

The reason of high necessity of such discourse, he stated, there is large investment in China-Pakistan Economic Corridor (CPEC) likewise Bangladesh, China, India, Myanmar Economic Corridor and similarly talk about India-China Lipulek Corridor is also going on, so we must catch the opportunity to be a transit economy on time, he repeated.

Moreover he focused that “there is no automatic spillover in anything you have to act on it, India and China's growth rate is in two digits nearly goes about 7% to 8% if there is spillover automatically, our growth rate should be also 7% to 8%, but the recent data shows 4.5% growth rate. So there is no automatic spillover you have to proactively gain it, in-depth research and serious homework is needed for turning the aspiration being land-linked country, he emphasized.

Mr. Acharya lamented on our inability in getting any substantial assistance from big international organizations. Citing the example that when AIIB asked what program Nepal will need, Nepal requested is to make a 7km road from Kathmandu to Nuwakot. And Mr. Acharya focused on need of robust diplomacy to utilize funds on border connectivity, and missing links that are international and regional global project i.e. BRICS bank, OBOR, Investment Bank etc.

He clarified on a doubting whether we have foreign policy or not? We have a foreign policy however there is no existence of comprehensive

one document, separate paper but in terms of articulation in constitution and in terms of practice there is foreign policy. When we have to search for the guiding principles of the foreign policy we have to find out article of constitution and have to quote speeches of leader, minister, prime minister or we have to read someone else's book but the policy is not articulated in a single document.

He added recently we made national security policy, not because we have no security policy but while making national security policy in one comprehensive document, we can define that in terms of what are the parameter, challenges, threat, institutional role, how to look forward and what would be the executive policy of that. In the same way, foreign policy also needs one comprehensive document so that we can have or know a foreign policy, which can fit with the demand of time. And he highlighted it is the right time to review that indeed mandate is with us in current situation, while we are moving towards new constitutional or other big change it is the right time to review all. He also noted if we don't start now that will not be possible again therefore while doing revolutionary change it does not mean to throw out all established thing however we need to focus and modified on basis of our priorities.

In concerns raised by moderator about the significance and need of SAARC, Mr. Madhu Raman Acharya said that, we did lots of investment in SAARC we can't let it dwindle like this added “by undermining another, there is no need to inventing other wheel.”

He considered BIMSTEC as another nonstarter, not having any significant institutional growth, even lesser than in comparison to SAARC. He recalled a situation when he was Foreign Secretary. The Nepal government official had signed Free Trade Area Treaty, he elaborated, and everybody was saying if country had not signed the treaty it would have to negotiate for individual treaties, which would take time. “We signed on it, as if we



will miss the train but which has not move still”. One good thing about the BIMSTEC is there is political difference than like in SAARC.

He believed that the utility of SAARC is paramount and main reason for current tensions is terrorism. Mr. Acharya said that they say “South Asia as the hotbed of terrorism” And questioned will it really root out terrorism by isolating member states? We need cooperation from Pakistan or not? Mr. Acharya concluded, as we are in the chair and part of the secretariat we have to play a significant role.

## Questions

While SAARC is not producing good results, how can Nepal contribute to the same?

What about the relevance of third neighbor's policy in Nepal's geo-location?

## Answers

While addressing the questions Prof. Dr. Sambhu Ram Shimkhada said that if effective diplomacy, proportional bilateral diplomacy can take place within SAARC, or regional organizations quote unquote “small country also can play significant role”.

While addressing the questions Mr. Madhu Raman Acharya firstly, focused that strong cooperation with SAARC members can trigger the economic growth of the region. He examined that present statistic of world wave shows that world's fastest growing regions are South Asian, but we are least integrated and least co-operative region despite the co-operation between the countries, economic growth of this region is 7% if we exploit our full potential growth rate will be high, for that also we need SAARC. Secondly, he added we have not benefitted from Indian economic growth; we all have to look upon the high growth of India and China and need of deep economic integration with them, which we lack now.

and nationalism, we couldn't say what forces will undermine what and time and often we can see interplay of them with each other. SAARC is not an outstanding regional organization and there are flaws but despites all flaws inventing its alternative can become even worse while member and working environment is in same condition, Mr. Acharya stressed.

About the concept like third neighbor policy Mr. Acharya stated that in condition of being trapped down by big countries i.e. Russia and China with hope of getting some relief from third party, Mongolia first propounded it. But such an approach has not yielded any results. Nepal's situation is very different and such a parallel is not possible to draw since beyond China and India we have other neighbors, some of them big economies and donor countries, which also have a key role. So, all neighbors need to work together to resolve issues.

He added that we don't have to lose balance by thinking what other would say. And Mr. Acharya added that we have the wrong concept of diplomatic balance, we can build relations through diplomatic imbalance as well, like we can carry and walk different loads in two baggages, which have same capacity. So we have to work for extensive relations in our extensive nature by looking our weight he clarified. Mr. Acharya to clarify his argument quoted the Prime minister of Nepal Mr. Krishna Prasad Bhattarai, when a journalist asked him a question about whether he is pro-Indian or not than he humorously replied, “What are you talking about? Our country is facing India, Himalayas are also facing towards India, river flows in direction of India, language is same food is also close by, when we are sick we have to go India, we go there to study, business also comes from India, cultures comes from there, Tika in Tihar also comes from India even we also are going to do politics from there so analyze whether we are pro-Indian or not?” This is the relevance of Nature.

Further he noted that in globalization, regionalism He also called for a change of mindset in regards



to foreign policy. The thrust should be on greater economic connectivity and integration for Nepal. About organizations like the UN, he said that UN works on various issues but we have to look at areas where we can have comparative advantage. This includes developing countries issues, landlocked countries issues, trade and development issues, human rights issues, peacekeeping issues on which we can do more we have to do selectivity exercise.

He also stated that the UN with all its shortcomings is very important for Nepal. The country needs to focus on greater visibility at the UN, as well as more significant representation.

Dr. Bishnu Hari Nepal spoke about the need for changing the image of SAARC. He also stated that regional connectivity is very important, there are only two options for Nepal BBIN and CNIEC. India and China must work jointly for cooperation on key regional connectivity projects.

Lastly, Dr. Nepal added that the India and Nepal economic corridor should be focused, since it will be a large corridor of more than of 46 billion dollars. He also spoke in favor of reorienting the foreign policy.

## SESSION IV

### Managing Geostrategic Rivalry of Immediate Neighbors: A Pragmatic Approach for Nepal

#### CHAIR

Hon. Pradeep Gyawali  
Former Minister of Culture and Civil Aviation

#### PANELLISTS

Dr. Dattesh Prabhu Parulekar  
Member and National Spokesperson on Foreign Affairs, BJP and Asst. Professor,  
Goa University

Dr. Zhang Jiegen  
Associate Professor, Center for South Asian Study & Pakistan Study Centre,  
Institute of International Studies, Fudan University

#### MODERATOR

Dr. Uddab Pyakurel  
Assistant professor, Kathmandu University



From Right: Dr. Zhang Jiegen , Dr. Dattesh Prabhu Parulekar , Hon. Pradeep Gyawali, Hon. Ganesh Shah and Dr. Uddab Pyakurel



In session entitled “Managing Geostrategic Rivalry Of Immediate Neighbors: A Pragmatic Approach For Nepal”, major agendas including understanding geostrategic rivalry of India and China in Nepal, exploring notion of sphere of



influence, exploring pragmatic ways of addressing the genuine respective concerns of both neighbors were discussed.

Pradeep Gyawali, at first opined that, present constitution has clearly identified the national interest of Nepal. “While we have blur and different vision on how to promote and protect national interest, Nepali constitution has clearly defined and set the guidelines on it”. More importantly, he agreed that on the basis of constitution’s guidelines if we say to revisit Nepal’s foreign policy it is a timely and relevant discussion.

Then Gyawali urged this kind of discussion and seminar has not to take only as intellectual luxuries but take initiative should be taken to relate outcomes/findings in a respective sector for the improvements of official government policy.”

While commenting on the session title he recommended that it would be appropriate to say “Geopolitical Competition” rather than “Rivalry”. And he added if we put rivalry it denotes wrong concept that, we should be part of either this side or that side. Gyawali assured that, if we talked about rivalry there is no role of Nepal, besides that China and India relations is more about distrust than rivalry.

Furthermore, he added as Nepal is independent

nation, we are adopting consistency in our policy that Nepal should not allow or misuse its soil against a genuine interest of our immediate neighbors - no matter who is in government and is in power.

He also highlighted that Nepal’s relation with China and India are unique and significant in its own place.

Significantly, Mr. Gyawali detailed that Nepal wants to benefit from economic achievements of both neighboring countries by establishing bilateral relation with both of neighbors. However, he expressed an obstruction that Nepal encountering is “when she wants to enhance relations with one neighbor, another neighbor looks with skepticism, doubts and suspicions”. And he urged to our immediate neighbors that, not to be skeptical on Nepal’s effort to maintain bilateral relations with anyone because the only interest of Nepal to establish bilateral relations is developing and uplifting the livelihood of Nepali people.

Gyawali assured that Nepal would never act against the genuine interest of its closest neighbors. “In some extent, Nepal will serve neighbors’ interest in given paradigm and context.” Besides this he notified that “our neighbors essentially need to trust Nepal’s activities, especially from south side because of an immediate pain that was encountered by Nepal.”

So, while Nepal is trying a genuine effort for good relations with one side neighbor, creating unnecessary hue and cry, big editorials, big television discourses, TV talk shows and the unnecessary doubts in other side’s neighbor is “baseless and unnecessary” he cleared up.

Moreover, he clarified that Nepal doesn’t have any other intention while maintaining relation with the countries, and we only want to benefit from others economic development. May be having their own level of competition between them, but Nepal has no interest on such Mr. Gyawali



From Right(First Row): Dr. Zhang Jiegen (Associate Professor, Center for South Asian Study & Pakistan Study Centre, Institute of International Studies, Fudan University, China), Hon. Pradeep Gyawali (Former Minister and Politburo Member, CPN UML), H.E. Mrs. Yu Hong (Ambassador of China to Nepal), Dr. Umesh Bhattarai (Ex Brigadier General) and Shree N. Ram Prasad (Counselor, Commerce Wing, Embassy of India)

simplified.

About the issues like bilateral Vs trilateral, Mr. Gyawali importantly indicated that, most of the sphere of cooperation would be definitely bilateral. However, importantly, he presented that, in setting of important and strategic geopolitical location, Nepal can serve as the trilateral ground where Nepal can do cooperation in between India and China. From that Nepal will be able to develop, furnish and promote significantly, he added.

In one hand, he believed that good relations between India and China be able to benefit Nepal's development and in another hand, Nepal's geostrategic location and geography possibly benefit both neighboring countries. Through investing and opening big industries inside Nepal and with minimum productions cost China and

India can export and import goods with each other, as an outcome, Gyawali believed that, Nepal China and India simultaneously will be able to benefit.

About the connectivity Mr. Gyawali believed that, connectivity is very important to Nepal. And said that “If we will be able to build corridor and support OBOR initiatives our desire of being connected, linked and economically established will be achieve.”

Further, he interpreted a problem which we are facing as a small landlocked neighbor is that, “while we discussed with the India they express such gestures about the connectivity via BCIM (Kunming-Myanmar- Dhaka-Kolkata-Nepal) is okay, but to connect via from China-Nepal-India they think it might not be good for them.”



This kind of skepticism is not necessary and for trilateral connectivity, a good relation between India and China is a must, Mr. Gyawali cleared out.

At last, he stated that in present context of Nepal, if we are wishing Nepal to manage rivalry between India and China that is far away, but to accomplish our development interest we have to maintain very good relation with both countries.

Dr. Dattesh Prabhu Parulekar began by comparing the current situation of Nepal as somewhat a parallel to 1991 with India's foreign policy". He added that "when India was compelled to undertake a tectonic shift in its foreign policy, obviously onset of globalization after cold war and of course the fact that economics and the whole politics have changed." So, he believed that something very similar is taking place inside Nepal.

For more clarity, he quoted Albright, who famously said at the height of American power in the late 1990s that "American foreign policy can be summarized as unilateralism where we very must, globalize where very we can" and he believed that we can sense from that similarly two decades to present situation that we can see now happening globally with an impact in Asia, similar slogan may say "protectionism where we very must globalization where we very can".

Moreover, he mentioned three different bases for defining South Asia in terms of global power rivalry and in different paradigm frameworks. First is the geography of the South Asia with India's dominated geographical features. He said "India can stand out in the region and that is not only privileges but also a responsibility upon India to take its privacy centrality in a sense that can drive consensus in the region."

Another element he defined is that, "geopolitical basis of the South Asia". He said South Asia as located itself in the kind of tri-section or tri-juncture between central Asia, south East Asia and the Indian Ocean region that, "is increasingly



becoming critical not just in foreign policy but also to national security and development"

At the third aspects, he defined is that geo-economics, geo-strategies basis of South Asia. He believed that is why, in these days' elements like the "functional geography, integrated cartography" are discussing. "We are in a region, which is no longer bounded by defined territories but is essentially saved by what we called as open-ended multilateralism or extended regionalism."

So, Dr. Parulekar said that when we look south Asian region that is bounded, exclusive and contiguous to the region of next door and we could look South Asia as the part of continuity, as it is located in the core of that continuity. He added, as an important region how South Asia will look determine by how we able to manage great power rivalries.

"India's centrality and India's privacy means India has huge roles to play in neighborhoods, India's first initiatives is based on neighborhood first policy, India's success and strength lie in strengths of neighbor's. For India, there is no closer neighbor than Nepal so both have differences which they have express from time to time but affinity that exists between India and Nepal are unique." Dr. Parulekar clarified Indian policy and perspectives about Nepal.

As everyone defines that, Nepal is condemning by the course of the geography and conflict between the two large neighbors. Dr. Parulekar added an alternative view from "sandwiched between the unique neighbors" he added, "because what China and India brings to the table in this region



is not necessarily competition or collaboration alone there is the longest strategy that divides between the collaboration and competition and that is the unique paradigms of the development.”

He added that, what India and China are displaying is that they are able to provide different models of the development. “China certainly has advantages when it comes to building infrastructure or to building capacities but India has the unique advantages that India only can provide to countries of the South Asia as own.”



Dr. Parulekar emphasized.

Additionally, in regards to the discourse, what serves us better multilateral or bilateral engagement he said that the right framework for a good foreign policy depends on not just an individual country, but whole entire region could be there, in one way one region between a strong sense of bilateralism and at same time we can have the multilateralism and definitely can coexist on

connectivity, therefore, the ideal model for the Southeast Asia is to manage the great power rivalry and to invest in the bilateral relations but also to see the relations that can become building blocks for strong multilateral cooperation with a region.

So, He indicated that, “no doubt BIMSTEC is a nonstarter now, but the potential inheritance of the BIMSTEC is on something that is we must not ignore. And what access can BIMSTEC be, it is not only engaging in dynamic part of the South Asia, China and India but, it has given the unique opportunity before the countries of the South Asia”

He argued that, given the unique opportunity that has come before the countries of the South Asia, the discourse now has to change between from the ‘equidistance to equanimity in engagement’ where Nepal from being equidistance can be engaged with China and India on different terms of engagement. “That is how what you ultimately gain it is your move away from the equidistance which is often more negative posture, a defensive posture to the constructive enlighten posture where essentially should be able to get the result” he added.

In terms of the corridor, he stated that “we create this for moving away from the equidistance to actually equanimity of engagement and there is also important factor because, in terms of



connectivity, connectivity definitely creates physical structures of the ground but what about normative connectivity? He raised issues and highlighted that people to people contact are the most effective instrument in terms of the development. “That’s why PM Modi in terms of his recent initiatives of the south Asia has constantly focused not only to support on the physical connectivity but in terms of the people to people contact, culture, new norms and development” because of that, this place is actually going to be more stable, more prosper, democratic and more Cohesive, Dr. Parulekar concluded.

However, some scholars commented that there is no significant bilateral relation between China and India, Dr. Jan Jiegen primarily, in his speech clarified that, China and India have been enjoying collaboration and establishing economic relations at the international stage.

Additionally, he highlighted that, need of China and India’s collaboration in present situation of international politics and he expressed that as we talk about power shift from West to East and Asia, we know that means, “United States’ power and domination to other is declining.” And he hoped that an emerging and rising power like India and China could utilize this opportunity, which is never happening before. So, power is shifting, and as China and India both talked about Asian century, cooperation between them for betterment is necessary.

And secondly, about foreign policy he stated that China and India is in rising phase on such circumstances they have more problems from domestically than internationally. He considered, China and India needs to develop its foreign policy while considering more on domestic concerns.

And in globally, Dr. Jiegen understood that, India and China have many convergence issues than the competition. He assured that, though regionally people often think there is competition between China and India specifically in South Asia and in

border areas but “China’s and India’s view to look each other have changed over regionally”.

On the bilateral level, Dr. Jiegen presented a South Asian popular phenomenon of asymmetric perceptions between India and China. He detailed when we talk about the hegemony we not only indicate to the United States but we also mention the local/regional hegemony. He added that “when we talked about the regional hegemony we just talk about India but in China, very few scholars talk or think that India as a hegemonic country in South Asia, but generally from Indian side interpretation of Chinese hegemony is more.” About the China’s policy, Dr. Jiegen clarified that, China have great priority to her neighborhood because a stable and secure environment in the neighborhood is very important for the development of China. So, to create such environment in neighborhood and in the South Asian area he considered, China and India need to cooperate with each other.

In regards of balances and imbalances of trilateral relations, he thought India and China need excessive trilateral relations for their development and may have many other important trilateral relations than Nepal. China and India trilateral relations, “however for Nepal this trilateral relation is most important”. So he insisted that, Nepal to consider this trilateral relation importantly on her foreign policy, and Dr. Jiegen meaningfully considered it is a balance of trilateral relation. Importantly, in Nepal and China bilateral relations, he believed that lack of scholarly written academic paper, in theme of foreign policy and politics is an imbalance of our relations. He examined such imbalances and viewed that, scholars and the number of academic papers is less than 10 which is also very few in Nepali languages. With dissatisfaction he said that “however in between the India and Nepal the situation is different and have closer ties”. So, in this way he urged Nepal that to consider this trilateral imbalances importantly.

While, in defining the choices, policies for

balancing role in trilateral relation, in multilateral forum and in between the neighbors, he suggested to move in a new way. He pointed that "China and India now have something to schedule new sort in their foreign policy, China via OBOR and India through look east policy, thus "for Nepal how to cooperate with such policy is very new and important issues".

At last, Dr. Jiegen notably highlighted that, "for India's look east policy; China is always a very important factor." So in this situation, he considered that, Nepal as located at important geographical location. Needs to be able to develop an important role in bridging relation between India and China by considering their new policy and initiatives separately. As Nepal has the special relation with India and he considered that, same relations also should be with China because, for promotion and protection of Nepal's national interest, Nepal needs to develop relation simultaneously with her both neighbors, he concluded.



## SESSION V

Discourse in Nepal Foreign Policy Realm (Buffer to Bridge, Trilateral Cooperation)

CHAIR
Hon. Prof. Madhukar SJB Rana Former Finance Minister of Nepal
PANELLISTS
Mr. Rajeshwar Acharya Former Ambassador of Nepal to China
Dr. Pankaj Jha Associate Professor, Jindal School of Int'l Affairs, India
Dr. Umesh Bhattarai Ex Brigadier General and Security Expert
MODERATOR
Mr. Shyam K.C Research and Development Director, AIDIA



From Left: Mr. Rajeshwar Acharya (2<sup>nd</sup>), Hon. Prof. Madhukar SJB Rana (3<sup>rd</sup>), Dr. Umesh Bhattarai (5<sup>th</sup>) and Dr. Pankaj Jha (6<sup>th</sup>)



The session “Discourse in Nepal Foreign Policy Realm (Buffer to Bridge, Trilateral Cooperation)” explored how Nepal can effectively interlink the internationally proposed connectivity proposal and examining the discourse of begin bridge and trilateral cooperation from the technical security and economic dimension were discussed.

Prof. Madhukar SJB Rana began with recalling the 2005 Budget of Nepal, which officially adopted the strategic idea to be a transit economy, when King Gyanendra Bikram Shah was ruling. He noted that, King envisioned the strong steps of China to Nathulla Pass which links with the Bay of Bengal. Prof. Rana further explained about the Nathulla pass, which is inaccessible in winter lying at a larger geography 4290 meters and has high-security reasons. Due to this reasons Rasuwagadi would be final strategic point, one is provided to all weather access and another is Nepal being trusted a buffer state to both the nations. This is the genesis of the notion of the trilateral cooperation between China, Nepal and India he added. Sharing his perception, Prof. Rana said, India looks currently the idea of tri-literalism, institutionally the Chinese OBOR and BRI models of the regional, sub-regional and intra-regional integration of economies as seen by the Indian analyst as being to the China centric and given the hegemonic relations between the big and small powers which leads to unhealthy dependency of small powers.

In the trilateral relation between the states, Prof. Rana suggested that Nepal should not waste much time and it should promote the concept

pragmatically and leave it to India and China to negotiate bilaterally. India will be able to benefit from the OBOR deal because it links Bihar, UP and Bengal via Kathmandu to Tibet. In the given geopolitical realities Nepal should again think to link India and the China to make Nepal as a transit economy, he said and focus should be promoting OBOR bilaterally. Reemphasizing, Nepal should now prioritize on economic diplomacy and bilateral diplomacy to make itself as transit point between India and China.

He recommended where the priority should lie, first is planning and pre-feasibility studies at each access mainly Rasuwagadi, Kathmandu to Birganj as well. Checking viability of Rasuwagadi to Hyderabad economic corridor and other economic corridor to see what volume of the traffic must be generated from within Nepal and make itself the real project.

While we talk about OBOR, between Nepal and China the more details in-depth studies are needed quantifying data analysis, cost benefit analysis, risk and opportunity arising from such idea. Joint studies between Nepal and China is necessary to examine idea comprehensively.

Prof. Rana summed up, as 24 provinces of China have their own OBOR plan, we need to conduct more dialogue with provinces like Sichuan, Yunnan, Wuhan and Tibet and get their perception on Nepal’s potentiality to trade with them, investment from them and also to join with



them. It is time to go beyond general relations and it is applied in research analysis for win-win



solution and mutual benefits.

Dr. Umesh Bhattraï emphasized on historical and security perspectives taking account of Nepali interest. He said it would be an injustice to our ancestors if we don't talk about Tibet and British philosophy. The East India Company envisioned Tibet as the buffer zone prior to Nepal between Central Asia and South Asia. British wanted Tibet to remain independent because of Russia's growing interests in Central Asia and South Asia. Dr. Umesh Bhattraï perceived that nation's stability depends in its geopolitics and its commitment and perception towards international security.

Dr. Bhattraï examined that balance of power is critical to Nepal's stability to deter the effects and to control one to another in converting the multipolar world. Defining the perceptual analysis on Nepal's survivability, Nepal was aggressive itself to expand its territory towards 1816 which it stopped British from the times where Nepal was in dire need of Chinese support during war with the East India company. Similarly when Nepal needed British help during the Sino-Nepal war in 1792, the British declined. When Nepal was in dire need nobody came, he recalled that there is the no permanent friend in national relations. Nepal's always is in the cultural and the intellectual influences from the China and the India, which have been equally important in shaping the Nepal institutional values and he added culture is actually nonsense but psychologically it makes very good sense.

Dr. Umesh Bhattraï analyzed the Belt and Road Initiative (BRI) and Nepal's position. The OBOR concept is based on old Silk Road prospect, this has not only helped the trade expansion but the spread of Buddhism, development is not possible without connectivity and Nepal is a landlocked country with poor infrastructure. It is heavily dependent on India with 84% of trade volume. So, OBOR is the right choice for Nepal to balance trade and opportunity and explore connectivity with rest of the world.

Dr. Pankaj Jha, firstly questioned, Nepal have the resources and the potential, does the potential

need to be reminded from the Indian side or from the Chinese side? He suggested Nepal needs to identify its potential when it is communicating with India and China and say what exactly it can do and where it can compromise.

He then explained the second aspect, India is not being cooperative on OBOR and trilateral cooperation, he reasoned India really does not



want to, as it has already more than 45 billion dollar deficit with China and due to Chinese cheap export Indian industry will close down. Dr. Jha stated that he primarily rejected the idea of Nepal seeing itself as transit route between India and China trade, but if it contributes to the 90 percent that will make Nepal stable competent and the capable than open to the idea, he opined.

He stated that Nepali should make bridge; it shouldn't be the Indian dream or the Chinese dream. India is knowledge based and China is manufacturing based, Nepal should learn from them, as it will make Nepal capable enough.

The third aspect, which he explained, is that we don't want environmentally polluting industries at your places, in India we say no to polluted Chinese industries, because your country is the environmentally more fragile than any country in the world.

Stating the problem of trilateral cooperation it has never resolute on the trilateral dialogue it only resolute at track two dialogues and track two dialogues is those people who are academics, scholars, practitioners or the government



diplomats who will listen to them, he questioned. He also criticized China being selective; despite choosing whole BIMSTEC for working together and bringing Nepal, they choose BCIM. He also stated when we talk about the OBOR India does not know more what OBOR is about. But he raised issues related to OBOR funded project what in terms of the payment, what are the terms of the interest if a country refuses to pay the



project funding how is it going to taking it back? It is the neo-imperialist model, which is in Nepal, is in Asia.

He concluded, highlighting the three basic factors that Nepal can work on and have

potentiality. First Hydropower potentials, second is the pharmaceuticals and lastly if Nepal wants to brand, China have branded India does have few brands but if three countries can sit together and work out on the one global brand like Airbus Boeing or in different sector. Nevertheless, the terms of engagement should be decided mutually, it should not be the Chinese Silk Road it should be that “Asian civilization road”, he stressed.

Mr. Rajeswor Acharya, noted that, India and Nepal have very close cultural, social, political, economic relations and added present leadership of the India has promoted the idea neighborhood first policy and Look East /Act East Policy, is a welcoming gesture. China’s support and assistance are helpful in making Nepal socio-economic developmental needs. China is a Nepal’s second largest trading partners and one of the key investors. People- to - people relationships are not that strong between Nepal and China that needs to be worked on that in the future. He said it is matter of the great satisfaction to Nepal that Chinese President and government has shown the interest to extend that railway connection to the Kerung to Kathmandu and then Pokhara and





the Lumbini. Similarly Indian railway minister marked that India is also prepared to extend cooperation of extending railway from Indian border to Kathmandu this is also a welcome gesture express by our immediate neighbors.

Now both the countries have achieved greater mutual understanding trust and confidence and elevated their relations. He quoted strategic and cooperative partnership for peace and prosperity this is very remarkable achievement for building the trust and the opening the road for cooperation between India and China. They are competitors and friends they believed that there is enough space in world for countries to grow, both the countries, so there is enough space for both India and China to work and to grow. In the early 1990s China India bilateral trade was just \$ 413billion but it has approaching US \$100 billion soon. He referred Dr. Pankaj has highlighted the trade deficit between India and China around 45 billion US dollars, can be bridged by bilateral understanding. He stated bilateral relations based on the mutual respect and cooperative partnership are essential elements for the trilateral or multilateral cooperation. To promote peace and stability, security and prosperity collectively with the trilateral cooperation we have to think bilaterally first.

Under the framework of the CNEC issue China Nepal Economic Corridor cannot only be helpful to address the issue of poverty employment and fighting against terrorism but be able to reduce problem for climate change and its negative effect on the Himalayan Eco-system with others. India is advocating for the look east and act east policy and the PM Modi is giving emphasis on it.

Collective development through collective efforts is the need of the hour and India believes in it whereas China's foreign policy is also guided by the go West and the neighborhoods first policy and the policy pronouncements adopted by our great neighbors gives room for trilateral cooperation, Mr. Acharya argued. The trilateral cooperation relations is not new to Nepal historically it has been benefited through the intra-port trade

taking place of the Tibet Autonomous Region of the China, Nepal and India. Thus for decades even for the centuries Nepal has acted as the gateway for the trans Himalayan region at Tibet and the people to people contact at the China and India. He further deliberated that when Nepal becomes economically strong it will ensure the core interest of its neighbors. Nepal is a LDC country and through trilateral cooperation Nepal can benefit economically and get some prosperity and it can help in the core interest of China and India more effectively.

UN Security Council also endorses the OBOR and hopefully, this is encouraging move. He said that leaders of our region come closer and keep better to the trilateral relations that Nepal is willing to have as both of our neighbors believed in the neighborhood first policy, they will work collectively.

He ended his speech quoting Indian development Mr. Jay Deep Mujumdar who said India, China and Nepal geography has made its neighbors and the history has made them friends and the economic has made them partners those who are joined by the geography, history and economics and should work together for common benefit.



## SESSION VI

### Nepal's Foreign Relations Vis-a-Vis Labor Destination Countries

#### PANELLISTS

Mr. Paul I. Norton  
Chief of Mission, International Organization for Migration – IOM, Nepal

Prof. Bhim Udas  
Ambassador, Embassy of Nepal to Myanmar

#### MODERATOR

Mr. Bishal Neupane  
Fellow, AIDIA



From Right: Prof. Bhim Udas (3<sup>rd</sup>) and Mr. Paul I. Norton (Speaking at podium)



The session on “Nepal’s Foreign relation vis-à-vis Labor Destination Countries” explored issues like foreign employment policy 2012, ensuring welfare and security of Nepali migrants, contribution of remittance to Nepal’s GDP.



Paul Norton began by stating that the nation needs to have such sorts of discussion and discourse on migration and the foreign relations, which is inherently related to the employment policies and practices in sending and receiving countries. More than 3.8 billion people work abroad excluding Indian government in the last 20 years, it also represents 14 percent of the population of Nepal is extraordinary, according to census data. Where 71 percent of the total countries of the population, so private institutional jobs abroad is the reasons for leaving. Is well known there has been 10 fold increase in the inflow of remittances from 59 billion rupees to 590 rupees in less than 10 years, again this is extraordinary growth.

Remittances flow, which is the 30 percent of the Annual GDP, considering the major contributor to development financing in Nepal probably the nature of the labor migration for foreign employment, is a new opportunity and challenges to government and to the policy makers. He said that, the primary concern has been the managing the outflow of the people ensuring safety rights consistency and the welfare of the migrants and

the workers abroad. This requires strengthening the governance process legislation and policies and ensuring their proper implementation and but also the strengthening capabilities in the diplomatic representatives and consensus abroad to be able to address and manage these efforts and complex diplomatic, humanitarian and the private sector in considering the consensus.

Despite the legislation and policies increasing brokers outing to go abroad via regular channels there is still gaps in the implementation of such legislation and the policies, this gap has profound impacts on the rights and safety of migrants and in the cases of labor migration suffering from abusing, exploitation and the financial distress are frequent in general their rights and wellbeing, he stressed. In this context, Nepal has ratified several prominent international human rights instruments particularly Universal Declaration in Human Rights (UDHR) in 1948 and in International Convenient on Civil and the Political Rights (ICCPR), and the International Convenient on Economic and Social and Cultural Rights (ICESCR) both in 1996, consequently the Foreign Employment Policy 2012 the government of the Nepal is major landmark in a providing a framework for ensuring the right of migrants workers in this major efforts.

He also displayed interest in working closely with a ministry of the governments’ agencies for developing and reviewing policies and strategic plans related to foreign employment and labor migration. And he added, though these are the local efforts we need to also look at the regional and international efforts, dialogues and the opportunities improve foreign relations and to enhance opportunities for Nepal.

Mr. Paul highlighted that the Government of the



Nepal has also discussed the plan to convene to multinational, multistate agency on the Global Compact on Safe, Orderly and Regular Migration and which will be the instrumental in addressing the wider issues and the border migration, adopted by the nation state on 19 September in 2016. That is the opportunity for the Nepal to make experiences and the ways to the international dialogue on the migration to address foreign relations as the part of the dialogue on migration. The government of Nepal is being great and tier on the 23 agenda on SDG and as bound to be amongst first country to report on the privacy. Migrant's sensitive national policies and strategies and concerning to the implementation of the SDGs in several key aspects and government need to congratulate for truly its efforts, he said. More importantly, Mr. Paul stated by being on the forefront of the reporting progress Nepal has the opportunity to use this foreign policy guideline to destination countries beyond the foreign policy needs the gaps on the knowledge and the information can enhance by its foreign

policy planning and the program. This should be policy reviews, research studies related to the labor migration for employment, productive principles, livelihood improvements planning, skills matching and the information accessibility to why the number of these people in Nepal to make informal choices on what is best for themselves their families their communities and the nation.

Mr. Paul focused on implementation of the Foreign Employment Policy 2012 and the Central Strategic Plans which are important strategic tools for the Government of Nepal and its partners here and the aboard. There is the need of the bilateral labor agreements with the destination countries that can provide more protection to the Nepali migrant's workers, similarly work jointly with organizations with ILO is also important. In the end, he said that Nepal which is a labor-sending countries must balance its national foreign policy its relations together with those its developmental needs to the home and save its dignity to the citizens abroad.

Mr. Bhim Udas started with the statistics that, 57 percent of the young age group goes abroad, importantly they send between 5 to 6 billion RS remittances to Nepal and that covers 80 percent of Nepal's national budget, whereas 56 percent of our total population they are benefitting from the remittances. Somehow it makes us happy. But at the same time 60 to 70 percent of remittances is going back to India and China because we import products from them, so the remaining is very less for Nepal.

He also stressed on that the Government and Rastra Bank have to think about how to more resources that comes from remittances to put in productive activities.

Mr. Bhim Udas said when we talk about the foreign employment it has many fashions, it's not only about the remittances it has to do with management it has to do with the security, safety in the workplace, it has something to do with their



livelihood, how they live, it has to do with their management there are so many things remittance is just one part.

When we talk about the labor, foreign employment, there are many statues and convention. The conventions and all the countries in the world are the members of the ILO and all of them have signed the convention. But when it comes to the labor bargain and foreign employment those destination countries where our labors go our people go they don't want to sign MOU, they don't want to be recognized that the labor, their work must be respected, recognized or labor should have some kind of the dignity that understanding must be worked on because labor is not a commodity.

He said this should be respected and we can't imagine how the destination country uses foreign employers but don't pay much attention to sign MOU. Mr. Bhim Udas briefly concluded the session by saying that; Government should enforce and try to request destination. We should look for new destination where skilled, semi-skilled labor can go and earn money. We need to think how their skill expertise use when they come back. We know what China has done couple of years ago when there was a global economic crisis when the factory where been closed or working hard, he cited the example, what they did was found a new place and brought labors used them like factory and used to produce vegetables and the agricultural products by engaging in different sector while factory are not working.

Mr. Bhim Udas said the main concern is that we must find productive project activity, which could be helpful for the prosperity of Nepal. He concluded quoting UN Former Secretary Ban Ki Mun, “economic growth is not sufficient we must do more to empower the individuals through decent work supporting people through social protections and ensure the voices of the poor and marginalized lets us make social justice central to achieving equitable and sustainable growth for all.”



## VALEDICTORY SESSION

Hon'ble Nabindra Raj Joshi,  
Minister of Industry,  
Government of Nepal

Chair of Session, Distinguished Guests and ladies  
and gentlemen,

Namaste and a very good afternoon to you all!  
It's an immense pleasure for me to have a role of  
formally closing conference on “Revisiting Nepal  
Foreign Policy in Contemporary Global Power  
Structure”. And I assure that government of  
Nepal will take your suggestions.

considered as the medium to promote the national  
interest of the country. And, it must remain free  
from any sorts of ambiguity. In such context, it is  
vital to have at least common minimum consensus  
among all the major political parties. Only then,  
it will be possible to deal with high confidence in  
bilateral, regional and international forum.

The landlocked nature and geophysical  
positioning have always  
played an imperative  
role in determining our  
foreign policy. With the  
shifting of the global power  
structure in Asia, especially  
with the rise of India and  
China; the significance of  
Nepal's location is also ever  
increasing, basically in the  
context of Asian power  
balance. Due to this global  
power shift, Nepal has  
tremendous opportunities to  
receive but, at the same time,  
Nepal also has to deal with



Basically, we have been  
witnessing the changes in  
recent international order.  
And through this gathering  
of scholars/ diplomats we  
should imagine about country's  
position, situation after ten  
years and we should formulate  
policies accordingly at present.  
There are changes in political,  
economic and social structures,  
which have created various  
opportunities, and at the same  
time they have added numerous  
challenges as well, which needs  
to be addressed with high level  
of certainty.

Foreign policy of any nation is



From Right: Dr. Bishnu Hari Nepal (Former Ambassador), Mr. Sunil K.C (CEO, AIDIA), Hon. Nabindra Raj Joshi (Minister for Industry) and Dr. Dattesh Prabhu Parulekar (Spokesperson Foreign Affairs Cell BJP) in NFPC 2017



the increased level of sensitivity.

We must address the genuine security and other concerns of our immediate neighbors while receiving confidence in our foreign policy dealings. We also need to be equally engaged in regional and international forum for promoting mutual interest and shared benefits.

Moreover, Economic diplomacy is considered as one of the key pillars of our foreign policy. Very recently, Nepal organized two summits - one on Infrastructure and another one on Investment. I would like to share the reflection of those two summits with this distinguished gathering.

I commend Asian Institute of Diplomacy and International Affairs (AIDIA) for organizing this conference in cooperation with Midwestern University in the subject matter of great national importance. I am confident that the outcome of this critical discussion amidst the distinguished gathering will be the assets for exclusive reference to the government to rethink and redefine as necessary to meet Nepal's foreign policy objective and goals.



**Mr. Sunil K.C.**

CEO, the Asian Institute of Diplomacy and International Affairs (AIDIA)

Good Evening!

First of all, let me thank all distinguished participants for your cooperation and patience to make this conference successful. The credit goes to all of you and I must thank all the speakers who are from different sectors for your contribution to making this conference a grand success.

I believe that this conference would help to make new ideas not only to make foreign policy but also to provide different information. We completed 6 sessions in a day and you know we have a lot of rush but we managed very properly. To tell you frankly, AIDIA is run by six young people who are under the age of 30. We must be grateful because we received the very positive response from the people of different sectors to organize this conference. We invited speakers not only from Nepal but also from China and India due to which we got different dimensions of thought. I hope from today's conference, we are able to bring out more issues/ideas, identified problems and challenges about our existing foreign policy. Also, I hope different ideas presented here through discussion will be significantly helpful to guide our government, policy makers to present Nepal's interest in the regional and international arena.



Furthermore, we want to organize more



conferences, workshops, research etc. in coming days as well. We will publish a report of this conference and will share with concerned government and non-government authorities.

Also, I like to thank, Prof. Dr. Upendra Kumar Koirala, VC of MWU, and the co-organizer of this conference working hard together with AIDIA to make this conference successful. MWU and AIDIA are doing different works in International and diplomatic affairs in partnership since one year. I am also grateful to the International Relations Department of MWU and faculty members.

Importantly, my Colleagues Mr. Shyam K.C- Research and Development Director of AIDIA, Ms. Kamana Magar - Operative Director of AIDIA, Mr. Basu Dev Khanal - Program Director of AIDIA, Master of Ceremony (MC) - Ms. Sushma Rai, and other members Mr. Bishal Neupane, Ms. Sarika Tamang, Mr. Sakar Aryal and other members and volunteers from Nepal Law College, thank- you all for your effort to make this conference successful. And my sincere thank goes to all respected keynote speakers, chair, panelists and guests. At the end, I request all of you to follow AIDIA's upcoming work and to give your valuable suggestions for betterment. Stay connected with us. Thank-you Very Much!





Mr. Ganesh Bahadur Karki  
International Relations Department Head, Mid-  
Western University

our neighbors' economic development.  
Thank-you!

Firstly, I want to thank you all distinguished Guests, Participants, Chair, Keynote Speakers, and Panelists for making this conference fruitful and successful. Mid-Western University is trying to contribute to the study of International Relations. Although we lack resources, our university represents from countryside area of Nepal and also we are giving some efforts and contributions on Kathmandu Centric Policymaking and thinking, from the periphery.

The world scenario has been changed and we obviously have to redesign our foreign policy accordingly. Realizing this reality, MWU decided to engage as a co-organizer of this conference. I hope that outcome will definitely provide guidance to Nepal government for policy making, behaving and acting in the International arena. At last, I want to say that we have to design our policy and behavior for our prosperity by considering

# Nepal Foreign Policy Conference in News

## THE RISING NEPAL Conference on revisiting Nepal's foreign policy

By A Staff Reporter  
Kathmandu, Apr. 5  
The Asian Institute of Diplomacy and International Affairs (AIDIA) – a foreign policy think-tank based in Kathmandu, in cooperation with Middle Western University, recently hosted a conference on "Revisiting Nepal's Foreign Policy in Contemporary Global Power Structure".

The conference was jointly inaugurated by three former ministers Ramesh Nath Pandey, Prof. Madhusudan Bhatta and Suresh Nath Pandey.

"The chief objective of the conference was to revisit Nepal's foreign policy with reference to the contemporary reworking of the international order, the global power shifts to Asia, rebalancing of the global balance of power, the rise of China and India and their impact on Nepal's foreign policy," said Shyam KC, Research and Development Director of AIDIA. The conference had held discussion on six thematic sessions.

More than 30 speakers from Nepal and outside the country and foreign policy experts, academicians, seasoned diplomats, politicians, international experts, foreign dignitaries and other scholars along with more than 250 distinguished participants had taken part in the interaction.

"We will soon develop and publish the report of the conference and share with the Ministry of Foreign Affairs and with all other concerned stakeholders, which is expected to serve as a reference for the government for enhancing clarity and developing a pragmatic foreign policy in the context of the present international power structure," said Shyam KC, chief executive officer of AIDIA.

Foreign Secretary Shaukat Das Banskota, former minister Pradeep Gyawali and former foreign secretary Madan Ramana Acharya chaired the various sessions during the interaction. Industry Minister Nishad Raj Joshi had also addressed the conference.

## अन्नपूर्ण

### 'विदेशनीति प्रस्ट हुनुपर्छ'

काठमाडौं (अन्नपूर्ण) – विदेश नीतिबारे नेपालमा अझै पनि केही ठोस र स्पष्ट विचार नभएकोले नेपालको विकास र प्रगतिमा बाधा परोस्ने भएकाले नेपालको विदेश नीतिबारे अझै पनि केही ठोस र स्पष्ट विचार हुनुपर्ने आवश्यकता रहेको बताइएको छ।

विदेश नीतिबारे अझै पनि केही ठोस र स्पष्ट विचार नभएकोले नेपालको विकास र प्रगतिमा बाधा परोस्ने भएकाले नेपालको विदेश नीतिबारे अझै पनि केही ठोस र स्पष्ट विचार हुनुपर्ने आवश्यकता रहेको बताइएको छ।

## नागरिक

### विदेश नीतिमा पुनर्विचार गर्न सुझाव

काठमाडौं, वैशाख २१ (नागरिक) – नेपालको विदेश नीतिबारे पुनर्विचार गर्न सरकारले सुझाव दिएको छ। विदेश नीतिबारे अझै पनि केही ठोस र स्पष्ट विचार नभएकोले नेपालको विकास र प्रगतिमा बाधा परोस्ने भएकाले नेपालको विदेश नीतिबारे अझै पनि केही ठोस र स्पष्ट विचार हुनुपर्ने आवश्यकता रहेको बताइएको छ।

## कारोबार

### कूटनीतिक भूमिका प्रभावकारी बनाउन आवश्यक

काठमाडौं (कारोबार) – नेपालको विकास र प्रगतिमा बाधा परोस्ने भएकाले नेपालको विदेश नीतिबारे अझै पनि केही ठोस र स्पष्ट विचार हुनुपर्ने आवश्यकता रहेको बताइएको छ।

विदेश नीतिबारे अझै पनि केही ठोस र स्पष्ट विचार नभएकोले नेपालको विकास र प्रगतिमा बाधा परोस्ने भएकाले नेपालको विदेश नीतिबारे अझै पनि केही ठोस र स्पष्ट विचार हुनुपर्ने आवश्यकता रहेको बताइएको छ।

## kathmandupost

### Experts for revisiting foreign policy

The Asian Institute of Diplomacy and International Affairs (AIDIA), a foreign policy think-tank based in Kathmandu, in cooperation with Middle Western University, recently hosted a conference on "Revisiting Nepal's Foreign Policy in Contemporary Global Power Structure".

More than 30 speakers from Nepal and outside the country and foreign policy experts, academicians, seasoned diplomats, politicians, international experts, foreign dignitaries and other scholars along with more than 250 distinguished participants had taken part in the interaction.

## मिलाप

काठमाडौं (मिलाप) – नेपालको विदेश नीतिबारे पुनर्विचार गर्न सरकारले सुझाव दिएको छ। विदेश नीतिबारे अझै पनि केही ठोस र स्पष्ट विचार नभएकोले नेपालको विकास र प्रगतिमा बाधा परोस्ने भएकाले नेपालको विदेश नीतिबारे अझै पनि केही ठोस र स्पष्ट विचार हुनुपर्ने आवश्यकता रहेको बताइएको छ।

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The Asian Institute of Diplomacy and International Affairs (AIDIA) has called for a re-evaluation of Nepal's foreign policy in the context of the contemporary reworking of the international order, the global power shifts to Asia, rebalancing of the global balance of power, the rise of China and India and their impact on Nepal's foreign policy.



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