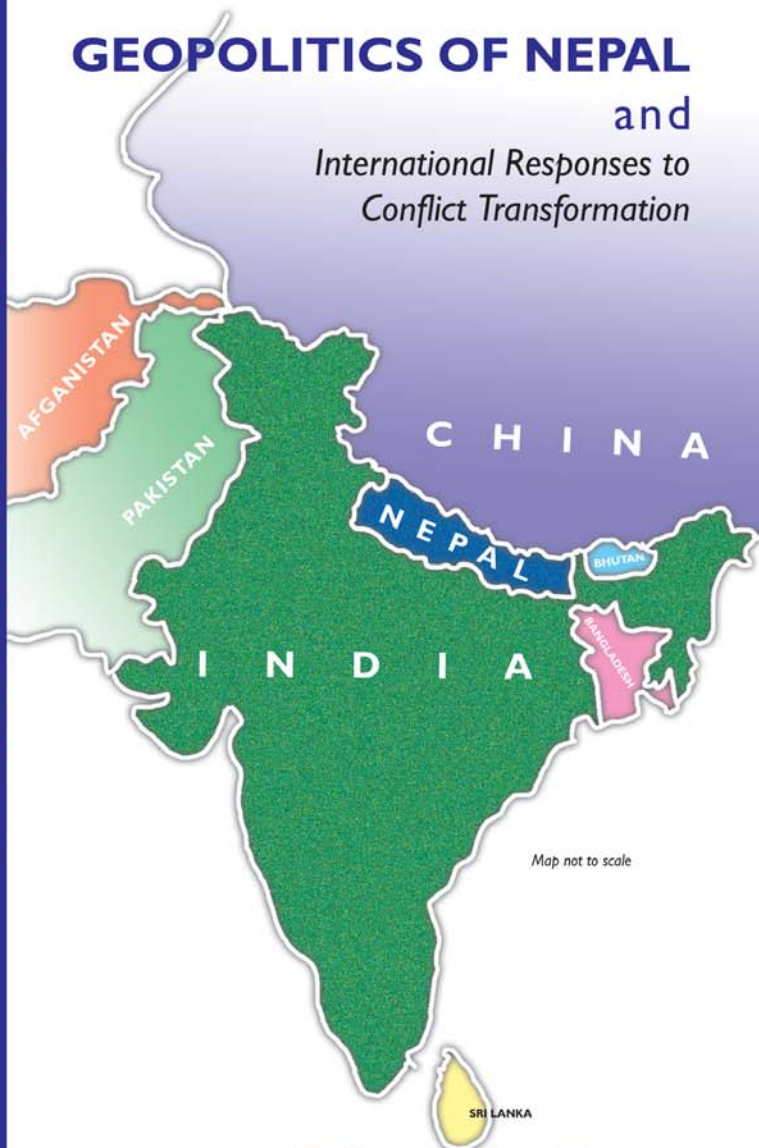


GEOPOLITICS OF NEPAL

and

*International Responses to
Conflict Transformation*

A DISCUSSION PAPER



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GEOPOLITICS OF NEPAL

and

*International Responses to
Conflict Transformation*

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FOREWORD

The growing Maoist insurgency and its devastating effect on the security situation and economic life of the people have started to bring Nepal into sharper international focus. The global and regional powers have expressed serious concerns over the deteriorating political, social, economic and security situation of the country. As the possibility of finding a domestic solution to the problem slips away, studies are being focussed on the unique geographic features which are thought to have lent advantage to the insurgents in their war with the security forces forging consensus on the need of international mediation

The escalation of violence and growing instances of human rights has tarnished the image of the country. It has not only lowered Nepal's stature in the international community but has also added the concern of international powers and immediate neighbours. The spill over impact of the insurgency has alerted its neighbours and there is growing risk of unwanted foreign intervention if the insurgency is not resolved through peaceful negotiations.

The geopolitical speciality of Nepal has lent comparative advantage to the insurgents allowing them to conduct a prolonged armed insurgency. Given the two rounds of failed negotiation and growing bitterness and bloodbath going on between the insurgents and the government, it is unlikely that a domestic solution to the problem of insurgency will be found soon.

Nepal has been traditionally a buffer zone between the two giant neighbours- India and China. None of them is, therefore, prepared to allow the other to get involved in Nepal's conflict unilaterally. But it rules out the possibility of the South Asian Association for Regional Cooperation (SAARC) to play a role in the resolution of the conflict as its Charter forbids any bilateral or internal matters to be discussed at the regional forum though a regional initiatives could be very helpful in solving the present day

crisis of Nepal brought about by the insurgency.

Given the complex nature of the conflict in Nepal, international mediation is the only way of peaceful solution. However, the geopolitical sensitivity of Nepal makes it necessary for any country or international organisation offering mediation to possess the experience in negotiation, be neutral and have enough leverage to bring national and international pressure on warring factions. In the opinion of the author, the United Nations would be the best choice for external mediation.

As an organisation conducting research and promoting debates and discussions on various dimensions and dynamics of conflict, Friends for Peace (FFP) is presenting this discussion paper by Rajan Bhattarai on 'Geopolitics of Nepal and International responses to conflict transformation' for wider discussion. If it is able to generate lively debate on the issues raised by the author, we will consider ourselves successful in our endeavours.

Bishnu Raj Upreti

Director

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Rajan Bhattarai

LIST OF ABBREVIATIONS AND ACRONYMS

APEC	Asia Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
BIMSTC	Bay of Bengal Initiatives for Multi-sectoral Trade and Economic Cooperation
CCOMPOSA	Coordination Committee for Maoist Parties and Organisations of South Asia
CPN(UML)	Communist Party of Nepal (Unified Marxist-Leninist)
CWIN	Child Workers in Nepal Concerned Centre
DFID	Department for International Development (UK)
FES	Frederich Ebert -Stiftung
G-7	Group of seven industrialized countries
GTZ	German Development Cooperation
ICRC	International Committee of the Red Cross
IIDS	Institute for Integrated Development Studies
INSEC	Informal Sector Service Centre
ISI	Inter-Services Intelligence (Pakistan)
MCC	Maoist Communist Centre
MERCOSUR	The South American Trade Agreement
NAFTA	North American Free Trade Association
NEFAS	Nepal Foundation for Advanced Studies
NDFB	National Democratic Front of Bodoland
NHRC	National Human Rights Commission
PWG	People's War Group
RNA	Royal Nepalese Army
SAARC	South Asian Association for Regional Cooperation
SAFTA	South Asian Free Trade Agreement
STOL	Short Landing and Take Off
ULFA	United Liberation Front of Assam
UNHCR	United Nations High Commission for Refugees

EXECUTIVE SUMMARY

Generally neglected in the past, Nepal has started to receive considerable international focus due to the growing violence and devastation unleashed by the Maoists for the last nine years. The growing magnitude of violence and chaos has not only created political instability and difficulties in the lives of people, it has also had tremendous impacts on Nepal's international relations and its overall foreign policy matters. The unabated violence and violation of human rights have drawn attention from the international media. The global and regional powers, the United States, the European Union, China, India and international organizations including the United Nations have expressed serious concerns over the deteriorating political, social, economic and security situation of the country.

Sandwiched between two giant neighbours, India and China, Nepal is generally perceived as a tiny Himalayan country. It is a perception that has been created about a country whose geographical size and population are bigger than those of some other states in the South and Central Asian region. This perception has also shaped its orientation and relations with outside world. In today's world, where not only the theory of balance of power determines the interstate relations but also the principles of Panchasheel (five principles of peaceful co-existence) prevail and provide orientation to foreign policy matters, such a defensive mentality needs to be changed.

The post-1950 foreign policy of Nepal is basically focused on balancing the ties with its two immediate neighbours and expanding its relations with other countries in the world. It has actively participated in the international and regional forums and has expanded its bilateral relationships. At present, the country has diplomatic relations with 113 countries with representation in all major international organizations and forums.

However, the insurgency that has swept across the country in the last nine years has come as a most serious challenge with negative implications for its relations with the international community. This paper analyzes the geopolitical foundation of the insurgency in Nepal, and to assess its possible impact in the South Asian region. This paper also addresses issues such as changing global geopolitical realities and their effect on Nepal's security. On the basis of available resources and personal interactions with various foreign policy makers, geo-strategists and security experts of Nepal, the paper analyzes the impact of the ongoing conflict from various dimensions including security, economy, humanitarianism, human rights and political ideology.

The paper deals with the geopolitical character and changing geopolitical situation in which Nepal currently finds itself. Geographical location, size, culture and religion, economic strengths and weaknesses, and natural resources are the major determining factors in defining the geopolitics of Nepal. These are the factors in formulating the geo-strategy for survival and development of the country. Changes in international politics, especially after the establishment of the United Nations, the adoption of the Universal Declaration of Human Rights, the process of decolonization and the formation of the Non-aligned Movement, were some of the remarkable developments in modern international politics. These developments have had tremendous implications on Nepal's foreign policy. In the last five decades, Nepal has been playing assertive and active role in expanding its bilateral and multilateral relations.

However, with the escalation of violence and growing instances of human rights abuses, its reputation has been significantly tarnished over the last four or five years. The challenge posed by the Maoists to the state does have implications for its neighbours in the region. The violence of the country has not only lowered its stature in the international community but has also reduced its roles in international and regional politics. The major concerns of international powers and immediate neighbours are the increase in violent activities, the deteriorating security situation, and human

rights abuses. India and China's paramount concern in Nepal is related to security and stability. Any disturbances in Nepal would have a spill over impact on both these countries. Apart from the economic and trade interest of both the neighbouring countries, they also have interest in containing the superpower influences here. The growing spill over impact on its neighbours, especially on some of the states of India, has now raised New Delhi's eyebrows. This has considerably increased the military assistance from India, US and some EU countries. Increased external military assistance to Nepal in the context of Maoist insurgency has diluted the issue of arms import from the third countries except India.

With the increasing spill over impact on its neighbouring countries notwithstanding, this paper argues that there is a less likelihood of a regional level response in devising a common strategy to counter the Maoist insurgency due partly to India's unwillingness and partly to the provisions in the Charter of South Asian Association for Regional Cooperation (SAARC) which bar discussion on bilateral matters at the regional forums. Because of the failure of a nationally initiated dialogue processes twice in the past, there has been general realization among the national stakeholders about the necessity of international mediation. Similarly, several countries, and international organizations including the UN, have also expressed their willingness to mediate the dialogue. Among the interested parties, the UN has been the most favoured organization not only for the rebels but also for other political parties and the civil society. Hence, this paper concludes by arguing that though there is no immediate possibility of regional and international powers of devising common strategy to intervene directly to contain the Maoist insurgency, there is a strong possibility of international involvement and even direct intervention if the violence escalates further and the abuse of human rights continues to increase.

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INTRODUCTION

Nepal is facing the first serious crisis after its war with British-India in 1814-16. The current armed struggle that the Communist Party of Nepal (Maoist) started in 1996 in four districts - Rolpa, Rukum, Sindhuli and Gorkha - has now spread all over the country within a span of nine years. More than 10,000 people have lost their lives, tens of thousands of them have been injured and a larger number of people have been displaced from their native places precipitating an internal refugee crisis. Rural infrastructure worth billions of rupees has been destroyed. The mental trauma and suffering of the people is incalculable. The distress the conflict has created may not be overcome within one or two generations. As the magnitude of violence grows, the national and international concerns over the situation have also increased significantly. Numerous programs have been organized and research conducted on different aspects of conflict and peace. There is no dearth of research identifying the problem, its impact on society, and possible solutions. However, very little analysis and research have so far been focused on the geopolitical aspects of the ongoing conflict in Nepal and the wider region.

Geopolitics is the study of the relationship between geographical factors and the politics of states and nations, and of states' interactions with their neighbouring countries and the international community. The Swedish political scientist Rudolf Kjellén who used the terminology 'geopolitics' for the first time in 1899 (Encarta dictionary, 2004), said that geographical location, size, natural resources, population, physical features, and the natural environment, influence a country and determine its political, military, economic development and cultural characteristics. Kjellén further explained that the geographical as well as physical features impact on relations between the nations. His focus on geographical features was mostly on mountains and oceans and their impact on international politics as well as interstate relations.

Another notable German geographer Oyvind Osterud stated that 'geopolitics indicates links and causal relationships between political power and geographic space; in concrete terms it is often seen as a body of thought assaying specific strategic prescription based on the relative importance of land power and sea power in world history. The geographical tradition had some consistent concerns, like the geopolitical correlation of powers in the world politics, the identification of international core areas of relationships between naval and terrestrial capabilities' (Osterud, 1988).

Traditionally, the factors of geography and other physical features play a vital role in the survival, independence, security and identity of any state. Similarly, the geographical and physical factors have had even more importance in determining a state's foreign policy matters. However, with economic globalization, increasing inter-dependence, the development of international laws on various issues and international regimes such as the Universal Declaration of Human Rights, the formation of international organizations like the United Nations and the World Trade Organization, the traditional role of geography in determining a country's position in the international arena has significantly declined. "The decay of the value of distance has today diminished the relevance of geography and the nation's ability to gain power status by geographic means has markedly declined, even though it has not disappeared completely" (Dahal, 1997:25). Therefore, geopolitical studies include the country's territorial size, location, natural resources, as well as its level of economic development, the composition and size of its population, its organizational and intellectual abilities, and communications, as well as a country's foreign policy matters.

The global situation has changed. The collapse of the Soviet Union, the rise of the United States as a sole superpower, and the incident of September 11, in particular, have not only influenced the geopolitical definition and scopes of an individual nation, but have also had tremendous implications for global politics as well. Modern technologies in the area of transportation and communication systems have brought a revolution in connecting people and nations together. Such

developments have had an incredible impact and have changed the traditional forms of interstate relations. They have also made it easier for people to move around and to communicate with each other.

For a small state like Nepal, foreign policy manoeuvrability and roles in the international politics are limited by a number of factors. The most limiting factors are location, the level of economic development, and territorial size. The strategic location that Nepal occupies has limited its freedom of manoeuvre. Barston stated, "The freedom of choice and the type of external relations of Botswana, Lesotho and Swaziland is very limited because of economic dependence resulting largely from their land locked geographical location vis-à-vis South Africa and Rhodesia (Zimbabwe)" (Barston, 1971: 44). Similarly, the geographical location Nepal occupies and its economic dependence mainly with India and its landlocked position limit its freedom to manoeuvre in its foreign policy. Its location in the middle of two giants - depicted by late King Prithivi Narayan Shah as a "Yam between two boulders" - has basically dictated its foreign policy throughout its history.

In the course of time, however, Nepal has adopted foreign policy to protect itself by aligning with either of its two neighbours. Only after the democratic movement of the 1950's, it has basically adopted a non-aligned foreign policy. The basic guidelines of its foreign policy and geo-strategy remained the same for the last five decades despite the changed domestic political situation. After the end of the Cold War, the earlier roles the non-alignment movement played in international politics has been pushed to the margin, but the policy adopted in the 1950's still carries a great value for a country like Nepal whose geographical location lies between two powerful countries. Further, its slow pace of economic development locates it in the periphery of the world capitalist system. Though technological innovation has changed in the global system, the gap between the powerful and the weak, the wealthy and the poor, the big and the small, continues to widen. "The Third World states are maintained in their subordinate position within the world capitalist economy" (Viotti and Kauppi, 1990: 400).

The tremendous progress in technology, transport and communication systems, and growing international and regional organizations as well as various international regimes, has certainly provided greater scope, not only to the big and developed countries, but also to economically weak, underdeveloped and landlocked countries like Nepal, to expand their roles. The development of various laws, networks and forums like the United Nations, the World Trade Organization, and the Non-Aligned Movement has provided forums for small and the weak countries to work collectively on various individual and regional issues of common concern. As for Nepal, it has been pursuing a comparatively active and assertive foreign policy. One of the strong reasons for its activeness lies in its gaining early membership of different international and regional organizations. It has been already elected twice to the United Nation's Security Council and has become an active member of the South Asian Association for Regional Cooperation (SAARC). It has also been able to secure membership of the World Trade Organization and another regional forum like BIMSTC. The selection of Kathmandu as the SAARC Head Quarters was also the result of its active and successful foreign relations with the member states of the SAARC.

Assertive and active foreign policy notwithstanding, Nepal's image as a country with friendly, cooperative and peaceful people has been marred by the escalation of the domestic conflict and violence over the last decade. Similarly, the June 1, 2001 Royal massacre also damaged its international reputation. Both of these events have drawn international attention towards Nepal. Owing to the deteriorating security situation in the country, the international community, immediate neighbours, and international bodies like the UN, have expressed their concerns over the escalation of violence and the spiraling abuse of human and civil rights. Similarly, the growing domestic conflicts have triggered a process of new alignment and re-alignment of forces. The increasing violence and the killings of innocent civilians, disappearances, threats, destruction of private and public property have further affected the structural stability of the economy and polity of the state. Such a situation has also limited Nepal's role in the international forums.

NEPAL'S GEOPOLITICAL CHARACTER

A country's geographical location, size, population, cultures, religions, economic strength, and natural resources are the major determining factors in defining its geopolitical character. These are also the factors that influence the formulation of the strategy for survival, defence and development. It would, therefore, be appropriate to discuss here the determinant factors of modern Nepal's geopolitics.

Size

The size of a country is defined in terms of power. The power of a country derives from the size of its territory, the size of the population, national income, natural resources, military strength etc (Khadka, 1997: 54). By the existing standard of size and power, Nepal is small, weak, and one of the least developed states (Dahal, 1997: 26). However, various writers argue that in terms of size Nepal is not as small as it appears. It is because of its location between the two of the largest and most populous countries of the world- China and India - that Nepal has acquired an image of a "small" nation (Pandey, 1999). With an area of 147,181 square kilometres, Nepal is bigger than some other states in the region. According to the 1996 World Bank Atlas, only 41 countries out of 209 have a population larger than that of Nepal. As Pandey argues, the geography of the country has affected not only the perception of its size but also the substance of its public policies and performance (Pandey, 1999).

In terms of military strength, it is a fact that Nepal's combat capability cannot be compared with its immediate neighbours. But it is still larger than a vast number of other countries in the world. Nepal's perception of insecurity is a psychological phenomenon resulting from its physical environment, which in turn is a consequence of its size (Khadka, 1997: 56). Since such a perception

has also shaped its relations with the outside world, it has been preoccupied almost single-mindedly with devising a strategy as to how best to seek protection from any potential risk to its sovereignty. This defensive mentality has been created and somehow nurtured because of the fact that its immediate neighbour India is twenty-three and China sixty-eight times bigger in size. Such a perception needs to be changed in today's world where not only the theory of balance of power determines the interstate relations but also the principles of Panchasheel prevail and help countries orient their foreign policy through the specific situation of the post-Cold War world. As Pandey argues, a country of twenty-three million people that wants to develop has to "think big" "dream big", and "be big" not in a physical sense, or in an arrogant or megalomaniac way, but to be rid of the defeatist complex it carries on account of its social debilities and physical surroundings (Pandey, 1999).

Pandey argues that such a psychology, as well as the projection of a country, needs to be overcome and that political leaderships must rise above such mentality and instead portray the image of the country as a player in regional as well as international relations. The city-state of Singapore with a population of 3.4 million could be cited as an example of how to portray oneself as a player at the regional as well as international level despite being small in geographical size and population. Geographically, it is the smallest country in South East Asia however; its influence and reputation in the Association of South East Asian Nations (ASEAN) and in other international forums are more significant than many other countries in the region, which are a hundred times larger in terms of population and geographical size. Though there is a tendency in international politics - especially among the large and powerful countries - to either patronize or bring smaller countries into their area of influence, many smaller countries in the world have been challenging such a tendency and becoming more assertive. With this change in the norms of international relations and the process of regionalization and globalization, such paternalist attitude

has been declining. There is a tendency to counter such attitudes by playing assertive roles, building positive images in the existing international and regional forums, and helping in the reformulation of international laws. Nepal has also been contributing to world peace by committing its troops to the UN peace-keeping missions in many parts of the world. Such developments have significantly changed its traditional isolationist images and have helped it gain recognition in the international political arena.

The image and the reputation of Nepal have now suffered serious damage due to growing violence and conflicts. While talking with the author, foreign affairs expert and Minister Ramesh Nath Pandey argued that Nepal has been losing its international status due to its failure in maintaining domestic order. To prove his point, he also stressed that for the last few years there had been no high level visits to Nepal from the heads of the states or the governments of any significant countries (interaction of the author with RN Pandey, August 8, 2004).

Geography

As described by Nicholas Spykeman, geography is the “most fundamental conditioning factor in the foreign policy of states because it is the most permanent” (Spykeman, 1938: 7). Various Nepalese and Indian writers have described that if anything dictates Nepal’s foreign policy that is its geographical position. Present Indian Foreign Minister Mr. K. Natwar Singh once said that geography dictated Nepal-India relations (Bhattarai, 2001). According to the Department of Survey, HMG, Nepal shares a 1590 kilometre-long border with India and 1414 kilometres with China. As Dahal argues “Nepal occupies a pivotal position in the Himalayas located between the Central and South Asian regions, a part of Eurasian landmass, to use Mackinder’s terminology” (Dahal, 1997: 27). To the north of this monarchical kingdom lies Tibet, the Autonomous Region of China; to the east, west, and south are the federal states – Bengal, Bihar, and Uttar Pradesh – of the republic of India. Dahal further argues that such a position of Nepal forms its geo-strategic setting

with regards to the Gangetic belt, an area critically important for India's security and the stability of its heartland, where an enormous share of its human and resources base is concentrated. This is the primary reason why India has been striving towards a firmer influence in Nepal for its territorial and political defense in areas that border China, which Indian strategists perceive is the actual rival of India (Ibid).

Nepal's geographical location is also very important for India's defence. Due to its strategic importance for its defence from China, the British did everything they could to transform Nepal into a friendly buffer state between China and British possessions in India. After the end of British rule in India, the post colonial government of India also took note of Nepal's strategic importance and quickly signed a Treaty of Peace and Friendship covering all aspects of Nepal–India relations in 1950, followed by a letter of exchange. Similarly, both countries concluded an agreement on arms procurement in 1965, and in 1978 India agreed to sign a trade and transit treaty with landlocked Nepal.

Thus, there are some genuine and legitimate concerns in India's security viewpoint on Nepal. While Nepal pursues its foreign policy it is important that it considers India's security sensitivity. It is also important to note that while giving due consideration for India's security concern, Nepal does not have to compromise its sovereignty, independent stance and neutral foreign policy which Indian policy makers often demand from Nepal. About the Indian security concerns, the expressions made by the Indian leaders from time to time have become quite controversial. In 1950, Nehru said, "Nepal is geographically almost a part of India, although it is an independent country" (Norman, 1965: 269). Many Nepalese found in the statement a kind of paternalistic attitude and even interpreted it as Indian attempt to undermine Nepal's sovereign and independent status. Such a statement does not help create a healthy environment in the relationship between the two countries. Such expressions only contribute to creating suspicions in a country like Nepal, which is weak and small compared to its immediate

neighbours. “Indians perceive that Nepal lies to the south of the Himalayas and that Nepal’s geopolitical importance cannot be the same both to the north and the south of the Himalayas” (*The Rising Nepal*, Feb 23, 1976). It is a fact that Nepal’s relations with India are more interactive and its access to the sea port in Calcutta, which is about 1000 kilometres is easier than with Tibet’s vast mountainous lands owing to the plain lands and open border. But again, this does not mean that Nepal cannot maintain equal relationships with both neighbours.

It is also important to note here that Nepal has to be sensitive in not allowing its land to be used by any anti-Indian forces and provide better confidence to India about her security sensitivities. Nepal has to be equally sensitive about not allowing any anti-Tibet or anti-Chinese activities on the Nepalese soil. Nepal’s northern neighbour Tibet, the Autonomous region of China, is also a strategically important location for extending China’s relations with South Asia. Tibet is regarded as China’s trouble spot where a large number of anti-China forces have identified their interests. Therefore, Nepal needs to be sensitive about the Tibetan situation and possible misuse of Nepalese land by those anti-Chinese forces.

After the establishment of Nepal-China diplomatic relations in 1955, the relationship between the two countries has been friendly and cordial. The countries have resolved their border issues, and there are no other contentious issues that are likely to create problems in the near future. China’s only concern is that insecurity and instability in Nepal might strengthen anti-China elements along its own borders. The Khampa uprising in the 1960s and 1970s was the most sensitive issue for the Chinese in the past. Khampa activities have now been contained. However, the problem has not been completely solved. The Chinese are very explicit that Nepal should not be a springboard for anti-Chinese forces like the Khampas. Therefore, the geographical location of Nepal carries importance for China which has been emerging as a global power. As an emerging power, China’s interest is not only to secure its borders but also to seek stable, cordial and friendly relations with its immediate

neighbours. A country which cannot secure stable relationship with its neighbours and maintain stability may find it difficult to gain international status. China certainly has attached geo-strategic importance to Nepal and that needs to be given ample consideration.

The geographical location of Nepal therefore makes it an important consideration to both its immediate neighbours. Any problem that may emerge in Nepal is a matter of concern for both neighbouring countries, and warrants their serious concern.

Cultural and Ethnic Links

Cultural and ethnic links are also very important in discussing the geopolitical aspects of a country. According to Dr. Harka Gurung, "The land corresponding to present-day Nepal in the Central Himalayas represents an area of interface of two cultural worlds - Indic and Bodic. Their contact zone runs north-west to south west at a tangent to mountain Azis whereby the Caucasoids (Khas) predominate in the Karnali basin and the Mongoloids (Kirantis) eastwards" (Gurung, 1997). Nepal is a meeting point for two specific countries and civilizations - India and China, and for two regions - South Asia and Central Asia. Nepal is a host country to both Hinduism and Buddhism, and these religions are the most dominant religions in India and China respectively. Being the birthplace of Siddhartha Gautam, Nepal can attract a large number of Buddhist pilgrims from China on the one hand, and there are several Hindu shrines where equal number of Hindu pilgrims can visit on the other. "Nepal is wedged between India in the south and Tibet of China in the north and this intermediary position has had definite bearing on the development of her culture. India and China were the two countries from which Nepal received cultural contributions and passed these achievements to the outside world" (Sharma, undated). It is said that the cultural and religious ties and commonalities are stronger than the geographical proximities or other economic interests. Nepal, as a sandwiched country between two giants, therefore needs to explore and foster commonalities of cultural interest.

The northern region of Nepal has been inhabited by immigrants

from Tibet and the southern region by people of Indian origin. The Nepalese citizens of the Terai region, who are of Aryan stock and are predominantly Hindu, have linguistic, cultural and religious bonds with the people of India. Similarly, the people of the upper hills and mountain region are of the Mongoloid stock, and share closer cultural, linguistic and religious ties with the people of China. Thus, Nepal is a meeting point for two civilizations. Owing to the open border and accessible land, the Nepalese people have fostered stronger ties with the neighbouring regions in the south such as Uttaranchal, Bihar, Uttar Pradesh and West Bengal of India.

Other factors binding the two countries are common culture, religion and traditions. Each year hundreds of thousands of Indian Hindu pilgrims visit Pashupatinath Temple in Kathmandu and a large number of Nepalese pilgrims also cross the border and visit Indian temples. In the border area, there are a large number of Nepalese people who have family ties with the people in northern Indian states such as Bihar, Uttar Pradesh and West Bengal.

Such close cultural links between the two countries have also been promoted by other social and educational exchanges. It has been a common practice, especially for Nepalese students, to receive higher education and training in India. A large number of Nepalese are working as migrant labourers in different parts of India. Similarly, a large number of Indian citizens are also working in Nepal as doctors, teachers and shopkeepers. A major share of business in Nepal is also occupied by Indian citizens.

The political relationship between the leaders of post-Rana Nepal and newly independent India is another determinant factor shaping the relationship between the two countries. The political leaders of the two countries have had a close personal and political association. A large number of Nepalese politicians received their education in India since there were no facilities in Nepal for basic and higher education for the common people during the period of Rana oligarchy (1846-1904). During their student days in India, many Nepalese leaders were put into Indian jails because of their participation in the freedom struggle against British colonialism.

The two dominant political parties of Nepal (the Nepali Congress and the Communist Party of Nepal) were established in India in the late 1940s and launched the pro-democracy movement in Nepal while they were still in India. This helped develop close personal and political association among the leaders of the two countries. P. R. Sharma points out that the comradeship between the leaders of the two countries grew closer when the Nepalese leaders occupied positions in the government after the overthrow of the Ranas in 1950s” (Sharma, undated).

Borders and Population Movement

The border is another area which has implications for Nepal’s relationship with its neighbours. The northern Himalayas and the mountains of Nepal have been natural bastions against foreign invasion. In the past, the malaria-prone jungle in the south warded off foreign penetration. With this natural barrier, Nepal’s position as a buffer state was secured. However, with the eradication of malaria, the construction of various roads and the migration of people from the hills to the Terai, Nepal’s position as a buffer region has undergone a change. Numerous roads and entry points have been built to connect India, resulting in the economic, cultural, and political permeability of Nepal.

On the northern side, there are a number of passes connecting Nepal with Tibet, such as the Takla Khar Pass, the Mustang Pass, the Kuti pass, and the Hatia Pass but it is extremely hard for Nepal to gain access to Chinese seaports via Tibetan territories. The Kodari Highway links Nepal with Tibet in the north and currently, Rasuwa Syaphrubeshi Road is also being constructed with Chinese assistance. Upon completion, this road will be the second major road link to Tibet. Nepal and China have reached an understanding to open up other passes such as Mustang, Kimathanka–Sankhuwasava and Humla. If those proposed links are opened, the flow of Nepal-China trade and tourism, as well as other economic and cultural activities will speed up, bringing both Nepal and China much closer. This would certainly reduce Nepal’s over-dependence on India.

There are thirty landlocked countries in the world, most of which are developing countries. Like Nepal, these countries are also economically dependent on larger neighbouring countries. The dependence imposed by their landlocked status has led to a situation where their economic development is conditioned by the economic development of the transit countries. Nepal's landlocked status is a problem in itself and its access to the sea is made possible only by railways through Indian territories. Though the air shipments have increased in recent years, the possibility of river navigation has not been explored yet. Nepal's transit route is only via India and Calcutta, its nearest port, is about one thousand kilometres. Since the country has been facing enormous problems in the area of transit, it has tried to exploit the alternative route with Bangladesh, although its effective utilization still depends on India's attitude since Nepal and Bangladesh have no common borders (Muni, 1992: 65). Though India has not denied the transit routes for Nepal except for a brief period in 1989, the use of that route has proved prohibitive owing to the high costs of transport and all sorts of administrative problems brought about by the application of India's domestic laws "designed primarily for Indian trade and not for transit" (Glassner, 1978: 312).

Nepal's open border with India and its landlocked status heavily constrains its economic development. This situation has, in the past, forced Nepal to pursue the policy of economic and trade diversification (Khadka, 1997: 65). Since the open door policy adopted by China, Nepal's trade volume with this country has increased considerably. As reported in the Kantipur Daily, Nepal's bilateral trade with China has remarkably increased and its deficit in the trade with Tibet and Hong Kong has reached NRs. 16 billion (Kantipur Daily, August 21, 2004).

But it also has social and cultural, as well as economic, implications. It brings up several unexpected issues in the relationship between the two countries. The issue of migration has become one of the challenges that the governments and peoples of the world are confronting today. "International and internal migrations are inextricably linked to a wide range of issues and dilemmas that

confront governments and peoples across the globe today” (Bali, 1997). In Nepal also, the migrations from hilly areas to the southern plains and from India are significant for the last five decades. With the eradication of malaria and the clearance of forests in the southern land, which is fertile and provides market accesses, the people in the mountains, especially in the mid western and eastern regions have been moving to the Terai.

The growing trend of concentration in the Terai has serious implications for Nepal’s economy. But the growing migration also has a serious impact on the ethnic, religious, social and political composition of society and the country as a whole. The increasing presence of diverse communities would not only change the existing socio-cultural, ethnic and religious composition of the society, but also affects national and international politics. The relatively small Jewish community in the USA has exerted a tremendous influence on internal US politics as well as on its external relation. Similarly, a growing number of Nepali speaking people in some states in India have been exerting considerable influence on political, social and the cultural life of those states. Expectedly, they are likely to have an impact on Indian foreign policy, just as the people of Indian origin have had an influence on Nepal.

Natural Resources and Economic Development

Nepal’s natural resources - the rivers, lakes, mountains, forests and minerals - have tremendous potential for industrialization, economic development and prosperity of the people. These are not only important in terms of their scenic beauty but also constitute assets and strength, which have strong impact on Nepal’s geopolitical factors. The total hydro potentiality of Nepal is 83,000 MW, which is the second largest after Brazil. As water and energy have become very much scarce resources at the global level, such potential certainly draws the attention from other economically powerful countries. Similarly, the mountainous scenic beauties that Nepal offers are also important for developing major tourist destinations and preserving biodiversity.

In the future, Nepal's energy may find markets in India, China and other South Asian countries though it has not been able to utilize the tremendous hydropower potential at present. Nepal's rivers flow south from the north and there is the possibility of developing multi-purpose projects in irrigation, hydropower production, river transport, flood control and the preservation of the ecosystem. As emerging global economic powers, both India and China have been facing serious energy shortages. They need enormous energy to pursue their fast economic growth and process of industrialization. And producing surplus power and selling it to neighbouring country is an important option for Nepal to speed up its economic development and improve the living conditions of the poor. Similarly, the scenic beauties of the Himalayas can be used to attract a large number of tourists to this region. And if a proper system could be developed there is also the possibility of bringing them to various provinces of India and Tibet to familiarize them with the ecology, cultures, traditions and values of the people living in those regions.

However, the utilization of Nepal's resources, especially water, has always been a very controversial issue. In the two cases of the Koshi and Gandak agreements with India signed in 1954 and 1959, Nepal felt 'cheated' and more recently, also in Tanakpur. All this has set off a bad precedence arousing serious national concerns (Dahal, 1997: 30). In the midst of high controversy, the Governments of Nepal and India have signed a fresh treaty, which includes the status of rivers as well as other projects known as the Integrated Development of Mahakali River, which includes the Sarada Barrage, the Tanakpur Barrage and the Pancheswar Project. As Nepal's future development depends upon the proper utilization of its natural resources, especially water, it is of utmost importance that it develops comprehensive frameworks for its utilization. It is also vital to develop a national consensus among major political and social forces about its maximum utilization with due consideration to its secondary social and ecological impacts. The sharing of water resources requires a comprehensive framework of national

consensus on procedural matters, the utilization of river resources, the processes of utilization, strategy, and policies, distribution and an array of other foreign policy matters pertaining to the nation's vital interest (Ibid).

Considering the vital importance of the natural resources in the national development and the past controversies, a clause has been inserted in the 1990 Constitution of Nepal which provides that any agreement with other countries connected with natural resources, including water exploitation, is considered as important and with long term impacts, and has therefore to be approved by a two-third majority of the members of the Parliament. Such a process not only helps in building national consensus but also contributes to developing a comprehensive program for the utilization of the resources to improve the people's life condition and to strengthen the Nepalese state's role in international politics. Therefore, the geopolitical aspects of Nepal's natural resources need to be considered in the context of a changing world and on the basis of that a comprehensive framework is needed for its proper utilization. The utilization of natural resources demands collective efforts and carries strategic interests not only for Nepal but for its neighbouring countries as well.

Economy and Trade

Economics has started to play a vital role in the international relations among the nation-states. Since the early 1990s, ideological ingredients have become less important than economics in international relations. Meanwhile, global economic activities have become a prominent phenomenon around the world. Geographical proximity is seriously taken into account when a nation or region makes its trade policies and carries out foreign economic exchanges. The formation of the regional trading and economic blocs like Asia Pacific Economic Cooperation (APEC), North American Free Trade Agreement (NAFTA), South Asian Free Trade Agreement (SAFTA), ASEAN Free Trade, The South American Trade agreement (MERCOSUR), the G-7 group of industrialized nations, and European

Economic Community, are some examples of global economic regimes that have developed in recent decades. In the future, it is possible that the world will divide itself along geo-political and geo-economic lines, which ultimately means that the geographical division must serve economic development of any particular region.

The economic links between Nepal and India are very strong. Due to Nepal's small size, its geographical location and its limited resources, it depends on India for essential commodities such as fuel, salt, coal and many manufactured products. Though Nepal had a considerable amount of trade with Tibet in the past, and still imports some manufactured products from there, these days it has to rely on India for basic goods. Because of the open border with India, Nepal can have easier access to India than to Tibet.

It is not that Nepal alone is heavily dependent on India economically. Indian economic interests in Nepal are also quite profound. All the Nepalese rivers flow into India from Nepal and India has been able to utilize them to irrigate massive portions of farming land in Bihar and Uttar Pradesh. Nepal has always been a safe market for Indian manufactured goods. The volume of annual trade between the two countries is significant and there is a considerable amount of Indian investment in Nepal. As Hari Krishna Jha has pointed out, "If Nepal's economic interests in India are vital, those of India in Nepal are also substantial" (Jha, 1975: 2). Due to the economic blockade imposed by India in 1989/90, the volume of trade between two countries declined significantly. After the reciprocal arrangement, however, it started to increase steadily again. The two countries signed a trade treaty in 1996 widening the area of future trade between them. This treaty is regarded as one of the best treaties signed between the two countries. Under pressure, however, it was amended in 1999, which resulted in narrowing of the scopes of trade between the two countries once again.

The trend of growth is on the upswing owing to the increasing connection between Mainland China and Tibet. The Chinese government has been constructing a railway with a goal to link

Lhasa by the year 2006 and more passes are being opened up along the border between the two countries. These developments will certainly contribute to the economic and trade activities between the two countries.

Similarly, Nepal can also offer a trade route between India and Tibet. This was the main trade thoroughfare between the two countries until two century ago. However, there have been fears that with the opening of Nathula Pass in Sikkim for trade between China and India, the commerce between Nepal and China via Khasa may dry up (The Himalayan Times, August 25, 2004). With China and India already on the path of becoming economic powerhouses and opening up such passes between them, Nepal needs to study the full implications of these developments and gear itself up to protect its economic interests. It is time for Nepal to establish its comparative and competitive advantages to enable itself to compete for its share of the market.

Geo-strategic Setting of Nepal

“Geo-strategy defines the capacity that each nation owes to its configuration to its sea and continental boundaries and to the influence that it exercises through its intrinsic or acquired power” (Dahal, 2004: 9). Nepal’s geo-strategic interests lie in maintaining friendly ties with its two neighbours and expanding its relations with more and more countries in the world. Similarly, it has to be more active in international and regional organizations and forums. Traditionally, Nepal was an isolated country and its prime foreign policy objective was to preserve its national sovereignty and independence. However, with the change in the nature of global politics and its implications for the region, the overall objectives of Nepal have also broadened and now its goal is to expand its bilateral relations and to increase its role in international organizations and forums.

Nepal has always pursued a defensive policy. Even during the British occupation of India, Nepal preserved its sovereign status by reconciling with the imperial regime. India’s independence and the end of Rana rule in Nepal provided an opportunity for Nepal to

expand its relations with the outside world. The expansion and diversification of Nepal's participation in the global system received further impetus under subsequent phases of political development. At present, the country has diplomatic relations with 113 countries and is represented in all major international organizations and forums – a fact which has helped the country in developing not only a distinct personality in the comity of nations, but also in diversifying her political and economic contacts (Mahat, 2004). Over the years, Nepal has been able to expand its relations and gain a comparatively better position and reputation in international forums.

Owing to the changing nature of global politics and perception of security, there are fewer possibilities of its being able to ward off external threats though they are growing more real and formidable. Any talk about geo-strategy therefore involves the identification of major factors contributing to Nepal's survival and development. Similarly, it is also important to recognize the strategic interests of our neighbours and other global power centres. The strategic setting of the country has attracted the attention of the region. Whatever happens inside Nepal is of major importance not only for its immediate neighbours but also for the interests of the US, the European countries, and other international organizations and agencies.

China and India's paramount concern in Nepal is related to security and stability. Any disturbances in Nepal would have spill over impacts on both countries. Similarly, both countries are competing regional powers in Asia and their interest regarding Nepal is to extend their own sphere of influence and contain the other's. Apart from their economic and trade interests, another common interest of both these countries is to contain the super power influences in the region.

Similarly, the US interests in Nepal lies in expanding its influence in an area which lies between two emerging world powers - China and India. It also wants to curb communist influences. In the aftermath of September 11, one more issue that the US has been pursuing is to include more and more countries in its anti-terrorist

global alliance. There were reports of seeking Nepal's cooperation in setting up military observation posts in northern areas, possibly in the Mustang region bordering Tibet, where US intelligence agencies had trained and used Khampa rebels for organizing raids in Tibet between 1960 and 1974 (Nepalnews.com, May 4, 2002; The Hindustan Times, May 5, 2002; Muni, 2003). However, the former US ambassador to Nepal, Michael Malinowski strongly denied the charges later on about the setting up of the US intelligence agency in Mustang (Nepalnews.com, 4 May, 2002; Muni, 2003).

The UN, the European states, and the North American states, regard themselves as the guardian of human rights. In the post-Holocaust world, the human rights laws have outlawed genocide, torture, and massive human rights abuses. But what happens if states behave as gangsters towards their own people and take sovereignty as a license to kill? (Wheeler, 1996: 44). Sovereign states are expected to act as guardians of their citizens. Because of the failure of a sovereign state to protect its citizens, it has become a practice in the post Second World War world to intervene in other countries to stop abuses of human rights. Therefore, the international communities would not ignore increasing violence and violation of human rights in Nepal also.

The post-Cold War period has offered two glaring cases of intervention. In Kurdistan and Somalia, the principal force behind intervention was not the state that persuaded reluctant public to respond to human suffering. Rather, it was the media and domestic public opinion, which pressurized policy-makers into taking humanitarian actions. Therefore, the continuous violence and increasing human rights violation in Nepal could contribute to building public opinion strong enough to pressurize the Nepali state to take preventive actions.

Changing Geopolitical Realities of the World

Changes in international politics have been brought about by a number of quantitative and qualitative issues. After the end of World War I, widespread democratization altered international

relations. The success of the Bolshevik Revolution in 1917, the formation of the League of Nations in 1919, and the then US President Woodrow Wilson's 14 points agenda for international relations, were some of the changes (Scott, 1996: 41). Because of the failure of the League of Nations, the rise of Fascism and Nazism in Europe, and the subsequent outbreak of World War II, democratization received a huge setback. However, these processes again built momentum after the war. The establishment of the UN, the adoption of the Universal Declaration of Human Rights, the process of decolonization and anti-apartheid movements, and the formation of the Non-aligned Movement, were some of the developments in the process of democratization in international politics (Ibid). Such changes in international politics have had a tremendous impact on domestic politics as well as interstate relations. Diplomacy and foreign policy making became more open and transparent in national politics. The influence of elected bodies like Parliaments has also increased. Such a process of democratization at the national level has had a tremendous impact on international relations.

Another change is taking place in world politics due to the unprecedented development of transportation and communications. Telecommunications and jet travel have created a "global village" and burgeoning social and economic transactions are creating "a world without borders" (Brown, 1972). These technological achievements have had a two-way effect. They have contributed to the expansion of the international relations. The ease of travel and communication has increased the bilateral and multilateral connections between states as well as with international organizations. Similarly, international conferences, summits and meetings in regional as well as international levels, have increased remarkably. This has also enhanced the mobility of the financial capital and population. Technological innovation and transformation have accelerated the process of globalization in the world. Such processes have made the global village much more complex especially for the poor and the uneducated making their access to it almost impossible.

This is a clear departure from classical or traditional approaches to the scientific study of the determinants of state behaviours. The First and the Second World Wars led to a growing acknowledgement that “international governance could not rely on the balance of power unless the most extreme forms of violence against humanity were to be outlawed and the growing interconnectedness and interdependence of nations recognized” (Held and McGrew, 2000: 55). The adoption of the United Nations Charter and Universal Declaration of Human Rights by the UN General Assembly were examples of the recognition of international governance. Similarly, the recognition that ‘all states are equal’ has, to some extent, provided value to many small and developing countries in the world. The UN has also provided alternative principles of collective decision-making between the states and non-governmental organizations eroding the sanctity of territorial sovereignty. However, the US and the UK’s decision to attack Iraq last year without UN approval has challenged its Charter and the basic Principles. Similarly, the UN’s increasing failure in preventing humanitarian crisis has also questioned its global role and efficacy.

Similarly, the adoption of the Universal Declaration of Human Rights has created a global level framework for promoting civil and political as well as socio-economic and cultural rights. “Post-war global politics has challenged the Westphalia perception of national sovereignty” (Scott, 1996: 38). It is established that sovereignty means not just the supreme power over the citizens and unlimited authority in the domestic affairs but also certain obligations and responsibilities to the citizens and the global community. With the inception of the concept of global governance as well as increasing process of globalization, the conventional view of nationalism and national sovereignty has been changing.

The political decisions and actions taken by a country or a community in any part of the world rapidly acquire worldwide ramifications in this interconnected world. The attack on the Twin Towers and the Pentagon on September 11, 2001 has changed the whole pattern of world politics. The actions and decisions of any

country either on domestic, regional or international issues, would generate instant implications for the international and global community. Issues like developing nuclear weapons, the failure to protect endangered species, or the massive violation of human rights, even if happening within the border of a sovereign nation, would generate worldwide concern. “The idea of global politics challenges the traditional distinctions between domestic/international, inside/outside, territorial/non-territorial politics, as embedded in conventional conceptions” (Walker, 1993). Although national governments and states remain powerful actors, they now share the global arena with an array of other agencies and organizations. The growth of non-state actors and their increasing joint activities and interactions have also challenged the conventional definition of interstate relations broadening the scope of international relations and foreign policy matters. The rise of global economics, regionalization and globalization has contested the geopolitics of nation-states and has increased the membership of international regimes.

Furthermore, today’s world politics is not only rooted in traditional geopolitical concerns such as security and military affairs, it also covers economic, social and ecological issues. Likewise, terrorism, drug, human rights, pollution, epidemic, violent conflicts etc, which have no geographical borders, are increasingly becoming trans-national issues. This expansion of geopolitical issues demands more collaboration and cooperation between the states and non-state actors. In the last fifty years, numerous international, regional and bilateral organizations or networks have been established. These organizations and networks have also introduced laws, rules and regulations to monitor, supervise and enhance the regional and international cooperation. There are thousands of inter-governmental organizations (IGOs), non-governmental organizations (NGOs), community based organizations, and pressure groups at the bilateral, regional, international and intercontinental level, which aim to pursue the goals and objectives that have a bearing on transnational rules and authority system

(Rosenau, 1997; Held and McGrew, 2000: 55). In 1909, there were 37 intergovernmental and governmental organizations (IGOs) and 176 international non-governmental organizations (INGOs), while in 1996 there were nearly 260 IGOs and 5,472 INGOs. Similarly, during the period 1946 – 1975 the number of international treaties in force between governments more than doubled from 6,351 to 14,061, while the number of such treaties embracing inter-governmental organizations expanded from 623 to 2,303. This shows the volume of internationalized issues and processes of decision-making, and the involvement of states and non-state actors in the global arena.

The growth of the number of new forms of political agencies and organizations reflects the rapid expansion of trans-national links and corresponding desire by most states for some form of international governance to deal with collective policy problems (Luard, 1977; Kragner, 1983; Held and McGrew, 2000: 51). The development of international agencies and organizations has led to significant changes in the decision-making structure of world politics. New forms of multilateral and multinational policies have been established involving governments, NGOs and other social and humanitarian agencies. It shows the rapid process of internationalization of political decision-making that has been underway in recent times. These developments have been accompanied by the growth of diplomatic connections.

The growth in international connections among the people's organizations and non-governmental organizations has challenged the traditional practices where the state was the only actor and had a monopoly in maintaining interstate and global relations. Even within the government, it was the Ministry of Foreign Affairs, which had been solely responsible for all aspects of international relations and foreign policy. For the governments, it has become quite difficult to decide what is and what is not a domestic matter. They find it hard to monitor international treaties and systems. Extensive intergovernmental and trans-governmental activities, multilateral conferences, conferences at regional and international levels as

well as summit meetings have become extremely common. Such developments have influenced all aspects of international politics as well as the foreign policy matters of nation states, big or small, economically developed or developing, powerful or weak.

However, the central part of the nation-state remains national sovereignty, self-determination, national independence and security. The core value and norms of the contemporary global society of states are international peace and security, state sovereignty, self-determination, non-intervention, non-discrimination, and generally the sanctity, integrity and inviolability of all existing states regardless of their level of development, form of government, political ideology or other domestic characteristics or conditions (Ibid).

Similarly, another factor that changes the geopolitics is demographic mobility. There is a growing trend of migration, both voluntary and involuntary, depending on the underlying motivation of the migrants. It is global in scope and there is no part of the world unaffected by migration. Involuntary migration takes place as a consequence of natural disaster, wars and ethnic, religious or political persecution. During voluntary migration, people mainly look for permanent settlement, studies or tourism. In the last few decades, with the changing economic climate and uneven development processes, there are large number of people moving from developing to industrialized countries. Such demographic changes affect the country's geopolitics by altering internal social and political equilibrium. The increasing movement of people from one country to another and within a country has increased the connections between the states on the one hand, and has helped in expanding the relations between the states expanding the foreign policy issues on the other.

Changing Geopolitical Realities of Nepal

The dictum of King Prithvi Narayan Shah, that “Nepal is a Yam between two boulders”, was interpreted at the time as a defensive strategy. It still remains the point of reference for foreign policy makers. The geographical location that Nepal occupies today is one

of the basic factors which play an important role in determining its foreign policy and gives a milieu for its responsibilities in international politics. Nepal's geographic position has undoubtedly affected its policies, but it is not the sole causal factor that has determined Nepal's security. (Dahal, 1997: 27) The basic geographical position of the country remains the same as the late king described more than two centuries ago. Nevertheless, the global and regional political situation has been constantly changing since then. These changes have a powerful effect on Nepal's foreign policy. Since the external environment is not constant and keeps changing, sometimes at a rate beyond projection and predictions, the effectiveness of foreign policy tools in shaping a nation's future course of action may be limited (Kadkha, 1997: 52).

Traditionally, geographically disadvantaged poor countries like Nepal were insignificant actors in influencing their external environment. But in the post-Second World War era, many of these nations have successfully played collective roles in international politics to get their voice heard in policy-making. Their joint efforts for securing maximum benefits for the geographically small, economically weak, and backward countries were recognized in the international treaties and agreements. Though their roles are still limited, they have been able to gain achievements in some important areas. Securing equal membership status and voting rights in the UN General Assembly, the World Trade Organization, and many other international and regional forums, are some of the remarkable achievements in favour of small, landlocked and least developed countries. It is generally perceived that the roles of individual poor countries like Nepal in international politics are limited to maintain their presence in international arenas and to circumvent any unwanted inputs that could have adverse effects on their regimes or political system. However, such perceptions are also undergoing substantial change. One remarkable feature of Nepal since the Rana regime is that it has acted as a producer of security necessities for the British armed forces and UN Peace Keeping operations.

Similarly, while discussing the geo-strategy of Nepal, the normalization of Sino-India relations needs to be considered. The inimical relationship between the two countries existing for the last four decades has been changing. The growing bilateral trade and increasing exchanges in science and technology between the two countries are likely to have implications for Nepal's foreign policy settings.

Before 1951, Nepal had diplomatic relations with only five countries. Today, the number has grown to 113, with permanent diplomatic missions in 22 countries (Ministry of Foreign Affairs, 2004). The expansion of Nepal's role in the international arena could also be viewed in the economic context as well. The foreign debts, aids and grants in the last fifty years have dramatically increased. Madan Dahal states that from the first five-year plan to the 1990s Nepal received US \$ 2.4 billion in aid (Dahal, 1999: 10). It is a huge amount of money for a comparatively small country like Nepal. It is altogether different story so far as its utilization is concerned. According to statistics, over 60 percent of the total foreign assistance returns to donor countries (Ibid). This indicates that the politics of aid and debts has a motive of serving the interest of big powers rather than expanding the production structure of Nepalese economy.

The Changing Security Considerations

Securing a territorial borders and nation's integrity is the paramount objective of any sovereign country. However, in the last few decades, the conventional perception of security has undergone profound change and the focus on military and strategic considerations has significantly declined. Human security has been taking centre stage. Security of the people and their welfare has become a focal issue for the governments. According to the Human Development Report, national security cannot be achieved in a situation where people starve and arms accumulate, social expenditure falls and military expenditure rises. Like the concept of development, the concept of security has increasingly become people-centred. South

Asia today is the most militarized region of the world, but that does not make the region any more secure (Haq, 1997).

In the changing concept of security and strategic considerations, Nepal has been facing a tremendous pressure in freeing its people from the clutches of violence and securing for them basic needs such as sufficient food, shelters, education, health care and security. The state's failure to initiate socio-economic development has been one of the major causes of conflict, which has led the country to the current state of chaos, instability and violence. "The biggest source of insecurity to the Nepalese society at present remains terrorism and violence unleashed by the Maoists" (Mahat, 2004).

Escalation of Violence and Human Rights Abuse

The Maoist war that was launched in 1996 has become one of the most successful insurgencies in recent times. The eight years of Maoists insurgency and counter-insurgency operations have brought the death of over ten-thousand people, the loss of enormous amount of public and private properties, and the destruction of scarce rural infrastructure. According to INSEC, a human rights organization, 6,804 Maoists were killed by the security forces between the period of February 13, 1996 and October 9, 2004. This figure does not include the people who have disappeared from police and army custodies. According to official statistics, the number of people (including security personnel) killed by the Maoists stood at 3,583 as of October 9, 2004. The total number of abducted people in the same period stands at 20,434. Some 200,000 persons, mostly teachers, landowners and government employees have been displaced from their homes and 250 have gone missing. The trauma faced by widows and orphans, sexual violence, forcible eviction of women from their homes, beating, torture, arbitrary detention and so on, has been appalling. The migration of conflict-affected people to India and abroad remains unrecorded. Child Workers in Nepal Concerned Centre (CWIN) reveals a record of 1,158 children directly affected by the violence and 197 boys and 81 girls killed, 4000 uprooted from their homes and 300 injured.

Not only has it become a major cause of death and destruction, it has also shaken the fourteen-year old multi-party democracy to its very foundation. Following police failure to contain the insurgency, the army was mobilized from late 2001 but with little effect. The death toll has continued to increase and so has the destruction of rural infrastructure. This leads political analysts to conclude that the conflict has evolved into the most serious internal crisis Nepal has faced since its founding in the mid-eighteenth century (Thapa, 2002: 77).

The promulgation of the 1990 constitution was a step forward in guaranteeing basic rights, including civil, political and socio-economic rights to the people of Nepal. The most important feature of the new constitution is its recognition that sovereign power lies with the people. Similarly, the adult franchise, parliamentary system of governance, multi-party system, rule of law and constitutional monarchy are other features. The provision for an independent and competent judiciary and the rule of law ensure freedom and equal treatment to all the Nepalese citizens. The constitution has also provision for checks and balances such as the Election Commission, Commission for the Investigation of the Abuse of Authority, Judicial Council and Security Council. The formation of the National Human Rights Commission, Indigenous People's Rights Commission, Women's Commission and Oppressed People's Commission has also contributed to the protection of human rights of the general or specific groups of people.

Despite those constitutional provisions and commitments to the international human rights documents, the human rights situation in general worsened. The initial euphoria that democracy will resolve all the problems of the people was soon dashed. The newly established regime of democratic Nepal failed to tackle economic, cultural, social and political discrimination or backwardness. The marginalized and oppressed people continued to feel excluded on the basis of their caste or ethnic background. The lack of democratization in the bureaucracy, armed forces and police, as well as a culture of impunity created frustration, alienation and anger among the general population. Furthermore, growing political

instability and the failure of successive governments to tackle poverty have become issues with which the Maoists can gain popular support especially among rural youths.

For the first time in its modern history, the state has mobilized its security forces to quell the domestic rebels. In the initial days, force mobilization was limited with the police mounting campaigns known as 'Operation Romeo' and 'Kilo Sera II'. However, as the violence spread all over the country, the consecutive governments introduced new legislations to widen the power of the police and established a paramilitary wing known as Armed Police Force in 2001. After the Dunai (the headquarters of Dolpa District) attack by the Maoists, the then-government decided to station the Army in sixteen district headquarters. It was the first time that the army was mobilized against the Maoist insurgency. After the breakdown of the ceasefire in November 2001 and subsequent Maoist attack on Dang military camp, the State of Emergency was declared and the armed forces were mobilized throughout the country. The police and the army began joint "cordon and search" operations, especially in the Maoists affected areas. During this period, the security forces often exceeded their authority and made arbitrary and illegal arrests, inflicted inhuman torture, and resorted to indiscriminate killings. Disappearances and murders also became common.

After the escalation of violence and deteriorating security situation in the country, the state's defence budget has sharply increased affecting development works. To meet the defence expenditures, successive governments have raised taxes, diverted funds from development expenditures and increased foreign debt and aid. In the meantime, the Maoists have attacked some of the big multi-national companies such as Dabur Nepal, Nepal Lever Ltd, Coca-Cola, Colgate and recently the country's largest five star hotel, Soaltee Crown Plaza. This has scared not only the possible foreign investors but has also drawn the attention of the international community. It is reported that after the bombing of Soaltee Crown Plaza, Nepal's ambassador to India Karnadhwoj

Adhikari was called by the Indian Foreign Office to express India's displeasure about the escalating violence in Nepal (Kathmandu Post, August 19, 2004).

Currently, the Maoists are in control of several rural areas of Nepal and the police and civil administrative units are confined to district headquarters. They have introduced a permit system in some districts, which has caused serious problem in the mobility of the people. Several relief agencies, NGOs, and international donors, have been forced by the circumstances to pull out their workforce from the remote regions. Similarly, the Maoists have also targeted the properties of neighbouring countries and their embassy staff. The killing of two US embassy staff, the attack on American Centre and several Indian owned industrial units, schools and other areas show the deterioration of the security situation.

The National Human Rights Commission, several domestic human rights organizations, Amnesty International, and Asia Watch, have regularly expressed their concerns over the deteriorating situation of human rights. During the annual UN human rights session in Geneva, the chair country asked Nepal to endorse UN technical assistance (The Kathmandu Post, April 30, 2004). Various international and national human rights organizations have reported that Nepal's current human rights situation is the worst in the world, other than in Iraq. This situation has sparked off fears about Nepal veering toward being labelled a 'country at risk' or a 'failed state'.

INTERNATIONAL RESPONSES

The escalation of violence in Nepal has attracted serious concerns and responses from neighbouring as well as other friendly countries and international communities. The following section analyzes the responses of neighbouring, as well as other countries, to Nepal's conflict situation:

India

India's response to the insurgency in Nepal is taken as a matter of great interest. It is not only because India is the closest neighbour of Nepal and one of the largest suppliers of arms and ammunitions to the Nepali security forces, but also because the insurgents use Indian land as well as the open border with India in their operations. The Maoist leaders and cadres frequently cross the 1590 kilometre-long open border with India and take shelter in the adjoining Indian states of West Bengal, Bihar and Uttar Pradesh. Indian land is being used by the Maoists to organize their activities and recruit Nepali immigrants to their organization. It is reported in the media that Nepali Maoists regularly receive trainings in different parts of India. The Indian daily *The Times of India* reported that the Nepali government had made an official request that the activities of Nepali Maoists in Indian territory be checked, claiming that they were being trained in Bihar by members of the People's War Group (PWG) and Maoist Coordination Center (MCC). Quoting Intelligence reports, the paper claimed that the PWG was planning to create a Compact Revolutionary Zone from Hyderabad to Kathmandu taking Madhya Pradesh, Bihar and Jharkhand into its area of influence with the help of other outfits (Mishra, 2001).

Similarly, the media has also reported that Nepali and Indian Maoist groups like PWG and the MCC were establishing connections. One of the prominent Indian fortnightlies, *Frontline* reported in its May 2000 issue that the "growing coordination

between the extremist groups” in Nepal and India have resulted in simultaneous attacks in both countries. When Nepali Maoists struck in Dailekh, on April 7, 2000 killing 47 people, the Indian Maoists of the MCC also killed 14 people in Hazaribagh district of Jharkhand on April 14. That the CPN (Maoist) is using Indian land as the sanctuary has been further confirmed by media reports in Nepal and India published after the arrest of Mohan Baidya (a politburo member of the CPN-Maoist) in Siliguri in March, 2003, and Matrika Yadav and Suresh Ale Magar (central committee members of the CPN-Maoist) from Bihar in March, 2004. In the past, Indian authorities used to deny the report that Nepalese Maoists were taking shelter in India.

Similarly, the formation of the Coordination Committee of Maoist Parties and Organisations of South Asia (CCOMPOSA) was another development in the process of institutionalizing their coordinated activities. CCOMPOSA was formed on July 1, 2001. Its members are the Communist Party of Nepal (Maoist), Peoples War Group, Maoists Coordination Centre, Communist Centre of India (Maoist) and the Revolutionary Communist Centre of India (MLM). Other member groups include three Maoist parties from Bangladesh and one from Sri Lanka (Sharma, 2002; Mishra, 2003). Furthermore, the Revolutionary International Movement (RIM) from which Nepali Maoists have received ideological backing concluded earlier that in a favourable geo-strategic location like Nepal's, the Maoists' capture of state power could possibly trigger similar movements across the rest of the South Asian region (FES, 2003). This has very much alarmed the central Indian government also. The Indian Ministry of Home Affairs stated in its Annual Report 2002–03 that Naxalite-related violence had increased significantly from 2001 to 2002 (MHA, 2003). The report further stressed that there were 546 incidents of Naxalite violence which killed 509 people (Ibid).

The growth of coordinated activities across the borders, and the escalation of violence, forced India to label Nepal's Maoists as a terrorist group in 2001, almost six years after the Maoists had

launched their armed rebellion. Like many other countries, India also woke up to the Maoists' challenge in Nepal after the escalation of violence in November 2001 (Muni, 2003). It shows that the escalation of violence inside Nepal and the synchronized activities of the Maoists has not only posed a threat to the Nepali state, but has also opened New Delhi's eyes. "It is probably no less meaningful that Indian Ambassador Shyam Sharan was the very first of all Indian envoys who called for urgent consultations following the change of guards" (Josse, 2004).

India has declared the Maoists a terrorist group, but the steps that Indian government has taken to curb its activities along the border are not effective. The Indian military assistance to the Nepalese state, which was promised in 2001, started to arrive in Kathmandu some times later, but the free movement of the Maoists across the Indo-Nepal borders could still not be restricted' (Ibid). It seems that India's promises and support to the Nepali government started to come only after it received strong pressure from Nepal and other friendly countries across the world. After the PWG strike in Andhra Pradesh, M. K. Narayan, Internal Security Advisor, commented that unwillingness to acknowledge the gravity of this event is incomprehensible. Somewhat similar tactics – of simultaneously attacking several targets - had been adopted by the Maoists in Nepal and these became the precursor for the bloody pogroms that followed, earning Nepal the sobriquet of 'killing field' (Josse, 2004).

Furthermore, India expressed concern when the United States and the United Kingdom started to supply weapons to Nepal. In a speech at the French Institute of International Relations in Paris on December 17, 2002, former Indian Foreign Secretary Kanwal Sibal did not miss the opportunity to convey India's displeasure: "Western countries should also be careful about extending excessive military assistance to Nepal in order to avoid increase in the lethality of internal conflict and leakage of arms to the Maoists" (The Indian Express, New Delhi, January 3, 2003; Muni, 2003). India's concerns may not only be related to the supply of weapons but

also to the fear that these powers were 'encroaching' upon what India perceives as its area of influence. India fears that the insurgency in Nepal could spill over to the geopolitical heartland of India facilitating the smuggling of sophisticated foreign arms to Indian insurgents' (FES, 2003).

India also does not like to see third-party involvement in the peace process. Even the consensus being built among the major domestic political forces, as well as the rebels, about the possible involvement of the United Nations in the next round of peace process, has been rendered ineffectual because of India's opposition. India has been insisting that since the conflict in Nepal is its internal matter, the Nepalese themselves should solve it. On August 13, 2003, the Indian Ambassador to Nepal, Shyam Sharan urged the Maoists to "cut off their links with the terrorist entities in India like the PWG and the MCC" and made it clear that "India was not in favour of any third party mediating in the Nepalese peace process" (The Kathmandu Post, August 14, 2003). However, speaking at a press conference at Rajbiraj two months later on October 18, 2003, he changed his earlier version about the possible role of the third party in the peace process by saying that "India is ready to help solve the Maoist problem" (FES, 2003).

It was also reported that India was not happy when Prime Minister Lokendra Bahadur Chand's government and the Maoists declared a ceasefire on January 29, 2003. It expressed its dissatisfaction about not being consulted. The then-Foreign Secretary Mr. Sibal even raised the issue at a Track-II meeting where Nepal's Ambassador to India Dr. B. B. Thapa was also present. He said, "India was not taken into confidence and that there was no consultation from the Nepalese side on vital issues affecting bilateral relations between the two countries". He further asked, "what is India expected to do in relation to the Nepalese Maoists: stop monitoring their movements across the borders and stop giving military support to the Nepalese government since ceasefire and talks have been announced?" (The Hindu, February 17, 2003; Muni, 2003). India's displeasure on the matter could be viewed when it

refused to join the multilateral committees with other donor countries to monitor developmental, political and security issues in Nepal later in the year.

Some political analysts argue that India's displeasure springs from increasing military assistance that Nepal has been receiving from Belgium, the UK and the USA, which India thinks is its prerogative. Nepal has been receiving more and more military assistance from the third countries especially from the US and UK. In 1989, India had reacted against Nepal and imposed an economic blockade when Nepal imported some ammunition from China which was nominal in terms of quantity and even quality. Commenting on the issue, former Indian Ambassador to Nepal, K.V. Rajan said "India was left in a weak position to question the need or assert itself under the 1950 Treaty" (Rajan, 2003). Similarly, Editor of Weekly Magazine 'Samaya', Yuba Raj Ghimire commented with the author that "the increasing military assistance from the US and the UK has provided some manoeuvrability to Nepal in its foreign policy and has diluted the issue of importing arms from the third countries without Indian knowledge or consent" (Interview with the author on August 10, 2004).

It is argued that India has been gradually changing its approach to Nepal and is using all its leverage to counter the increasing US and UK presence. The Indian Foreign Minister K. N. Singh pledged in his last visit to Kathmandu that India is taking a robust stance on the insurgency in Nepal. "India is continuing support to Nepal in strengthening its security capabilities... and to put down the insurgency" (*The Rising Nepal June 6, 2004*). India's increased prioritization of Nepal can be measured by the fact that its Foreign Minister K. N. Singh chose Nepal as the destination for his first foreign visit after assuming office.

Similarly, for the last few years, it has been scaling up its military assistance to the RNA. India's multilateral support to the RNA is increasing in fighting against the Maoists and heightening border surveillance and monitoring. Furthermore, India has also proposed the construction of a military training school at Saljhandi area in

Rupandehi district for the RNA. It is one of the massive projects fully funded by Indian government as part of its efforts to help strengthen the RNA to fight against the Maoists (The Himalayan Times, December 23, 2004).

Similarly, the arrests of some of the top Maoist leaders earlier this year has contributed to clear the confusion and help in develop a positive environment. It has been argued that the arrests were not made only on the request of Nepali government but because the Indian government found the Maoists posing a threat to its own security. As the Nepali Maoists have built linkages with the Indian insurgent groups like Kamtapur Liberation Organisation (KLO), United Liberation Front Assam (ULFA), NDFB, MCC, and the PWG, in addition to forming CCOMPOSA, India has become alarmed about the situation. "Indian intelligence reports indicate that Maoist senior leader Mohan Baidhya was arrested last March because of his connection with KLO of West Bengal, NDFB and ULFA of Assam and C.P. Gajurel's arrest in August 2003 in Chennai Airport was because there was a suspicion that he was maintaining relations with LTTE of Sri Lanka" (Shrestha, 2004).

With the growing violence and increase in Maoist attacks on Indian interests in Nepal, New Delhi seems more concerned now than in the past. J. N. Dixit's statement quoted by Sultan Shabin in *The Asia Times* on June 4, 2004 also shows the urgency of the situation. He writes, "In Nepal, terrorist violence by the Maoist group continues unabated. The political leadership is becoming increasingly irrelevant. The political situation in Nepal has fall-out in north Bengal, Bihar and north-eastern UP. It could also have ramifications for Bhutan which still has a large Nepalese population."

India still stick with its policy towards a Nepal based upon multi-party democracy and constitutional monarchy. The government claims that there are some encouraging signs between the two countries about a chance to resolve the crisis. The official visit of Prime Minister Sher Bahadur Deuba in September 2004 is one of the testimonies towards this direction and both countries see the possibility of reaching an understanding on various issues including

a common policy strategy for suppressing the Maoist insurgency. The Indian Prime Minister Man Mohan Singh himself has come out several times with the view that the Maoists of Nepal and India have become a threat to Indian security itself. Even former Prime Minister Surya Bahadur Thapa recently said in an interview that India was becoming a dangerous threat to Maoists and if understanding could be reached fully with India, the Maoists problem could be resolved (Kantipur Daily, August 20, 2004). Likewise, in October 2004, India's Ministry of Home Affairs organized a Chief Ministers' conference in Hyderabad to discuss and formulate a common and comprehensive strategy in dealing with the increasing security threat posed by growing Maoist activities. Similarly, a two-day conference known as the "Track II Initiative" was organized in New Delhi on December 5 and 6, 2004 to discuss the Maoist insurgency. At the conference, leaders, former diplomats, academicians and political activists of both the countries participated.

India's official position is clear. It has declared CPN (Maoist) as terrorist group and has provided military support to the government of Nepal. Now, together with the US and the UK, the Indian government has also become one of the biggest suppliers of arms and ammunitions to the RNA in the name of preventing Nepal from becoming a "failed state".

However, the Maoist's official position on India is ambivalent. It has dubbed India as a hegemonic country which always tries to get undue benefits from its small neighbours in the region by using its geopolitical leverage. However, in practice, the Maoist activities and their stance on various issues towards India do not match with each other. Their silence on various issues on Nepal-India relations such as the Indian military presence at Kalapani, India's unilateral decision to construct dams in the border region, especially the Mahalisagar in Kapivastu, and Laxmanpur in Banke district, are some examples. Those activities of India have generated massive reactions inside Nepal and almost all the political parties have opposed them. However, the CPN-Maoists' position on those issues is not very clear, which is regarded as part of their calculative move of not antagonizing India.

China

Ideologically, it would seem to make sense for China to be supportive of the Nepalese Maoists' struggle since the group claims to have launched their 'people's war' on the basis of Maoist ideology and since their tactics have been similar to those used by the Chinese Communist Party fifty-five years ago. However, China was the first country to distance itself from the Nepalese Maoists and their activities. Expressing grave concerns about the escalation of violence as early as 1999, the Chinese Ambassador to Nepal pledged all support to the government of Nepal in dealing with the Maoists (Kathmandu Post, Sept. 3, 1999).

China still sticks to this position on the issue. Former Chinese Ambassador to Nepal Wu Congyong's policy statement of May 10, 2002 has been regarded as the most comprehensive statement in that respect. Wu said, "The insurgency had created unprecedented difficulties, especially the declaration of the state of emergency in November 2003 due to the deteriorating security situation. China is much concerned about this, and has given a timely response and firm support to HMG's efforts to quell the insurgency from the very beginning." (The Kathmandu Post, May 11, 2002).

This statement clarifies the Chinese policy towards the insurgency and articulates the Chinese support to the government of Nepal. In the same statement, the then-Ambassador further elaborated, "First of all, China labels the insurgents as 'antigovernment outfits', and we never call them 'Maoists'. They misuse the name of Chairman Mao, which impairs the image of the great leader of China, and at the same time, it can serve as an excuse for the international anti-China forces to create troubles" (Ibid). It is very clear that the Chinese government does not like to call them Maoists because using this name could provide space to those anti-China forces to defame the great leader Mao Zedong and China itself.

The Ambassador further stated, "The Chinese government consistently opposes terrorism in any forms and upholds international cooperation to combat it. In this context we condemn the violence and terrorist acts unleashed by the anti-government

outfits in Nepal” (Ibid). China’s view expresses its firm stance against terrorism and extends its support for international cooperation to combat it. The current Ambassador Sun Heping reaffirmed the same position by explaining, “China resolutely opposes any forms of terrorism. We strongly denounce the violent activities targeting civilians and civil infrastructures, and oppose any actions obstructing the efforts to restore peace and stability in Nepal. The stability in Nepal is not only in the interests of Nepal and its people, but is also conducive to the peace and stability of the South Asian region” (Spotlight Weekly, November 7, 2003).

In regard to its assistance policy to Nepal, the present Ambassador said in an interview, “We will continue to provide assistance to Nepal on the premise of not interfering with Nepal’s internal affairs” (People’s Review Weekly, March 25, 2004). Not only on the issue of Maoist insurgency where it has kept its distance and left the issue to be resolved internally, but also in overall bilateral relations, China’s role has been quite supportive and uncontroversial. Dr. Narayan Khadka, senior leader of the Nepali Congress (Democratic) party, said, “There is no existence of threat perception from China to Nepal” (personal interview with the author on August 10, 2004). Talking about China’s position, Senior Journalist Yuba Raj Ghimire said, ‘China is strictly adhering to the principles of Panchasheel. Even Indians accept that the Chinese are supporting only the legitimate regimes’ (personal interview with the author on August 9, 2004).

About the possible third party involvement in the peace process, the successive Ambassadors of China to Nepal have been reiterating that Nepal should tackle its own problem. They have clearly stated that the independence, sovereignty and territorial integrity of Nepal should be fully respected and maintained. About the United Nation’s possible role in the peace process, the present Ambassador is recorded to have said, “It is Nepal’s decision to make”. He stated this in a lecture program organized by the Nepal Council of World Affairs and China Study Centre on May 28, 2004. China’s current position on its neighbours, especially its

policy towards Nepal, is termed by some policy analysts as that of a 'sleeping dragon'.

However, it would be wrong to assume that China's current passive role means it is ignorant about what is going on in its neighbourhood. China has been seriously watching the growing violence accompanied by the breakdown of the security situation as well as increasing foreign activities in Nepal. In an interview published in *The Kathmandu Post* on October 1, 2002, former Chinese Ambassador Wu said, "We are closely watching the situation in Nepal. We hope that there will be peace and stability in this country" (*The Kathmandu Post*, October 1, 2002). The Ambassador's expression is a clear statement that the northern neighbour has been monitoring the situation. As one of the emerging world powers, the issue of security and stability in one of its close neighbours is of vital importance for China.

Of late, the impact of growing Maoist insurgency on Tibet has also begun to surface. The increasing use by the Nepalese Maoists of weapons made in China, and the arrest of some of their cadres with illegal arms and ammunition inside Tibet are clear examples. The increasing activities of the Maoists in Tibet would certainly draw the attention of the central government of China. Although it is not possible that China will take any direct steps at this moment, as a strong power of this region, it may certainly take the matter seriously sooner or later.

The United States

The escalation of violence has considerably increased US assistance and involvement in Nepal. The US Foreign Secretary Colin Powell made a visit to Nepal in February 2002 and pledged both economic and military assistance to the government of Nepal in order to counter the increasing Maoists activities. It was the first ever visit of a US foreign secretary to Nepal. The increasing importance attached by the US government to Nepal can also be vindicated by three visits paid by Christina Rocca, the US Assistant Secretary of State, in the year 2002 alone. During one of her visits she said, "We are

committed to help Nepal combat the insurgency by providing security assistance to the Nepalese government. Assistance will be provided in the form of a package including equipment, supplies and training for the Nepalese security forces” (The Kathmandu Post, December 15, 2002). Speaking before the US Senate Committee on Foreign Relations in March 2003 Rocca said, “We believe the parties have come this far only because the RNA was able to make an effective stand – a goal which US security assistance aims to bolster. In coordination with Great Britain, India and other partners, our security assistance will provide directly needed arms, equipment and training to enable the Royal Nepal Army to counter the Maoist military threat and to bolster government control in areas vulnerable to Maoist influence by funding high-impact rural infrastructure and employment projects” (The Kathmandu Post, March 28, 2003). The US has increased its economic assistance since 2002.

After the killing of two Nepalese staff of American Embassy by the Maoists in Kathmandu, the United States branded the Maoists as terrorists and put Nepal on the list of “US foreign policy challenges.” Last year, it provided US \$17m military and US \$40 million development aid to support Nepal’s initiative for strengthening accountable governance and development (FES, 2003). Its military assistance has increased significantly in recent years. The US has provided 8,000 new M-16 assault rifles, helicopters, twin-engine STOL aircraft, ammunitions and non-lethal equipment. Similarly, US soldiers are involved in ‘joint operations’ with the RNA.

The US has also been providing military and human rights trainings to the RNA. It seems the growing evidence of violation of human rights has generated massive concern within US human rights organizations, the media and the public. As a result, the US Congress recently passed a bill, which demands for the first time that the security forces of Nepal comply with *habeas corpus* orders issued by the Supreme Court and cooperate with the National Human Rights Commission (NHRC) to identify and resolve all the security related issues (The Kathmandu Post, December 23, 2004).

Although the US established diplomatic relations with Nepal in the late 1940s, it has pursued active diplomacy in Nepal only after the escalation of the Maoist conflict. Nepal's geopolitical location between Tibet in the north and India in the south could be used by the US as a locus to contain possible threats from communist powers, particularly the People's Republic of China. The Maoists, however, denounce the US assistance to the RNA as being part of grand "American imperialist" strategy to encircle China. It must, however, be noted that China does not share such views though it has started to attach conditionality in its aid to Nepal requiring it to spend thirty percent of the total aid in the northern region so as to prevent the Maoist insurgency from spilling over into Tibet. India is also following suit, and aims to create a "buffer zone" along the Terai belt in the south.

It is reported that in the process of making common policies towards dealing Maoist problems in Nepal, differences have emerged between the policies of the US and the European Union member countries. The US believes that the increasing military offensive can bring the Maoists to the negotiating table. The European Union members, including the UK, do not share this view. They prefer to work towards a "negotiated settlement" which addresses the root causes of the conflict and seek to achieve "democratic peace."

The United Kingdom and The European Union

The United Kingdom is another country that has been actively engaged in Nepal's peace processes. Its interest in Nepal is partly historical. It was the first European country, which recognized Nepal's independence and established diplomatic relations with it. It has recruited large number of Nepalese youths into its armed forces on the basis of the Sugauli Treaty of 1816¹. The UK is the only governmental actor other than the UN to have appointed a special representative (Sir Jeffrey James) to facilitate the

1. The Sugauli Treaty was signed Between Nepal and British India following Nepal's defeat in the Anglo-Nepal war of 1814-16.

negotiation processes in Nepal. Since his appointment, Sir Jeffrey has made seven visits to Nepal and has met political party leaders, the King, leaders of civil society organizations and security officers.

The UK government's emphasis is to restore functioning democratic institutions to Nepal and to initiate the peace processes. It has also been active in pooling joint efforts with other actors to help Nepal. For that purpose, it sponsored a conference in London in May 2002 inviting all the major donor countries. Apart from this, it has also been providing military assistance to the Royal Nepal Army. It has provided two MI-17 helicopters and 'non-lethal' military aid worth US \$20 million, allocated from its Global Conflict Prevention Funds.

The European Union has also been pressing all sides in Nepal to end violence and to create the right environment for a meaningful and sustainable peace process. A recently released statement from the Royal Danish Embassy stated, "The Presidency of the EU calls on all the actors in the conflict to bring an end to the violence, to agree to a renewed ceasefire as soon as possible, and to look for practical measures to build confidence and create a climate for a meaningful and sustainable peace process," (The Kathmandu Post, August 11, 2004). The EU's another area of concern is the violation of human rights. The Presidency in its statement further expresses its concern about Maoist violence and terrorist attacks, the use of child soldiers, extortion, abduction and forced indoctrination (Ibid).

A high-level team from the European Union visited Nepal on December 13-15, 2004 and urged the Maoists to join the dialogue. They reiterated in their statement that the "only viable option is a political solution through negotiation". They further stressed that the EU does not support authoritarian regimes and sees no alternative to a government with a broad-based democratic mandate. It was the first such high-level visit organized by the European Union to Nepal. Similarly, to address the humanitarian crises such as internally displaced persons, the EU is also planning to establish a European Commission Humanitarian Office in Nepal.

European countries, particularly Norway, Germany and Switzerland, are also active in bilateral relations with Nepal and provide sizeable amounts of development aid. The Swiss organized a seminar in Switzerland two years ago by inviting representatives from all the political parties including the Maoists. Switzerland and Norway have offered mediation in the proposed peace processes. Japan, Canada and other industrialized countries have also been providing their regular assistance to Nepal.

However, with increasing threats, especially from the Maoists in remote districts, some donor agencies, such as the German development agency GTZ and the British development agency DFID, have stopped their programs after Maoists killed one of their staff in Dailekh. Similarly, The Netherlands terminated its annual grant of five-million Euros to Nepal and Switzerland also did not renew its support to the small-industry promotion project. Some analysts consider that increased strategic interest of major powers provides space to a country, which is virtually India-locked, for maneuvering in its foreign policy. Sharing these views, former Secretary and Director of IIDS Dwarikanath Dhungel told the author, “The increasing involvement of the US has contributed in diluting several problematic issues in Nepal’s relations with India. It is a positive development which needs to be explored by Nepal in its foreign policy” (personal interview, August 13, 2004).

The United Nations

The United Nations has also offered its good offices for mediation. In a statement earlier this year UN General Secretary Kofi Annan stated that if assistance were sought from the UN, it was ready to provide it. For this purpose he appointed Samuel Tamrat as a special UN envoy who has made several visits to Nepal where he met the Prime Minister and leaders of the political parties. There has been general consensus among major political forces including the ruling and the opposition parties that UN involvement would be helpful. The Maoists have consistently demanded that the UN takes a role in the process. With the demand from the domestic stakeholders

for UN mediation and the willingness of the UN itself, there is a possibility of the increased UN involvement in the country.

The International Agencies

Other international agencies such as UNHCR and the ICRC are also active in peace-related activities. The ICRC has been attempting to persuade both sides to restore freedom of movement especially in the rural areas. It is urging the conflicting parties to “Restore freedom of movement for the people and goods and to improve civilian security in the conflict zones” (www.nepalnews.com January 16, 2003). Similarly, the World Bank, the International Monetary Fund (IMF) and the Asian Development Bank (ADB), which are the biggest inter-governmental donors to Nepal, have been stressing infrastructure development, poverty alleviation, and empowerment of the people. They have pressurized the state to uphold austerity measures by strictly abiding by their policy prescriptions. In a recently held press meeting, the ADB stressed that it will promote greater economic, social, legal and political empowerment of the poor rural women in Nepal particularly those from ethnic minorities and lower castes (ADB, 2004). It further stressed a massive awareness-raising campaign on issues related to gender, caste, and ethnicity.

POSSIBLE IMPLICATIONS OF NEPAL'S GEOPOLITICS FOR CONFLICT TRANSFORMATION

The growing attention and the responses Nepal is receiving in the last few years from its neighbouring countries and other major powers, carry multi-lateral implications for Nepal's internal and foreign policies. Member of Department of International Relations and the Central Committee of the CPN (UML) Bhim Rawal recently said, "If the conflict prolongs in Nepal it will certainly have multiple effects in our national and regional security situations" (interaction with the author, August 25, 2004). A large amount of national budget has been allocated for the purchase of weapons. At the same time, the deteriorating security situation in the country has increased the prospects for the black-marketing of arms in the region. This will not only pose a challenge to our internal security but would also affect our immediate neighbours ultimately affecting the global security system. Gurkha recruitment, and the Peace and Friendship Treaty and Arms Assistance Agreement with India, have made Nepal a part of the Anglo-Indian security system evoking fear in the Chinese who also think Nepal vitally important for their security. The increased involvement of foreign powers in our internal affairs has reduced Nepal's independent role in the international forums as a sovereign state. It has also damaged its international image and reputation at an international level.

The deteriorating situation in Nepal has also increased the possibility of other extremist forces in the region misusing Nepalese territory. With the breakdown of law and order in most parts of the country, the vested interest groups could have a chance to fish in the troubled waters. Anti-China forces like the Khampas have organized their activities in Nepal in the past. Though their activities have declined significantly for the last few decades, they have not died down completely. If the Khampa rebels started to reorganize themselves in Nepal, it would be a serious threat to the Chinese government. China has been making

considerable efforts for the development of the Tibetan Region bringing about remarkable improvements in the law and order situation there. In this context, it is not difficult to see that China will not tolerate any trouble that it may have to face there because of the conflict in Nepal.

Similarly, there are already several insurgency movements in various states of India bordering Nepal. The Indian central and state governments have been putting their efforts to control them. However, with the open border arrangement between the two countries, there are possibilities of the extremist groups using Nepal's territory like the ULFA and Bodo extremists are using Bhutan. This matter has been complicated by the Indian accusation that members of the Pakistan's intelligence agency (ISI) have been infiltrating India via Nepalese borders. Though, there is no substantial proof about this, it has become an irritant in the relations between the two countries.

As stated earlier, India has already expressed its dissatisfaction about the increasing involvement of the US and other European countries in Nepal because it regards Nepal as its sphere of influence. China has not expressed such views publicly yet, but as an emerging global power, which is increasingly competing with the US, it can be assumed that it would not take positively to further conflict in Nepal. There are strong possibility of clash of interest among major powers here. In such a situation, Nepal may present scenario like Afghanistan. Due to the failure of Afghanistan to manage internal conflict, the USSR invaded it in 1979. The invasion gave a reason for the US and its allies to equip the Islamic Jihad fighters (Mujahiddin) against the USSR. As a result, extremist forces like the Taliban became increasingly powerful after the USSR withdrew. Under the Taliban regime, terrorist groups like Al 'Qaeda found Afghanistan to be a safe heaven for their activities. The Afghan situation in the last 25 years is a good example of how an internal conflict ultimately provides a space for big powers. It is a lesson that needs to be learnt by countries like Nepal where world powers have immense strategic interests.

PROSPECTS FOR DEVELOPING COMMON REGIONAL APPROACHES

Most of the countries in South Asia are facing internal conflict. They have perceived a certain level of threat from internal insurgency. The protracted conflict in Nepal now has spill over impact in its neighbouring countries, especially India, principally because there is some coordinated activity among insurgent groups in the area beyond Nepal. The coordinated actions taken by CPN (Maoists) in Nepal and the MCC and PWG in India have prompted the central government of India to initiate some sort of collective response. After the formation of CCOMPOSA, the governments in South Asia have become alarmed of the possible flare up of regional conflict. It is reported that the Bhutanese of Nepalese origin taking shelter in Nepal's refugee camps have also formed the Communist Party of Bhutan (Maoists) with the support of their Nepalese counterparts. Similarly, the merger of two influential Maoist groups - PWG and MCC - in India in September 2004 has also been taken as another development towards the consolidation of Maoist groups in the region.

Although the relative strengths of these outfits in these countries are different, their activities are extending across the region. Among them, the rural parts of Nepal have already been controlled by the Maoists. They have significantly increased their activities in Andhra Pradesh, eastern Maharashtra, southeast Madhya Pradesh, Chhattisgarh, Orissa, Jharkhand and Bihar states of India (The Kathmandu Post, August 17, 2004).

Furthermore, the Maoist groups are forging ties with other insurgent groups in the region. It is reported that the PWG of Andhra Pradesh and Liberation Tigers of Tamil Elam of Sri Lanka have been sharing military knowledge (Bista, 2004). There are no verified reports about the Maoist linkages with other insurgent groups like ULFA, Bodo, Naga or Kashmiri militants. However, as the Maoists and these insurgent groups have been using violent

tactics as their means of struggle, the possibilities of such linkages cannot be denied.

A pertinent question that may arise is, 'Does such a nexus between insurgent groups in the region provide any ground to build up a regional-level response to devise a common strategy against the insurgencies?' Academics interviewed by the author flatly denied such a possibility. They argue that it is simply not possible because India, as a dominant power in the region, does not want to bring such an issue to the regional level. One of the reasons is that India still does not feel the issue needs to be dealt with multilaterally. Secondly, if other internal conflicts of different individual countries started to be discussed at the regional forums, this may set up a precedence for Kashmir to be discussed at the same level. India does not want that.

One reason why such a possibility does not exist is the existence of the SAARC Charter. The SAARC provision does not allow any individual country to take up bilateral political problems to be discussed at the regional forums. But in addition, due to the existing geopolitical situation of South Asia, there will be no use of other countries coming together, until India is ready to deal with the issue multilaterally. This is not only because India is a dominant power, but also because the rest of the South Asian countries do not share common borders with each other. Without India's involvement, it would be practically useless for other countries to devise joint programs against insurgencies.

"India feels that the Maoist conflict in Nepal as an internal matter and needs to be dealt with internally. Even if there is a need for a third party involvement in the process its good offices should be used." (see former-Indian Ambassador Shyam Sharan's statement, in an international conference held in Delhi on January 5, 2005). It is argued that through its own involvement in the resolution of conflicts, India wants to expand its area of influence. Some experts even say that India's attitude is to negotiate with a weak regime, extract maximum benefits, and then after the agreement, to abandon them (personal interview with Yuba Raj Ghimire as cited

above). There is, therefore, less likelihood of devising a common regional response to counter the challenge posed by the increasing connections and networking among the Maoist groups in different countries of South Asia.

Differences also exist between the US and European Union member-states in dealing with the Maoist problem in Nepal. The US has been insisting on mobilizing the army to control the Maoists, but the member states of the European Union and the UN have been consistently advocating dialogue. The international community is, however, working on devising a common strategy by bridging differences in dealing with the Maoist problem. Most of the member states are insisting that the Maoist problem should be resolved within the framework of multi-party democracy and constitutional monarchy.

Prospects of External Involvement in the Negotiation Process

In the past, there have been two ceasefires and two rounds of dialogues. However, none of these processes succeeded in ending the conflict. There has been growing realization among major stakeholders that there should be external involvement in the negotiation process. The Maoists, parliamentary parties and many civil society groups, have already demanded that there should be external mediation. The Maoists have specifically said that they would accept UN mediation. Similarly, the CPN (UML), the largest party in the dissolved parliament, has also accepted UN involvement in the process (see the UML's nine points Road Map for peace). The other major parties including the Nepali Congress (Democratic), Nepali Congress, and a large number of civil society groups, intellectual communities, and professional organizations, have also stood for the UN involvement. Even friends of Nepal in other countries have expressed their concern at the situation and are keen to help in any possible way to establish a lasting peace in the country.

However, there is no substantial development towards involving external mediation in the peace process yet. It is now increasingly

realized that the prolonged conflict, and continuing violence and human rights abuses, could ultimately invite unintended foreign intervention. Speaking in a recently held program, all the senior leaders of the major political parties argued that the delay in resolving the crisis would ultimately threaten the national sovereignty of the country (The Kathmandu Post, August 28, 2004).

Similar views were also expressed by UN Assistant Secretary General, Kul Chandra Gautam, in a program organized by Nepal Council of World Affairs. He said, "We should have the wisdom to seek international support before the situation further deteriorates and becomes a real threat to international peace and security, when we may very well have some unsolicited international intervention as has happened in several countries in our own region and beyond in recent decades" (Kantipur Daily, August 23, 2004).

Furthermore, to expedite the negotiation process there is a need for the involvement of a country, or international organisation, that has experience in negotiation, can play a neutral role, and has sufficient leverage to bring national and international pressure on warring factions. Its role should not be limited to ending the conflict. It should also be able to play an effective role in post-conflict reconciliation, rehabilitation and reintegration, as well as in infrastructure development processes.

Potential Countries and Agencies Involving in the Peace Process

Several countries, international agencies and international non-government organizations have expressed their willingness to provide their support to the negotiation process.

India: India is one country, which has expressed its willingness to involve itself in negotiation. India offered its mediation in the 1950 tripartite Delhi Agreement between the outgoing Rana regime, King Tribhuwan, and the Nepali Congress. But it received tough criticism from the Nepali political parties and intelligentsia immediately after its conclusion. In addition, India's past attempt to

negotiate in the conflict in Sri Lanka did not lead to a positive outcome because of the existence of inimical attitude towards India in the area. Harish Kapur argues that,“(an) adversarial attitude dominates inter-state relations in South Asia. One can hardly think of any other region – except Middle East, where the level of interstate relations is so low, mutual suspicions so high and potential conflicts so plausible as in South Asia” (Kapur, 2002).

Another reason for India’s interest in the mediation of the conflict may be that as a regional power it has its geopolitical and geo-strategic interests in Nepal. However, it would be difficult to expect an impartial and neutral role from a country, which has its own vested interests in security, market, water resources and communications. Because of its past roles, there is already enough mistrust in Nepal about India’s intentions. Therefore, it would not be practical or uncontroversial to get India’s direct involvement in the mediation process. From the point of view of Nepal’s sensitive geo-strategic location too, it may not be advisable to ask India for the mediation of the conflict. Nepal’s location in the middle of two Asian giants is a geographical constraint, which does not allow it to invite one of her neighbours to mediate the conflict.

However, this does not mean that Nepal can ignore India and dispense with its assistance in the negotiation processes. India’s positive attitude and cooperation is always required for the successful negotiations. Therefore, Nepal should seek cooperation of, and give due consideration to, both of its neighbours’ legitimate concerns while handling the negotiation process.

Switzerland and Norway: Norway, which is regarded as a neutral and experienced actor in mediation, is also reported to be willing to play a role in Nepal’s peace process. However, it has not expressed its interest publicly. It concluded a successful mediation known as the ‘Oslo Accord’ between the Palestine Liberation Organization (PLO) and the Israeli government in 1993. It has also been involved in mediating between the Sri Lankan government

and the Liberation Tigers of Tamil Elam (LTTE). As one of the prominent donor countries, Norway has a strong leverage to play a comparatively effective role in the mediation process. Another positive point for Norway is that it is a member of North Atlantic Treaty Organization and has good relations with the United States. So, its influence as well as reputation may be helpful in the negotiation process.

Switzerland has assisted Nepal consistently since the 1940s. As the host country of humanitarian organizations like the ICRC, which has also been intensively involved in Nepal's conflict and in regular development assistance, Switzerland does have leverage in Nepal and could be acceptable to Nepalese society.

INGOs: INGOs could play an important role in creating an enabling environment and in making pre-negotiation arrangements (Khanna and Kueck: 2003). INGOs like the ICRC, Amnesty International, the Centre for Humanitarian Dialogue, the Carter Centre etc. have a wealth of knowledge and experience in mediating and negotiating international and domestic conflict (Clements and Ward, 1994). The ICRC and Amnesty International are both involved heavily in conflict resolution. Their roles could also be effective in mediation. As ICRC has already done the mediation in releasing abducted security personnel in the past, and Amnesty has also been involving on human rights monitoring, their function in mediation could also be effective.

United Nations: UN involvement is the most sought-after option in the negotiation process in Nepal. As an international organization, its fundamental objective is to build and keep peace in all the countries of the world. According to the UN Charter, if any member state of the UN is facing a conflict situation, and is involved in abuses of human rights or faces humanitarian crisis, it has to take initiatives to end those conflicts and the abuses of human rights (The UN Charter, 1948). UN Secretary-General Kofi Annan said, "The world cannot stand aside when gross and systematic

violations of human rights are taking place with grave humanitarian consequences". Since its establishment in 1945, especially after the end of the Cold War, it has been playing different roles in meeting those objectives. It is the world's most influential international body and has expertise in the area of peace-making and peace-keeping. Another reason for seeking UN involvement is its neutral record. Thirdly, as Nepal lies in a very sensitive geo-strategic location, any external involvement in the negotiation process should be acceptable to both neighbours. As both of them are the members of the UN, and one of them (China) is in the Security Council, the UN may be the most legitimate and appropriate body for mediation. The growing consensus for possible UN involvement in the process can be taken as a positive development. Therefore, in the context of failure of domestic initiatives for dialogue, and the general realization of the need for international mediation, the UN would be the best choice for external mediation.

CONCLUSION

With the steady decline of the role of geographical factors of foreign policy as well international relations, the concept of geopolitics is undergoing tremendous change. Burgeoning international organizations and regional forums have changed the traditional forms of interstate relations based on the Westphalia mode. Similarly, growing global connections between states and people have also posed new challenges.

In such a global situation, the crisis that Nepal is facing today has implications for its geopolitical, geo-economic, and geo-strategic situation. The increasing violence and deteriorating human rights situation has tarnished Nepal's image and has drawn the international community's attention. Similarly, the increasingly coordinated activities of various Maoist groups in the region has also had an effect on the regional geopolitical situation. During Prime Minister Sher Bahadur Deuba's visit to India Mr. Sharan said "Nepalese Maoist insurgency is a common threat to the security of both the nations and will be dealt jointly" (see statement made by Indian Foreign Secretary Shyam Sharan during a Press briefing in New Delhi, September 13, 2004). Both Nepal and India have agreed to strengthen their security coordination and to beef up their border monitoring activities.

Even though there is no immediate possibility of the direct involvement of the neighbouring countries or other international powers in dealing with the insurgency in Nepal, the possibility of intervention by the international forces including its immediate neighbours cannot be ruled out if Nepal itself is not able to contain the conflict. If foreign forces are directly involved in dealing with the crisis, there will be severe implications not only for the survival of a sovereign Nepal, but also for the geopolitical situation of South Asia and the rest of the world.

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FRIENDS FOR PEACE (FFP)

Friends for Peace (FFP) is a non-governmental, non profit organization registered under the Societies Registration Act, 1977. It was established in May 2004 with a view to facilitate research in the field of conflict transformation and to contribute to a future peace process in Nepal. It works with local and international specialists on specific issues of concern in Nepal, convenes workshops for the sharing of experiences on peace processes from around the world and endeavors to be leading research organization providing a central source of information for a range of actors on conflict-related issues. It also aims to build the capacity of Nepali and other researchers to develop these strategies. In a post-conflict environment, it remains a public resource to be drawn upon for relevant information and expertise on post conflict transformation.

The main objective of FFP is to establish a credible knowledge-base that provides technical expertise on issues of concern in future peace negotiations and the wider peace process, and facilitate greater participation of civil society organizations and individuals in bringing about a peaceful resolution to the Maoist Insurgency.

Based on a range of consultations, FFP is carrying out research on various issues thought to be of concern in the current conflict context. Initial areas of research identified are comparative peace processes, security sector reform and international relation specific to conflict.

After the launching of the people's War by Nepal Communist Party Maoist and 9/11 terrorist attack in US and subsequent Global War against Terrorism, the context of Nepal's international relation has significantly changed. In this context, there is an urgent need of genuine debate on different aspects of international relation specific to conflict. FFP has proposed a series of research work, this book also forms a part of research work being carried out on international relation. In future, research works on Nepal-India open border and its implication on conflict situation in Nepal, Nepal-India water resource projects and associated conflict and India's possible role in future peace process in Nepal will be published soon. FFP continues to build on these and other piece of research relevant to contemporary realities.



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