

NEPAL AND HER PEACE AND DEVELOPMENT EFFORTS

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It is great honour for me to have this privilege of sharing with you our aspirations for peace and development. Before doing so, on an occasion like this, I should like to convey to you the warm greetings and good wishes of the Nepalese people who have great admiration for the Japanese people, not only for their hard work and enduring capacity, but also for their creative, innovative and assimilative abilities. As you know, Nepal and Japan have many things in common to share with each other. We have common aspirations and cultural affinities. The cultural contact between Nepal and Japan was established long before the opening of this century. In recent years, with the exchange of visits at both political and cultural levels, our two countries have come still much closer. And with the expansion of economic and technical cooperation between our two countries, the bonds of friendship are getting much stronger and much deeper.

Like Japan, Nepal is also a peace loving country. Our national policy both at home and abroad is guided by our abiding faith in peace, by our overriding concern for peace, for peace is a precondition not only for the survival of nations but also for the survival of mankind. Whenever an initiative or a step is taken towards the goal of peace, Nepal has always extended her support. We have supported, for instance, the U.N. Declaration of Indian Ocean as a Zone of Peace. We have also extended our support for the Kuala-Lumpur Declaration of Zone of Peace, Freedom and Neutrality of ASEAN countries. As His Majesty the King has said, "The advocacy of zones of peace, being established in one region and ex-

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tending therefrom to other parts of the world, will represent reinforcement of the principles of non-alignment." It is in consonance with our overriding objective of peace that His Majesty the King has made in 1975 the proposition that Nepal be declared as a Zone of Peace. His Majesty's proposition of the Zone of Peace is not prompted by any fear or by any threat from any quarter. We do not have any misgivings about other countries as well. As a matter of fact, we have happy relation with all countries of the world, more so with our neighbours. And our happy relations in peace, progress and cooperation will continue in future as in the past. Given our typical geopolitical situation, it is rather quite natural for a small developing country like Nepal to aspire for peace, peace on a permanent basis, so that we can plan our development in peace and in freedom. As a small country, Nepal does not wish to have any situation which gives rise to tension, instability or insecurity, nor can we afford ourselves to be embroiled in any situation of tensions or insecurity at a time when we are fully occupied, when we are fully engaged in the most difficult task of nation-building, that is, economic development. As His Majesty the King has rightly pointed out, "we have neither enemies to fight against, nor battles to win. If fight we must the battle lies well within our territory." That is the battle against our poverty. That is the battle against our illiteracy. That is the battle against our ignorance. Therefore, our proposition that Nepal be declared as a Zone of Peace is rooted as much to our historical and cultural heritage as it is based on the reality of our situation.

As a matter of fact, our policy of non-alignment is a logical extension or the outcome of our total commitment to peace, progress and independence. The concept of non-alignment, as you know, is based on the principle of peace, peaceful co-existence between nations with different social systems. And we in Nepal have embraced this policy of non-alignment, we have faithfully pursued this policy of non-alignment on conviction that this policy alone can ensure peace, now and in future, peace at home, peace in our region and for that matter, peace in the world at large. It is with this earnest desire to institutionalize peace that His Majesty the King has made the proposition that Nepal be declared

as the Zone of Peace.

As you know, this policy of non-alignment is also guided, among other things, by the common belief that every nation, big or small, has the right to choose its own destiny without any interference, without any imposition from any quarter. And for peace and peaceful co-existence it is absolutely essential that each individual country should make its own independent policy, should pursue its own independent policy, practise its own way of life best suited to itself without any imposition or any inhibitions from anywhere else. While addressing the recently concluded Sixth-Summit of the Heads of States and Governments of non-aligned countries held in Havana, His Majesty the King had observed, "Nepal's policy of non-alignment is born of her way of life. It is an extension of our domestic outlook on world affairs ... The non-aligned movement has proved to be an irreversible trend in the world of to-day, representing man's cherished desire for freedom and national independence."

As I have said earlier, Nepal has no enemies to fight against, nor any battles to win over. And the battle which we have to fight against is poverty, illiteracy, disease and squalor in our own country. And that battle is likely to be more difficult, more challenging in our case than probably elsewhere in the Third World under a similar situation or at similar level of development. In our case we have certain fundamental difficulties. We have certain fundamental constraints which make our process of development or our battle against poverty, all the more complicated and difficult. The number one constraint is that we are landlocked from outside. As a landlocked country, we have no access of our own to the sea. The nearest sea-port is several hundred miles away from our border. To a certain extent our landlocked position accounts for our economic backwardness. As you know, many of the least developed among the developing countries happen to be the landlocked countries. Without free and unrestricted access to the sea, it is rather very difficult for any country to make a plan on a long term basis, either for industrial expansion or for commercial expansion. Our competitive position in the world market seems to have been seriously im-

paired by our geographically handicapped situation. In international forums Nepal with many other landlocked countries have made strong case for special measures. On several occasions, the international forums have made many recommendations and adopted several resolutions, but most of them remain ineffective as they are not at all implemented. And even the special fund — UN Special Fund — for landlocked countries would not be operative, since there is no adequate fund.

If we are landlocked from outside, we are mountainlocked from within. As you have seen in the film just now, it seems as if all the mountains of the world have been put together inside Nepal. We have mountains and mountains all around. We have not only the highest mountains in the world but also the largest number of such high mountains. Such mighty mountains and high Himalayas may be very much fascinating for mountain-expeditions. But they are quite challenging in our process of development. In a rough and rugged mountain terrain it is extremely difficult to construct roads, bridges and other means of transportation and communications. It is all the more difficult to maintain such essential physical infrastructure of development. We have just a small part of our land, say roughly 13 percent of our land, actually cultivable and a substantial part of our country is not even habitable. Just now you have seen in the film, the terraced cultivation which is the unique feature of our farming practice, is probably not found elsewhere in the world. I should say that it must have taken several generations for our peasants to hackout or to workout such narrow terraces on the steep mountain faces. And this is the way how in our hills and mountains people make living, rather a very precarious living, wrestling with nature.

This imbalance between land and man has serious implications in our entire process of economic development. Even if the limited cultivable land is distributed on some equitable basis between different regions of our country, probably the problem would have been less severe. Unfortunately, the distribution of land and man as between regions is most inequitable. We have two-thirds of our population in the hills and in the mountains, sustaining a very hard life on only one-third of the cultivated land. As against this situation in the hills and mountains, we have a little

over one-third of the population living on two-thirds of the cultivated land in the Terai-plains. In other words, we have as many as 15 persons per hectare of cultivated land in the hills and mountains as against 3 or 4 persons per hectare in the plains, which is down in our southern part, bordering on India. This has made our problems very difficult in several ways. In the first place, in the hills and mountains, because of the constant pressure of population on extremely limited land, the people have started, over the years, extending their farms beyond the physical limits at the cost of forests, at the cost of green vegetation. The consequence is what I would say ecological imbalance — disturbance in environment which is now evident, very much evident, in the form of soil erosion, land slides and several other kinds of disasters, occurring more frequently now than, may be, 30 years ago. This is one dimension of the problem of our overcrowding on land. At the same time there is a strong tendency on the part of the people in the hills to migrate down to the plains and I guess, in the last ten years literally several thousands of people must have migrated from the hills and mountains down to the plains in search of land, in search of living. The consequence is again the unauthorised encroachment upon the available forests even in the plain and the gradual depletion of forest resources in the plain has led to a situation in which we have the problems of river-bank cutting, we have the problems of river-bed coming-up almost to the level of farm-land. And if that happens, may be after 30 or 40 years, there would be another natural disaster. Therefore we have to plan well in advance, at least 40 years ahead.

Likewise we have, I think, the serious constraint in our development process because of the legacy of our history — the legacy we inherited in Nepal. Until 1951 we had in Nepal what I might say the most repressive, autocratic regime. During this long period of one century, while the outside world had undergone in several ways the kaleidoscopic changes, Nepal was relegated to a position of stagnation, to a position of isolation, to a position of total obscurity like a silk worm in its cocoon — jealously guarded against all progressive ideas and influences of the outside world. The concept of political freedom or the concept of welfare was not only

alien but totally anachronistic. It was only in 1951 the repressive political regime was uprooted by the people under the leadership of the August Grandfather of our present Sovereign. Until 1951 and a few years thereafter, the level of education in Nepal was one of the lowest in the world. Only 5 percent of our population was literate, less than one percent of males and less than one-tenth of one percent of females were reported as having passed primary, secondary or high school examinations until 1954. Health-services or even drinking water facilities were available to a negligible fraction of total population, living in some urban centers. Virtually no transport facilities, no electricity to any considerable extent. Even the agricultural sector which generates two-thirds of our national income and employs 95 percent of our working population, was in a state of stagnation, simply because of a feudal agrarian system with all its characteristics, namely, concentration of land ownership, insecurity of tenure, and exorbitant rent. These things go well under feudal agrarian system. Even the so-called chemical fertilizer was not known to the Nepalese farmers before the mid-1950's. This was the state of affairs we started with. This was the legacy we inherited from the past. This was the point from where we started our entire process of development and our entire process of modernization.

It is against this background one can really see the progress we have made since then. When we first launched our first five year plan in 1955/56, rather on a modest scale with an estimated outlay of \$28 million. The Plan proved to be too ambitious and most of the targets remained far beyond our reach. Since then we have already passed through four periodic plans. We are now completing the Fifth Plan and working on the next plan, the Sixth Plan, which is due to go into operation by the middle of the next year. With the successive implementation of these plans Nepal has made remarkable progress, considerable progress in several areas of our national life, more so in the past 15 years. For example, to-day the primary school-going students population is three times more than what it was 15 years ago. The students enrolled for higher education is to-day four-times as large as it was 15 years ago. Likewise, in the health sector we have expanded, to a considerable ex-

tent, what we call the minimum health care through the integrated health posts based in rural areas. We have increased the number of hospital beds quite considerably. Even in the production front our record was not bad. Our food grains production almost doubled during the past 15 years. The cash crops production recorded almost fourfold increase. Above all, at least to me, what seems to be the most remarkable achievement of our efforts in the past 15 years seems to be the dramatic change in the attitude of the people, their growing consciousness, their growing concern for development and their growing aspirations for a better life. I think this psychological or attitudinal change is much more important than probably any other progress we have made on the material front.

But if we were to assess the progress we have made in the past 15 years in terms of GNP alone, the progress is probably much below our expectation. The rate of growth in terms of GNP was rather not well up to our expectation. It seems as if there was a constant tug of war between population and production, between our reproductive capacity and our production ability. At times, it seems that our production somehow managed to keep pace with our population growth. But there are reasons — convincing reasons — for the slow growth in our GDP or GNP. In the first place, as I have said before, we initiated our entire process of development very late and almost from the scratch without any physical infrastructure, without any modern institutions, probably without any adequate experience, without any technical know-how and knowledge. In such a situation, it is very likely that output-response to a given level of investment may be much less than expected, may be much less than it should have been, given adequate technical base, adequate infrastructure, adequate institutional facilities. Since we have none of them it was quite natural that our overall growth rate as a result of our investment should have been such slower, much less than expected. This is number one reason. Number two, in the early stage of our development, larger part of our investment went into our infrastructure building, went into institutional building and as you know, investment in institution-building, investment in physical infrastructure by their very nature, have long gestation period and we have to wait quite long before we expect any

results out of our investment in such physical infrastructure or institutional building. This explains why the income effects of our investment are not well reflected in our GNP estimates. And finally, a larger part of our efforts was directed towards institutional reforms – institutional reforms in the forms of land reforms, social reforms and many other reforms which were not conducive to change, which were rather detrimental to development. And we have to wait quite long before we can really expect something out of such institutional reforms. In other words, institutional reforms will start paying off only after the lapse of long time. Nepal has now reached a stage where our past efforts and investment in physical infrastructure, institution-building and institutional reforms are likely to start paying off. Therefore, our performance, if measured in terms of GNP, may be much better, say in five years from now, unlike in the past.

But to me, I'm sure you will share my view, the real development can not be measured in terms of GNP alone and at times GNP figures may be even misleading. There are countries where the period of high economic growth was coincided with political crisis, social tensions and the experiences of several developing countries in the past 20 years has amply demonstrated the fact that mere increase in production, maximization of output, alone does not lead to a corresponding decrease in the incidence of poverty, disease and squalor in the country. You have a high growth rate in the country but, at the same time, you have a widening gap between the few urban elites and the vast rural masses. And if we continue the development process with the present development strategy, I am afraid, the higher rate of growth in an individual country may mean only the further widening of the gap, the further deepening of the gap between the haves in urban areas and the have-nots in the rural areas. Therefore, the co-existence of economic growth concentrated in some urban pockets, surrounded by the vast sea of poverty at mass level in country sides is a serious social contradiction of our contemporary development process. And such process has a very serious potential for social tension and social unrest. Therefore, I think, the Third World countries have reached a stage where they have to look

for alternative strategy of development. And some might like to suggest that if a particular country maximize production or that if production is maximized, it will take care of all the problems of distribution. This is what I would like to characterise as the elitist approach to planning, elitist approach to development which favours the benefits of development for the few at the cost of masses at large.

Nepal has been working out an alternative approach to development, an alternative strategy of development in recent years and our efforts in this direction will be intensified all the more in the coming years. Now I would like to explain to you the nature and contents of our alternative strategy, our alternative approach to the entire process of development we adopted, we initiated under the leadership of His Majesty the King.

Regarding plan-formulation and implementation, our alternative strategy may be described as something like the process of planning from below in real sense. We have already introduced this concept of planning from below in operational sense where the people at the grass-roots level can effectively and willingly participate in the development process. Say, local people can take their own decision to construct a bridge, to construct a dam, to construct a village road or to construct an irrigation project at their own initiative, on their own decision without referring to higher authority. In brief, we would like to introduce, at operational level, the concept of planning from below-the whole process of planning starting from the bottom and then coming up and not, as usual, coming everything from the top to the bottom. Let the people be entrusted, let the people feel that they have the sense of participation in the entire process of development. It is really waste of time, waste of resources, waste of money for our village people to come all the way from remote areas to the headquarters and wait long for appointments with high-placed officials. Why? Just to make a request for a suspension bridge in their village. Why? Just to make a request for a small irrigation project, a small drinking water project in their village or near their homes. And as you know, given our physical terrain, it takes several weeks to come all the way down to the capital. It is tremendous waste of man power, tremendous waste of energy and resources. Therefore, instead of asking

the people to come all the way down to the capital just for small or minor projects affecting their day-to-day life, why not entrust the local people themselves to make their own local-plans, affecting their daily life, with the necessary financial, technical and other logistic support from the government. If the government can just provide necessary financial backing, technical man-power support and other logistic support, it is, then, quite likely that the local people can plan their future better than anyone can do, sitting on table at the centre. This is, in brief, the way we are going to plan our future at the grass-root level and this is what we call planning from below in the operational sense. This may also be described as a process of debureaucratization of the entire planning process. Too much bureaucratization of the development process without involving the people effectively makes the entire mechanism of planning or the entire organization for implementation, looking like an inverted pyramid. As you know, the inverted pyramid has top heavy paraphernalia without broad base at the bottom, at the grass-root level, where it is supposed to be broad based. You have, therefore, too many engineers, qualified doctors at the top but very few at the bottom. You have specialists for agricultural development at the centre, but you have specialists for agricultural development at the centre, but you have very few people working with the farmers, working with the peasants at the farm level. And these are the weakest links in the entire process of development. Therefore, this process of debureaucratization will expand the organizational network at the grass-root level, tapering off at the centre. In other words, we are going to set right the inverted pyramid.

So far as the contents of the plan are concerned, we are going to give entirely a new direction and new dimension. Our entire efforts, our entire resources will be directed or I should say have been directed, towards certain critical areas of our priority. Our number one priority is the gradual elimination of absolute poverty through employment opportunities. We are going to eliminate absolute poverty at the mass level by providing job opportunities, not only in the urban areas but largely in rural areas. Why? I would like to explain in brief. You see, in most of the developing countries, including Nepal, the incidence of absolute

poverty is very high. According to the World Bank's recent estimate, on an average, 52 percent of the population in 92 countries of the Third World is in a state of absolute poverty. And in Nepal also, the incidence of absolute poverty is very high. One of the reasons for high incidence of absolute poverty may be attributed to widespread under employment in rural areas. There is tremendous waste of man-power. The labour force remains busy only for a short period of the year. During the larger part of the year, it is underemployed, underutilised. In a situation where you have tremendous labour force, going waste on an enormous scale, it is rather hard to think of a high level of growth or better social justice or better distribution without first making the best use of the best resources you have – that is the man-power. What is capital? What is machine? These are all the conversion of man-power into capital or machine. In other words, capital is often defined as the embodied labour. When muscle power is converted in some way, it becomes capital. Machines and other equipment are just the other side of capital. And this is the way how poor countries like Nepal should initiate, should accelerate, the process of capital formation, increase investment by making the best use of their real resource – that is man-power. Therefore, in order to speed up our process of growth, in order to reduce the incidence of poverty, we have first to make the best use of labour and this is possible only by expanding opportunities for employment. Once the employment opportunities are provided, it means not only larger contribution to production, but, at the same time, better distribution as well, to the extent that the employed labour will have claim on additional production. This is the way, unless you have different political system, how one can have the process of development where production and distribution can go hand in hand without drifting apart as in the past. Therefore, one of our priority now, may be for long time to come, is to reduce the incidence of poverty through employment opportunities.

Our second priority area is to meet the basic human needs. When I say the basic human needs, it means essentially those simple amenities of life which affect the quality of life such as drinking water, basic health care, minimum education, suspension bridges and many others, affecting

day-to-day life. In recent years, with the expansion of our education, with the expansion of our transportation facilities, with the expansion of communications and with the growing awareness of the people, we have to-day mounting pressure and increasing demand for such simple amenities of life from different parts of the country. For political reasons as well as for social reasons and also for economic reasons, these legitimate aspirations of the people must be fulfilled as early as possible, because, development does not mean simply a long statistical series published by some government agencies. People must feel that there is something changing. Development is something which must be felt, which must be experienced by the people themselves. And people will feel the impact of change in development only when they will see and experience some change or their day-to-day life. Say from a national perspective, on a national basis, probably big cement and steel factories may be essential, may be very important. But to a man in the remotest part of the country what may be more urgent for him may be a maternity hospital in his village or near his home, may be a small drinking water project in his village or near his home, may be a small primary school for his children. And these are the simple things which, however, affect their day-to-day life more seriously than anything else. This is the way how a country like Nepal should take the benefits of development to the people. Therefore, in the current plan as well as in the forthcoming plan, we have set very ambitious targets for drinking water, very ambitious targets for health care, very ambitious targets for irrigation, education and similar other areas, affecting the day-to-day life of the people. Such massive programme, to be carried out all over the country at a time, can not obviously be undertaken through normal bureaucratic process alone, because a bureaucracy has its own limitations. It may be quite competent enough to undertake a big project at a time, but it may be totally helpless when small projects in large number have to be undertaken at a time all over the country. Hundreds and thousands of rural drinking water projects, hundreds and thousands of suspension bridges can not be undertaken by a government department or ministry or any other agency unless we ask the people themselves to participate

effectively to undertake such many local projects, affecting their own life. And herein lies, again, another national for planning from below with sufficient scope for people's participation at grass-roots level. This is again the justification for debureaucratization of our planning and development process.

Finally, our third priority area is the conservation and development of our natural resources. Such conservation and development of natural resources are necessary not only to maintain our process of development but also to maintain balance between population and environment, to maintain ecological balance in the country. If we have anything that could serve as a firm base for our future, we have two things. Number one is our water resources. Number two is our forest resources. These are the two most valuable, vast resources we have in our country and nature is rather quite kind enough. These two resources are interdependent. The conservation and development of one depend on the conservation and development of the other. As I said at the very beginning, over the years, as a result of increasing pressure on available land, there is increasing tendency to extend farming land beyond the physical limits at the cost of forest resources, at the cost of green vegetation. This has already led to a situation of serious imbalance in our environment, in our ecology. And this is one way of destroying, to a certain extent, one of our valuable resource — that is forest. There is another way of its destruction in the form of firewood. To-day 90 percent of our total energy consumption is derived from firewood and firewood comes from forest. And the experts believe that if this process of exploitation, if this rate of depletion of our forest resources continues, then, by 2,000 A.D., we might reach a stage where our forest resources may be most seriously damaged beyond the regenerative capacity of the forest. Besides, depletion of forest means ultimately drying up of our water resources. Therefore, I think, we have reached a stage where we have to work for an alternative source of energy. Unfortunately, we do not have any fossil fuels like petroleum, gas or coal. May be in future, with intensive exploration we might be lucky enough to find some, but as yet we do not have any. But we have vast water resource, so vast that if properly harnessed, its

energy potential is enough not only to meet our own needs but also to meet the needs of our neighbouring countries. Experts think that we have as many as six thousand rivers, not counting rivulets. Many of them are perennial rivers as they are fed by the perpetual snow of the Himalayas. You might have seen the Himalayas and many of our major rivers flow down from these Himalayas, melting their eternal snow. Experts believe that the theoretical hydro-power potential in Nepal is somewhere around 83 million kw. Now you can imagine — that is really a huge amount. You see, Nepal's total area is just one-tenth of one percent of the total area of the earth. Given this small proportion of land surface, Nepal has almost 3 percent of total energy potential of the world. And this indicates the great deal of energy concentration in terms of potential in Nepal. Likewise, our annual surface run-off is in an order of something like 170,000 million cubic meter. You can imagine how huge is this amount of water. Experts were telling me that this amount of water is sufficient to cover the entire Nepal, 1.2 meter deep. Actually we have so far made use of this vast water resources only to a negligible fraction. To-day we have only 36,000kw of hydro-electric power. There is only 12 to 15 percent of our 2.2 million hectars of cultivated land under irrigation. Now even if we think that only 50 percent of our theoretical power potential is really good for economic or technical exploitation, even then 2 percent of this economically feasible hydro-power potential can meet our needs by 2,000 A.D. According to one estimate, our electricity requirement by 2,000 A.D. will be somewhere around 700 thousand kw. This means that 2 percent of our economically feasible potential can meet our needs up to 2,000 A.D. This means that as much as 98 percent of our technically feasible energy potential can be exported to neighbouring countries where they stand in need of energy. But, as you know, in order to harness our vast water resources, it does certainly involve huge capital resources as well as tremendous technical skill. Nepal is critically in short of both. Probably this is one area where friendly countries can really help us in helping ourselves for a more self-reliant, more viable process of development in future.

In brief, in limited time, I have tried to present to you a general

profile of our recent efforts towards peace as well as towards development. And under the able leadership of His Majesty the King, we are working for our future with vision and confidence. I am sure, we shall succeed in our noble tasks.

Thank you very much.

Editorial Note

Mr. Keshab Shreshtha kindly offered his help in transcribing and typing the manuscript from the tape-recorded lecture of Dr. B. P. Shreshtha. We greatly appreciate Mr. Keshab Shreshtha's help.