

DEEPENING SINO-NEPAL RELATIONS: IMPLICATIONS FOR INDIA

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Abstract: Nepal is extremely susceptible to outside influence because of its geostrategic position. Being a small, landlocked nation crammed between China and India, two of the most powerful nations in Asia. Nepal is always the target of regional aspirations and conflicts. In order to protect its independence and national security, Nepal's foreign policy has focused on the difficult challenge of maintaining good relations with all parties. The paper discusses about the consequences of growing Nepalese affinity towards China on the long-time friend and neighbor state India from mid-20th century till today. Due to Nepal's difficult democratic transition, frail institutional foundation, and unfavorable civil-military relations, China seems to have several possibilities to develop significant influence inside the country's political and administrative system. Furthermore, the relationship between Kathmandu and New Delhi is severely impacted by Nepal-China collaboration, particularly in the areas of security and defence. In conclusion, China's increasing involvement in Nepal has significant security repercussions for New Delhi since it signals an entrance into the country's sphere of influence. The paper attempts to categorically analyze these developments, firstly the paper discusses the geopolitical relevance of Nepal between India and China, further it elaborates on the historical links and the political and diplomatic engagements between these states. It also discusses the change in dynamics between the cold war period and post-cold war period. In conclusion, the paper aims to discuss the contemporary policy changes and challenges for New Delhi. The paper concludes with an understanding that balancing is the most viable option that is present for the states involved.

Keywords: open border, Madhesi, Nepali Congress, Kalapani, economic blockade, Sugauli Treaty, China, India

INTRODUCTION

Nepal-India are civilizational brothers and shares 1770 km long porous border. Nepal is known for its pristine beauty. It also has immense hydropower and tourism potentialities which has yet to be realized. Indian army still maintains Gorkha regiment and many Nepali citizens are part of the Indian army even today. Nepal is one of the least developed South Asian country and millions of Nepalis are working in India in different profession. Language and culture have also huge convergences. The term "Roti-Beti ties" refers to the relationship between Nepal and India in terms of both marital and food matters. Due to cultural affinities and accessibility, Nepal's lower regional belt maintains familial links with India and depends mostly on India for

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everyday necessities. Given this distinction, Nepal and India are the world's closest neighbors, which is currently in dispute. The media campaign, the economic embargo and India's reluctance to see Nepal as an equal sovereign nation are only a few factors that have a significant impact on the two countries' relationship. India's failings in Nepal were caused by a lack of a long-term strategic vision, interventionist and insensitive diplomatic behavior, the multiplicity of local interests and the engagement of hostile foreign parties like China, Pakistan, and the United States. The India-China conflict in Nepal extends beyond India's lack of a cohesive foreign strategy. Nepal was hesitant to fully rely on China despite its rising anti-Indian feeling; nonetheless, during the reign of King Mahendra, proximity to China has been seen as a subtle message to India. However, the 2015 Indian economic embargo gave Nepal and China the chance to work together in a variety of fields that are largely India's area of specialization.

China has been actively outreaching Nepal in recent years, in part as a result of India's escalating border posturing, which was initially a reaction to China's border actions. Since the eruption of Moist insurgency which later converted into many left-wing political parties, China remains proactive in Nepal. China wishes to 'Encircle India' within South Asia and chosen Nepal as a new pawn for it. Weak economic status of Nepal makes its vulnerable to these kinds of Chinese maneuverings. Since last two decades Indian growth rate have been over 5% and it is predicted by gamut of global economic agencies that India will be 3rd global economy soon. We are aware about the fact that growing economic status of both China and India are all set to transcend towards their strategic ambitions. It is also predicted that 21st century will be an Asian century. China is willing to hegemonize Asia as a unipolar power as the United States is dominating the global politics. India wanted to have multi-polar Asia and cooperating with many like-minded countries to achieve it. 22 years of the 21st century have already passed but Asian century has not been realized. Covid-19 pandemic has further brought global and regional recession and this situation has further complicated overall economic and strategic relations in Asia and at the global level.

Tibet remains a point of Chinese apprehension and many Tibetans are living in Nepal and Tibetan government in exile led by H.E Dalia Lama based at Dharamsala. Tibet is strategically very significant and till date dissent in Tibet against illegal Chinese occupation has not subsided. India shares 3488 km border with Tibet not with China. China became direct neighbor only after 1959 when it annexed Tibet by force and this illegal occupation of Tibet continues. Tibet remains a boiling point and in the backdrop of growing trust deficit between China and the United States, it is all set to a burning wound for the Chinese. It is interesting to note that China's interest in Nepal rose following the 2008 Tibetan demonstrations during the Beijing Olympics, which coincided with the time when the previous Prime Minister Manmohan Singh's administration was exploring border-force strengthening for defensive reasons. According to some, the changing Indo-US relationship also had an impact. China's involvement in Nepal is either closely tied to or totally unrelated to India's policy toward China. In any case, India's plan to limit Nepal's interaction with China is no longer an effective course of action.³ Given Nepal's prior unwillingness to do so, it is doubtful if Nepal would support India in a war against China in accordance with the spirit of the 1950 treaty (as well as later treaties). While officially still an ally of India, Nepal has stated in its constitution that its foreign policy is governed by the United Nations Charter, the Panchsheel principles, non-alignment and international law. Major parties have emphasized this often, and Nepal's determination to maintain neutrality is reflected in the nation's ethos generally, as it was during the Doklam standoff in the middle of 2017.⁴

³ Orton, A. (2021). *India's Borderland Disputes*. Epitome Books.

⁴ Donnell; F. O.' (2018). *Stabilizing Sino-Indian security relations: managing the strategic rivalry after Doklam*. Rawat Publications

Additionally, the sheer size of China's plan and its economic might are changing the course of world affairs. The US's posture in Latin America is becoming similar to how India now feels about Nepal. It has become so bad that Panama, previously thought of as America's "colony," has now severed ties with Taiwan at Beijing's request. El Salvador also took similar action. The Inter-American Development Bank, with its headquarters in Washington, D.C., will now have its 60th annual conference in Chengdu, China. Despite many warnings from Rex Tillerson, who was then the secretary of state, the bank's board nevertheless made this choice. And last, India's position on Oli's administration unfairly disparages it. The prime ministers of the two nations had built a rapport based on trust and during their travels. They had negotiated several significant accords. Some signs of Nepal's positive intents toward India include their collaboration in reviving BIMSTEC (or the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) and their agreement on the historically contentious Arun III hydroelectric project.

NEPAL: THE YAM BETWEEN TWO BOULDERS

Due to its geographic position as the pivot between east and south Asia, Nepal's geopolitical presence has the potential to affect global politics and has strategic relevance for the world's superpower countries. As a result of the growing participation of strong nations in macro and micromanagement, the political and economic interests of powerful countries like the United States (US), China, the European Union (EU), and India directly and indirectly impact Nepal's foreign policy. Therefore, Nepal's foreign policy is influenced by the politics of strong countries that always seek to use their influence in order to further their own national goals. Economic expansion, military upgrading and diplomacy are all necessary to maximize power. Due to the economic and military might of the two rising superpowers, China and India, the globe has been experiencing a phase of power transfer ever since the conclusion of the Cold War. As a result, Asia has become the center of gravity for global politics. As a status quo power in this situation, the US is seen to be pursuing a dual diplomatic strategy of containment and collaboration to cope with them. On the other side, China and India have been attempting to maintain their ascent by establishing cooperative and amicable ties with their neighbors, such as Nepal, as well as working together on a global scale given their geographical limitations. But because to their proximity to one another, they are also in rivalry with one another for resources and strategic impact. After the anti-colonial movements in China and India were successful and India gained its independence, powerful powers from other continents engaged in ideological conflict began to pay attention to the Himalayan area. Both China and India were concerned about this. Due to their closeness, both nations used a section of the Himalayas as their natural border. In order to gain a strategic edge, this led to rivalry for extending influence in the nearby areas. Both parties are attempting to settle the boundary disputes and have unilaterally claimed specific regions as their own spheres of influence. To maintain control, a feeling of rivalry and mutual distrust has become stronger. To achieve its developmental requirements, Nepal maintains contacts with Western nations. This had previously made it possible to balance India's influence. The US was Nepal's leading source of foreign assistance up until the early 1970s. The US had less of an impact on Nepal's internal politics after the Cold War as it concentrated on other parts of the globe. India and China's ascent as developing powers led to increasing US direct engagement in Nepal. The US now uses Indian tactics to influence Nepalese politics because it sees India as a proxy for containing China's dominance in Asia. This method was particularly successful following the Maoist uprising in Nepal. The US tried to support the king's counter insurgency efforts against the Maoists. Although the political landscape shifted in 2005 in favor of the democratic forces, it was not before 2009 that US grudgingly acknowledged India's contributions to peace initiatives

and political stability in Nepal. As a result, the US declared its strategy of rebalancing towards Asia in 2012 and sees India as a trustworthy partner in South Asia. Since the third Indo-US strategic conversation in 2011, there has been a greater emphasis on collaborating with India to solve regional concerns. Since the end of the Cold War, Nepal has continued to serve as a vital location for powerful nations. It has also consistently played a significant role in the Himalayan regional power dynamics. In exchange, Nepal benefited from the presence of major/external forces on its soil in order to balance the effects of its two neighbors and to protect the integrity of its territory. However, Nepal's foreign policy is primarily concerned with preserving equilibrium between its two larger neighbors. The US has never directly threatened Nepal, but Nepal anticipates that it will not put pressure on Kathmandu about the Tibet problem. Since the start of diplomatic ties between Nepal and the US, the latter has mostly been seen as Nepal's defender from any military danger and political meddling from China and India. Elites in Nepal believe that because of China and India considerations, the US will never ignore Nepal's geopolitical position. If there are border issues and the Tibet question, China cannot ignore Nepal. Due to Nepal's advantageous position, international powers are compelled to be interested in both its internal and foreign policies. It is also important because of the neighbors' feeling of unease and the sporadic tense relationships with them. Therefore, the ten-year Maoist insurgency and the protracted periods of political unrest in Nepal drew the interest of outside powers for a long time. Since the Jana Andolan-II began the challenging process of political transition in Nepal from a monarchy to a democratic republic, Nepal has gained an even larger significance for extra-regional powers, notably the US, UK, and the European Union.⁵

The Indo-Nepal Treaty of Peace and Friendship was formed between the two nations in 1950, yet there have been anti-India demonstrations in Nepal throughout the years because of India's alleged meddling in its domestic affairs and dominating attitude. These culminated in pervasive anti-Indian attitudes. Nearly every group of people looked to China as a much-needed counterweight to India, particularly the educated Kathmandu elite and the king's courtiers. This could also be directly related to the psychological imbalance, persistent poverty, and size asymmetries in Nepal. There was no question that Nepalese inclinations toward China were tilts, traditionally supported as a gamble to balance of power. The Indian loss in the conflict with China in 1962 caused a fundamental shift in Nepal's perception of India and China. The underlying worry in Kathmandu was that a strong China may constitute a far greater military danger to Nepal than India could. Furthermore, how could they expect India to defend Nepal if India could not defend itself? Policymakers in Nepal were aware of the inherent advantages of both China in the North and India in the South, as shown by Prithvi Narayan Shah's counsel to his successors: "The kingdom is like a yam between two boulders." Maintain cordial ties with the Chinese Emperor, and strong friendships with the emperor should extend beyond the southern seas. Since then, his equilibrium has persisted. By 1990, Indian intelligence services had learned that Kathmandu had grown to be a significant ISI station in Pakistan. By kicking Pakistani officials off its land, Nepal itself has accepted the ISI's expanding influence. In discussions with India, it had also acknowledged ISI infiltration and even asked for assistance in combating the threat. Nepal has mostly argued that it was unable to halt the ISI's activities. This development has become one of the most significant challenges to India's security, along with the extensive drug trade and border smuggling.

Future Indo-Nepal collaborations are hampered by Nepal's criticism that it received an unfair deal in past accords like the Gandak Treaty (1959) and the Kosi Treaty (1954). Water resource specialists in Nepal expressed dissatisfaction with India's unilateral actions, delayed

⁵ Sigdel, A. (2018) China's growing footprint in Nepal: challenges and opportunities for India. Issues Briefs and Special Reports.

and little compensation, disdain for Nepal's interests, and uneven advantages. These attempts fostered animosity and distrust between the two countries, which resulted in a significant gap in cooperative water resource development endeavors. Due to a perceived gap, controversy has dominated past discussions for water projects on Indo-Nepal trans-boundary waterways. The Nepalese see India as a hegemonic state that blackmails its neighbors into unequal deals and think that India is draining Nepal's watershed for its own gain. India, on the other hand, accuses Nepal of having "small country mentality," conjuring up imaginary conspiracies, and neglecting India's support for many facets of Nepal's economy. Additionally, Nepal's fragile and unsteady political unrest has contributed to the escalation of anti-Indian sentiments.

The Madhesh people constitute a sizeable number in overall Nepalese population. They have all sorts of social, religious and cultural relations with their brethren across the border in Bihar and eastern Uttar Pradesh. The Madhesh issue has also been painted as India's interference in internal politics of Nepal. Even after the establishment of the Democratic Secular Republic of Nepal, Madhesis still face discrimination, and their love for India is more cultural than political. The area would see significant ethnic conflict due to the hardline views maintained by the leading political parties in Nepal over the demands made by the Madhesi communities. In contrast, passive indifference to developments in Terai will be construed by the Madhesis as shirking of Indian responsibility with a concomitant effect on the electorate in the adjacent regions of India. Any meaningful attempt by India to rescue the Terai situation is likely to be seen as unnecessary interference in the internal affairs of Nepal and frustrated its Pahadi constituency. India must find a solution to balance this problem, particularly the prejudice against the Terai region's residents. Therefore, it is in the best interests of both nations as well as the stability of Nepal for its citizens, especially the Madhesis, to resolve the conflict via negotiation and agreement within the parameters of the new Constitution. The Madhesis must follow Nepal's constitutional rules in a same manner. Both the Pahadis and the Madhesis should get over their suspicion of one another and dedicate themselves to the task of nation-building.

SINO-NEPAL RELATIONS BEFORE THE END OF COLD WAR

Till the 1950s, China showed the least interest in Nepal. Nepal's strategic relevance to China was further boosted in 1950 by the Chinese takeover of Tibet. The friendship and collaboration among both China and Nepal have expanded greatly since the two nations' official ties were established in 1955. The Panchsheel, or Five Principles, which form the foundation of ties between China and Nepal, state that China would refrain from interfering in Nepal's internal affairs and that Nepal will uphold Chinese sovereignty and territorial integrity particularly regard to Tibet and Taiwan. Nepal has also fervently embraced the "One China" policy. The dynamics of the Cold War also contributed to China's engagement in Nepal. Given Nepal's closeness to Tibet and the substantial diplomatic engagement of European diplomats and humanitarian organizations there, China was worried about this.⁶

In the early 1950s, China and India explicitly already understood the value of establishing brotherly connections for their own interests. In 1949, India emerged as one of the first nations to formally recognize the People's Republic of China. However, due to the geographical reality that these nations shared a long border, which was compounded by the legacies of the past, and the zeal with which they sought recognition from regional powers, there was miscommunication and rivalry.

⁶ Adhikari, M. (2012). Between the Dragon and the Elephant: Nepal's Neutrality Conundrum. *Indian Journal of Asian Affairs*, 25(1/2), 83–97.

Premier Zhou stated his sincere desire for China and Nepal to become even more intimate during his visit to Nepal in January 1957, stressing the significance of escalating collaboration in the coming years. This led to a joint statement that said, "In the spirit of the personal and amicable conversations they held in Peking, the two Premiers remembered and reiterated the ancient relationship that has existed since time immemorial." B. P. Koirala, the country's first elected prime minister, travelled to China in March 1960. In particular, he signed an agreement with his Chinese counterpart on the location and demarcation of the Nepal-Tibet boundary, resolving the most contentious issue between the two countries that had persisted for decades. His discussions with Chairman Mao and certain other Chinese leaders helped to further strengthen the bilateral relationship. The Chinese government further promised to provide money to Nepal in order to develop a new route connecting Kathmandu with Lhasa, the capital of the Tibet Autonomous Region.⁷

Chinese interest in Nepal historically was not as great as Chinese interest in Tibet, but communist China saw itself in a direct ideological and military conflict with India. India was seen in a similar light. The Chinese attack against India in the autumn of 1962, according to the Government of India, "was driven as much by ideological concerns as by expansionist reasons." In 1961, Nepal's King Mahendra paid a state visit to China, which ushered in a new era of bilateral collaboration. Nepal and China had a full-fledged interaction in the political, economic, cultural, and military spheres during his rule. King Mahendra was largely credited with creating Nepal's modern foreign policy because he made every attempt to preserve a precarious equilibrium with the major neighbors of the little nation. He backed border trade and road connections between Nepal and China while taking care not to anger India. His cordial behavior resulted in China providing millions of Chinese Renminbi (RMB) in financial and technical support, which was used to construct highways, paper mills, hydropower plants, and a variety of other enterprises.⁸

China accused India of 'colonialism' and 'outright expansionism' after merger of Sikkim in 1974. In a piece that appeared in the People's Daily on September 3, 1974, China falsely accused India of "considering itself as a sub-superpower" and fantasizing about "lording it over in South Asia." Vice Premier Li Xiannian publicly pledged his support in April 1975 for "the people of Sikkim's fight against the blatant annexation by the Indian expansionists." So, it was undeniable to notice China's efforts in maligning India's relations with its friendly neighbouring states. The brief conflict that occurred in October 1975 on the eastern section of the Sino-Indian border was another unfavorable development in Sino-Indian relations. China's goal in all of these events was to win over India's smaller neighbors by showing compassion and support for India on sensitive Indian-Pakistani problems. Chinese policy included preventing Indian influence in Nepal. It sometimes used threats to do this, but largely it depended on a political ploy that took advantage of the fabricated rising anti-Indian sentiment and sense of nationalism among the elite of Nepal. The 1980s saw the continuation of this programme. In contrast to warmer (or what were referred to as "brotherly" ties) with India, the Nepali Congress administration (1959–60) had amicable relations with China. China hardened its position and started to cause problems for Nepal. It started by mobilising its forces on the Nepal-Tibet frontier as one of its first actions. China has also made maps with Nepal's territory on the reverse. When China staked a claim to Mount Everest and shown intransigence in resolving the concerns, relations soured. But throughout that time, there were also countervailing influences.

⁷ Sharma, B.P. (2018). China-Nepal Relations: A Cooperative Partnership in Slow Motion. *China Quarterly of International Strategic Studies*. 4 (3), 439–455

⁸ *Ibid*

The Chinese government took a highly tolerant and friendly stance toward Nepal following the ouster of the Nepali Congress administration in December 1960, especially when Nepal's ties with India started to worsen. China started to feed the King and his allies' anti-Indian sentiments. China did not provide any editorial commentary when it merely reported the news of the fall of the Nepali Congress government in December 1960. China adopted a very cordial and cooperative stance toward Nepal in response to the Sino-Indian border issue, notably in settling the Mustang incursion, which had led in the loss of life of numerous Nepalese troops engaged, despite Indian pressure. China said that it was willing to apologize to Nepal and make up for the lives lost. China attempted to address Nepal's requests in a cordial manner during the Joint Border Committee's meetings in Beijing and Kathmandu that resulted in the boundary treaty between China and Nepal. King Mahendra signed the border treaty on October 5, 1961, while on a state visit to China. Between December 9 until December 20, 1963, the Committee convened its sixth meeting in Beijing to finalise border maps, discuss boundary team reports, and create the boundary protocol, which was then signed on January 20, 1964. (The protocol specified the length of Nepal-China boundary as 1,111.47 km). In the protocol, it was stated that the governments of China and Nepal were "deeply convinced" that this would "help strengthen the traditional friendship between the two peoples" and "further strengthen and encourage the friendly and good neighbourly relations between the two countries formed on the basis of the Five Principles of Peaceful Coexistence." In November 1979, Nepal and China agreed on another boundary agreement. According to China, this convention "adds something new to the annals of Sino-Nepalese friendship" and "sets once again a positive example of how bilateral relations may be fostered via friendly dialogues on the foundation of equality and collaboration."⁹

Additionally, China has used overseas assistance as a tool for its foreign policy. China has helped explicitly to offset the influence of India, albeit doing so in the framework of its broader foreign policy goals, which include limiting superpower dominance in Nepal. Since the middle of 1956, China has been a significant contributor, aiding in crucial fields including infrastructure—road and power—import-substituting enterprises, and community service facilities. An estimated Rs 1,500 million in assistance was supplied to Nepal in total between 1956 and 1989, funding more than 40 projects. When Nepal's ties with India and China's were at their lowest points, the use of assistance as an instrument for foreign policy was actively pushed. For instance, China provided up to 95% of Nepal's overall assistance during the period 1962–1965, which was extraordinary. It provided around 16% of Nepal's overall assistance in the decade that followed, and about 14% from 1970 to 1975.

King Birendra's journey to China in 1979 and Prime Minister Kriti Nidhi Bista's in 1972 both served to advance Nepal's ties with China. Similar to this, the trips to Nepal made by Chinese Premiers Zhao Ziyang in 1981, Li Xiannian in 1984, and Li Peng in 1984 all served as significant turning points in the bilateral relationship. The two nations negotiated many trade agreements and agreed to resolve a few minor border disputes during this time. (Buddhi Prasad Sharma, 2018). In several cases, China has replaced Indian assistance in fields and areas that India deemed to be strategically critical. China was said to have expressed a strong interest in building the entire 1,000 km long highway, which was later jointly built by the United States, the former Soviet Union, India, and Nepal. King Mahendra had the idea of building the east-west highway in the early 1960s, with the stated goal of reducing socioeconomic dependence on India. Early in the 1960s, China and Nepal entered into several formal agreements, under which the former agreed to (a) build two road projects (the Ithari-Dhalkebar sector and Janakpur-Biratnagar sector of the east-west highway), and (b) build an irrigation project, in the

⁹ Khadka, N. (1999). Chinese Foreign Policy toward Nepal in the Cold War Period: An Assessment. China Report, 35(1), 61–81.

border regions between Nepal and India (Kamala irrigation project in eastern Terai). Nepal was convinced to reject these projects because they were located in what India considered to be strategically critical regions. Similar to this, in the middle of the 1980s, China's Highway Construction Corporation demanded that Nepal stop working on a road project (the Kohlapur-Banbasa stretch of the east-west highway in western Terai). India paid the whole cost of construction while Nepal was required to pay \$2 million in reimbursement for cancelling the agreement.¹⁰

DECIPHERING THE DRAGON'S STRATEGY TOWARDS NEPAL AFTER THE END OF COLD WAR

India has been emerging as a rival for China on the international stage ever since the economic reforms in 1991. India has surpassed Britain in the last leg of 2021 and became 5th largest global economy. It is opined by gamut of international financial agencies that Indian economy is going to perform excellently well in coming decades and by 2050 will be holding over 20% of the global GDP. The arrival of Modi regime in May 2014 has witnessed rapid changes in Indian foreign policy. In 2014 only, PM Modi declared in Japan that era of expansionism has ended. It was hinted towards China. Under Modi regime, comprehensive upgradation of the infrastructure at the border areas on the Tibet (China) is going on and that has upset China a lot. Although the Chinese incursions are a sustainable phenomenon since years but during the midst of the pandemic, Chinese PLA intruded in eastern Ladakh culminated into Galwan fight between PLA and the Indian army in June 2020 resulted into the casualties to both sides. On 9th December 2022, clash of PLA and the Indian army took place at Twang, Arunachal Pradesh resulted into wounding to both sides. India has got G-20 chairmanship for the year 2023. On the larger plank of diplomacy also, India has become proactive. Despite western protest to Russia, India has maintained good relation with Russia and buying cheap oil which remains critical for the robust growth of the Indian economy. India is also doing hard to catch up in military preparedness and spent \$77 billion. Again, it is far less than Chinese military expenditure of \$292 billion in 2021. But given the lesser military expenditure in last years it is huge hike. Intercontinental Ballistic Missile (ICBM) tests conducted by India successfully generated concerns about Indian technical advancement among academicians and senior politicians in China, and as a result, China has acknowledged India as a significant player in Asian affairs. Additionally, India has assumed a prominent role in world events as a result of the 2005 India-US civil nuclear agreement, its proactive foreign policy at international fora, and its military modernization. It makes sense that China would wish to keep India involved in domestic and regional issues in order to thwart its global aspirations given the battle between the two for influence at the regional and global levels. The greatest democracy in the world, India, is geographically situated in this area, and China believes that democratic forces (the US, India, and Japan), headed by the US, are banding together against it. Therefore, China has since 2000 significantly altered its foreign policy toward South Asia. This became apparent after 2005, when China started to worry more and more about India's growing strategic relations with the US. Concerns were also raised by the presence of Tibetan refugees in India. Former Chinese President Hu Jintao had highlighted the potential for India to take part in any Western containment policy with reference to rebalancing role in the Asia Pacific region during his visit to Delhi in March 2012. The Chinese leadership has refocused its attention on expanding its influence in the South Asian area to counterbalance the widely held perception that the United States is trying to limit China by strengthening its relationship with India. China supports a strong, stable and impartial administration in Kathmandu regardless of ideology.

¹⁰ Ibid

Due to Nepal's people-centered diplomacy, it seems that China does not desire a conflict right now in this area. China now chooses to focus on development initiatives in its western area.

As part of the comprehensive cooperation strategy at all levels, China aims to maintain its diplomatic ties with Nepal soon in order to keep outside forces out of the Tibetan refugee problem. Beijing would intensify its economic cooperation and interpersonal ties with Nepal in the long run. Moreover, given the twin forces of Tibet and India, as well as China's official focus on the external perimeter, it is anticipated that Chinese policy towards Nepal will become more significant in the days to come.

Geographically, Nepal is the southern entrance to Tibet and has long had stronger ties with Tibet than with China in terms of trade and culture. Nepal serves as a physical and cultural barrier for China between Tibet and the Tibetan refugees in India. Beijing is concerned that Nepal may be used as a frontline state to undermine Chinese security objectives. The Himalayan Mountain range not only always offers a natural barrier against infiltration, it is suspected that the CIA of US and Indian intelligence agencies (R&AW) encourage Tibetan refugees who are attempting to enter China. Prevailing anarchic security architecture in Asia has further highlighted plight of the Tibetan people. International support for the Tibetan cause has increased many folds in recent years and all set to grow in foreseeable future. China is apprehensive that Nepal could be used against it particularly in the revival of the Tibetan cause. Chinese scholars share the view of Maoist leaders that China is really the target of the US strategy in Nepal. Chinese expert on Nepal Wang Hongwei thinks that the US and India are exploiting Nepal as a base from which to attack China. In May 2001, the Chinese envoy to Kathmandu expressed China's security worries and reaffirmed that China had a crucial interest in maintaining its important southern border by fostering a trustworthy relationship with Nepal. Former Chinese Foreign Minister Tang Jiaxuan commented on Nepal's escalating political crisis and the role of outside forces, noting that Beijing has consistently adhered to a policy of non-intervention regarding Nepal's internal affairs and fully respects any model of national development that the Nepalese people choose. The recent visit of Chinese President Xi Jinping to Nepal served as further motivation to cooperate with China in order to counterbalance India's influence over Nepal's physical infrastructure development and to gain access to the global market through the Belt Road Initiative (BRI) or Silk Road mission. This Chinese initiative makes it quite evident that India's political dominance on Nepal's political economy must be scaled down. The present Chinese ambassador's strong participation in the resolution of internal disputes within the governing party also demonstrates China's keen desire in playing a decisive role in Nepalese politics in order to limit the influence of India and western nations. Some commentators argue that China is uneasy about India's sway in Nepal as well as the influence of the United States, the United Kingdom, and the European Union, even though China does not specifically address the involvement of outside powers in Nepal. Therefore, in order to maintain political stability in Nepal, China constantly seeks for a respectable nationalist group that is receptive to Chinese influence. It also underlines repeatedly that the Nepali government must adhere to the one-China policy and should forbid Tibetans from engaging in any kind of anti-China actions.¹¹ China views Nepal as a key area for achieving its geopolitical goals in South Asia. If China fails to maintain or institutionalize a strong connection with Nepal, regional countries like India may use Nepal, according to Chinese strategic perspective. In addition, the Chinese analysts think Nepal is important for Beijing's security because of the regular protest movements and fragile circumstances in Tibet. According to Chinese reasoning, maintaining positive relations with Nepal may aid that country in containing Tibetan movements and keeping a close watch on Tibetan

¹¹ Ghimire, Y. (2012). Big Power Deal Gives Chinese a Foothold in Nepal. *Straits Times Indonesia*, 10 March 2012, at <http://www.thejakartaglobe.com/economy/big-pow-er-dealgives-chinese-a-foothold-in-nepal/503>.

demonstrations and activities. Therefore, the Tibet problem continues to be China's top security concern in Nepal, and the potential of increased economic and commercial relations with Nepal has also been one of the key goals of China's recent policy towards Nepal. Over the years, trade between China and Nepal has increased, but more significantly, China has also signed crucial hydropower plant projects with Nepal.

China is influencing Nepali society for the better by giving generously and strategically. It would continue to "employ economic diplomacy as the cornerstone of its foreign policy" after the 19th Party Congress. India should thus move away from its solely conventional security perspective and take the initiative with creative methods and policies. Finding the main reason for Nepal's conduct toward India is the first step. Why does the Nepali elite always oppose India yet welcome China so warmly? Given that Nepal has expanding trade deficits with both nations, this issue is very important. Second, India has to launch new infrastructural, economic, and development projects with Nepal that would not only assist the people of that nation directly but also address any vulnerabilities that may arise as a result of its relations with China. India, however, makes an effort to uphold its pledges because it is cognizant of its own desire to keep Nepal closer to itself than to China.

RECENT DEVELOPMENTS IN INDO-NEPAL RELATIONS

Nepal has emerged as a new battleground between India and China. Growing Indian stature at the international level has further complicated the situation. Just after 1962 war, Chinese premier, Zhou Enlai stated that the war was meant to "teach India a lesson" because India was too close to the United States.¹² It was a prophetic understanding because during and after 1962 war with China, India was closer to the then USSR and just founded NAM. In post-cold war era, India-United States bilateral relations has gone up phenomenally. During the Cold War period, only three, American president has visited India but after the end of the Cold War, all American presidents have visited India. Beside nuclear deal, India -United States relations have achieved many new milestones and that has upset the Chinese. QUAD has come out from the hibernation. Although QUAD still remains nonmilitary but it has declared military ambitions and all other members Japan, Australia and Britain are declared anti-China. It may be a coincidence but it is the reality that it is due to national interests. If one will visit Global Times, it could be easily manifested. This comment (Global Times) after September 2022 QUAD summit vindicates it "Now, India is concentrating on becoming a developed country by 2047, and it will attach great importance to strategic independence and growing economic strength. Cooperation with China rather than all-out confrontation will better serve this goal, observers said."¹³ China has already developed all weather relations with Pakistan and willing to bring Nepal within its own fold by all counts. India needs to be cautious on this front and must revisit its policies to cope up the emergent situation.

Neighbors with an open border, India and Nepal's ties haven't always been the best, swinging from one extreme to the other. The border region of Kalapani is the subject of one of their protracted disagreements. The other facets of bilateral relationships might be affected by this disagreement, particularly in the areas of the economy and cross-border security. Furthermore, if the two nations are unable to resolve their dispute, it may open the door for other parties, like China, to become involved. Indeed, being a tri-junction between India, China, and Nepal, the Kalapani region has strategic importance in South Asian diplomacy. The

¹² Singh, J. (2011). *Indian Air Power*. In OLSan, J.A. (ed.) *Global Air Power*. Potamac Books.

¹³ Han, Z. (2022). India enhances interactions with Quad members, but eyes balance between major powers to reap benefit - Global Times. Retrieved December 27, 2022, from www.globaltimes.cn website: <https://www.globaltimes.cn/page/202209/1274863.shtml>.

Kalapani issue has significant implications for the relationships between the three nations since Nepal serves as a "buffer state" between the other two nations, both of which have great-power ambitions in the area.

Some observers claim that the "open border" between the two nations is what makes their relationship "unique." Other thinkers are discussing the "liberal dilemma" in respect to "open borders" at the same time. On the one hand, open borders provide a utilitarian environment that is favorable to individuals residing on both sides of the border, according to liberal thinkers like Joseph Carens. Free movement and effective use of the locally accessible resources or raw materials would be possible, benefiting everyone, but notably those that live nearby. On the other hand, determining the scope of such "openness" raises a conundrum since it raises the risk of threats from non-state actors, such as terrorism, smuggling, or trafficking, to established "liberal territorial polities and communities."

The 'Open Border' in Nepal's situation serves as a "safety valve" for the nation in terms of money and employment creation from its larger neighbor, India. The open border system is criticized for permitting problems including a broader circulation of counterfeit money and inadequate verification of informal commerce, yet, at the same time (around one-third that go through the non-custom checkpoints). The 'Open Border' has become a reason for bitter Indo-Nepal relations when India unilaterally shut down 22 border crossing sites and 15 transit points for Nepal in 1989, issues emerged. This border blockage dealt a setback to the then-developing bilateral ties between India and Nepal. Eventually, the borders at Joghani-Biratnagar and Raxaul-Birganj were opened. A second blockade between the two nations occurred in 2015, which is often described to as a humanitarian and economic disaster for the Himalayan neighbor. The fact that it occurred immediately after the little nation was devastated by an earthquake was to blame for further fracturing the border-centric relationship. Additionally, the incident occurred at a time when Indian Prime Minister Narendra Modi was emphasizing India's position on the "Neighborhood First" policy.

India-Nepal ties have been tumultuous since 2015, when Nepal issued a new constitution via a historic Constituent Assembly that New Delhi considered problematic in a number of ways. The low point occurred when Nepalis were denied access to essential goods due to an unofficial blockade at the India-Nepal border; most Nepalis saw it as impermissible meddling in their nations' internal affairs. Since that time, mutual mistrust and suspicion have harmed bilateral relationships, from which they have not yet entirely recovered. As a consequence, when a new leader takes office in Kathmandu, mending relations with New Delhi will be the country's top foreign policy concern.

Top party leaders in Nepal are often criticized for putting the interests of the country above that of other strong powers and blamed of siding with one over the other. Sher Bahadur Deuba is believed to be close to India, whilst KP Oli is renowned for his propensity towards China. Nepal's democratic politics have always included a discourse about the "India factor" in elections, whereby worries about "national interest and sovereignty" play a highly emotional role in stoking support for the country's political class. During the 2015 blockade, KP Oli and his coalition allies gained significant political ground by running anti-India propaganda. The BJP has often intimated that it will back Nepali politicians who supported its pro-Hindu agenda in that country. According to reports, BJP leaders have been pleading with Nepali authorities to defend Hindu culture in meetings. Earlier, when K.P. Sharma Oli made steps to court the Hindu constituency, the BJP pledged its support to the then-prime minister and chairman of the Communist Party of Nepal (United Marxist-Leninist).

Considering the recent elections, which seem to be positioning the governing Nepali Congress, headed by Prime Minister Sher Bahadur Deuba, to become the only party with a majority in parliament, India feels cautiously hopeful about its ties with Nepal. On November 20, first-past-the-post elections were conducted for 165 of the 275 seats in the House of

Representatives (Pratinidhi Sabha). Proportional representation will be used to elect the last 110 members. The Nepali Congress has so far won 53 of the 165 seats, making it the only party in power. Its allies, the CPN (Maoist Centre), CPN-Unified Socialist, Lokatantrik Samajwadi Party, and Rastriya Janamorcha, each won 10 seats. Beijing, however, is still hopeful about putting in place a government led by the Communist Party of Nepal (United-Marxist-Leninist), whose partners Rastriya Prajatantra Party and Janata Samajwadi Party (JSP) each won seven seats and won 42 seats under the leadership of former prime minister K P Sharma Oli. In order to dismantle the current coalition and establish a new coalition with the CPN (UML) at its center, the diplomats at the Chinese Embassy in Kathmandu are in contact with a number of important political figures in Nepal.

Clearing up misconceptions between India and Nepal would be made easier by the frequent meetings and exchanges. Additionally, this will contribute to creating a climate of trust, which is necessary in order to resolve the long-standing problems between the two nations.

CONCLUSION

The conventional framework of ties between India and Nepal is fast altering in line with the dynamics of world politics. Due to Nepal's tiny size, its landlocked status, and its disproportionate reliance on India for commerce, any war with Indian nation is certain to have a significant effect on Nepal. When considering Nepal's situation, it is impossible to deny that it needs India as a partner in some capacity. By virtue of location, it is predetermined destiny that one cannot alter. Because of its proximity to India, Nepal has one of the finest commerce and transportation routes of all its neighbors.

Nepal wants to improve relations with India because it is aware of its strategic significance. New Nepalese PM has announced that his government will balance relationship with China and India. Given the previous record of Prachanda and Oli it is clear that both are inclined towards China. India must remember that the Nepalese people are their biggest asset and their well-being could be kept in the mind while coping the emergent situation. At the same time, India must comprehend Nepal's true requirements as a partner in development and try to meet those demands. There are no other people to people relationships like the ones between Nepal and India. Government-to-government connections should not be disrupted at the expense of the remarkable relationships that have grown through time. Therefore, the needs of the people should be prioritized while managing bilateral ties. Nepal must also understand that India is a critical element for her all-round development which could be replaced by any country.

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