

India, China and Nepal relations: An analysis

¹ Tariq Rashid Wani, ² Dr. Virendra Chawre

¹ Research Scholar, School of Studies in Political Science, Vikram University, Ujjain, Madhya Pradesh, India

² Lecturer, School of Studies in Political Science, Public Administration, Vikram University, Ujjain, Madhya Pradesh, India

Abstract

This paper attempt to highlight India's policy towards Nepal and the china factor which always make hinder their bilateral relations. The paper also focused on economical political and cultural relation between India, Nepal and china and both china and India are compacting for infrastructure contracts and also provide aid that could bring them more closer, and why the china and India spend billions of dollars on hydroelectricity dam in Nepal.

Keywords: trilateral reactions, infrastructure, hydroelectricity and railway links

Introduction

After Independence, India was facing with serious internal problems; it could not afford to maintain an attitude of tranquil detachment towards Nepal. Because of Nepal's internal conditions, the rise of communalism in China and the growing militancy insurgency into Tibet. Under the prevailing circumstance at that time, India adopted four basic principle of their foreign policy towards Nepal. First, to keep Nepal away from cold war tensions; second, to promote the process of democratisation in Nepal; third, to assist Nepal in achieving its political stability and economic prosperity as an instrument of effectively guarantee against any foreign encroachment; fourth to ensure Nepal's security against communist menace that might ultimately develop from the china side.

Objectives of the study

1. To analysis trilateral relations between India, Nepal and China.
2. To find out the impact of china factor on Indo- Nepal relations.

Methodology

The methodology undertaken in this research work includes historical and analytical methods. The historical records and official document were examined: primary as well as secondary sources that are available on the subject have been used. A primary source includes policy documents, reports, official statements and interview of policy makers. In the secondary sources, the major works of different distinguished authors in the field have also been included and analysed.

Discussion

Renewing new ties

Nepal, a small nation sandwiched between China and India, have had a huge influence of its neighbours. India figures prominently in the Nepal's foreign policy, and India had stakes in Kathmandu's peace process and constitution-drafting. In 2014, Nepal and India achieved new heights of their diplomatic relations. Indian Prime Minister Narendra Modi visited Nepal in August 2014. He became the first

Indian prime minister to visit Nepal after 17 years. During his visit, Modi charmed the Nepalese people with a rousing address in the Parliament of Nepal, which was the first such address by any foreign leader in Nepal. India also assisted Nepal loan of \$1 billion and also committed to assist Nepal in several infrastructure development projects. Several Nepal's political parties had raised voices against the Treaty of Peace and Friendship of 1950 and some other 'unequal' treaties. Hence, during Modi's visit, both the countries agreed to review, adjust and update the 1950 Treaty and other bilateral agreements ^[1]. The Power Trade Agreement (PTA) and the Project Development Agreement (PDA) between the Investment Board of Nepal and India's (GMR) Group for the development of the Upper Karnali hydropower project was signed in October 2014 ^[2]. Again, during Modi's second visit to Kathmandu in November 2014, to attend the 18th SAARC Summit, he inaugurated an Indian-built 200-bed trauma centre and flagged off a Kathmandu-Delhi bus service. India also provided a helicopter to the Nepal Army and a mobile soil-testing laboratory to the country. Similarly, the Joint Commission which was formed in 1987 at the Foreign Ministers' level with a view to strengthening understanding and promoting cooperation between the two countries for mutual benefits in the economic, trade, transit and the multiple uses of water resources was reactivated after a 23-year gap during the visit of the Indian Minister of External Affairs Sushma Swaraj in July 2014 ^[3]. For both nations, there's more behind the aid than just humanitarianism and closer ties with Nepal. China and India are also eager to demonstrate their good will and influence as major powers, they want the world to know "they are major powers with increasing economic resources, and are ready to behave like a friendly regional power. China has been ramping up spending and economic ties in the region for years, so the message was particularly important for India. "India has sent out a strong message to its neighbours in the regions who have been watching India's response," "Hopefully, India will be seen as a more reliable super power in the region now that uses its might in times of need." "It's going to take decades to reconstruct this. "Both India and China has to competing for infrastructure contracts, and to provide aid that could bring

Nepal closer. One area of importance to both is the rebuilding of infrastructure. But beyond that, there are plenty of new types of aid that India and China can offer to Nepal. "India also has an agreement to supply a range of items at reduced price (such as refined oil), and my guess is the supply of that will increase and almost certainly speeded up [4].

China was steadily extending its reach into South Asia with its growing economic and strategic influence in the region. It had huge trade surpluses with all South Asian countries and it reciprocates these surpluses with massive investment in infrastructural development, socio-economic needs and energy production in those countries. It also provided them with low-cost financial capital. The largest beneficiaries of such economic assistance were Pakistan, Bangladesh, Sri Lanka and Nepal. Due to China's rising interest and influence in South Asia, India appeared perplexed. Hence, it had changed its foreign policy gesturing. With the election of Narendra Modi as the Indian prime minister, New Delhi had given highest priority to its South Asian neighbours. Inviting the heads of the South Asian countries during his swearing ceremony and making his first foreign visit to Bhutan and later to Nepal were the clear indications in those directions [5].

China's Inroads in Nepal and India concerned

Given the claims that Nepal may be used by the India for its larger strategy of encircling China, Beijing was concerned about Kathmandu being manipulated by other powers. Security experts on China stated that Beijing increased its interest in Kathmandu due to the perceived threat to Tibet via Nepalese territory – particularly due to the prolonged state of instability and transition in Nepal. Ever since the March 2008 uprising, when the Tibetans strongly started the global anti-China protests, there had been a major shift in China's policy towards Nepal. China was planning to extend the Qinghai-Tibet Railway to Nepal by 2020. The Rail-link was expected to be extended to the borders of India and Bhutan as well. Through Qinghai-Tibet Railway, China connected its existing railway system to Tibet's capital Lhasa in 2006 – which passed through challenging peaks on the Tibetan highlands, touching altitudes as high as 5,000 meters as part of government efforts to boost economic development in the neglected region. In August 2008, six additional rail lines were proposed to connect to Qinghai-Tibet railway – such as the Lhasa-Nyingchi and Lhasa-Shigatse in the Tibet Autonomous Region, the Golmud (Qinghai province)-Chengdu (Sichuan province), Dunhuang (Gansu province)-Korla (Xinjiang Uygur Autonomous Region), and the Xining (Qinghai Province)-Zhangye (Gansu). The project was expected to be completed before 2020 while the Lhasa-Shigatse segment was completed in August 2014. Though Chinese claimed that the rail network expansion will be crucial in economic, cultural, and tourism promotion in South Asia, it had alarmed New Delhi because of its strategic implications. While Nepal shares a common dream of extending the railway line to Lumbini, the birth place of Lord Buddha, through Kathmandu, there is sign of nervousness among the Indian government due to the possible threat. Such fear might gradually fade after Modi's invitation to the Chinese to fulfil his ambitious bullet train plan. China, in an attempt to strengthen its relations with the South Asian Association for Regional Cooperation (SAARC), had

been taking efforts to build a close-knit strategic alliance with Nepal [6].

India- China Competition and Rivalry

The competition for influence between China and India along the Nepal-China border was not a new story. The development assistance of Rs. 100 million provided by India for Nepal's remote hilly region of Mustang was followed by a financial assistance worth Rs. 10 million for the construction of a library, a science laboratory, and school building with computers in Chhoser village (adjacent to Tibet's Jhongwasen district), in the same region, by China. Subsequently, the ambassadors of both countries had visited the region. India, in response to the Chinese attempt to extend the railway link from Tibet to the Nepalese border, had drafted a plan to extend its railway links to Nepal. India had announced assistance worth Rs. 10.88 billion for the expansion of railway services in five places along the India – Nepal border. The first phase of expansion is scheduled to begin from Birgunj in Nepal which was about 350 kilometers south of Tatopani, the place which was to be connected by China via railway lines. The power-game between China and India was thus slowly unfolding in Nepal. Nepal's relations with India run deep and were often, according to many, schizophrenic. Many in Nepal - including the Maoists - had criticised its "semi-colonial" relationship with India, spoken about Indian "expansionism" and pointed to how their impoverished country had become India's "bonded market". Indian traders had controlled much of the lucrative parts of Nepal's economy. Asymmetrical water sharing treaties, many arguments, had allowed downstream irrigation benefits for India. Nepalese opposition parties, playing the nationalist card, had sometimes thrived on anti-India rhetoric; and Maoists had derided other mainstream parties as India's brokers [6].

Trilateral relationship between India, china and Nepal

China's influence in the region appears to be growing rapidly. China overtook India as Nepal's biggest foreign investor, investing heavily, among other things, in roads, power plants, transport and infrastructure. Trade between the two countries was on an upswing. Beijing had not minced words in telling Kathmandu that it needed to tamp down on pro-Tibet activists on its soil. Was China's growing role in Nepal making India skittish? Prime Minister Narendra Modi had made the neighbourhood his foreign policy priority and sphere of influence. India, clearly, wanted to minimise Chinese influence in the neighbourhood. No wonder then that the pace and scale with which Mr Modi reacted to the tragedy was rather unprecedented. There was a feeling in India that Nepal cannot be allowed to go China's way there was a feeling that China had made too many inroads into Nepal. For years India influence over Nepal had notified, as the Chinese had gained traction. Despite a history of political, economic and social intimacy, and the fact that Nepal's currency was pegged to the Indian rupee, successive Indian governments failed to engage with their Nepali counterparts [7].

China became Nepal's biggest foreign investor in 2014, and the Nepali government awarded a contract to China's Three Gorges International Corp. to build a \$1.6 billion hydropower project. Chinese engineers were also building Nepal's first eight-lane highway, and Nepal's imports from China grew by

67% between 2010 and 2013. The Chinese overtures in Nepal began in earnest in 2008, after Beijing lost its “most reliable partner” in the country—the monarchy, which controlled the armed forces. Indian analysts believed that Chinese had supported the country’s ruling Maoist party after their guerrilla war that deposed the king, as a 2014 [8]. The India-Nepal Joint Commission reviewed the implementation of existing projects between the two countries the pending projects included a train to Nepal on which there had been no recorded progress since the deal was signed. China too has announced plans to build a railway line to Nepal as part of its One Belt One Road initiative [9].

China and India were each spending billions of dollars on infrastructure, especially hydroelectric dams, in Nepal. We discussed on what actually China and India want. A very small country was getting a lot of attention from two giant neighbours. Nepal was in the Himalayas between India and China. India wanted to spend billions of dollars on dams in Nepal, but this week, a Chinese company won permission to build a giant dam. It's Nepal's largest single foreign investment ever. There's also a proposed high speed railroad from China that would skirt Mount Everest. Nepal was an Aladdin's cave of water wealth for the entire South Asian region. It has eight out of 10 of the world's highest mountains. It has massive glaciers and rivers. But the problem was that Nepal had not been able to harness all these rivers and to create the hydropower that was necessary. In the country here, we had 18 hours of no electricity a day during the driest months [10]. Two trips by Nepalese Prime Minister K. P. Sharma Oli—the first to India in February and the second to China late last month—highlight the increasingly precarious balancing act facing the country. New Delhi, backed by Washington, was seeking to ensure its dominant position in landlocked Nepal, as part of US efforts to undermine China in every corner of Asia. Oli’s visit to India sought to bring an end to the five month trade blockade, including of fuel supplies, mounted by the United Democratic Madhesi Front (UDMF) in the southern Terai region of Nepal. India denied allegations it was behind the UDMF’s disruption of supplies, but called on the Nepalese government to make constitutional amendments to address the “legitimate aspirations” of all sections of the population, including ethnic Madhesi. Oli, who only became prime minister last October, had threatened to make his first foreign trip to China, rather than, as had traditionally been the case, to India. In the end, his government made partial amendments to the constitution and bowed to Indian pressure by making his first visit to New Delhi, leading to a lifting of the blockade. India’s concern was not over the democratic rights of marginalised Madhesi people, but with China’s growing influence in Nepal. During his six day visit to New Delhi from February 19, Oli declared the main purpose of his trip was to clear the air of “misunderstanding” between the two countries. Several bilateral agreements were signed, enabling Nepal to use more Indian transit points along its border and the Indian port of Visakhapatnam for trade purposes. However, Oli’s trip did not end tensions between the two countries. India refused to issue a joint statement during the visit, insisting Kathmandu had to “resolve all issues relating to the constitution satisfactorily.” Days after Oli’s visit, India slashed its aid to Nepal in the 2016 -17 budget by a massive 40 percent. Oli’s trip to Beijing, from March 19 to 26, was clearly aimed at

opening up closer economic relations with China as an alternative to Nepal’s heavy dependence on India. He signed several economic agreements, including on transit, trade, aviation, energy, infrastructure development and banking. In the joint statement issued by the Chinese and Nepalese prime ministers, Beijing, in contrast to New Delhi, declared it “welcomed” Nepal’s new constitution, adding “the China and Nepal relationship had reached a new height.” In return, Nepal reiterated its commitment to a “one China policy” and not to allow its territory to be used for “any anti -China or separatist activity”—a reference in particular to Tibetan exiles.

China had surpassed India as Nepal’s top aid donor and investor to Nepal Addressing a forum of Chinese businessmen, K. P. Oli declared Nepal open for “investment in almost every sector,” including manufacturing, hydropower, tourism, services, IT, mining and agri based industries. Under the new deals signed, China agreed to open more transit points for trade and allow Nepal to use Chinese ports for trade. It has also proposed building an oil pipeline from China to Nepal, an international airport for the Nepalese city of Pokhara at a cost of \$US216 million and a new bridge at the border town of Hilsa. Steps were also taken toward a free trade agreement between the two countries [11]. Prime Minister Narendra Modi, Chinese President Xi Jinping and Nepal PM PK Dahal Prachanda had a trilateral meeting at the BRICS venue, leading to much speculation about the outcome of the “unprecedented chance meeting”. the three leaders were together in the waiting lounge of the resort which hosted the summit. While Nepal authorities said Prachanda proposed trilateral cooperation with India and China, the MEA described the meeting as purely accidental. That Prachanda had officially proposed trilateral cooperation was revealed in a statement by his secretariat in Kathmandu. The proposal was welcomed by both India and China, it claimed. During the “trilateral meeting”, Prachanda reminded that during his previous tenure he had emphasised on the need for trilateral strategic partnership among Nepal, India and China [12].

Conclusion

Nepal’s position has become more strategically significant with the rise of a China that is aiming to be a superpower. Situated between the two regional powers who aspire to be global players, Nepal can grab the opportunities and become a centre of geopolitical competition between the rising China and a defensive India. A stable Nepal is in the interest of both India and China as it serves their prime concerns – security. For India, China and Nepal, Geography has made us neighbours. History has made us friends and Economics has made us partners. Those who are joined by geography, history, and economics cannot but work together for their common benefit. So In short we can say India should always lead to help Nepal, assistance them to improve their infrastructure like roads, railways, ports etc and also Indian government should regularly visit to Nepal and provide an offering to Nepal government. Besides, watching Nepali activities, and trying to keep Nepal away from china menace.

References

1. The Hindu, 3 August 2015.
2. Kalpana Jha. India-Nepal Power Trade Agreement: Challenges before Opportunities, 24 March 2015.

3. Pramod Jaiswal SAARC Doctorate Fellow. Centre for South Asian Studies. JNU I PCS Forecast: Nepal in 2015, 14 January 2015.
4. QUARTZ INDIA, 28 April 2015
5. Ibid
6. Pramod Jaiswal. China in Nepal: Increasing Connectivity Via Railways SAARC Doctorate Fellow, Centre for South Asian Studies, JNU 6 October 2014.
7. Pramod Jaiswal. Chinese Inroads to Nepal SAARC Doctorate Fellow, Centre for South Asian Studies, JNU 3 March 2014.
8. BBC NEWS, 28 April 2015.
9. ASIA&PACIFIC20:5526.10.2016<https://sputniknews.com/asia/201610261046770009indiachinanep1>
10. Ibid
11. The Hindu, 20 October 2016.
12. Sunil WA. Nepal tries to balance between India and China By 12 April 2016 World Socialist Web Site
13. The hindu Oct 17, 2016,