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Viewpoints:[1]

The Entangled Triangle of Nepal, India and China

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A landlocked country, Nepal has a strong and unique identity among the nations as a sovereign state, but it holds a shaky balance between its two giant neighbors, India and China. Due to its geographical bondage, Nepal's foreign policy priorities and options are limited, as is its 'strategy for survival'. To the south, east, and west, Nepal has encircling frontiers with India. Northwards, the Himalayas constitute an almost impassible frontier beyond which lies the border with China.

Nepal and India share strong bilateral relations. In 1950, The Rana government initiated the Indo-Nepal friendship by ratifying two treaties: the Treaty of Trade and Commerce and the Treaty of peace and Friendship. The Treaty of Peace and Friendship has helped Nepalese citizens enjoy unparalleled benefits in India, extensive privileges and opportunities at par with Indian citizens. There has been a sustained tradition of free movement of people across this border.[1] India took on a constructive role in the peace process in Nepal, and supported its transition into a democracy. India's cooperation to Nepal especially in the field of bilateral trade, investment and transfer of technology has been instrumental in accelerating the pace of economic development in Nepal in recent years. Without an outlet to the sea, Nepal's International trade and transit facilities are dependent on India.[2] Two-thirds of the international trade of Nepal is with India, while trade with China comprises only 10 percent of trade. India's Ministry of External Affairs pledged Rs. 30000 million ($530 million) to build four coordinated check posts, a 1,500-km network of roads connecting 33 districts and a 184-km broad-gauge railway line between the two countries. India has provided assistance of Rs 216.10 million ($38 million) to the Nepal government for constructing embankments on various rivers in southern Nepal. However, India and Nepal still need to find areas of co-operation in the exploitation of water resources for improved mutual benefit.[3]

In the geopolitical game, China has always attempted to actively counterbalance the predominant influence of India on Nepal. There has been a 'political power vacuum' in

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[1] The views in *The Culture Mandala* are those of the author(s) and do not necessarily reflect the views, position or policies of the *Centre for East-West Cultural and Economic Studies*. Bearing in mind the controversial debates now occurring in International Relations and East-West studies, the editors publish diverse, critical and dissenting views so long as these meet academic criteria.

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Nepal since the monarchy's abolition in 2008 with China is trying to make use of this opportunity to neutralize Indian influence. It is actively boosting its economic ties and trade with Nepal. Principally, China's interest in Nepal has always been tied to its geopolitical concerns over the security of Tibet, which has been dominated by China since 1950. Nepal has emerged as a forum for anti-China activities. China therefore hoped to erode India's traditional influence and to install a pro-China regime there. Recently, China has intensified its engagement policies, including a 'soft' diplomatic agenda using people-to-people contacts, cultural ties, student scholarships and increased aid flows.[4] PRC's policy towards Nepal is demonstrated through China's growing investment in strategically crucial infrastructure, including airports and highways. China seems to be matching Indian aid with its own 'cheque-book' diplomacy. It has doubled the quantity of aid since 2009, providing Nepal Rs. 1100 million annually ($22 million) and a Rs.1000 million ($20 million) aid package for the Nepalese army.[5]

Due to frequent interference of India in Nepal's affairs and the past unequal treaties, anti-Indian sentiments are growing. This began to intensify when King Mahendra initiated the development of closer relationship with China at the cost of its relationship with India, which weakened again when Nepal pressed India for substantial amendments in its favor, including the desire to revise existing unjust treaties. This would have involved removing the 'Indian security check-posts stationed in Nepal' and 'revoking the 1950 treaty'. Accordingly, India blockaded Nepal for 15 months in 1988 because Nepal hesitated to fulfill India's interests and partly in response to Nepal importing arms from China. During this period, China continued to supply goods to Nepal, using routes through the Tibet Autonomous Region (TAR). As a result, the country's economy was devastating through high inflation and slow economic growth. India had blockaded Nepal for the first time in 1962, leading to the China's foreign minister, Marshal Chen Yi, to make the statement, "In case any foreign army makes a foolhardy attempt to attack Nepal, China will side with the Nepalese people."[6]

Considering ongoing border conflicts, China made initial boundary delimitation agreements with Nepal, providing clear acceptance of its sovereignty. Playing the China card, Nepal affirmed this period of good relations and sought to move slowly closer to Beijing. A declared friendship with Beijing, besides being a sensible 'good neighbour' policy, was part of the wider effort to reduce over-dependence on India. While attempting to maintain balanced friendships with both, Nepal also hoped that competition for influence by these great powers would result in increased investment flows that would aid development.[7]

New Delhi and Beijing are in dialogue on a variety of Nepal-focused issues, seeking positive trilateral cooperation among Nepal, India and China that would be beneficial for the region.[8] Indian leaders have stressed the need to maintain strong ties with Nepal, and want Nepal to emerge as a peaceful, stable and prosperous country. However, India failed to do what it should have done in Nepal to avert recent political turmoil, which can be considered as a diplomatic failure for the Indian government. During this period, different governments in Nepal have considered revision of the treaty. India has

expressed its willingness to re-assess existing agreements with the aim of further improving bilateral relations. An important bilateral issue for discussion between Nepal and India is related to politics and security.[9]

The politically fragile nation is now a 'battleground' for competing influences from India and China. Jayadeva Ranade, former additional secretary of the Cabinet Secretariat of the Government of India warned, "If China succeeds in bringing Nepal into its orbit, it will have crossed the Himalayas and established its influence up to the foothills bordering India."[10] Cooperation improving mutual security across the open border is crucial. Recent concerns over security have motivated India to reassert its influence on Nepal by infrastructure investments and by extra troop deployments on the border.[11] Nepal, in turn, has made assurances 'at various levels, that it would not allow its territory to be used for any activity against India'.[12]

According to some commentators, "Nepal is on course to becoming another glittering jewel in China's 'string of pearls' strategy designed to encircle India."[13] The competition for influence between China and India is eroding Nepal's still fragile democracy. China and India are so big in terms of population and physical dimensions, economic and military size that Nepal by no way can match them. Its ambitious mammoth neighbours, India and China, have tried to exercise influence in a way that undermines the sovereignty of Nepal. The wisdom of Nepal lies in having balanced relations with both, winning their trust by maintaining its non-alignment principles.

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