



THE DETERIORATING RELATIONSHIP BETWEEN INDIA AND NEPAL

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Abstract

As an immediate and close neighbouring nation state, the geopolitical location of Nepal is very significant for India's national security. The independent India continued its historical partnership with Nepal by signing the Peace and Friendship Treaty in 1950. This treaty emulsified the continued cultural, economic and political cooperation between India and Nepal despite the upheaval of several issues. The motive of this paper is to contemplate how India under the present administration has delegated foreign affairs with its international neighbours, specifically that of with Nepal. The influence of China on the international relations of the former and the latter will be looked at as well. For several years Nepal and India have been in positive terms with each other until recently when it slowly started degenerating, in particular the effect of the pandemic on the diplomatic relations between India and Nepal will be highlighted. Another aspect which will be covered in the course of this research will be that of the modern trends in India's foreign relations - wherein the question as to why India is being alienated by its neighbouring countries and the lack of concrete support from its partners from the west and how both of these factors amount to an extremely fragile foreign policy will also be looked at. The major causality for the upheaval of hostility between India and Nepal can be primarily attributed to several economic factors, an overwhelming presence of India in the borders of Nepal can also be categorized as one of the key issues that keeps conflict aloft between the two nations. The gradual leniency of Nepal towards the Chinese government and the subsequent deployment of game theory by China in order to attain the favour of Nepal can also be classified as one of the major concerns for the Indian union, all such facets will be closely scrutinized.

Keywords: *India, Nepal, Bargaining Chip, Border Dispute, Ethnic Conflicts and Socio-Economic Disputes.*

Introduction And Historical Back round

There is a general requirement for every nation state to keep its neighbouring countries as its closest allies. The reason being the consensual goal to have peace and stability in a given region, hence an ideal diplomatic world order requires countries sharing borders to be in good terms with one another. However, the everchanging and dynamic geopolitical situation within various regions of the world makes the above stated goal rather utopian. That being said it must be noted that India as a sovereign republic also shares a very similar predicament.

India has its own fair share of neighbouring nations, which can be categorized as being either hostile or amicable. To the north-western region India shares borders with Afghanistan and Pakistan which attained separate nationhood from the Indian Union following the exit of the imperialists from British India. Towards the northern frontier India shares borders with the People's Republic of China, Nepal and Bhutan. India shares its territory with Bangladesh and Myanmar to the East. Towards the southern end India shares international water borders with Maldives and Sri-Lanka. (Suhrwardy:1996).

India's relations with Nepal has always been influenced by the interaction that India has with the rest of its neighbours. Before the emergence of China as an influential nation state, India's relations with



Nepal was not codified per say. However, after China emerged as a strong force to the north, and China's subsequent policies to make most of the Himalayan states as a part of its own territory forced India in to codifying a diplomatic treaty with Nepal which was infamously termed as the Peace and Friendship Treaty of 1950.

Soon after India's independence from the imperial powers in the year 1947, the strong presence of India in the socio-political and economic affairs of Nepal had brought in a commonly accepted perspective that Nepal will be dominated by India in the near future. The various economic constraints and barriers put forth by India in the various treaties signed between India and Nepal from the years 1946 to 1955 ensured that Nepal remained a close ally and as an associate of the Indian union. However, the dynamics of the Indo-Nepal relations took an unprecedented turn as China emerged as a dominant force towards the North of Nepal. This was further fortified by the devastating loss of India in the Indo-China war of 1962. Nepal was now caught up in a deadlock situation in terms of delegating foreign affairs as this small nation-state was now in between two contradicting dominant forces.

The absence of an intricate and favourable foreign policy from the Indian union towards the Nepalese government and the increasing dependence of Nepal for Chinese goods further deteriorated the Indo-Nepal relations. As of now India's once trusted ally is more lenient towards the Republic of China, and the blame rests on several factors including the ignorance shown by Indian diplomats towards Nepal's growing ties with the Chinese government. This ignorance has now become the causality for a seeming alienation of the India from its neighbouring nations.

Literature Review

For the purpose of this research several scholarly articles and journals were referred to. From the work of Surya P. Subedi entitled 'India-Nepal Security Relation and the 1950 Treaty: Time for New Perspectives' several intricate aspects about the infamous Peace and Friendship Treaty signed by Nepal and India in the year 1950 were drawn about. A comparative analysis of the geopolitical situation of Europe and its subsequent consequences in the Central Asian region and East Asian region were made in par with the authors perspectives, the oblivious dominating facets of communism and its rampant impact on India and Nepal relations are contemplated as well.

The article entitled 'India's Relations with Nepal' written by Zahir Suhrwardy, which was published by the Pakistan Institute of International Affairs gave a critical element to the motive of this research paper. This particular text enabled a distinct and an unbiased look at the Indo-Nepal relations soon after the independence. The manipulative nature of certain barriers within the treaties proposed by the Indian union to attain Nepal as its ally is carefully scrutinized.

Following these two primary texts a close examination of Lok Raj Baral's article entitled 'India-Nepal Relations: Continuity and Change' helped in the construction of a timeline of how Indo-Nepal relations evolved over the years and the same contribute to the examination of the present delegations between the Modi administration and the Nepalese government. A consequent pattern was observed which further juxtaposed the argument of deteriorating relationship between the two nations with that of similar occurrences in the past as well. Thus, helping the paper to attain new light so as to understand the major reason and the causalities for the same.



Through the analysis of Pashupati Shumshere's and J.B Rana's exquisite work on the article 'India and Nepal: The Political Economy of a Relationship' a constructive overview of the evolution of the Political Economies of India and Nepal was made with a correlation about how the same has persevered over the years in to being in its current state of affairs under the Modi administration.

A collateral study of the infamous work of Oskar Morgenstern and John Von Neumann entitled 'The Theory of Games and Economic Behaviour in 1944' was done in order to understand the distinct brand of international political stance held by the Republic of China. With the help of this text the deployment of game theory by the Chinese in order to attain a position of dominance in the Central Asian and Eastern Asian region was contemplated. This particular analogy essentially provided meaning to China's desperate desire to earn the favour of Nepal and thus India's present policy of subliminal hostility against the Chinese government in its possessiveness over the Nepalese territory was deconstructed in the course of this research.

Research Questions

1. What are the major causes behind the shifting policies of Nepal with regards to the delegations it holds with India?
2. How has China played a role within the crux of the deteriorating relationship between India and Nepal?
3. Can a constructive historical significance be drawn about with respect to the influence held by the Chinese in the region?
4. What is the significance of the geopolitical positioning of Nepal and how is the region desirable as a frontier against Communist China by the Indian Union?

Research Objectives

1. To closely analyse the diplomatic ties between India and Nepal and to understand certain facets that lead to tense delegations that have occurred under the respective present administrations.
2. To deconstruct the narrative of the Chinese involvements and influences in Nepal's foreign policies with respect to India.
3. To correlate game theory with that of China's present administration in its response towards Nepal and to contemplate the subsequent countermoves played by India.
4. To arrive at a comprehensive solution in order to re-establish a stronger diplomatic relation between India and Nepal.

Methodology

In the course of this given research paper an elaborate analysis of the deteriorating relationship between India and Nepal is made. In order to fully contemplate the intricacies of the same various secondary sources of data were taken in to consideration. These secondary sources include various newspapers, books, and articles written by scholars who have articulated the various dimensions of this relationship.

Scope of Study

This particular study thoroughly analyses the various facets of foreign affairs upheld by the nations of India and Nepal with regards to one another. The motive of this paper tends to specifically lean on to the notion as to understand why this once fruitful diplomatic tie between the two nations is slowly degenerating as of recently. The influence of the Republic of China on the foreign delegations of the Nepalese government with respect to its interactions with India and the importance of Nepal as a



geopolitical frontier will be thoroughly analysed as well. The effect all of the aforementioned policies have on the present Indian administration and the respective response of the present administration under Prime Minister Narendra Modi will be discussed at length.

The Prominence of The Geopolitical Location of Nepal

The reason as to the complex diplomatic affairs in Nepal can be preliminarily attributed to the strategic positioning of Nepal. Throughout the years following the rise of the Republic of China as a dominant force in East Asia, its influential brand of delegation that has kept the countries of Central Asia, South Asia and East Asia under check and the same has uplifted China's position aloft as one of the most prominent forces of the Asian continent. (Subedi: 1994).

The way in which the Chinese government achieved this impossible feat was through a gradual, slow-paced and an effective foreign policy. This was yet again emulsified by the disintegration of the Soviet Union in the year 1991, the subsequent causality was China rising up to the fill the shoes of the USSR in the Central Asian region enabled the Chinese government to earn the favours of newly formed independent countries such as Kyrgyzstan, Tajikistan and Kazakhstan. Having dominated a formidable force of allies towards its East and West, China now focused its attention on Nepal. The only hindrance that existed was that of the interference of India. Having had a very stressful past with the Indian union following the Sino-Indian war of 1962 the Chinese were desperate to turn the tables with regards to their diplomatic affairs with Nepal.

It is a commonly accepted fact that the primary objective within the agenda of the Chinese government was to acquire all of the Himalayan states and make it a part of its own. However, the resistance shown by Sikkim, Nepal, Bhutan and most of the north eastern states led the Chinese to shuffle up their strategies.

Though the Chinese occupation of the Tibetan region alarmed the Nepalese regime, they stood their ground following the backing of the Indian subcontinent. The then Prime Minister of India Jawaharlal Nehru had made it a mission of his to secure the common interests of the Himalayan frontier against Communist China. In his own words, "the Himalayan states provided a magnificent frontier and we cannot allow this barrier to be penetrated by any means as it represented the principal barrier to India." This statement by the Indian Prime Minister at the time of the rampant occupation of Communist China perfectly summarizes India's deeply rooted sentiment in order to protect the states bordering the Chinese border. (Baral: 1992).

Although India supported and at times even promoted the want of independence by Nepal, the Indian Union clarified that in no way will Nepal be compromised to the Chinese republic as the same can essentially defenestrate all sorts of geopolitical security which India enjoyed due to the plausible independent stance of Nepal.

Putting the geopolitical premise of Nepal's landlocked state into consideration, it can be understood that Nepal primarily depended on India for its import and export trade through the sea routes as Calcutta remains the nearest sea port to the nation of Nepal. Due to this reason Nepal was always on good terms with India even prior to the period of independence signified by the Indo-Nepal treaty for trade relations signed in the year 1923. (Singh, R. Pd., Singh .VN: 1999).



One of the first instances of a crisis situation between India and Nepal emerged after the expiry of the treaty for trade and transit on the 31st of October 1960. A new treaty was not agreed upon till the year 1971 which was mainly due to the compounding issue of transit facilities and various other import variables into India. This miniature scuffle with regards to the trade policies of both countries continued till the early 80's. Following the return of Indira Gandhi in to the chair of power marked the renewal of the trade and transit treaty in the year 1983. However, after the subsequent expiry of this treaty in the year 1989 several deeply rooted issues between the trade policies of the two nations started to surface, this in turn led to a very uncompromising response from the Nepalese government and hence resulted in the complete shutdown of all the entry points between India and Nepal excluding the entry points which were assigned for Nepal's trade relations with Bangladesh and with that of Bhutan. (Singh, R. Pd., Singh .VN: 1999).

Regardless of the various strains and periods of crisis within the Indo-Nepal relations with regards to the changing trade policies between the two nations, it cannot be conferred that India's response was based on a so-called desire to make Nepal a part of its plan for attaining supremacy in the region. However, it can be categorized as a ploy to keep Nepal under check in order to ensure the security of the Indian union against a much bigger dominant threat which was the Republic of China. Thus, proving the prominence in the geopolitical location of Nepal and how it can cause havoc in the region if not handled delicately. This particular pattern can be observed in India's current situation with the Nepalese government as well.

The Deployment of Game Theory By China And Its Aftermath On The Indo-Nepal Relations

The present tensions between India and Nepal started arising after the COVID-19 pandemic. There were tensions between the Modi administration and the Nepalese government which was at the time under KP Oli Sharma. This particular kerfuffle between the two nations occurred in the month of May 2020; India has successfully inaugurated a road that ran across the Lipulekh pass. The Nepalese government under the Ex-Prime Minister KP Oli Sharma argued vehemently that the Lipulekh area was within the Nepal territory. However, this particular argument was contested by India and accepted that although the road was in close proximity to the Line of Actual Control, India stated that the road was not interfering with the accepted territorial borders of Nepal. The Modi administration also described the concerns of Nepal as being forced by 'someone else' launching a staunch subliminal allegation that Nepal was fostering and promoting the interests of the Republic of China.

The then Prime Minister of Nepal KP Oli Sharma even pointed out that Nepal will be forced to close its borders for travel towards the Indian Union as the Nepalese government was of the opinion that the Indian brand of virus was more lethal and infectious than the Italian or perhaps Chinese variant of SARS-COV-2. The Nepalese administration blamed illegal travellers from India entering Nepal as the prime source of surge in COVID-19 cases in Nepal, this stance held by Nepal led to an impasse between the two governments as of recently.

This brings us to the analysis of 'Game Theory' which is being effectively implemented by China and how the same consequently lead to further degradation in the relationship between India and its oldest friend Nepal. In the year 1943 Oskar Morgenstern and Von Neumann published their infamous work on the 'Theory of Games and Economic Behaviour' as a formidable discourse in order to contemplate the dynamic nature of international relations in the 20th century. Preliminarily, the theory of games was implemented for the purpose of strategically analysing 'Moves and Countermoves' in games such as



poker, chess etc. However, this particular approach was now being used in strategic calculations of various moves and countermoves made by nations within the international realm. It must be further considered that these moves or countermoves can be political, socio-economic or even psychological in nature. The theory of games was able to perfectly decipher the various intricate policies made by nation states across the world during and after the period of the Second World War. The theory of games brought the various moves made by the United States and the Soviet Union in order to attain a position of power in the bilateral world order during the period of the cold war in to the spotlight. (Neumann, Morgenstern: 1943).

This particular theory of games and the assumptions made by this theory can essentially explain the brand of politics played by China in order to attain the favour of Nepal which in turn affects Nepal's relationship with India. One of the primary assumptions of Game Theory is the existence of more than one player in the game. For the purpose of our study, we have three independent legitimate sovereign actors: Nepal, India and China. Each player is portrayed as a decision-maker, and each of these aforementioned players is assumed to have a plan of action or a strategy to either initiate moves in order to attain their respective goals within the constraints of rationality. The players can also respond to the moves played by their opponents by countermoves which work towards their best interests. Another assumption made about the players is their awareness of the possible outcomes at the end of it all, whether it be a loss or a gain. The players are also conscious of the alternatives that exist in case their moves fail to be effective. (Neumann, Morgenstern: 1943).

The Chinese government has rampantly increased their influence over most of the Central and East Asian countries with the help of Game Theory. They carefully calculate the necessary cost and respective moves in order to attain the favour of their neighbours; this can come in the form of diplomatic foreign aid. The Chinese government uses similar tactics in order to bring Nepal under its wings; India however does not emulate the Chinese policy and is hence caught in a situation of alienation from most of its neighbours. This includes Nepal as well, the Chinese are able to successfully implement their international policies which may seem to compromise the territorial integrity of various countries in the Central and East Asian region, and however they are still able to implement their plan of action regardless. One such example is the Belt and Road Initiative (BRI), which although is vehemently opposed by India is still in progress due to the massive support that China receives from the rest of Asia.

The recent struggles under the Modi administration with regards to foreign delegations with Nepal is merely a by-product of heavy Chinese interventionist policies and hence the Theory of Games essentially provides a plausible explanation for the deteriorating relationship between India and Nepal.

The Penultimate Solution To The Indo-Nepal Scuffle

The question of the hour is what can be a viable plan of action for India and Nepal to put this kerfuffle behind and aim for better diplomatic ties? With the return of Sher Bahadur Deuba to power, there was shift in Nepal's administrative and diplomatic policies in contrast with the same under KP Oli Sharma. India's ambivalence with regards to its delegation with Nepal have dissipated as of now – symbolized by India's kind gesture of providing Nepal with medical assistance in the form of a medical oxygen generating plant in order for the Nepalese government to tackle the ongoing COVID-19 pandemic. This



difference in response as in comparison to the previous year has reaffirmed the strong ties between the two nations.

New Delhi's new, renewed and varied approach in assisting the people of Nepal in combating the vicious pandemic has been applauded by the world at large. With oxygen being a critical facet in saving the lives of those who are severely diseased by the infection and given the fact the Nepal was faced with heavy shortages in oxygen supply, this particular gesture by India arrived at the right time.

Every nation state works towards its own personal interests and doesn't necessarily comply with humanitarian norms. China and India are similar game players as discussed in the previous chapter; this time around it was India that initiated a move that won the favour of the Nepalese government. Nepal as a nation although landlocked between India and China presents itself in a sustainable position of existence. This small sovereign nation benefits from two of the world's fastest growing economies. Nepal in itself can be classified as a bargaining chip for both India and China as well. As discussed in the first chapter, Nepal's geopolitical location favours it heavily, both India and China will be constantly engaged in the game of wits in order to bring Nepal to their respective flanks.

Although India has successfully managed to play the cards right this time, the Modi administration can fail in the future as Nepal can turn their policies around in order to work at the behest of the administration under Xi Jinping. The only possible way in order to maintain stable and friendly relations with Nepal is for the Modi administration to ensure that it works at the best interests of Nepal and will continue to provide the Nepalese government with the necessary foreign aid as India currently does. In this way India can crystallize its relationship with Nepal, however it must be noted that the foreign delegations between the two nations are still deteriorating. During the period following independence, the relationship between India and Nepal was built on trust. This trust is no longer visible between either of the two nations, and the reason for the same can be attributed to the rise of China as a dominant power. Hence regardless of the current developments in the relationship between India and Nepal this absence of trust will prove out to be disruptive in the long run.

A perfect analogy to summarize the diplomatic policy of Nepal is that of a pendulum, similar to a pendulum that constantly swings from one end to another, there is a constant disquietude and uncertainty in the political position of Nepal. Hence it must be encapsulated that the future of the relationship between India and Nepal remains obsolete, only time will tell if it comes to a point wherein the two nations can go back to having a fruitful establishment between one another.

The damage is already done and the only way in which the two nations can resume their diplomatic ties is by defenestrating past occurrences and evading from running in to similar blunders in the future. The Modi administration is required to continue the same level of concern for Nepal and should not go astray from its present methods. Being ignorant and taking Nepal for granted will push it away in to the arms of the Chinese government. Henceforth in the years to come Indo-Nepal relations must be handled with extreme caution and responsibility.



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