

Structure and Resilience in India-Nepal Relations

India-Nepal relations can be placed on an even keel only after Nepal addresses its domestic political problems, particularly the task of making its Constitution more inclusive. India, too, must go beyond a mere demonstration of goodwill.

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The impasse of approximately five months in India-Nepal diplomatic engagement ended with the recent six-day visit by Nepal's Prime Minister K P S Oli to India. New Delhi's 'geographical trump card', India's External Affairs Minister Sushma Swaraj's 'Quiet Diplomacy', and the Nepali Government's realisation of the limitations of 'China card' in dealing with its southern neighbour, created a suitable environment for an effective interaction between India and Nepal to restore momentum. While, as a sovereign nation, Nepal is naturally free to choose its partners, the Nepali leaders seem to have accepted the logic of geographical reality. The open land frontier, straddling five north Indian states and Nepal, is a fact which binds both these countries by language, religions, cuisine, culture and marriage, among other linkages.² Indeed, a deeper reflection suggests that China as an 'alternative' to India has limited utility for Nepal. However, the Nepalese resentment against

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² India and Nepal 'are bound by indissoluble ties'. See Jayant Prasad, "India-Nepal Relations: On the Threshold" in Aryaman Bhatnagar and Ritika Passi (eds), *Neighbourhood First: Navigating Ties Under Modi*, New Delhi: Observer Research Foundation and Global Policy Journal, 2016, p. 96.

an exclusive dependence on India is not mitigated by an often-uncomprehending Indian attitude. India's diplomatic- and communication-strategy towards small neighbours is in urgent need of an overhaul. This paper discusses the structure and resilience in India-Nepal relations and the limitations of 'China card' in the light of these arguments.

Nepal is a hotbed of conspiracy theories that blame all its internal problems on its southern neighbour. "The trust deficit towards India is fomented by sections of the Nepali elite who believe their political fortune is tied to defining their nationhood and interests in opposition to India. Both the monarchy, while it lasted, and the communist parties tended to identify India as their principal antagonist, given India's natural affinity for the democratic forces in Nepal".³ The Oli Government accused India of imposing an informal blockade. In fact, there is "a set pattern of the Kathmandu regime flashing the China card whenever it runs into difficulties with its own people and India lends support to the Nepali people's cause. *The underlying thread in all these royal moves was to whip up anti-India nationalism, garner external/Chinese support and erode traditional ties with India to ensure regime security.* The use of this well-known royalist strategy by the democratic regime headed by Mr. Oli's Communist Party of Nepal-United Marxist Leninist (UML) should not come as a surprise because the UML flourished under the royal patronage and political indoctrination".⁴ (emphasis added). A strong anti-India stand by the Nepali leadership resulted in a nosedive in India-Nepal relations. Undoubtedly, the Oli visit was important for both countries to repair the damage and to restore momentum.

Mr Oli's maiden India-visit took place after months of turmoil in the Madhesh region of Nepal after the promulgation of the new Nepal Constitution, which failed to bring the country's various ethnicities and social groups together. Madhesis and the Tharus community of southern Nepal, in particular, feel neglected, unhappy with its provisions on inclusion, political representation, federalism and citizenship. As a result, they have been leading a mass movement for an equitable territorial- and citizenry-arrangement. The Madhesis movement, demanding a greater federal framework in the new constitution, resorted to an unprecedented economic blockade at the Nepal-India border, resulting in a shortage of essential supplies in

³Jayant Prasad, "India-Nepal Relations: On the Threshold" in Aryaman Bhatnagar and Ritika Passi (eds), *Neighbourhood First: Navigating Ties Under Modi*, New Delhi: Observer Research Foundation and Global Policy Journal, 2016, pp.99-100.

⁴ S. D. Muni, "No zero sums in this great game", *The Hindu*, 28 March 2016, available at <http://www.thehindu.com/opinion/lead/no-zero-sums-in-this-great-game/article8402444.ece>.

Nepal. The most damaging political protest in Nepal's recent history witnessed the death of 60 people including nine police officers, an Indian citizen (a 19-year-old student from Darbhanga in Bihar) and several children and women among others. More importantly, Kathmandu's unwillingness to display flexibility and its reluctance to reach out to the Madhesis worsened the situation.

The momentum generated after the visit to Nepal by India's Prime Minister Narendra Modi, and India's swift assistance after the tragic earthquake in Nepal suffered a serious setback due to that unfolding crisis in Nepal. While Prime Minister Modi was greatly admired in Nepal due to the benefits derived from the work done in initial months, his popularity evaporated very quickly. The Modi Government's policy of 'Neighbourhood First' was losing its shine due to a mishandling of India-Nepal relations. While New Delhi used its 'geographical trump card' to support the Madhesis, it denied charges of blockade and blamed the supply disruption on the mass protests. In the process, anti-India feelings reached a record high in Nepal, undoing the goodwill won through the generous aid that was given after the terrible earthquake. The Madhesi agitation against the new Nepal Constitution upset India-Nepal relations.

The Nepali Government tried to play its northern neighbour against southern neighbour. This time there was a change in China's approach. On earlier occasions, China had politely expressed its inability to send fuel to Nepal, but the voluntary offer by China to supply fuel during the present crisis demonstrates Beijing's growing interests in Nepal. Beijing has focused its policies vis-à-vis Nepal by trying to reduce its dependence on India in the political, economic, and security arena. Mr Oli began courting China immediately after assuming his post and took advantage of India's apprehensions regarding China's growing influence. While Mr Oli put an "unofficial pre-condition" of lifting the informal blockade before he could visit India, he also explored the possibilities of visiting China first. However, back-channel diplomacy and direct communication between political leaders of India and Nepal helped to mend fences.

In fact, there was a realisation in Nepal, too, that politically and economically, it is heavily southward-oriented. Furthermore, its foreign trade is largely dependent on access to and through India, not China. The consequences of the economic blockade by the agitators forced the Nepali Government to soften its stand. The rapprochement between New Delhi and

Kathmandu began with the first step was taken by the Nepali Government. It displayed some flexibility by agreeing to some of the core demands of the protestors. This paved the way for an easing of tensions between India and Nepal, as well as the Madhesis calling off their protests. India welcomed the developments as positive steps that helped create the basis for a resolution of the current impasse. New Delhi was also aware of ground realities and anti-India sentiments which were detrimental to a strong relationship between the two countries, and hence, India was looking for a way-out to restore normalcy.

Keeping to tradition, Prime Minister Oli finally made India his first port-of-call. He was accorded state honour and he received a very warm welcome in India during his six-day trip. India rolled out the red-carpet to Mr Oli and focussed on optics to control the damage done in the last couple of months. The key objective of his visit to India was to build trust. Mr Oli said before the visit that the main mission of his visit was “to clear the misunderstanding that surfaced in the past few months and take the relations to the same level of enthusiasm when Modi visited Nepal in August 2014”. He underlined that he had no specific agenda for the talks as the visit was taking place in “complex and special circumstances”. In fact, the visit was an opportunity for both countries to iron out their differences and bring back normalcy and warmth.

Mr Modi welcomed Mr Oli with a warm handshake (though not a bear hug or selfie) and resolved to embark on a new path, with nine agreements in areas ranging from transport and connectivity to cooperation in the energy sector. Mr Oli remarked after the meeting that “misunderstandings that persisted between the two countries in the last few months no longer exist”. Upon his return to Nepal, he repeated that his visit to India had brought bilateral relations back to normal and that it was a remarkable gain both for Nepal and India. Mr Oli said, “Earlier the relations between the two neighbours had soured during the Madhes agitation but my visit has helped improve the relations between the two countries”. Further, the Standing Committee meeting of CPN-UML concluded that Mr Oli’s India-visit was successful in improving ties between the two countries.

The Madhesi parties, however, described Mr Oli’s visit to India as unsuccessful. The failure of both sides to issue a joint statement at the conclusion of the visit, and the inking of deals which had already been cleared in 2009, were cited as some examples of why the visit failed to have any impact.

While Mr Oli's visit has helped to reset the priorities between these two neighbours, 'Selfie moment' has not come yet. It was evident towards the end of the visit when the two sides failed to come out with a joint statement due to disagreements on its contents and the wording over Nepal's new Constitution. India refused to say categorically that it welcomed the new constitution in Nepal. Rather, Mr Modi remarked, in the presence of Mr Oli, that "the announcement of the new Constitution in Nepal came after decades of struggle in Nepal. It is a *major achievement* (emphasis added). I appreciate the contribution of the political leadership and people of Nepal for it... But its success depends on consensus and dialogue. I am confident on the basis of these principles and through political dialogue and by taking all sections together, you [Mr Oli] will be able to resolve all issues relating to the Constitution satisfactorily and take Nepal forward towards the path of development and stability". Most recently, the India-European Union Joint Statement issued after the 13th India-EU Summit of 30 March 2016 urged Nepal to complete the process of building an "inclusive constitution" in a "time bound manner". Nonetheless, Mr Modi also stressed that peace, stability and prosperity in Nepal were a shared goal and India would always remain its well-wisher. He added that India would extend all possible help to ensure an all-round development of Nepal.

Exactly one month after his India-visit, Mr Oli visited China. His visit has been projected by the Nepali political leadership and the Nepali media as "historical" and a "fitting and powerful riposte to alleged Indian attempts to 'blockade' Nepal". The outcome of the visit is seen by many in Nepal and elsewhere as "a major landmark in the evolution of its (Nepal's) foreign policy". Kathmandu's triumphalism about China, however, is misplaced and "the euphoria has been politically crafted and media hyped".⁵ For example, the most celebrated agreement of transit through China aims to "relax the obstacles created by geography".⁶ In reality, however, implementing this agreement is a remote possibility due to two key reasons – one, the distance and hence economic unviability, and two, the missing infrastructure facilities within Nepal. Indeed, geographical factors cannot be

⁵ See Shyam Saran, "Kathmandu's triumphalism about China is misplaced", *Hindustan Times*, 31 March 2016, available at <http://www.hindustantimes.com/analysis/kathmandu-s-triumphalism-about-china-is-misplaced/story-lxzcjDjg3qzldr9YXylpTN.html>; and S D Muni, "No zero sums in this great game", *The Hindu*, 28 March 2016, available at <http://www.thehindu.com/opinion/lead/no-zero-sums-in-this-great-game/article8402444.ece>.

⁶ Statement by Rt. Hon. Prime Minister at Renmin University, Beijing on the theme "Nepal-China Relations in the Context of One Belt- One Road Initiative", Beijing, 22 March 2016, available at <https://www.mofa.gov.np/statement-delivered-rt-hon-prime-minister-renmin-university-beijing/>.

ignored and certainly without strengthening domestic institutions and facilities, such an agreement would be of little use. Also, Nepal's political uncertainty is a major impediment to achieving the desired results. "What Oli has 'achieved' in China is more 'symbolic' than substantive in the context of Nepal-India relations, but he cannot afford to ignore China's suggestion of political stability".⁷

The election of Nepal's three-time Prime Minister Sher Bahadur Deuba as the new President of Nepali Congress is an important development, which will have a significant impact on the political spectrum of the country. It is believed that the power- equation may change in the country in the coming months. India and China will be watching these political developments keenly. Nevertheless, the inevitable expansion of Chinese influence across Asia will continue to be felt in Nepal as circumstances allow.

Today, Beijing's policy towards Nepal appears to be driven by the twin objectives of expanding influence in Nepal and suppressing the anti-China activities of the Tibetan community residing there.⁸ China's interest and involvement in Nepal are perhaps greater than Beijing claims, but also significantly more modest than India fears. One issue – Tibet – continues to override all others. The Chinese leaders are aware of the fact that India is a bigger market for them and they encourage Nepali leaders to establish good ties with India. Recent developments in Nepal, despite their sound and fury between 2006 and today, have brought about no fundamental change in Nepal's foreign policy options. It remains "caught between two yams" and must learn to make the best of this situation.⁹ Nonetheless, the anti-India resentments of Kathmandu's hill-elite and China's growing influence "have the potential to neutralise some of Delhi's natural strategic advantages in Nepal" over the longer term.¹⁰

⁷ Yubaraj Ghimire, "Next Door Nepal: Symbolic, not substantive", *The Indian Express*, 4 April 2016, available at <http://indianexpress.com/article/opinion/columns/next-door-nepal-symbolic-not-substantive/>.

⁸ See Thierry Mathou, "Tibet and Its Neighbors: Moving toward a New Chinese Strategy in the Himalayan Region," *Asian Survey*, Vol. 45, No. 4 (Jul.–Aug. 2005), pp. 517–18.

⁹ See Rajeev Ranjan Chaturvedy and David M. Malone, "A Yam between Two Boulders: Nepal's Foreign Policy Caught between India and China", in Sebastian von Einsiedel et.al. *Nepal in Transition: From People's War to Fragile Peace*, New York: Cambridge University Press, 2012, pp.287-312.

¹⁰ C Raja Mohan, "Raja-Mandala: Bridge to China", *The Indian Express*, 22 March 2016, available at <http://indianexpress.com/article/opinion/columns/nepal-china-relations-k-p-oli-beijing-new-delhi-madhesi-rights-bridge-to-china/>.

While Mr Oli showed some signs of pragmatism by visiting India first, India-Nepal relations will get the right momentum only after Nepal addresses its domestic political problems, particularly the task of making its Constitution more inclusive. For India, too, the complex regional dynamics forced the Modi Government to rethink its approach towards its neighbourhood which calls for more than a mere demonstration of goodwill. India's key challenge in Nepal is to overcome the wave of anti-India sentiment. The Nepalese resentment of dependence on India is not reduced by an often-patronising Indian attitude. India considers Nepal mainly as a source of cheap, and not always welcome, labour. Further, India seems not to have decided whether to treat Nepal as one of its neglected north-eastern states or as a sovereign country. Indeed, former Indian diplomat Rajiv Sikri wrote in his book on Indian foreign policy, "Indians have taken Nepal too much for granted. India's approach towards Nepal has been dismissive and neglectful. The Indian government and public have never shown adequate sensitivity to Nepali pride and uniqueness".¹¹ Hence, this attitude and perception must change. It also underlines the fact that persistent engagement and dialogue with immediate neighbours in all circumstances should be the mantra for India for deepening ties

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¹¹ Rajiv Sikri, *Challenge and Strategy: Rethinking India's Foreign Policy*, New Delhi: Sage Publications India Pvt Ltd, 2009, pp. 83–4.