

ISAS Insights

No. 461 – 31 August 2017

Institute of South Asian Studies
National University of Singapore
29 Heng Mui Keng Terrace
#08-06 (Block B)
Singapore 119620
Tel: (65) 6516 4239 Fax: (65) 6776 7505
www.isas.nus.edu.sg
<http://southasiandiaspora.org>



India-Nepal Engagement: The Need to Rise Above the Rituals

India-Nepal relations are changing – not only because both these countries are transforming internally, but also because the regional strategic context in which they operate is being redefined, particularly by China’s strong push into South Asia and the Indo-Pacific region. Nepal’s Prime Minister Sher Bahadur Deuba’s state visit to India from 23 to 27 August 2017, when viewed in this dynamic context, appears to be high on rituals and low on substance. It is clear that relations between these two close neighbours cannot be managed in the ‘business as usual’ style. The leadership of both the countries must not continue to bask under the protective feeling of close civilisational, cultural and geographical ties between them. They have to relate these traditional bonds to the future aspirations of their increasingly confident and alert people.

S D Muni¹

India-Nepal relations are passing through a transformational phase, defined both by internal developments in the two countries as well as by changes in the South Asian and Indo-Pacific strategic contexts in which these two neighbours operate. The critical elements of this transformation were evident to observers of the engagement between these two close

¹ Professor S D Muni is Professor Emeritus at the Jawaharlal Nehru University and Distinguished Fellow at the Institute for Defence Studies and Analyses in India. He is also a former Special Envoy and Ambassador of the Government of India. He can be contacted at sdmuni@gmail.com. The author bears full responsibility for the facts cited and opinions expressed in this paper.

civilisational neighbours during the state visit of Nepal's Prime Minister Sher Bahadur Deuba to India from 23 to 27 August 2017.

The visit reinforced a general tradition, witnessed specially over nearly three decades since the revival of multi-party democracy in Nepal, of Nepali prime ministers undertaking their first foreign state visit to India soon after assuming office. There have, however, been exceptions. Some Nepali prime ministers, appointed by the King or those belonging to the Nepal Communist Party (United Marxist Leninist [UML]), have not observed this ritual. The whispers in elite circles in Nepal are that such visits are a mark of acknowledging India's goodwill and political support for the person and the party upon their assumption of power in Nepal. There is no reciprocity in this respect on India's part. India's Prime Minister Narendra Modi has visited Nepal twice in more than three years of his being in office, but he did so after a gap of 17 years in such a prime ministerial visit. Nepal was also not Modi's first foreign destination – that distinction was bestowed on Bhutan in 2014.

Deuba's Visit

Deuba's visit was high on rituals and atmospherics than on substance. This clearly comes out in a close look at the outcome of the visit. The Joint Statement issued at the end of the visit proudly declared that this was "Deuba's fourth landmark visit (*and always the first foreign state visit*) (Emphasis added) to India as the prime minister of Nepal and holds special significance as it is taking place in the 70th year of the establishment of India-Nepal diplomatic relations."² In all, eight memoranda of understanding (MoUs) and agreements were signed. Four of them relate to the implementation of the 25 per cent component of 'grant-in-aid' portion of the assistance of US\$1billion (\$\$1.36 billion) promised by India in June 2015 for the post-earthquake reconstruction in Nepal. Should India have taken such a long time to conclude these MoUs when the affected people of Nepal have been suffering all along? Besides, there is no sign of any movement on the remaining part of the promised

² "India-Nepal Joint Statement during the State Visit of Prime Minister of Nepal to India (23-27 August 2017)", Ministry of External Affairs, Government of India, 24 August 2017. Retrieved from <http://www.mea.gov.in/bilateral-documents.htm?dtl/28885/IndiaNepal+Joint+Statement+during+the+State+Visit+of+Prime+Minister+of+Nepal+to+India+2327+August+2017>.

assistance. Neither Nepal nor India has come forward with any concrete proposals to utilise the assistance.

Two other MoUs pertain to drug-trafficking control measures and the construction of a bridge over the Mechi (a cross-border river) with the help of the Asian Development Bank. Both these issues, pending for long, were given approval by the Indian cabinet only a couple of days before the visit commenced. The remaining two MoUs/agreements were even less significant. All these MoUs were of procedural and bureaucratic nature, signed by the officers at the level of secretaries or lower ranking officials. Why did they then need a high profile political visit at the level of a prime minister? Why couldn't the bureaucrats exchange visits and conclude them much earlier?

This underlines the real problem that besets India's foreign policy, particularly in its approach to the smaller neighbours – delivery deficit. India is acutely conscious of this problem. It established an "Oversight Mechanism" in 2016 to "resolve bottlenecks and speed up the implementation" of ongoing projects. It is hoped that this mechanism will work efficiently, notwithstanding the hurdles resulting from political changes and instability in Nepal, as well as procedural bottlenecks caused by the changing political priorities in India itself. There are several critical projects of development cooperation between the two countries related to infrastructure linkages and hydro-power generation (such as Pancheshwar, Arun-III and Karnali) that are pending implementation for years.

The Constitutional Issue

If the concrete results of the visit are not so impressive, one could also look for its significance in the political context within which the India-Nepal relationship is unfolding. There are two separate aspects of such a political context – one relating to constitutional and political developments in Nepal, and the other arising out of a powerful Chinese push into South Asia where it wants to expand its strategic presence in the Himalayas at the cost of India. Perhaps both these areas were covered in an unscheduled one-on-one meeting between Deuba and Modi soon after the Nepali prime minister's arrival in New Delhi. The details of this meeting have not been officially disclosed.

On Nepal's constitutional developments, India is concerned about the marginalisation of the Madhes (Southern Terai belt and its inhabitants) and other social groups in the new constitution. It is, however, difficult to see the kind of priority accorded by India to an inclusive constitution and democracy in Nepal, in view of the vague and conflicting signals emanating from different political constituencies within Modi's ruling Bharatiya Janata Party. These signals also indicate that, in the eyes of India's ruling political elite, Nepal may be better off with a Hindu state and even with the revival of at least a ceremonial monarchy. The Deuba government does not have anything reassuring to offer on the inclusiveness of the constitution. Days before Deuba's visit to India, the ruling coalition of Deuba's Nepali Congress (NC) and the Maoists moved a constitutional amendment to accommodate the concerns of the marginalised groups. The amendment fell short of 48 votes of the required two-thirds majority mark in Nepal's Parliament. This failure has largely been blamed on the opposition parties like the UML and the royalist/Hindu religionist Rastriya Prajatantra Party. This is true. However, what is also true is that nearly 20 members of the ruling coalition – the NC and the Maoist – absented from voting on the desired constitutional amendment. Does it mean that the leaders of these parties, that include Nepal's prime minister, do not have control over their own parliamentarians? Or are they not sincere in carrying out their promise to the marginalised groups?

To soothe the hurt feelings in India and of the marginalised groups, Deuba declared in his press conference in New Delhi, alongside Modi, that he would again bring forward the amendment when assured of a two-thirds majority. However, this is perhaps unlikely to happen, given the fragmented nature of the Nepali politics. Even the prime minister's coalition partner and the Maoist leader Prachanda questioned his statement on the constitution and categorically stated that there would be no move to amend the constitution in the near future. Opposition leader K P Oli has also similarly challenged the prime minister when he was still on his India visit, saying that there was no need to make such statements in a foreign country.

Regional Strategic Context

With regard to the regional strategic context created by the Chinese push towards South Asia, India's concerns regarding Nepal arise on two counts. One is of Nepal being co-opted by China in its Belt and Road Initiative through the offer of attractive road- and rail-connectivity projects. India has refused to join the Chinese initiative and does not seem to be comfortable with its neighbours getting lured into it. However, what can it do when it manages to alienate its immediate neighbours on one count or the other, and leaves China free to exploit that alienation? Also, how can India assure its neighbours on developmental cooperation in competition with China when it cannot overcome its own delivery deficit? There is little credibility in India asking its neighbours to be wary of Chinese economic hug when India, on its own, is seeking Chinese investments and infrastructure support.

The other issue arose in the context of India's stand-off with China in Bhutan on the Doklam plateau, an issue which, according to the two countries, was resolved on 28 August 2017. India wanted Nepal to stand by it in this stand-off; more so because the Chinese media and official voices had warned that a stand-off might be created on the Nepal-India-China tri-junction as well in the north-west Lipulake/Kalapani area where there is a lingering dispute between India and Nepal. Nepal was not prepared to come out openly on India's side on the Doklam dispute. Nepal's Foreign Minister K B Mahara had clearly stated much before the Deuba visit that Nepal would remain neutral in any India-China dispute. During a civic reception to Deuba in New Delhi, India's Minister for Consumer Affairs, Food and Public Distribution Ram Vilas Paswan, in his welcome remarks, referred to China's oppressive control over Tibet and warned neighbours like Nepal to be careful about the Chinese moves. In rebutting this statement, Deuba said that Nepal did not require any support from any other country in its relations with China which are very friendly and cooperative. It may be recalled that a Chinese Vice-Premier Wang Yang had visited Nepal on the eve of Deuba's India visit and offered generous assistance for the reconstruction of the earthquake-affected areas.

Notwithstanding the public pronouncements of its leaders, Nepal surely cannot stand neutral if any India-China clash does really occur. India and Nepal have a long-standing treaty on mutual security cooperation since 1950. The Indian and Nepalese armies have fraternal relations, and the Nepali Gurkha troops are a part of the Indian Army already deployed along

the disputed Himalayan borders. During Deuba's visit, security cooperation and army-to-army relations between the two countries were reiterated without any aggressive tones towards any third country. Both India and Nepal must certainly have heaved a sigh of relief as the Doklam stand-off is reportedly said to have been resolved.

Conclusion

As the visit revealed, there are issues between the two countries, and there are binding ties as well. In their meeting, both the Indian and the Nepali leaders reiterated civilisational bonds and cultural ties. There is a need for them to look more towards the future rather than harping on the past to smoothly take the transformation in their relations forward. India must realise that Nepal has changed. It has a young, confident, aspiring and sensitive population that expects respect and support from India. Nepal too must appreciate that India can be its real and enduring partner in meeting both its developmental and security challenges caused by a dynamic regional context.

.