

# **Indo-Nepal Relations in The Changing Political Perspective**

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## **ABSTRACT :**

The geographical setting of Nepal and India are very important in shaping their relations. Nepal is a landlocked country located in South Asia with China in the north and India in the south, east and west. The country occupies 147,181 sq. km of land and lies between coordinates 28°00'N and 84°00'E. Nepal falls in the temperate zone north of the Tropic of Cancer. The entire distance from east to west is about 800 km while from north to south is only 150 to 250 km. Nepal has vast water systems which drain south into India. The country can be divided into three main geographical regions: Himalayan region, mid hill region and the Tarai region. The highest point in the country is Mt. Everest (8,848 m) while the lowest point is in the Tarai plains of KechanaKalan in Jhapa (60 m). After a long time, Nepal has achieved political stability, except some issues, on September 20, 2015, to adopt a constitution. Nepal had been hankered for a long time to achieve this. Now it is time for Nepal to ponder over the all gamut of relations with India because both of the countries can take advantage of each other as Prime Minister NarendraModi during his two-day visit to Nepal, on 3-4 August 2014, said about the Nepal's development and promised to take all necessary steps to take the relations into a new height. Now, it is interesting to see that what kind of relationship Nepal will maintain with India with these developments.

Keywords: Anti-Indian Sentiment, Nepal-India, Open Border, Special Relationship

## **I. INTRODUCTION**

India-Nepal relations have been formed and shaped by their geographical contiguity and socio-cultural identities which has influenced their historical past. The historical linkages emanating from the racial, religious and linguistic affinities were possible because of the 1,750-km- long open border which made communication easier and

possible. The crossing of the border by the people has not only influenced each other's history, culture and tradition but also had an impact on the political, economic and strategic relations between the two countries.

The geo-strategic location of Nepal between India and China has also shaped its relations with its neighbours. The high peaks and rough terrain towards the north made communication and people's movement and habitation difficult, if not impossible, towards the Tibet region of China. This is not to say that Nepal did not have historical political linkages with its northern neighbour. However, the presence of imperialist China and Russia in the north led British India to consider Nepal as a buffer state and integrate Nepal into British India's security parameters. Independent India also could not ignore the geo-strategic importance of Nepal and considered it as a buffer between itself and Communist China. It was not only the ideological differences with China that alarmed India but also the Chinese efforts to undermine India's security interests by undertaking road construction projects in Terai area which is contiguous to the plains of India. In fact, soon after Communist China's expansion towards Tibet, India entered into the Treaty of Peace and Friendship with Nepal in 1950 which defined the political, economic and strategic relations between the two countries. The Chinese expansion towards Tibet had perturbed Nepal as it not only exposed China's historical claims of maintaining the Himalayan state as its feudatory but also Nepal's vulnerability in containing any armed aggression from the north. Hence, Nepal agreed to enter into treaty arrangements with India. However, too much dependence brings forth to the small state fear of being incorporated or turned into an ally of the dominant state. The open border between India and Nepal had created ideological and political linkages between the two countries much to the chagrin of the monarch. For instance, the Nepali National Congress, a protagonist of democracy and a socialistic society, had links with the Indian National Congress even before the independence of India.<sup>1</sup> Landlocked Nepal utilised its geographical location to its advantage by undertaking strategies of distancing with India, neutrality or non-alignment with its neighbours, to preserve its own interest. Such as Nepal developed diplomatic relations with China in 1960 under King Mahendra's rule and tried to assert its independence and sovereignty.

The internal political dynamics in Nepal also influenced the making of its foreign policy with India. There have been frequent changes in the political system in Nepal

from the rule of Ranas to the monarchy to the Panchayat democracy and constitutional democracy and in every political change the ruler has looked towards those out of power with suspicion. Such as when King Mahendra faced opposition from pro-democracy political parties like the Nepali Congress and Communists, he apprehended Indian support to them. To strengthen the monarchy, King Mahendra tried to diversify relations with extra-regional countries and tried to maintain a distance from India. Similarly, King Birendra tried to maintain a distance from India which was alleged by Nepal to be supporting the pro-democracy and anti-monarchy Congress rebels, by proposing to be a Zone of Peace in the region. Despite the Government of India's assurances on various occasions, Nepal remained unconvinced. One reason could be that certain political ideologues in India, like the socialists, supported the cause of the Nepali Congress. Even during the agitation against the monarchy in 1989, the socialists like Chandrashekhar and Communist leaders from India were present in Kathmandu to extend their support to the democrats. However, they have to be differentiated from the official stand taken by the Government of India.

The Cold War politics also affected India-Nepal relations. The impact of Sino-Soviet differences alongwith the growing Sino-US rapprochement in the international politics percolated down to South Asia where the Sino-India differences drew India and the Soviet Union closer.<sup>2</sup> Nepal also made use of the Sino-India differences and followed the policy of distancing from India to reap advantages from the global and regional actors. For example, in 1961, King Mahendra signed an agreement on the road construction from Kathmandu to Kodari with China in 1961. The agreement came at a time when the monarchy had dissolved the Parliamentary democracy, a move not favoured by India, and Nepal needed to allay any fears of outside support to democracy for which nothing could have been better than to use China whose relations with India had fallen to the lowest.

Since then the ground realities have changed. The Cold War has come to an end with the disintegration of the Soviet Union in 1989 and the worldwide resurgence of democratic forces. The Chinese policy makers have done a rethinking on their policies after the disintegration of the Soviet Union. China has tried to create its own "Socialist Market Economy" and has opened its doors to foreign investors in order to globalise its economy. In this task it will not be favourable for it to have any irritant impeding

its growth. Hence, China responded favourably to the Indian desire to improve their relationship. Indian Prime Minister Rajiv Gandhi visited China in 1989, the first ever visit by an Indian Prime Minister. Three agreements were signed, on cultural exchange, air service between the two countries, and on science and technology. This opened up diplomatic visits between the two countries.<sup>3</sup> During his visit to India in November 1996, the Chinese President, ZiangZemin, said that "though we still have some outstanding problems left over from history, I can say for sure that our common interests far outweigh our differences, as neither of us poses a threat to the other."<sup>4</sup> Emphasis has been laid on economic cooperation though a Joint Working Group has been set up to resolve the border issue. In the latest round of border talks on August 5, 1997, both the sides agreed to identify an interim border and accelerate the pace of demilitarisation of the eastern border. There has been an attitudinal change in India and China commensurating with the global trend where all the countries cooperate with one another keeping aside their differences and disputes.

In the meantime, Nepal was also undergoing rapid political changes. Invigorated by the worldwide movements for democracy, the democratic forces in Nepal worked with added vigour to overthrow the Panchayat regime. In 1990, King Birendra accepted the popular demand for greater participation of the people's representation and multi-party democracy was established in Nepal. A democratic government of Prime Minister K.P. Bhattarai consisting of the Nepali Congress and the Communist Party of Nepal-United Marxist Leninist [CPN (UML)] took control of power. The democratic government had the responsibility to steer the country towards the radically changed world polity devoid of clear-cut Cold War politics and define foreign policy in the region where the security situation is threatened from within.

### **The Growing Ties**

The multi-party democracy in Nepal infused new hopes of normalising relations between the two countries who had become aware of the post-Cold War world order where emphasis was laid on economic relations. The first requirement to forge closer ties was by normalising trade relations which had nosedived following the expiry of the treaty of trade and transit in 1989 and the subsequent closure of the border except for two points at Raxaul and Jogbani. The interim government of K.P. Bhattarai declared it would improve trade relations with India on a priority basis. The Nepalese

perspective was favourably responded to by India. In fact, the then Foreign Minister of India, I.K. Gujral, declared India's readiness to "accommodate the economic aspirations of the Nepalese people."<sup>5</sup>

During K.P. Bhattarai's visit to India in 1989, the trade relations with India were resumed. The trade embargo was removed and the bilateral relations were restored to the situation prevailing on April 1, 1987. The date was significant because it annulled the "work permit system" restricting Indians from seeking employment in Nepal.<sup>6</sup>

Emphasis was given on developing economic relations between the two countries with areas identified for joint cooperation. The Joint Communique signed on the occasion declared that the countries would cooperate on "industrial and human resource development, for harnessing of waters of the common rivers for the benefit of the two peoples and for the protection and management of the environment."<sup>7</sup> However, instead of creating an environment of trust and confidence, the media and the Opposition parties criticised the term "common rivers" considering it as the surrender and compromise of Nepal's sovereign rights over water resources.

The two Prime Ministers gave assurances to each other that all the bilateral disputes would be settled peacefully and pledged "territorial integrity, non-use of force and non-interference in each other's internal affairs." They agreed to be sensitive to each other's security and agreed not to allow activities in their territory inimical to the interest of each other. They agreed to "have prior consultations with a view to reaching mutual agreement on such defence related matters which, in the view of either country, could pose a threat to its security." These assurances were not something novel and are contained in the Treaty of Peace and Friendship (1950). Article V of the treaty allows Nepal to import arms, equipment or war-like material from or through the Indian territory for its security provided the imports are done with the prior consultation of the latter. The letter exchanged along with the treaty substantiated the security provision contained in the treaty and said that "neither government shall tolerate any threat to the security of the other by a foreign aggressor. To deal with any such threat the two governments shall consult with each other and devise effective counter-measures." However, reiteration by both the countries was important in the background of Nepal granting road construction deals to China in the Terai or importing arms from China, for instance, in 1989, which was against the

spirit of the 1950 Treaty. In fact, the last consignment of arms coming from China was deferred by Nepal as a goodwill gesture towards India.<sup>8</sup> The interim government showed its sincerity to develop friendly, unique and brotherly relations with India and even dropped the Zone of Peace proposal from the Constitution as was propounded by King Birendra in 1974.

The friendly gestures made by the interim government were significant as it consisted of the Nepali Congress and the CPN (UML), the two forces committed to the cause of democracy who also had historical linkage with India. Also the relations developed between Nepal and India acted as a guideline for the future governments.

The Nepalese Prime Minister's visit was reciprocated by the Indian Prime Minister, Chandrashekhar, on February 13-15, 1991. Chandrashekhar had been in close association with the Nepali Congress and had extended his vocal support to the pro-democracy movement in Nepal. He had attended the meeting organised by the Nepali Congress on January 18, 1990, to chart a future course of action to restore democracy in Nepal. Hence, Chandrashekhar's visit raised lots of expectations from Nepal. He accepted the Joint Communique signed in 1990 as the basis for India's relations with Nepal. It was decided that India would restore the Jayanagar-Janakpuri-Bizalpur railway line. Under its aid programme India agree to open three more entry points at Nepalganj, Gauriphaula and Banbasa for third country nationals on the Indo-Nepal border. Discussions were held on harnessing of water resources, restoration of registration facilities for vehicles owned by Indian residents, removal of impediments to ensure free movement of Indian currency from Nepal to India and removal of discriminations against the Indian teachers working in Nepal. Both the countries agreed to set up a High Level Task Force to identify areas of economic cooperation and propose its recommendations to the two Prime Ministers. Accordingly, the High Level Task Force was set up in 1991.

Nepal had its first general election in 1991 in accordance with the new Constitution formulated by the interim government. People voted the Nepali Congress to power which had a long history of fighting for people's rights and multi-party democracy. Girija Prasad Koirala became the Prime Minister of Nepal. He gave primacy to developing relations with the neighbouring countries. His visit to India, his first ever visit abroad as Prime Minister, from December 5 to 10, 1991, was not only

fruitful in defining relations with India but was also successful in concluding two separate treaties on trade and transit for five and seven years respectively. India also reduced the domestic content and labour requirement on Nepalese goods from 65 per cent to 50 per cent to provide duty free access to India. The agreement to control unauthorised trade was also extended for five years. The signatories committed themselves to ensure the interests of each other by not allowing illegal trade, narcotic and psychotropic substances and agreed to exchange information on such related matters.<sup>9</sup>

A Memorandum of Understanding was signed for cooperation in developing agricultural yield through cooperation in science and technology, research, processing and agro-based industries. As a measure towards closer trust and confidence, the B.P. Koirala Foundation was set up to promote exchange of views on education, culture, science and technology.

In fact, India agreed to improve and simplify the rules for export of goods from Nepal during Prime Minister P.V. Narasimha Rao's visit to Nepal in October 1992. India agreed to extend stand by credit facility to Nepal from (IC) Rs.35 crore to Rs.50 crore. The term of the agreement was extended from one to three years during which period the interest rate of 7 per cent per annum was levied. Nepal's private vehicles were allowed to move from its border to Calcutta and Haldia ports and back provided the vehicles were authorised by the Nepal Transit and Warehousing Company Ltd or Nepal Transport Corporation. This was agreed to facilitate Nepal's exports to India. Movement of vehicles from Nepal to Nepal via Indian territory was allowed without any bond or cash deposit. Nepal was also allowed to import goods from India in convertible currency.<sup>10</sup>

Taking the discussion further on cooperation in harnessing of water resources, both the sides agreed on a time-frame for investigations, preparation of project reports on Karnali, Pancheshwar, Sapta-Kosi, BudhiGandaki, Kamala and Bagmati projects. Priority was given to work on the Pancheshwar and BudhiGandaki projects. On the Tanakpur Barrage, it was accepted that the area remains under the sovereign control of Nepal. However, the barrage project does not make any consumptive use of water. India agreed to supply 150 cusecs of water to irrigate 4,000 to 5,000 hectares of land and would supply 20 million units of power, free of cost to Nepal. It was also agreed

to either renovate or replace the missing boundary pillars at Tanakpur Barrage by May 1993.

India showed keen interest to accelerate the pace of economic development in Nepal which was necessary to consolidate the democratic aspirations of the people who had expected overnight change in their status quo. Lack of employment opportunities could create frustration and disappointment amongst the people who expected miracles from their representatives.

The improvement in the relations resulted in the increased industrial production which increased by 19.26 per cent for the year 1990-91 whereas the rate of growth in the last fiscal year was estimated to 4.4 per cent. The first volume of trade between the two countries increased from NRs 5,273.6 million in 1988-89 to NRs 9,473.6 million in 1990-91.

Another matter of concern which needed special attention of the two countries was the use of the open border by subversive elements against Indian security interests. Prime Minister Koirala has assured India of Nepal's total cooperation in curbing terrorism from its soil against India, it being a threat to Nepal's security also.<sup>11</sup> The Nepalese Prime Minister was keen to include Indian participation in any negotiations with Bhutan on the issue of refugees<sup>12</sup> which was turned down by India as it considered the issue to be affecting the relations between Nepal and Bhutan which had to be resolved by both the parties bilaterally.

The significant change in the political relationship between India and Nepal was the frankness in negotiations and discussions which was virtually absent during the monarchy<sup>13</sup> which looked towards democratic India with suspicion. However, the change of the political system from monarchy to multi-party democracy in Nepal did not bring forth changes in its political culture. For instance, the erstwhile monarchy and the Panchayat regime had used anti-India slogans to counter any opposition at home and stabilise their power by heightening the passions of the people. After the change of the political system, those not in power used similar tactics to criticise the government in power. The Nepali Congress is considered to be pro-India and the Opposition utilised this label to criticise the government and involved India's name to give authenticity to their charges. The perfect case was of Tanakpur. The Opposition

considered Tanakpur as a sellout to India. They claimed that India had constructed the 577 metres of the bund in the Nepali territory without the government's approval. Koirala blamed the Opposition for instigating anti-India feeling in Nepal straining the upward movement in their relations. He said, "We have not compromised our sovereignty with India."<sup>14</sup>

The Tanakpur issue brought into prominence the fears and apprehensions of Nepal of not being given "mutual benefit" on earlier agreements on the Kosi and Gandak. Since the matter was of national importance, they expected it to be discussed at home before taking it for bilateral discussion with India. Also recognising the sensitivity of the issue which could be related to the sovereignty of the country, the Tanakpur agreement was politicised by the political parties in Nepal for their own political gains. However, its impact on India-Nepal relations cannot be ignored. The politicisation of any project slows down the progress in the development of the project as happened in the Tanakpur Barrage where the work had come to a standstill. Much time was consumed in taking the matter to the Supreme Court of Nepal and the Parliament. However, Nepal did learn a lesson of taking a consensual approach before taking the issue on water resource or any matter of national importance with India as was done in the Mahakali Agreement in 1995.

Domestic compulsions pressurised Koirala to resign and mid-term elections were held in November 1994. Man Mohan Adhikari heading the CPN (UML) formed the government. Adhikari also opened his diplomatic initiatives by visiting India in April 1995. In a Press conference he said, "I would like to review all aspects of relations as well as changes in the trade and transit agreements with India. This is in view of the changes taking place in international relations as well as in South Asia."<sup>15</sup> He had reservations on the 1950 Treaty and wanted some changes in it, specifically on clauses related to security issues.<sup>16</sup> However, in the same vein, he said, "Nepal was totally in support of India's security concerns." He reassured India that the Nepalese territory would not be used for anti-India activities.<sup>17</sup> To keep a vigil on the cross-border movement, a technical committee was set up to discuss the issue. The Adhikari government was eager for Indian investment in the hydro-power sector. However, its tenure was shortlived. The government was ousted from power through a no-confidence motion and the Nepali Congress with the support of the

RashtriyaPrajantra Party and Nepal Sadbhavana Party came to power under the leadership of SherBahadurDeuba.

The major achievement of the Deuba government lies in taking a consensus approach in signing a Treaty on Integrated Development of the Mahakali Basin in February 1997 in New Delhi. The treaty envisages construction of the 2,000 MW Pancheshwar power project within eight years. Both governments agreed to workout an umbrella for the sale of power to each other and encourage Indian investment in the hydro-power sector in Nepal as a part of an action plan to further strengthen bilateral economic cooperation.<sup>18</sup> The treaty had put to rest the controversy which had been raised after the signing of the Tanakpur agreement. Nepal's share of water was increased from 150 cusecs and 20 million units of power to 300 cusecs of water in the dry season and 1,000 cusecs of water in the monsoons besides 70 million units of power.<sup>19</sup> Another agreement was signed on the construction of 22 bridges on the Kohalpur-Mahakali sector of the east-west highway.

At home Deuba received an unexpected reaction from the left parties towards the treaty which had otherwise received public support. The CPN (UML), which was initially satisfied with the treaty, along with other left parties expressed dissatisfaction over it. It blamed Deuba for tampering with the treaty which was initiated in Nepal and for signing a new version in New Delhi.<sup>20</sup> Defending the treaty, Deuba called the allegation "baseless and fictitious and is an excellent attempt to mislead people."<sup>21</sup> Despite the furore and criticism, the parties ratified it in the Parliament on September 11, 1996, with certain modifications.<sup>22</sup>

Nepal had learnt certain lessons from the earlier agreement on Tanakpur Barrage. Not to repeat the furore at home, the government had taken a national consensus with all the parties on the subject. Thus, at the time of ratification in the Parliament, the Opposition had no moral right to reject it. More so because it was the CPN(UML) which had initially proposed the Mahakali Treaty during Prime Minister Adhikari's visit to India in April 1995.

Prime Minister Deuba also spoke about modification of the Treaty of Peace and Friendship, especially, the clauses related to the security concerns and said that his government will pursue the same policy on security related matters as was followed

by the previous government. Expressing Nepal's concern towards India's security issues, Deuba said that "Nepal will never pose a security threat to India."<sup>23</sup> In fact, both the countries were determined to fight terrorism and reiterated their commitment not to allow any activities on their territory prejudicial to the security interests of the other.<sup>24</sup> Subsequently, a Joint Working Group was set up in August 1996 during the visit of P.C. Lohani, the Foreign Minister of Nepal, to India. The Group is expected to give suggestions on the ways and means to monitor the open border in order to check the movement of undesirable subversive elements inimical to the security of both states.<sup>25</sup>

A major turning point in the relationship was felt when I.K. Gujral became the Prime Minister of India. He gave a thrust on maintaining bilateral relations with the neighbouring countries in the spirit of non-reciprocity and non-interference in the internal affairs. India being dominant in size had to show magnanimity towards its smaller neighbours. One magnanimous gesture shown by India was to allow Nepal to use Phulbari as a transit point to get access to Bangladesh. India had been denying the transit point to Nepal because of its proximity to the Siliguri corridor which is sensitive to India's security concerns. However, Gujral showed trust and confidence in the country's neighbour by allowing it to use the Phulbari-Banglabandh transit route.

During Gujral's visit to Nepal in June 1997, a power agreement was signed to encourage private and semi-government investment in Nepal.<sup>26</sup> After the Mahakali Agreement this was a significant development because the countries could meet any shortage in power from Pancheshwar. Also, both the countries had freedom to enter into an agreement with a third party to generate resources for exploiting power. India is aware that the excess power can be utilised by its power deficient areas. Letters were exchanged on developing the Raxaul-Sirsiya rail link and supply of medical equipment to a hospital in Kathmandu from India. A Memorandum of Understanding was signed on civil aviation which allows private airlines to operate between the two countries in the light of growing business and tourism; Bangalore and Lucknow airports are open for the flights arriving from Nepal.

There has been an element of "mutual benefit" and "non-reciprocity" in India's relations with Nepal as envisaged in the Mahakali Treaty. India and Nepal relations hitherto defined in terms of geo-politics had to accord primacy to economic

cooperation in the light of the changing global economic environment. The main thrust of the economic cooperation has been on four areas: trade and transit relations, sharing of water resources, Indian aided projects and joint ventures. In fact, the countries have moved ahead from bilateralism and are looking towards multilateralism. In December 1996, Nepal submitted an approach paper on sub-regional cooperation within the South Asian Association for Regional Cooperation (SAARC) parameters which suggests creation of growth polygons between Nepal, Bhutan, Bangladesh and India in the fields of transit, multimodal transport, irrigation, energy, environment, tourism, trade and investment.

### **Geo-Strategic Compulsions Affecting India-Nepal Relations**

The border between India and Nepal is open and the flow of people is allowed without any restriction. The main advantage of an open border is felt by the people living on both sides of the border who can enter each other's territory for daily basic needs. In fact, it is said that there are houses situated on the border where one door opens towards Nepal and the other towards India. Citizens of both the countries enjoy unrestricted freedom of movement through the open border in accordance with the Treaty of Peace and Friendship. Though there is no separate treaty on defining the status of the border, considering the traditional ties between the two countries and taking the geographical reality of the border into consideration which runs through plains, jungles and mountains, the border remains opened. Article VI of the Treaty of Peace and Friendship allows the citizens of both the countries to receive "national treatment with regard to participation in industrial and economic development of such territory and to the grant of concessions and contracts relating to such development." In fact, according to Article VII of the treaty, the citizens of both the countries can move, reside and own property and participate in trade and commerce in each other's territory. However, it is alleged that citizens of other countries also enter Nepal to avail the opportunities under the guise of Indians. Since the border is open it becomes difficult to check the flow of movement of population and to ascertain whether they are from India or some other South Asian country. Similarly, the open border has helped the Nepalese to move and reside not only in India but also in Bhutan from India which has brought its own problems associated with the movement of population like demographic and economic displacement of the locals.

The geo-strategic location of Nepal is such that its Terai opens to the Indian heartland (the plains of UP, Bihar and West Bengal), thus, exposing the country to subversive elements. Nepal is also closer to the Himalayan ranges of western Uttar Pradesh which are demanding separate statehood and the hills of the north-east are active with extremists and militants of Nagaland and Mizoram. Through the mountainous passes of Nepal it is easy to enter the plains and hills of India and exploit the already existing problems.

The open border has been misused by the criminals, smugglers and terrorists who take refuge in Nepal after committing crimes in India or vice-versa. Arms and drugs have also been moving from Nepal to India. The open border is used by the Inter-Services Intelligence (ISI) of Pakistan to facilitate movement of the Kashmiri terrorists to carry out anti-India activities.<sup>27</sup> There are various Muslim organisations in Nepal engaged in imparting education to the religious minorities with the help of financial aid coming from Pakistan or the Gulf. A few organisations are alleged to be involved with the terrorist organisations to carry out anti-Nepal activities. Documents have been received showing that Islamic YuvaSangh of Nepal is working to establish "Islam in Nepal and Nizame Mustafa in the country...The Sangh is also doing its best, with the help of Islamic countries, to increase the gap between the Hindus and the Buddhists so that they become disunited and Islam emerges as the strongest religion of Nepal."<sup>28</sup> Though it is not possible to turn a Hindu majority state into a Muslim state, the possibility of creating social tension with external interference cannot be ruled out. The fundamentalists or misguided youth can also be engaged in anti-India activities considering their concentration is in the Terai region of Nepal which is adjacent to the densely populated Muslim areas of UP and Bihar known for nefarious activities of smuggling, movement of arms and drugs. Thus, India and Nepal cannot ignore the geo-political realities. They are cautious of the emerging threat of trans-border movement of criminals and subversive elements. The Government of Nepal has time and again emphasised on its total support to India in not to allowing activities adverse to the interests of India from its soil. Geo-strategy still dictates India-Nepal relations.

### **New Journey to India with Allies**

There has been a major shift in India's foreign policy with the change of government in New Delhi in 2014. India's neighborhood is now the prime focus in its foreign policy dispensation. The Modi Government took India's neighborhood policy to a higher level by inviting all SAARC leaders to the prime minister's oath taking ceremony, thereby clearly sending a message that neighbors are more important than others. In addition to improving bilateral ties, Indian Prime Minister Modi visited Nepal in August 2014 that was the first high-level visit as an Indian Prime Minister in 17 years. In his two-day visit, Prime Minister Modi expressed his view on many issue and his address to the constitution assembly was appreciated by many Nepalese leaders even chairman of the United Communist Party of Nepal-Maoist (UCPN-M) Pushpa Kumar Dahal or Prachand, one of the critique of India, praised Modi for their inspiring and encouraging speech and stated that „a new chapter has begun in Nepal-Indo relations“. P.M Modi showed his willingness to review of the 1950 treaty and said that they will welcome the suggestion, if any, regarding this treaty from Nepali side. Prime Minister Modi also outlined the concept of HIT- to help Nepal through the development of Highway, information technology and transmission lines for electricity. On the other hand, Nepal has also been in a changing environment after promulgation of the constitution. But, this unprecedented victory is also creating a trouble for Nepal. It is said earlier that after this task Nepal would be able to achieve stability or minimize other crisis but just after the adoption of the constitution Nepal not only faced huge agitation, against some constitutional provision but also survived to economic blockade by India. Once again, the economic crisis of 1989 has repeated in 2015 that bring a shortage of every good in Nepal. While Indian government denied about any economic blockade and stated that trucks and any goods loaded vehicles are not entered in Nepal due to violation of protesters along with the border areas. The Madhesis, Women and Tribal classes are not satisfied with some clauses of the constitution and the division of the provinces as well. They are opposing the constitution to not giving them equal right and about discrimination, as they told, they have been facing in the country for long times. Thus, a huge violation over this issue has emerged, in which, over 45 persons have died and many injured. On the part of India, its suggestions for the constitutional reforms taking as an interfere in Nepal's internal matter while Terai's people are seeking assistance from India. Historically, Nepalese nationalism, as promoted by King Mahendra, is dominated by the ethos of the hill people and the people from Terai were regarded as being close to India and

were discriminated against. In addition, India's most of the developmental projects are connected with Terai and it is considered that India increases its influence through this territory. That's why the division of the provisions in the new constitution are made in such a way so that Terai can be separated from the Indian region. In this regard, India's any activity in Nepal's matter is creating misunderstanding among Nepalese. On the other hand, Nepal's sovereignty and security concern can also be seen in the statement of new Prime Minister K.P.Oli, that "Maintaining good relation with neighboring countries is an important aspect of national security but we cannot jeopardize national security for the sake of maintaining good neighborly relations." It is clear about this statement that India, now, neither dominant Nepal nor its external relations as had been doing in prior. There is the only way to normalize their relations through the confidence-building and mutual cooperation. During the past years, India has lost its position in Nepal due to lack of neighborhood policy and also it did not give preference to its small but important neighbor. Nepal-India relations only governed by the outdated treaties and their foreign policies only guided by the personality of the both countries' head there is not at all any solid policy that can describe their framework toward this relationship. A former Indian ambassador to Nepal Rakesh Sood stated that, "For Narendra Modi's „neighbourhood first“ policy to succeed, India needs to introspect and Prime Minister Modi needs to find a Nepal policy that can resurrect the image of India that he had successfully presented- of a friendly and caring India, sensitive to Nepal's concerns, and generous in seeking mutually beneficial partnerships." Sood also blamed Nepal's dysfunctional politics for the sluggish development in the last 25 years.

### **Conclusion**

India-Nepal relations have been responding to the changes taking place in the international arena in the post-Cold War era. The simultaneous political changes taking place in both the countries are also instrumental in shaping their relations. One of the major changes in India is the emergence of pluralism in politics with the decline in the power of the Congress Party which had ruled the country as a major party since 1947. Since 1990, India has had three coalition governments. The governments in India have realised the basic thrust in the changing global environment where it has to develop relations with its neighbours based on trust and confidence and non-reciprocity which is an essential element in defining relations between asymmetrical nations. The change in the Indian policy from the Indira Doctrine to the Gujral

Doctrine has been positively received by Nepal which has also been making changes in its foreign policy postulates. Emphasis has been given on developing relations with the neighbouring countries, strengthening the institutional capability of the Foreign Ministry, and resolving the domestic issues affecting the security and stability of the country. The foreign policy of Nepal has come a long way from its policy of special relations with India to the policy of equi-distance with its neighbours to a search of an independent foreign policy. The often played strategy to use one neighbour against the other is no longer effective in the post-Cold War era. As discussed earlier, the growing Sino-India relations have decreased the manoeuvring capabilities of Nepal to play one neighbour against another. Instead, there is a shift from exploiting the differences of the neighbours to its advantage to develop relations with the neighbours on the basis of mutual benefit. However, the changing global and regional political scenario does not undermine the geo-strategic realities. Nepal's buffer status between India and China still exists.

In keeping with the global economic activism, both India and Nepal have emphasised on developing trade relations. Nepal's proposal to develop an economic quadrangle consisting of Nepal, Bhutan, Bangladesh and India is a successful attempt towards promoting economic diplomacy. Commenting on the challenges faced by Nepal in the globalisation of world economies, Kamal Thapa, the Foreign Minister of Nepal, said, "Today the aid era seems to be replaced by a foreign investment era. Hence, the need to use the country's resources as an effective diplomatic tool—in other words, diversification of the investment regime just like trade and aid regimes were done. For the moment, water might be the only potential for the country to become the regional hub for energy not least water itself."<sup>29</sup> India and Nepal have been successful in agreeing on sharing of hydro-power.

However, consistency in foreign policy is synonymous with domestic stability. The weakness in the coalition government of Gujral has created apprehensions in Nepal on the longevity and stability of the Gujral Doctrine. As discussed earlier, Nepal is in the early stages of democracy. It has had five coalition governments since 1991. An unstable government deters investments in a country. The normalisation of Sino-India relations has removed the external output affecting the India-Nepal relations but the domestic issues affecting the relations remain. Unless the domestic issues are addressed in the country, it will weaken the capabilities of the country to cope with

the post-Cold War transformations. It would be in the interest of India to consolidate the socio-economic development of Nepal and have continuous dialogue marking areas of cooperation and resolving areas of disagreement.

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