

# INDIA - NEPAL

## CURRENT STATE OF RELATIONS

Though not as bad as they were during the time of King Mahendra & Virendra or when Nepal was under CPN(M) headed by Prachanda, alias Pushp Kamal Dahal. But still India Nepal relations are not as per expectation. They suffer from uncertainty. The relations suffer a unique paradox, where all imp. ingredients & framework of good relations exist - border less; people of Nepal can work in India, get govt. jobs; no Visa is required; Indians can also work, travel in Nepal; traditional family relations, very high level of people to people contact. India & People of Nepal are earliest examples of 'Sociological Liberalism & Economic Interdependence'.

## REASONS - for Such state of Affairs

India needs to re-orient its Nepal's policy, which is too much guided by China factor; type of insecurity that Pak. suffers in Afghanistan

Pak: Afghanistan

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ind: Nepal

→ strategic depth

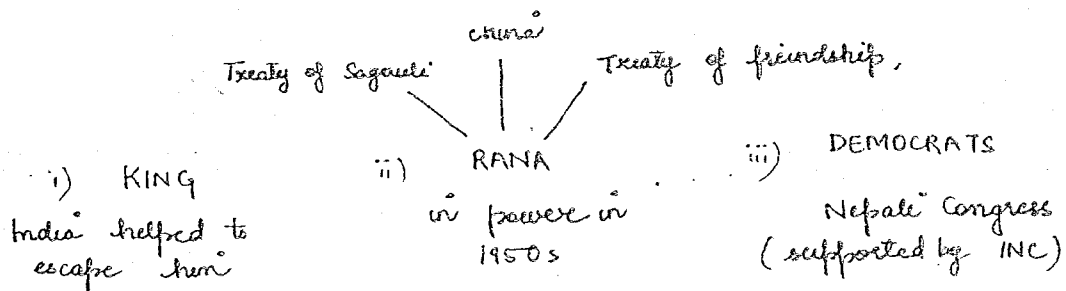
Similarly, India is intrusive to Nepal, & has been accused of being too interventionist. It is said, India aims to micromanage Nepali affairs & has allowed itself to be manipulated by Nepali politicians because of India's anxiety towards China. India has been subjected to negative propaganda for continuing policies of British Raj with smaller neighbours. India has to address these negative propaganda. Though Nepal will remain critical, yet we are overestimating the China factor. It is easy to deal with a country where political stability exists & consensus on foreign policy exists, As far as Nepal is concerned, it has been passing through political instability for long. There is no consensus even on its Constitution. It is extremely polarised & balancing becomes difficult.

## HISTORICAL OVERVIEW

Phase I : 1950s

Domestic political scenario in Nepal : There were three poles - i) King ; ii) PM-Rana ; iii) Democrats

India adopted 'Three-pillared policy'.



Treaty was colonial worded b/w Nepali PM & Indian Ambassador.

RANA were real rulers of Nepal. India had urgency to enter into a deal with Nepal against China's expansionist's desires, hence we had to enter into an agreement with Ranas.

This annoyed other two poles of politics -

- Rana agreed for treaty because Rana was looking for legitimacy of its rule.

But this created suspicion against India in the minds of Nepali people, as they were against rule of Ranas, as well as Nepali Congress aiming to estb democracy in Nepal.

China -  
palm-finger  
Theory.  
Tibet Palm  
Nepal, B etc are  
fingers.

Rana also knew that Democrats were getting support from India to overthrow him.

India knew Rana was not popular. India's grand strategy of Nepal - Nepal should be Constitutional Monarchy, Parliamentary Democracy.

India helped King Tribhuvan to escape from Rana's captivity.

Ultimately with India's intervention & deal b/w King & Democrats, that Parliamentary Democracy & Constitutional monarchy was established in Nepal.

Phase II - 1960s

King Mahendra came to power, & was not willing to play role of Constitutional Monarch. He ended Parliamentary system, introduced new Constitution & Panchayati Raj (not to be confused with Democratic decentralisation)

In order to legitimize his regime, he portrayed democrats as puppets of India & improved his relations with China to balance India. He proposed Nepal to be recognised as Zone of Peace, contrary to implications of Indo-Nepal Treaty of Peace & Friendship.

India-Nepal relations deteriorated, as against terms of 1950 treaty, King imported arms from China. He allowed China to build road from Kodari pass to Kathmandu.

He was replaced by King Birendra. Since Kingship was well estb & democrats were still struggling, Indians thought we have no option but go for further engagement with King.

King: opened road link with China & weapons were imported.

By this time, another force started developing in Nepal's politics i.e. Maoists. India could not support Maoist faction, who were getting help from China. Monarch did not trust India because of India's relations with Nepali Congress. On the other hand, Nepali Congress was dissatisfied with India's gestures towards King.

This cont. till 1990s. Once again multi-party democracy was introduced. Parliamentary democracy could not take root as King had not plans to strengthen it. Maoists, not in power, started JAN ANDOLAN-1, & demanded -

- monarchy to be ~~estb~~ abolished;
- Presidential form of govt;
- scrap 1950 Treaty.

India's approach was that Nepal should remain as Constitutional Monarchy & Parliamentary democracy.

## PALACE CONSPIRACY, 2001

King Gyanendra came to power after assassination of Birendra & his family by Prince Dipendra

← check names

New King did not enjoy legitimacy. He tried to concentrate powers in hand, creating -

'POLICY DILEMMA' for India.

King blamed democrats for their failure to contain Maoists insurgency. Ultimately, India thought to intervene & get a political settlement in

Nepal. India realised that Maoists gained lot of popularity in Nepal & even if India does not support them, they'll be able to form govt.

23rd April

- With the intervention of GoI, Maoists & Democrats were able to enter into a comprehensive peace arrangement. As a part of which, Maoists agreed to join democratic politics, they agreed to participate in Elections, to constitute Parliament which would act as Constituent Assembly.
- Constituent Assembly came into existence in 2007, promising new constitution by 2008.

• However, Constituent Assembly failed to arrive at an agreement on fundamentals like -

i) - nature of Federation

Maosists & Madhesi demanded 'Ethnic' Federation, whereas Congress opposed it.

ii) - form of government

Maosists prefer Presidential form whereas Nepali Congress prefer Parliamentary form.

One major Maoist demand - abolish monarchy & estb Nepal as Republic has been

India left its preference for Constitutional Monarchy. Assembly could not finish task on time &

got four extensions -

• May 2010

• August 2011

• November 2011

• May 2012

finally SC of Nepal, intervened & dissolved CA.

Chief Justice became Care taker PM & announced elections for new CA, will take place in Nov 2013.

• Nov. 2013 Elections, Nepali Congress got lead in directly elected seats, maosists have been marginalised.

presently, CA is working but seems - wont accomplish task in stipulated time.

one ag.

Kon

Nepali Congress has 125+ seats out of 575 elected seats & Maoists have 26 seats, though small faction, yet they'll have role in adoption of Constitutional provisions, which'll be adopted by special majority. Unless, political stability emerges, it'll be difficult for India to determine terms of Engagement with Nepal.

The recently appointed Indian ambassador to Nepal has pointed that India has no intention to micromanage the internal affairs. India's policy is driven by the common security concerns of the two countries. Political stability in Nepal is in India's strategic interest.

Interview  
Indian Embassy  
of Nepal

Acc. to Prof. Arvind Gupta, IDSA, India should re-frame its Nepal policy; Gujarat Doctrine is best approach to deal with neighbours; no need to look at Nepal through China's prism must not allow itself to be manipulated by politicians in Nepal to strengthen their Electoral Agenda.

Q. What are salient features of 1950, Treaty of Peace & Friendship with Nepal. What are major objections from Nepal. Govt approach w.r.t Treaty

## Treaty of Peace, Friendship & Cooperation, 1950

One of the earliest attempts in World to implement functional & sociological liberalism.

- Treaty recognises clearly, that Nepal is sovereign country & two govt.'s respect each other's sovereignty & territorial integrity.

This is imp. to Nepal because neither "Nepal nor elsewhere there was clarity wrt status of Nepal.

- Two govt.'s will inform each other about any serious friction & misunderstanding with any neighbour which may cause any breach in their friendly relations.
- Treaty provides National treatment to people of each other in trade, commerce, ownership of property, residence, employment, even govt. employment except in some sectors.
- India on its own held that 'it'll not go for complete reciprocity, Indian citizens would not seek govt. jobs in Nepal. However India seeks, Nepal prefers Indians in development of Ind. & Natural Resources over other countries.

- Treaty recognises Nepal-India border - region lying east of Kali river will be Nepali Territory.

#### Nepali Objections to Treaty -

- Timing of Treaty was wrong. It was entered by Ranas who were quite unpopular.
- Manner in which treaty was entered, i.e. Indian Ambassador with PM, Nepal hurts its ego. In terms of defining the border, they feel Ranas have compromised as they were looking for legitimacy; they see it as continuation of Treaty of Sugauli, 1816.
- The clauses dealing with National treatment to people of Nepal are considered by Nepali as over-sold. India is too large & Nepal is deep in oceans, Indians get disproportionate benefits in exchange.
- Nepal prefers it can go for international competitive bidding for allocation of natural resources to get better terms rather giving preference to India.
- More than treaty problem is with letters.

- Letters Exchanged accompanying the Treaty -
- Neither side shall tolerate security (threat) of other by other country.
- In case of aggression, the two will go for Effective Consultation with each other & devise effective means.

### Nepali Concern

- These terms impact Nepal's freedom in dealing with China. May be provisions were relevant in 1950s, but today Nepal-China Equations are free from such threats.
- One more condition was - conditionality on Nepal that Nepal can import arms & ammunitions for its security only from India.  
If India fails to fulfill requirement then only with consent of India

Nepal considers this it as a limitation on its sovereignty.

Nepal -  
YAM 19/5  
China & India

GoI's approach should be -

- Nepalese have demanded - Revision of Treaty or Scrapping of Treaty. Even GoI has shown its willingness, however there has been no formal initiative by any govt. of Nepal to revise or scrap it.
- India does not need this Treaty any more.
- Nepal has not observed the terms & conditions in practice.

→ Acc. to Myron Weiner, 'Treaty has protected Nepal from multiple internal & external crises.'

→ Acc. to Muchkund Dubey, 'Nepal has to give honest answers to following questions -

- whether all problems in Nepal are because of Treaty as projected by Nepali politicians.
- Is it practically possible for Nepal to Exercise sovereignty in ideal sense?

Nepal is a buffer state b/w two major powers, & can exercise its sovereign right only at will of major powers.

- Can Nepal develop itself w/o Treaty?
- Does Nepal have capacity to employ all those who are working in India?

Nepali Politicians needs genuine introspection. They should go for Objective Assessment of Treaty.

Priority of Nepal is not revision of treaty but focus on tackling poverty, stabilisation of democracy.

#### OTHER AREAS OF COOPERATION & ISSUE

##### WATER ISSUE

It is most promising area for co-operation & will be a win-win situation for both, theoretically. Nepal's hydro electric potential is 80,000 MW, out of which 40,000 MW seems practically feasible.

Nepal is utilising not more than 10,00 MW & is net importer of electricity from India. It suffers from power shortages.

India & Nepal had planned many projects, but most of them remain on paper. There are no. of concerns of Nepal -

- It wants to explore other buyers & investors
- Nepal believes that large scale Indian projects - PANCHESHWAR Multipurpose project may not be suitable from Ecological point of view.

- India insists on Exclusive Management of project
- There is no independent study conducted on the real benefits Nepal will have from these projects.
- Nepali politicians accuse that those in power have sold Nepal's natural resources to India in a non-transparent manner.

India & Nepal have an institutionalised mechanism to deal with water Issues :-

2. • Secretary Level Meetings
1. • Ministerial Level Meetings
3. • Technical Committees

### Kala Pani Issue

Triangular area on tri-junction of India, Nepal & Tibet. It is on route from India to Kailash, Mansarovar. Indian troops have been stationed here since 1962. presently Indo-Tibetan Border police is deployed. There is a difference in interpretation of boundary. For India, Kali starts from tri junction making Kala Pani an Indian territory.

Nepal views it as its territory, a rivulet LIPU GAD, joins Kali river. Nepal believes that Lipu Gad should be considered as part of Kali River & Kalapani is on Eastern part of this river.

#### TRANSIT ISSUE .

Nepal is a landlocked country, primarily dependent on India for transit. Nepal's demand has been a separate Trade & Transit Treaty.

For long Govt maintained a single Trade & Transit Treaty. In 1980s, Nepal was seeking closer engagement with China. When Treaty term expired, India has not renewed the Treaty resulting into 'Economic Blockade of Nepal, 1980'.

- It has resulted into deterioration of relations.

Transit Treaty was resumed later. In 1996, as a part of Gujral Doctrine, India separated Trade & Transit Treaty & addressed trade related concerns of Nepal.

## CHINA - NEPAL

India's Nepal Policy emerges out of India's insecurity with China. China's Nepal Policy is due to insecurity w.r.t Tibet. China does not want Nepal to allow Tibetans to protest from Nepal, that who so ever comes to power in Nepal keeps its Tibetan concern at place.

India may utilize its position forcing Nepal to take pro-Tibetan stand. Hence it wants Nepal to be independent of India.

China is going for massive projects to connect Nepal with China through roadlinks, upgradation of airports, gives financial assistance, plans a rail link b/w Lhasa & Kathmandu.