

From 'Landlocked' to 'Land-linked': Changes in the Emphasis on Nepal's Foreign Policy

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Abstract

Nepal's relations with its neighbours are taking a new trajectory. It is coming out of its landlocked status and taking upon itself the role of a bridge between India and China. During his visit to China in June 2018, Prime Minister KP Oli had said "We believe that Nepal can serve as a bridge between our two neighbours. In fact, we want to move from the state of a land-locked to a land-linked country through the development of adequate cross-border connectivity. Our friendship with both our neighbours places us in an advantageous position to realise this goal".¹ Oli's statement surmises changes in Nepal's foreign policy with its neighbours in a nutshell. The statement isn't new on the neighbourhood relationship. In the recent past, previous prime ministers and ambassadors have made similar statements. Gone are the days of special relationship with India or the policy of balancing one against the other. The new emphasis is on connectivity and economic development. By this, Nepal is trying to redefine its foreign policy. In this article the term foreign policy is used in a limited sense of relations with Nepal's neighbours.

Landlocked Nepal and its Foreign Policy

The first ever prominent pronouncement on Nepal's foreign policy was by King Prithvi Narayan Shah, in his *Divine Counsel*, in which he emphasised on Nepal being landlocked and counselled on the kind of relationship Nepal should develop with its neighbours.

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He wrote, "This state is like a yam between two stones. Keep strong friendship with the emperor of China.... maintain friendship with the emperor of the Sea (British) in the south".² He further cautioned that the British may eye the plains of Nepal as it would find difficult to hold on to the Indian territory in the wake of rising opposition of its people.³

This yam between the two boulders developed close working relationship with the British India. Prime Minister Jung Bahadur Rana, during his visit to England in 1850, saw the industrial development and military might of the British and realised the power differentials between the two.⁴ It was not easy to overthrow them hence, Nepal developed friendly relations with the British. He sent troops to help the British during the 'sepoy's mutiny' in 1857 and during the first and the second world wars. This started a new relationship between the Ranas and the British.

On the other hand, people of the two countries were giving a new meaning to the relationship. Young Nepali political activists, seeped in the ideology of democracy, participated in India's struggle for independence and also got support from Indians for their struggle for democracy and end of Rana rule.⁵ The Nepali nationals, many of them studying in India, set up Nepali Congress in Benaras and the Communist Party of Nepal in Calcutta. Subsequently, many prominent among them, like BP Koirala, Ganeshman Singh, KP Bhattarai and Manmohan Adhikari, led governments in Nepal or became influencers on Nepali politics. The political idealism and activism was a link that was cherished by the leaders of both the countries. It acted as glue which helped the countries face many storms together.

One such incident was when King Tribhuvan took refuge in the Indian embassy in 1950. He was brought to India, following which the Defence and Foreign minister and other political leaders came for negotiations and a compromise was arrived at between them which eventually paved way for democracy in the country. The two friendly neighbours also perceived regional politics from similar prism such as communist China's occupation of Tibet. Both considered this disturbing development as a strategic threat because independent Tibet was a buffer which wasn't anymore. The regional political dynamics brought India and Nepal closer which is evident from the Treaty of Peace and Friendship and the

Treaty of Trade and Transit signed in 1950. This 'special relationship' had underscored Nepal's apprehension from China's physical proximity on its northern border.

The apprehension was short lived as Nepal started diplomatic relations with China in 1956. Nepal became a member of United Nations (UN) in 1955 and took stand on issues independent of India such as on the Hungarian issue in 1956.⁶ The change in narrative took place when King Mahendra assumed power in 1955 and started bringing changes in Nepal's foreign policy. He asserted on Nepal's policy of 'non-alignment' with 'equal friendship for all' and 'diversification'.⁷ At the domestic front, there were ideological conflicts between the King and political parties. The King took power in his hands by dismissing BP Koirala led government in December 1960, alleging misuse of power, corruption and failure in law and order.⁸ Many leaders were arrested and others moved to India. With monarchy perceiving the democrats having links with the Indian leadership, there was a move to find another support which could balance out this linkage. Nepal's first major step to move out of its special relationship was by signing an agreement on road construction linking Kathmandu with Kodari in 1961.⁹ Nepal did not consider China as a security threat but considered democratic linkages of political leaders with India a bigger concern. Threat to monarchy was a threat to the country. The policy of 'special relationship' was now replaced with the 'balance of power' or 'equi-distance from neighbours'. The policy was propounded to balance the close relationship with India by bringing in China as a balancer. Following similar threat perceptions, yet another foreign policy pronouncement of Nepal was the Zone of Peace (ZoP) put forth by King Birendra in 1975.¹⁰ The ZoP initiative was moved to create distance from India and showcase Nepal as a neutral country.

The ZoP proposal was removed from the new Constitution in 1990. Two major developments preceded the new Constitution of Nepal. One was the closure of trade and transit points between India and Nepal in 1989. The Treaty of Trade and Transit was due for renewal but India wanted the two to be brought in within one treaty whereas Nepal desired two separate treaties. The negotiations did not succeed and the Treaty was not renewed within the stipulated time. This led to the closure of border points barring two in Raxaul and Jogbani and two more were provided

with Bangladesh and Bhutan.¹¹ King Birendra looked towards China for economic aid and support but poor logistics and infrastructure could not bring in fruitful results. It is said that China had expressed geographical and financial constraints in delivering goods to Nepal and suggested to improve relations with India.¹² Nepal's strategy of looking towards China and international aid rather than resolving crisis with India backfired. This added fuel to the fire and agitation against the King became more intense. Nepal adopted multiparty democracy and constitutional monarchy in 1990. KP Bhattarai, Nepal's interim Prime Minister, said on his visit to India that even though people faced difficulties due to expiry of the Treaty of Trade and Transit but the "negative benefit for the same was derived".¹³ On 6 December 1991, two separate treaties on Trade and Transit were signed. In the Treaty of Trade, both the signatories agreed to give most favoured status to each other. For this, the Indian government agreed to pay Nepal excise and other duties collected on goods produced in India and exported to Nepal. During his visit to India in 1991, Prime Minister GP Koirala assured India that things like arms import from China in 1988 "would not be allowed to vitiate the atmosphere in future".¹⁴

This democratic euphoria was short-lived as the country faced political instability due to frequent changes in governments and armed rebellion by the Maoists that lasted for ten years. In political mayhem, in 2002, King Gyanendra took power in his hands and dismissed Sher Bahadur Deuba led government on charges of corruption and inability to resolve the political crisis. India expressed concern on the royal takeover where as China considered it as an internal affair. India had stopped military supplies to Nepal. Given the circumstances, Gyanendra looked towards China for supply of arms and equipment. In order to please China the office of the representative of Dalai Lama was closed in Kathmandu.¹⁵

A massive people's movement led by political parties forced King Gyanendra to reinstate parliament in 2006. The reinstated parliament, under Prime Minister GP Koirala, nationalised the King's assets, dropped royal titles from all the institutions including Army and ended the *Raj Parishad*. In 2007, the interim Constitution declared Nepal as a federal democratic republic and abolished monarchy. A new constitution was written by the elected Constituent Assembly that was adopted in 2015.

Contrary to the expectations that democratic Nepal would develop close relations with India, the relations were strained even before the Constitution was promulgated. India wanted that the government should cater for interests of all the stakeholders like *madhesis or janjatis* in the new Constitution. Nepal government considered it to be interference in its domestic matters. As India had expected, there were protests within Nepal against the Constitution. Indian position was that the protests would have spill over effect in states bordering Nepal's terai.¹⁶ Open border created emotional bonds between people who shared each other's anxieties and concerns. In the meantime, *madhesis* took advantage of their geographical location and blockaded the border with India.

There was shortage of essential supplies, petrol, gas etc. Nepal government blamed India for the border blockade. Their hyperbole invoked Nepali nationalism that was ready to stand up to the perceived Indian interference. Instead of negotiating with the protestors, Nepal government brought China into the equation. China agreed to supply 1000 tonnes of fuel on grant basis. Nepal also signed an agreement with China to open another trade route from Rasuagarhi to Kerung. It further proposed to open seven more trade routes with China. Nepal wants to come out of its geographical dependence on India and have trade and transit routes through China.¹⁷ In 2017, Nepal signed China's proposed Belt and Road Initiative (BRI). However, this time around Nepal has asserted that developing links with China would not be at the cost of relations with India. Nilambar Acharya, Nepal's Ambassador to India said that, "Nepal and China may be getting closer for mutual economic and trade gains but their emerging relationship is not at all at the cost of India".¹⁸

An Assessment

Even though landlocked between India and China, Nepal is land opened towards India. It shares 1751 km of borders with India that is open for the citizens of the two countries to cross without any restriction. Citizens can avail economic opportunities in each other's country or can buy land and property. Nepalese can join any government job in India except Indian administrative, foreign and police service. These provisions are included in the Treaty of Peace and Friendship, also commonly referred to as the '1950 Treaty'. The strategic concerns on China's occupation of Tibet were such that India and Nepal developed close political-economic

relationship. Nepal was underdeveloped and poor and could not have found it easy to deter the communist influence from its north. Also, the rugged terrain along border with Tibet did not offer much scope for close social or economic relations. Lack of infrastructure was another hindrance. The political change in the north was also the reason for including certain security related provisions in the 1950 Treaty.¹⁹ The signatories agreed to inform each other if they encountered any friction with another country. India agreed to provide transit rights to Nepal for buying arms and ammunition provided it had prior knowledge of the same. This nature of relationship could evolve because both the countries had similar concerns towards China. This phase of special relationship between India and Nepal reflected close socio-cultural linkages and frequent interaction with the people. It reflected the cordial relations and understanding developed between the political leaders of the two countries while fighting for independence and democracy from the British or the Rana oligarchy. India was Nepal's largest trading partner, helped in developing infrastructure (roads and airfield), education, health, agriculture, power, irrigation and modernised Royal Nepal Army etc.

With change in leadership, there was a change in priorities and perceptions of Nepal and its foreign policy, which now laid emphasis on equidistance between its neighbours. This was the time when King Mahendra had dismissed Nepali congress government and brought in Panchayat in its place. Official Indian reaction was not in favour of the royal action. Fearing Indian support to the democratic forces, Nepal took measures to keep distance from India on matters such as road connectivity with China through Kathmandu-Kodari road. China was also involved in building roads within Nepal such as 'Prithvi Rajmarg' linking Kathmandu with Pokhara or Chakrapath around Kathmandu. Nepal tried to match the policy of equidistance with rising Nepali nationalism, which was basically sloganeering against India. Nepal's policy shift coincided with strained relations between its neighbours that eventually led to war.

Yet another important foreign policy pronouncement by Nepal was the ZoP proposal, which was declared by King Birendra during his coronation ceremony in 1975. Emphasising adherence to the policy of non-alignment, King Birendra said that Nepal wants peace within, with its neighbours and in the world.²⁰ India raised a few clarifications on the proposal before giving a formal response. The

ZoP proposal did not see the light of the day. Nepal's contention that it could follow equidistance was more rhetorical than substantive. A country which had social linkages and economic dependence on India was equating relations with its northern neighbour with whom she had formal relations. In 1980s, Nepal gave duty concessions to Chinese products that made them cheaper than the Indian goods, gave projects to the Chinese firms near the Terai border and bought arms from China (1988). Consequent to the strains in relations, the Treaty of Trade and Transit with India lapsed in 1989.²¹

Nepal's policy of non-alignment or equidistance was the result of its domestic politics on foreign policy. Whenever the government in Nepal felt that it was getting a raw deal or felt threatened by India, it used China as a balancer. Presumably, it was posturing because Nepal knew that it could not replace India with China for meeting its economic needs or close socio-cultural connections. Nonetheless, landlocked countries play different strategic games for their existence. They can become a larger country's ally, satellite, be neutral or play one against another. Nepal played all these. However, in reality, China could not replace India. It is said that when the Communist Party of Nepal (United Marxist Leninist) came to power in 1994, it looked towards China for support but they were advised to mend their fences with India. China had realised its geographical limitations to replace India in Nepal during the border blockade in 1989.

The economic blockade in 2015 by the Madhesi agitators once again brought the geographical location of Nepal to the centre-stage of its relations with India. Nepal once again looked towards China for support. This time people gave support to the government to look for alternative routes in the north in order to come out of dependence on India. The blockade created a public opinion amongst the hill people to open trans-Himalayan linkages with China. The previous blockades in 1971 and 1989 were due to differences in the Treaty of Trade and Transit and popular perception was against their own king for not finding solutions. Those opposing the king were pro-democracy supporters but the 2015 blockade was done by the Nepali protestors from *Madhes*, perceived as Indians, which was above ideological divisions and the popular perception against India was echoed by the hill people. The open border is no longer leverage against Nepal and the border blockade showed it in 2015.

Secondly, the political scenario had changed from the previous years when China was unable to provide much help to Nepal. China has become economically strong and through its BRI has given emphasis on connectivity. Nepal tried to utilise the opportunity to get into the bandwagon and became its signatory in 2017. China is a major investor in Nepal focusing on infrastructure development. It has entered into new areas such as hydropower, tourism and cultural linkages through Buddhism. It has made attempts to reach out to all the political parties and actors in Nepal. The crisis gave an opportunity to China to fill in the vacuum created by deteriorating India-Nepal relations. Knowing that China would not be able to immediately replace India in fulfilling Nepal's everyday requirements, Kamal Thapa, Nepal's Foreign Minister, during his three days visit to India said, "We (Nepal) would like to take advantage from both our neighbours but not at the cost of each other. Nepal does not have a policy of playing cards against each other".²²

In his second tenure, Prime Minister KP Oli has made it clear to go ahead with the projects signed with China but is careful to say that Nepal would like to be a transit between its two neighbours. Nepal is trying to redefine its role in the Himalayas and finds China as the ready partner. Almost all projects are important for the Chinese businesses but the strategic importance of road and rail links from Tibet to Nepal cannot be ignored.

China has expressed its interest on Nepal's new foreign policy thrust. In 2016, President Xi Jinping had said that Nepal could be a link between India and China.²³ In April 2018, Chinese foreign minister Wang Yi said, "Nepal stands as a natural beneficiary for cooperation and development from China and India. I think this is a logical desire that should be supported by both China and India".²⁴ China has taken a proactive stance and asked India to cooperate on Nepal's economic development. This is a new turn in the relations wherein China is projecting to take lead and asking India to join in. However, without addressing each other's strategic concerns in the Himalayas, it would not be easy for India and China to cooperate on economic projects in Nepal, especially when India has reservations on China's BRI too. India may, however, find it difficult to stop Nepal from developing relations with China.

India, on the other hand, has made concerted efforts to develop trade and infrastructure development projects with Nepal. In fact,

during his visit to Nepal in 2014, Indian Prime Minister Narendra Modi had emphasised on Highway, Information and Technological linkages for Nepal's economic development. This was reciprocated by Nepal and projects on hydropower, rail and road linkages were signed. Agreement on broad gauge railway line was signed linking Janakpur in Nepal with Jaynagar (Bihar) in India. Direct bus service has started linking Kathmandu with Delhi, Varanasi and Patna.

In such a scenario of divergent perceptions, Nepal's desire to act as a bridge or link is an interesting proposition. Nepal has not made its stand clear on what it implies by a bridge between its two neighbours. Does it indicate Nepal's infrastructure links with both the neighbours bilaterally, trilaterally or does it mean that it would be a transit for Chinese goods to India?

Conclusion

Nepal's journey on its relations with the neighbouring countries has seen interesting shifts from the policy of special relationship with India to the policy of equidistance between India and China or non-alignment or the ZoP. These policies, at best, remained on paper, such as in the presence of 1950 Treaty it was not possible to have equidistance with its neighbours or to remain neutral with an open border and free movement of people in India. Nepal made attempts to utilise strained relations of India and China to its advantage but geography has placed its own limitations. The effectiveness of the policies depends on whether neighbours want to play the game. Now, it is trying to enter a new phase of trans-Himalayan linkages or bridge between the two neighbours. It would be interesting to see how the politics evolve and unfold.

Endnotes

¹ "KP Oli says Nepal will maintain close ties with India, China while pursuing independent foreign policy," Firstpost, 23 June 2018, <https://www.firstpost.com/world/kp-oli-says-nepal-will-maintain-close-ties-with-india-china-while-pursuing-independent-foreign-policy-4577861.html>

² "Dibbaya Upadesh of Prithvi Narayan Shah", [www.lawcommission.gov.np/.../dibbaya-upadesh-of-prithivi-narayan-shah....](http://www.lawcommission.gov.np/.../dibbaya-upadesh-of-prithivi-narayan-shah...)

³ Ibid.

⁴ Adrian Sever, *Nepal under the Ranas* (New Delhi, Oxford and IBH Publishing, 1993), pp. 72-74.

⁵ For details refer Kanchanmoy Mojumdar, *Nepal and the Indian Nationalist Movement* (Calcutta: Firma K.L. Mukhopadhyay, 1975)

⁶ Leo E. Rose, *Nepal: Strategy for Survival* (Bombay, Oxford University Press 1971, p. 214.

⁷ Leo E. Rose and Roger Dial, "Can a mini state find true happiness in a world dominated by protagonist power?", *The Annals of American Academy*, vol. 386, November 1969, p. 92.

⁸ HM King Mahendra, *Proclamations, Speeches and Messages*, vol. II, Department of Publicity, Ministry of Information and Broadcasting, HMG, Nepal, Kathmandu, June 1967, pp. 1-3.

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¹⁰ *Rising Nepal*, 26 February 1975.

¹¹ *The Telegraph*, 2 April 1989.

¹² *IDSA News Review*, vol 23, no.1, January 1990.

¹³ Refer A.S. Bhasin, *Documents on Nepal's relations with India and China 1947-1992*, vol. I (Delhi: Siba publications, 1994), p. 483.

¹⁴ *The Hindustan Times*, 7 December 1991.

¹⁵ 'Tibet's Stateless Nationals: Tibetan Refugees in Nepal,' <http://www.tibetjustice.org/reports/nepal.pdf>

¹⁶ Sangeeta Thapliyal, 'Politics in Nepal and India's Options', *Scholar Warrior*, Centre for Land Warfare Studies, Autumn 2016.

¹⁷ Sangeeta Thapliyal, "Nepal: Response to Political Crisis", *China-India Brief*, no.63, November 12 – December 01, 2015

¹⁸ *Business Standard*, 26 March 2019.

¹⁹ For detailed analysis on 1950 Treaty refer, Sangeeta Thapliyal, "India and Nepal Treaty of 1950: The Continuing Discourse," *India Quarterly*, vol. 68, issue 2, 2012.

²⁰ Refer test of the speech of King Birendra *Rising Nepal* (Kathmandu) 26 February 1975.

²¹ *The Telegraph* (Calcutta) 2 April 1989.

²² 'Nepal's relations with China not at India's cost: Kamal Thapa', 10 June 2016.

²³ "Nepal can be a bridge between China and India: Xi Jinping," *Economic Times*, 21 March 2016.

²⁴ Sutirtho Patranobis, "China firms up connectivity projects with Nepal, asks India to join in," *Hindustan Times*, 18 April 2018.