

# Nepal — A Paradise Between a Rock and a Hard Place

Lieutenant General Ghanshyam Singh Katoch,  
PVSM, AVSM, VSM®

## Abstract

*This article looks at Nepal's Buffer State predicament and the path that India and Nepal must follow to meet the national interests of both countries. The rise of Nepalese nationalism with a communist complexion and the rise of China, which seeks to expand its sphere of influence, have led to Nepal being pushed into what can be called as the "New Small Game". China's growing profile in the Himalayan country is a threat to India's security interests and India has to be proactive to maintain the buffer status of Nepal. The Nepalese economic situation and sovereignty issues have motivated Nepal to seek help from China for meeting its infrastructural and transportation needs. However, the geographical advantage that India provides to Nepal for land transportation access can still not be matched by China which will affect Nepal's strategic calculations. The demand for modification to the Indo-Nepal Treaty of 1950 is fallout of assertion of sovereignty and an unreal threat of being swamped by Indian immigrants. So far, the Nepalese have demonstrated remarkable understanding and good diplomatic skills to balance between two antagonistic neighbours. However, the planned Chinese land road/rail connectivity across the Himalayas increases India's insecurity as it dilutes the buffer status. India cannot stop Nepal from seeking Chinese assistance. On its part Nepal has to balance its needs with the advantages of a neutral buffer. Perhaps with strict neutrality Nepal can become for the subcontinent what Switzerland was for Europe. India must help Nepal to achieve this and remain an effective buffer.*

---

®Lieutenant General GS Katoch, PVSM, AVSM, VSM (Retd) is a Distinguished Fellow at the USI.

Journal of the United Service Institution of India, Vol. CXLVIII, No.614, October-December 2018.

*“The term buffer zone, common in strategic discourse, is distinct from the broader, more generic term borderlands, which is commonly used in the historical literature on economic, cultural, and ethnic intermingling that spills across the borders of civilisations, empires, or states”.<sup>1</sup>*

The reality of the Indian subcontinent’s political geography makes Nepal a buffer state between India and China. A Buffer State is a country that provides a cushion to two rival hostile powers, and in the process must be prepared to be buffeted by them. Buffer states are desired by rival powers to give them strategic depth and a sense of security; especially by the lesser of the two powers. But being a buffer means that the risk of being squeezed between two antagonists is omnipresent. Many buffers have been rudely buffeted (Belgium and Poland in the World wars; Afghanistan in the ‘Great Game’). Others have gained by being strictly neutral and managing to gain from both sides to a conflict (Switzerland and Sweden in both World Wars). This article looks at Nepal’s buffer status predicament and crystal gazes the path that India and Nepal must follow to meet the national interests of both countries.

Nepal’s historic interaction with both China and India goes far back in history. With India the relations exist from pre-recorded historical times, evident from the common religious traditions and mythology, while the first recorded official relation between Nepal and China date from the 5<sup>th</sup> century AD.<sup>2</sup> India has cultural linkages with all Nepalese religious, caste and ethnic groups. Its cultural relationships are not confined to only *Hindi/ Awadhi/ Bhojpuri* speaking population of Nepal or any geographical region but are spread all over. For long inter-marriages of the ruling classes in Indian kingdoms with the ruling classes in Nepal took place. Hence, we had the ruling families of, say, Gwalior (Mahadav Rao Scindia) or J&K (Karan Singh) married into the Rana family of Nepal. The trend continued after Indian independence and even after abolition of Princely States, as it was a result of a common cultural heritage. Marriages between the former princely families of Rajasthan and Nepal are also common because the Shahs who ruled the Gurkha kingdom from 1559 and thereafter a unified Nepal—trace their ancestry from the Rajput Hindu community from Rajasthan. The common Nepalese people also inter-married in India as relationships were forged because of having employment there,

as also through alliances with the large Gurkha community in India who are descendants of retirees of the British Indian army. Such strong intangible relations add to the tangible economic links and make Nepalese stakes in India very high.

The rise of Nepalese nationalism with a communist complexion and the rise of China, which seeks to expand its sphere of influence, have led to Nepal being pushed into what can be called as the “New Small Game”. As China makes inroads into the Indo-Nepal equation; it seeks to achieve strategically driven and economically manifested interests. The situation for Nepal is quite akin to that which Afghanistan has had to contend with all through. Afghanistan was a buffer between the British and Russian empires but was dependent on the British Empire due to convenient transport linkages to the outside world. So is the case of Nepal which is more dependent on India for access to the sea for trading purposes. Even present-day Afghanistan has to juggle between Pakistan and Iran for access to the sea, in the manner that Nepal is trying to do between India and China. However, in Nepal’s case there are greater physical barriers in terms of terrain and distance while Afghanistan’s barriers are geo-political which can change with changing inter-state relations.

Fortunately for Nepal unlike the British and Russian “Great Game”—which still continues to haunt Afghanistan—this game will be mostly a tug of war to pull Nepal to either side by offering means of achieving higher standards of living and prosperity. Since India is the lesser power, Nepal’s buffer status is more important for it. Hence, China’s growing profile in the Himalayan country is a threat to India’s security interests and India has to be proactive to maintain the buffer status of Nepal. Beijing has been drawing Nepal into its sphere of influence by increasing its political, economic, and cultural links with Kathmandu. On the other hand, till late, India’s regional hubris made it take Nepalese friendship for granted which is undermining India’s efforts.

The April 2015 Nepal earthquake was a major blow to the Nepalese economy and people. India’s relief and rescue reaction by virtue of its geographical accessibility and near familial status was spontaneous and the quickest. Sadly, the gains made in the hearts of the Nepalese people and government were as quickly nullified by the coverage of an “insensitive and jingoistic” Indian

media.<sup>3</sup> Their reporting tom-tommed the Indian response for the Nepalese people, painting the Nepalese Army and government's efforts in poor light even though they were much larger in scope. This added to the present awkwardness in the Nepalese and Indian relations.

While Nepal was recovering from the ravages of the earthquake, in 2018, the situation again deteriorated due to natural calamities like floods, increase in lending rates, slow recovery of exports and above all the decline in the movement of labour to other countries, thus affecting remittances. There is a downward trend in remittances as the outflow of migrant work force has stagnated over the years.<sup>4</sup> To a large extent this is due to slowdown in the Middle East and new policies in countries like Malaysia. This has motivated the Nepalese to look for alternate benefactors for meeting the infrastructural needs of the country. The most obvious being China.

The Nepalese strategic culture is ideally suited for their present predicament. Prior to the 17<sup>th</sup> century their martial outlook made them expand their kingdom upto Kangra (in present day Himachal Pradesh) in the North-West and Sikkim in the South-East. But as the Nepalese came into contact with British India, conflict ensued. In the Anglo-Nepalese war of 1814–16 Nepal lost its conquered territories in both the West (Garhwal/Kumaon region) and the East (Sikkim). Thereafter Nepal had to walk the tight rope between British India and China to retain its independence. This was done skilfully—including by assisting the British in the 1857 Indian War of Independence. The performance of the Gurkha troops so impressed the British that their inclusion in the British Indian Army is a lasting legacy in the British and Indian armies till today. This contact with the British gave the Nepalese the quality of skilfully appeasing while retaining dissuasive deterrence for preserving their nation.

The geographical advantage that India provides to Nepal for land transportation access can still not be matched by China, hence dependence on India will always affect Nepal's strategic calculations. Enhanced education and globalisation which permitted Nepalese to travel far and wide for employment brought back ideas which fostered democracy, and when the monarchy stifled it, Communism. The main people to people linkages between

India and Nepal that existed earlier were either through the feudal top strata or the lower classes including the Madhesis. These are reducing with the growth of the middle class which has a greater awareness and sensitivity to nationalism. The Constitution of Nepal 2015, building on the interim constitution of 2007, transformed Nepal into a republican state from a constitutional monarchy, a federal democracy from a unitary system and gave it a secular structure from a Hindu character. It also brought in changes in the citizenship laws. Whereas earlier the children of a Nepalese and Non-Nepalese couple were granted Nepalese citizenship, that is not the case now. In the new constitution both parents have to be Nepali for their children to get Nepalese citizenship.<sup>5</sup> This has been brought in because of the fear that marriages between Indians and Nepalese will swamp the Nepalese identity with overpowering Indian influence in Nepal.

The monarchical Nepali state had been exclusionary and unaccountable but provided greater cohesiveness in the Nepalese state which had been integrated by the Shah dynasty. The present political instability has prevented a substitute for the cohesion provided by the monarchy earlier. Resultantly, nationalism and perceived affronts to Nepal's sovereignty especially by India are used as unifying catalysts. The demand for modification to the Indo-Nepal Treaty of 1950 is a fallout of such anger and an unreal threat of being swamped by Indian immigrants. Far more Nepalese come and work in India on account of the 1950 treaty provisions than the numbers of Indians who work in Nepal.

Following the formal introduction of multi-party democracy in 1990, banned and underground political party leaders emerged to take control of state power with the monarchy side-lined. A democratic setup made interaction at the government to government level with India—also a democracy—more conducive. However, just as the new democratic institutions were finding their feet, they began to be weakened by emerging political party dynamics. Presently, the situation has stabilised with the Left Alliance. But the Left alliance also brings in better interaction with Communist China because of ideological convergence. The capability of the government to provide jobs being weak and because of other societal requirements, the void has often been filled up by foreign governments and NGOs by and large from US and Europe. With economies in those areas going down and in recent times

concentrating more on problems in their vicinity (Bosnia, Ukraine, migration from Africa and Syrian/ Iraqi refugees)— aid from US and Europe has reduced. The only countries with deep pockets to which Nepal can appeal for aid are China and India. China of course has far deeper pockets and its BRI initiative is perceived by Nepal as beneficial to it.

India needs to exploit its better connectivity and cultural linkages for keeping its relations with Nepal on a sound footing. Good relations with India can assist Nepal to overcome its weaknesses of shortage of petroleum products and poor utilisation of hydel resources. India can assist Nepal in overcoming its other weakness like shortage of technical and vocational institutes, declining remittances from abroad, and staggered economic growth. Better relations with India would also mitigate the perceived threat of political interference by India in the Terai region.

Contrary to Indian perceptions—shaped by greater interaction with the poorer Nepalese who seek jobs in India or join the Indian army— the Nepalese have demonstrated remarkable understanding and good diplomatic skills. It is no mean feat for a buffer state to balance between two antagonistic neighbours— which Nepal has done— and maintain fairly good relations with both of them. This reflects on the maturity of Nepalese diplomats. These skills need to be carefully managed keeping in view the sensitivities of both its neighbours while enjoying optimal gains from them. Nepal has enjoyed open borders with India with freedom for her people to visit India without restriction and even take up employment in India. This unique system needs to be leveraged to ensure better relations with India. India as an emerging regional power has to ensure that its immediate neighbours do not feel threatened by it. Rather they should feel securer. The Indian response at Doklam to safeguard Bhutanese sovereignty was an unavoidable response to maintain Bhutanese confidence in India and the regional status quo with respect to Bhutan. The planned Chinese land road/rail connectivity across the Himalayas erodes the real and psychological status of the Himalayas being a natural barrier protecting India and increases India's insecurity as it dilutes the buffer status and opens an access to the Indian heartland to a hostile competitor. Though appearing a distant unrealistic scenario, India has to plan for future confrontations with China in the Central Sector in case Nepal swings too close to the Chinese camp.



It is an undeniable truth that an impoverished Nepal can hope to gain more in infrastructure development from a cash rich China. We should see what we perceive as a tilt towards China, as a legitimate means to get the infrastructure that Nepal direly needs. India cannot stop Nepal from seeking Chinese assistance as it tried to do through a formal 15-month blockade in 1988 when Nepal had purchased arms from China, contrary to the 1950 treaty. That action did more to undermine Nepalese trust in India than anything else. Sovereignty anywhere is a sensitive issue and India must not let the Indo-Nepal relations to become strained on the issues of Nepal's Constitution-making or Madhesi politics which are its internal issues.

Permitting foreign nationals to serve in a country's armed forces without the caveat to assume citizenship is the ultimate level of good relations between two countries. This is what the Nepalese can do in the Indian Armed Forces by virtue of tradition and the 1950 treaty. The mercenary nature of this activity has been sanctified by the International Commission of the Red Cross (ICRC) which terms Nepalese in the Indian and British army as combatants.<sup>6</sup> A waiver that is granted to only the French Foreign Legion by the ICRC besides to the Gurkhas. We must ensure that our involvement must be focussed to keep our relations cemented and in line with our long term security interest, which is to maintain the buffer status of Nepal. India must never treat Nepal like a protectorate. On its part Nepal has to balance its needs with the advantages of a neutral buffer. Switzerland and Nepal are alike. Both are landlocked and mountainous. Both have four main cultural regions—German, French, Italian and Romanch in Switerland and Madhesis<sup>7</sup>, Gurkha, Paharis (Chhetri/Brahmins) and Tibeto-Nepalese (Bhutia/Sherpa/Lepcha) in Nepal. Both have tremendous tourism potential. The only difference is that in the case of Switzerland it is developed and in the case of Nepal it is waiting to be developed. Perhaps with strict neutrality Nepal can become for the subcontinent what Switzerland was for Europe; a place where countries with disputes could meet, talk and usher peace. What India must strive for is to economically integrate Nepal in the Indian trade and transportation system so that Nepal can get more prosperous. A prosperous Nepal will be able to develop its tourism potential and truly become a Switzerland of the East. At the moment Chinese infrastructure development in Nepal has not really started

though many promises have been made. This presents India with a brief window of opportunity to reset its relations with Nepal—before China does its course corrections— and enable it to remain a neutral buffer state that prospers.

### Endnotes

<sup>1</sup> Gerald L. Ingalls, 'Buffer states: Outlining and expanding existing theory', in Chay and Ross (eds), *Buffer States in World Politics*, pp. 231–40.

<sup>2</sup> Col Subodh Kumar Shahi, *China Strides in Bhutan, Nepal and Myanmar: Options for India* (New Delhi: USI, 2017), 72.

<sup>3</sup> Soutik Biswas, 'Why is the Indian Media Facing a Backlash in Nepal', BBC News, May 04, 2015. Accessed Dec 05, 2018 from <https://www.bbc.com/news/world-asia-india-32579561>

<sup>4</sup> World Bank, "The World Bank in Nepal" Accessed 05 Dec 2018 from <http://www.worldbank.org/en/country/nepal/overview#1>.

<sup>5</sup> Sara Shneiderman and Subin Mulmi, "Citizenship, Gender And Statelessness In Nepal: Before And After The 2015 Constitution", *Discover Society*, Dec 05, 2017, Accessed 07 Dec 2018 from <https://discoversociety.org/2017/09/05/citizenship-gender-and-statelessness-in-nepal-before-and-after-the-2015-constitution/>

<sup>6</sup> For details see ICRC, IHL database, "*Practice Relating to Rule 108. Mercenaries*", at [https://ihl-databases.icrc.org/customary-ihl/eng/docs/v2\\_rul\\_rule108](https://ihl-databases.icrc.org/customary-ihl/eng/docs/v2_rul_rule108)

<sup>7</sup> Nepalese who racially and culturally are akin to people in the neighbouring Indian States of Uttar Pradesh and Bihar, of Indian origin living in the *Terai*, a plains belt bordering India.