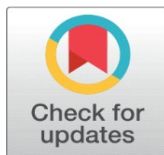
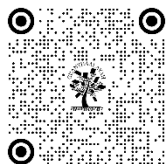


CHINA'S INFLUENCE IN NEPAL: INDIA'S CONCERN

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ABSTRACT

China's strategic cooperation with India's neighbours in South Asia, particularly Nepal, has been a matter of concern for us. Nepal's geographical position has both advantages and disadvantages. It is like a sandwich between two giants: China to the north and India to the south, and both of these forces are opposed to each other. Nepal keeps playing the game by bowing to the pressure of both. Observing them interact, Nepal is also increasing its capabilities. However, in recent years, China has adopted a strong diplomatic relationship with other South Asian countries besides India by providing economic and technical assistance. These states are playing the 'China card' by receiving such assistance from India. China wants to eliminate India's traditional influence over these countries, but India has always believed that if its security is taken care of, then it has some tension with Nepal for its own security reasons. This is also because the relations between China and Nepal have become closer in recent years. Strategic relations between India and Nepal are in place, but due to the history and geography of both, Nepal's dependence on India has started decreasing. Now it has become a permanent fact that China is putting pressure not only on Nepal but also on other countries in South Asia. These developments are harmful for India: not only are its close agreements with Nepal being affected, but India's security is also being comprised due to the entry of outsiders in South Asia. Therefore, in this research paper, we will describe how Nepal has affected India's foreign policy due to the influence of China and how the deepening relations between Nepal and China have distanced Nepal from India. What challenges can India face from these relations and is it also posing a threat to India's security?.

Keywords: China Factor, India-Nepal Relations, Strategic, Participation



1. INTRODUCTION

The influence of the China factor in India-Nepal relations has been shown in three types of relations at different times. India-Nepal relations, China-Nepal relations and India-China relations can be categorized in the following forms. For many centuries, India and Nepal have had a historic, social and cultural relationship. These relations have also been strengthened due to geographical reasons. Before becoming a republic in 2006, Nepal was the only Hindu state in the world. After independence, the foundation of India-Nepal relations was laid in British India itself. Commercial demands and security for Tibet were the main issues. Keeping in mind the Yangtze Mission of 1904 between British India and Nepal, a new trade route was built in Limpopo (Sikkim). Nepal remained only a transit point for trade between India and Tibet. Britain also wanted Nepal and Tibet to be prepared as buffer states due to threats from China. A trade agreement was signed between Nepal and British India in 1792, but Nepal kept creating obstacles, which led to the British Indian Army attacking Nepal in 1815. As a result, the Sugauli Agreement was signed between the two in 1815 and Nepal came under the control of Britain. After signing the agreement with Nepal in 1923. Britain's pressure on Nepal increased further and it imposed some restrictions on Nepal's foreign affairs. The powerful army of the Nepal Kingdom was under the Rana Prime Minister who had been cooperating with the British in a friendly manner since 1846 and this

situation continued until the British left India in 1947. After independence, India wanted to maintain relations with Nepal according to the British point of view. But the intention of the Nepalese speakers was to adopt a balanced approach with both India and China. Nepal is situated as a buffer state between China and India. Keeping in mind the autonomy and security of its nefarious interests, Nepal wants to maintain a balance with China and India. The first emperor of Nepal, Prithvi Narayan Shah, called Nepal Yam, which is situated between two middle powers, India and China. The effect of this is that Nepal finds its maximum benefit by staying between these two middle class and strong neighbours. The voices raised in Nepal for keeping the foreign policy independent from the influence of India are showing Nepal's apprehensions.

Since the 1951 treaty, the relationship between the two countries has been close with open borders, trust among all citizens and consideration for India's security. It has been Nepal's deep-seated desire that Britain's paternalistic policy should be abolished after India's independence. But due to the Communist revolution of 1949 and China's entry into Tibet in 1950, India pressurized Nepal to sign the 1951 agreement. Even though we could not take advantage of it, it was a result of normal circumstances that arose from China's threat. It was only after China's threat that Nepal adopted the option of an independent foreign policy. Nepal believed that it did so to work on its foreign policy of influencing India. After India's defeat at the hands of China in 1962, China's strategic approach with India's neighbors, which also included Pakistan, increased. But before 1962, China has been working as a balancing option for Nepal. Nepal was the first country among India's neighbours to use the China card against India. King Mahendra, who took over the throne from his father in 1955 and tried to build closer ties with China. Nepal signed a peace treaty with China in 1960 began work on the China Kodari-Kathmandu Highway project in 1961. This was the first Chinese-funded project in South Asia within Nepal.

2. CHINA FACTOR

The way India has historical ties with Nepal, situation exists a similar between Nepal and China. China and Nepal have maintained their cultural and commercial relations since ancient times dating back to 5th century. At that time, sages and saints traveled far and wide in search of knowledge and wisdom. Buddhism came to Tibet and China through Nepal. The Chinese emperor spent his life in Nanjing and taught Buddhism in various places. He gained a lot of respect among the intellectuals there and created many followers of Yaalpo. Many Chinese tourists and monks visit Nepal to see various religious sites built at different times. Many Chinese travelers like Fa-Hien (406 AD) and Hiuen Tsang (635 AD) visited Nepal and came to India via Nepal greatly influenced by the Nepalese art and culture of that time. Apart from commercial relations, there was religious exchange between China and Nepal in ancient times. A direct confrontation between the Chinese government and the Nepalese government took place in 1972, when Nepal invaded Tibet to expand its geographical area to the south. Nepal was inviting the Chinese army for war for the first time and the Chinese army penetrated deep into Nepal. Nepal was badly defeated by the Chinese army, as a result of which an agreement was signed between China and Nepal in 1972 and even today, the relations between the two countries are determined by it. Nepal's influence on Tibet increased again and both signed an agreement in 1856, in which an annual contribution of 10,000 rupees was to be given to maintain Tibet. This was abolished in 1950 after the Chinese army entered Tibet. Along with this, it was arranged that Nepal would be given more territorial rights and concessions. After the declaration of 1911, China weakened and the circumstances show that even though the Himalayas are a barrier between China and Nepal, the cultural and commercial relations between the two are keep us close. When China's power weakens, Nepal gives importance to its independence and the rest of the time, it maintains a supportive relationship with China. The rise of communism in China in 1949 and its economic strength after 1978 made China the first priority for Nepal, Nepal states that it maintains relations with China and India by keeping an equal distance. These statements are incorrect on two points where the influence of China is more visible inside Nepal. The first incident is the defeat of India by China in 1962 which changed Nepal's perception of China and India. During the war, Nepal did not ignore China because it was creating a new centre of power in South Asia. The second episode is China's strategic involvement in Nepalese politics through the Maoists who were involved in the overthrow of the monarchy in 2006. Nepal established diplomatic relations with China in 1955 and both countries announced their intention relations based on the Panchsheel agreements. Nepal at the United Nations also supported the membership o Communist China. India's defeat by China in 1962 created problems for Nepal. This brought about a change in the perception of both countries. Under these circumstances, in the 1980s. King Mahendra's foreign policy started leaning towards China. In 1960. Nepal signed an agreement with China. After this, India and Nepal signed an arms transfer agreement in 1965. Initially Nepal ordered arms from India but later it started ordering them from America and England as its policy China wanted to show that it was maintaining distance from India.

King Mahendra's successor, King Birender Vikram Bhasha proposed in his speech in 1975 that Nepal should be declared a peaceful country. India opposed this proposal, in 1990, India proposed trade and transit facilities. Nepal tried to play the China card after the ban on sending goods to Nepal and requested China to supply essential goods to Nepal from the northern border. In 1989, Nepal violated the agreement by buying arms from China. SAARC membership: the Nepali proposal to involve China could not gain support from India. These activities dealt a serious blow to India's position in 1990. However, the India Nepal deadlock was resolved in 1991. Nevertheless, Nepal still purchases arms from China.

In 2006, the Maoist involvement in the Nepalese political process led to the collapse of Nepal's monarchy. In this situation, China showed its economic, strategic and cultural presence in Nepal. The monarchy was abolished in Nepal through a mass movement in 2006. The Communist Party of Nepal (Maoist) leader Pushp Kumar Dahal Prachanda formed his government in Nepal in 2008. Prime Minister Dahal, breaking away from old habits, not only visited China first but also started discussing the reconsidering of the Indo-Nepal Treaty of 1950 because Nepal has been treated as a second-class country in it. During this visit, apart from many other things, China and Nepal signed an agreement in which China was to lay a railway line for the first time between Lhasa, the capital of Tibet, and Baha Khasa, the border of Nepal, its length is 770 km and the target is to complete it by 2020. During the Maoist speech in Nepal, China was engaged in serious talks with its leaders. During the second election in November 2013, Pushpa kumar dahal prachanda visited China and Maoist leaders were in touch with Chinese officials. China is ideologically linked to the Maoists in Nepal is a political partners with Pakistan. Considering the open India-Nepal border. The growing Naxal-Maoist activities are becoming a serious problem. The Nepali Congress believes that "Anti-India sentiment is spreading rapidly among the emerging groups. All these groups promote the demand for secession in Indian territory and are engaged in anti-India activities". China's presence in Nepal gives Pakistan an opportunity to promote anti-India activities across the open India-Nepal border.

China has started increasing political, economic and cultural cooperation with Nepal, Apart from business agreements, China is also providing financial assistance to Nepal. Several projects are underway inside Nepal to develop connectivity infrastructure. China is modernizing a 115km highway that will link Kathmandu and the Chinese border at Kodari. The highway was originally built in the 1960s. In 2022, China built a large corridor depot near Kodari. The highway is the main land transport route that connects Nepal and China every year. Both countries have decided to develop more routes through the Himalayas. China wants to spend Dollar 20 billion to extend the Lhasa Sidhsar Railway to Kathmandu. This will provide a new route for tourists to Pokhara in Nepal. In June 2018, both countries agreed to extend the railway to the southern part of Nepal, connecting Kerung on the Tibet border to the capital of Nepal. Kathmandu and tourist destinations Pokhara and Lumbini (Buddha's birthplace, which is near the Indian border) are significant for Nepal. The expansion of the railway will give a boost to the tourism industry of Nepalese. About 25 million tourists visit here every year. On the other side of the border, China is already building Highway 318, which will connect Lhasa to Shanghai. Nepal announced its new constitution in 2015, but the Madhesi, who are people of Indian origin, were demanding a Madhya Pradesh province for themselves. This demand accepted, in protest the Madhesi blocked the Terai for five months (From September 2015 to February 2016). The Nepalese leadership felt that India was also cleverly involved in the protest. In this context, Nepal-China strategic relations gained more momentum. In March 2016, Nepal's Prime Minister K.P. Sharma Oli visited China. Both countries signed a historic trade transit treaty. Such an agreement ended the monopoly on the transit route between India and Nepal. China provided additional assistance of 156 million dollars to deal with the post-earthquake situation in Nepal. With this, the China Nepal trade link will be rebuilt and strengthened. Both Countries decided to conduct joint military exercises for the first time. The trade and transit agreement were ready in 2018. Both countries made a trade and transit protocol on 21 June 2018, which provides that Nepal will have the right to use China's ports Rianping, Shenzhen, Lianyungang and Zhanjiang Nepal will also use the three ports in Polangan, Lhasa and Jigtse.

China is the largest source of foreign direct investment in Nepal. Chinese investors have invested more than dollar 83 billion in Nepal, as per the date presented at the Nepal Investment Summit 2017 in Kathmandu. China had the highest FDI investment in Nepal in 2015-16, 2016-17 and 2017-18. Chinese companies invested in hydropower, cement, herbal medicines and tourism. India's FDI in Nepal in 2017-18 was one tenth of Chinese FDI. India ranks third after the United States, Japan and South Korea. During the visit of Prime Minister K.P. Sharma Oli in June 2018, the two countries signed an agreement in which China will invest dollar 2.4 billion in infrastructure, energy projects and 100 crore post-disaster relief work in Nepal. The management will spend on reconstruction work. China is Nepal's second-largest trading partner, with a bilateral trade of dollar 23 billion and has suffered a huge trade deficit with Nepal. In recent years, China's development partnership with Nepal has been gaining momentum. The Nepal China Development partnership

agreement was first signed in 1956 with the consent of both countries. It was named the 'Agreement between China and Nepal on Economic and Development'. From the mid-80s, the Chinese government started giving financial assistance to the Nepalese government. This assistance from China was in three categories: grants, interest-free loans and concessional loans. This assistance was for infrastructure construction, building, industrialization, human resource development, health, education, water resources, sports etc. China gave 3 billion yuan to Nepal for reconstruction after the 2015 earthquake, which was to be spent on 25 projects between 2016-2025. China is also trying to make maximum use of Nepal's inexhaustible hydroelectric potential, an area in which India is unable to take advantage. In 2012, China invested dollar 1.6 billion in Nepal's 750 MW hydropower project. Another Chinese company is building a 456 MW hydropower project in the Tamakopi area. During K.P. Sharma Oli's visit to China in June 2012 the two countries agreed on four different hydropower projects, which will generate a total of more than 900 MW of electricity. These projects have put India's hydropower projects in Nepal on hold, which could not be completed as scheduled. China has used cultural diplomacy within Nepal and opened a Confucius centre at Kathmandu University to promote the Chinese language and culture. The Chinese language Mandarin is very popular among the youth of Nepal. They feel that learning it will provide jobs in the tourism industry. There are some private institutions teaching Chinese knowledge in Nepal. In the last few years, the Chinese government has been encouraging the teaching of the Chinese language to the Nepali people. Kathmandu has been instructed to provide such education free of cost. The fact that China has made inroads in Nepal is one side of the coin, the other side is that Nepal wants to distance itself from India, its new friend in foreign relations. The limits of Nepal's economy, the political influence of India, the influence of China, and the emergence of many regional parties will test the diversity of their relationship in the coming times. Such ambitious groups have a central role in the Nepalese Government, which is why its distance from India is increasing and the relationship is getting strained.

3. INDIA'S CONCERN

In recent years, the increasing penetration of China in Nepal has had different effects on three countries- Nepal, China and India due to Nepal's increasing agreements and contacts with China. India's dominance over Nepal is ending. China is looking at Sri Lanka and Maldives which are included in China's strategic vision. The increasing investment by the emerging China in South Asia has become a subject of attraction. For India, China's presence in Nepal creates a different effect, due to its close historical relations, economic and cultural ties. Indian naturally claims to be a friend of Nepal. Indian Prime Minister Nehru and his Chinese counterpart (Chou En Lai) established relations in 1950/1950 asserting that Nepal would remain in India's sphere of influences. However, the situation has changed significantly since then. Many political regimes in Nepal have played the 'China card' of close relation with China and anti-India statement. India believes that there will be no interference from any outside actors in South Asia. India is troubled by the growing influence of China in Nepal, considering its security and other strategic interests. The strategic partnership between Nepal and China that is currently underway is aimed at reducing India's influence, but this too has its own limitations. Due to the influence of the China Card, establishing an alternative transit link with China creates a different kind of geopolitical boundary. The routes between Nepal and China are also adversely affected by the heights of the Himalayas. The Nepal-China trading point, Tatopani has been closed since 2015. It has serious deficiencies in road infrastructure and is open only in summer. Now, if new transit agreements are made and new (Himalayan) routes are opened, it will be difficult to manage the cost and distance in the long run. For example, the Chinese ports that are used by Nepal are 3,000km away from the China-Nepal border. Whereas the India port of Kolkata is 742 km away and Visakhapatnam port is 1400 km away from the Nepal India border. Therefore, from the point of view of time and cost, the route expected by China is correct. It is true that their ideological attachment is to Maoism and China has prepared them to join the Political process of Nepal. After a lot of internal tensions and ethnic diversity, Nepal, which has now adopted the system of democracy, will not be able to like authoritarian China for long. At present, Nepal has made extensive changes in its foreign policy. In contrast to the visits to the UNGA, this time in 2018, KP Sharma Oli also held talks with Cambodian Prime Minister Hun Sen and Canadian Prime Minister Justin Trudeau. This is the first time in history that the Prime Minister of Nepal has held talks with the heads of so many countries. Nepal's Foreign Minister also met with US Defence Secretary Michael A. Pompeo in Washington December 2018. This is the first foreign investment possibility between Nepal and American since 2001, which is not being fulfilled with China and India. This diversity in Nepal's foreign relations is good for India, but China will not like it and it will have to pay attention to Nepal's demands. Its impact will be visible on India's strategic implications for Nepal and in the field of culture. There is little doubt that India has left

strategic space within Nepal for China. Some believe that as China's influence in Nepal increases, the special Indo-Nepal relationship is becoming a thing of the past. As China's alluring influence in the country of 30 million is grows. India's influence in the country is diminishing. China is trying to surround India in South Asia. Increasing connectivity between China and Nepal in the north could make Nepal's dependence on India for transit extremely high in the future. Nepal wants to be a part of this strategy. Pakistan and Nepal passed a proposal to allow China to enter SAARC, but India did not like it. All these factors are now visible in Nepal's behavior. For example, Nepal conducted military exercise with China for the first time but at the same time in 2018, a similar exercise was being held in BIMSTEC country in India, Nepal did not participate in it. Although both Nepal and India have accepted China's sovereignty in Tibet, India still considers Nepal a buffer state, looking at the security arising from unnamed areas. Chinese influence is still seen in India-Nepal relations. Which does not appear right from India's point of view. Whereas India has a natural influence on Nepal. This has been there since the time of British India, in the changed circumstances, due to the advent of democracy in Nepal, national awareness and the interference of Maoism in Nepal's politics, the Nepalese leadership wants to maintain an equal distance from both India and China.

4. CONCLUSION

The growing influence of China in Nepal has significantly altered the dynamics of India-Nepal relations and introduced complex challenges to India's strategic interests in South Asia. Nepal's geographical positioning as a buffer state between India and China has historically necessitated a delicate balancing act in its foreign policy. However, recent developments, including China's strategic investments, infrastructure projects, and cultural diplomacy, have shifted the balance of power and reduced Nepal's dependence on India. While Nepal's embrace of the "China card" has provided it with economic and strategic leverage, it has also strained its historically close ties with India. For India, the deepening Sino-Nepal relations not only undermine its traditional influence over Nepal but also pose security concerns, given China's growing presence across the region and its alignment with anti-India sentiments. Nevertheless, the limitations of Nepal's economic capabilities, logistical challenges in implementing China-backed projects, and the inherent complexities of regional geopolitics suggest that the China-Nepal partnership may face hurdles in the long run. For India, this evolving scenario underscores the need to recalibrate its foreign policy approach toward Nepal by addressing economic and developmental gaps while fostering mutual trust and cooperation. As Nepal diversifies its foreign relations, India must adapt to the changing regional landscape to safeguard its interests and maintain its role as a key partner in South Asia.

CONFLICT OF INTERESTS

None.

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None.

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