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Abstract
Renewable energy sources are vital to fulfill the high demands of energy in the present world. The common renewable energy sources are wind, hydropower, nuclear and biomass. However, hydropower is considered the most flexible and consistent renewable energy source because it is comparatively cheaper and more available. Besides hydroelectricity production, hydropower dams can also be useful for irrigation. Though hydropower energy is considered as green energy due to its less carbon emission, still other environmental impacts of hydropower dams are many. Hydropower dams are built based on political ground. Research into the politics of building hydropower dams and environment remains underdeveloped in many ways. Thus, this paper focuses on the issues of politics of building hydropower dams and its impacts on environment. This paper has critically reviewed the extensive literature to examine the argument and counter argument. This paper argues that the building hydropower dams on international river for renewable energy has political as well as environmental impacts. Most of the literature argued that hydropower dams provide renewable energy which produces less carbon emission, but it is argued in this paper that hydropower dams have huge political and environmental impacts nationally and internationally. Displacement of the people and dispute for water distribution among countries due to the building hydropower dams are also considered to be significant for discussion in this paper. Thus, the paper critically examines the impacts and role of hydropower dams on environment, international relations and politics.

Keywords: hydropower dams, renewable energy, environment, politics, and international relations.

Introduction
The demand for energy has been increased tremendously due to the rapid population and economic growth in the present world (Ansar, et al., 2014).
Therefore, the demands for the global electricity were calculated to be roughly double between 2010 and 2035 (IEA, 2011). Thus, it has become a big challenge for the countries to fulfill these demands of global electricity. To meet these demands, the alternative energy sources are renewable energy (Bhattacharya, et al., 2016). The renewable energy sources namely wind, hydropower, nuclear and biomass have become very popular alternatives to accomplish the demands of global energy (Hosseini and Wahid, 2016). However, hydropower is considered to be the most flexible and consistent renewable energy source as it is comparatively cheaper and more available than other resources (World Energy Council, 2016).

Hydropower energy is produced from hydropower dams which are built in upstream rivers using the gravitational flow of water transferring into hydroelectricity. More than 45,000 dams have been built worldwide (Duflo and Dams, 2007). As the most important renewable energy source, hydropower generated 71% of all renewable energy of the world which contributed 16.4% of the global energy supply from all sources in 2016 (World Energy Council, 2016). Developed countries have been using hydropower to face their challenges of demands for energy since 1980 (World Energy Council, 2016) as human civilization has been accelerated through hydropower dams. Countries that have rivers at the upstream can produce hydropower electricity more easily and efficiently. Thus, hydropower has become a very important energy source within available renewable energy sources. It plays very significant role in power generation as it is recognized as the largest contributor of renewable energy which is helping to meet global energy challenges (Botelho et al., 2017). Botelho et al., (2017, p. 896) also reveal that “Recognizing underlying resource finitude and depletion, it constitutes an opportunity not only to answer continuous energy demands associated with economic and population growth while meeting environmental standards (especially considering greenhouse gas (GHG) emissions, global warming and climate change issues) and simultaneously improving social wellbeing through power supply to underdeveloped and isolated regions”. However, the purposes of building these hydropower dams are not confined with hydroelectricity production only (Hoang, et al., 2018). The multiple social economic benefits, which can be generated by the hydropower development, are irrigation, drinking water, and flood control (Yüksel, 2010). It also meets the bilateral demands for water and energy, more specifically, in places where there is a scarcity of supply of the fossil
fuels, and the countries which desire to control the carbon emissions (Zhang et al., 2014; Dursun and Gokcol, 2011).

Regardless of these positive sides of hydropower, it certainly has various impacts on environments particularly on river ecosystem, blocking river connectivity, habitat destruction, water quality degradation and sediment deposition (Turner et al., 2017; Chen et al., 2015; Asaeda and Rashid, 2012). Also, the impacts of hydropower dams are not limited with the environmental impacts alone. It can be considered both environmental and political issue. Therefore, examining environmental impacts and identifying underlying political reasons for constructing hydropower dams are the main objectives of this paper. Thus, the paper considers that regardless of producing clean energy and environmental impacts, hydropower dams are also highly political issues both nationally and internationally. Since the history of dam buildings, millions of people have been displaced (Tilt and Gerkey, 2016). Hence, dam building draws human rights activists’ attention. Again, dams those are built on international rivers can create disputes among the countries for the equal distribution of water (Olmstead and Sigman, 2015). Given the possibility of future conflicts over the matter of water distribution, hydropower dams are considered as an important element of world politics.

Data for this paper were collected from various secondary sources. Secondary sources include books, journals and reports of World Energy Council. This paper critically reviews the existing literature on hydropower dams focusing on impacts of hydropower dams on environments and politics. The paper is divided into several parts. The section two focuses on impacts of hydropower dams on environmental, while section three explains how and why hydropower dams have become a political issue and finally section four concludes the paper.

**Impacts of Hydropower Dam on Environment**

Hydropower projects are environment friendly as it produces relatively clean energy in terms of carbon emission, but it has some direct and indirect negative impacts on environment. Thus, it has benefits and costs for environment. However, the impacts are not equal for all projects as the value and levels of these impacts are mainly depend on the location/site, type, length and other dimensions of
hydropower plant (IPCC, 2012). The impacts may differ from case to case and thus the identifying its most significant impacts is a complex job. The literature on renewable energy claimed that hydropower is considered to have less environmental impact compared to non-renewable energy sources such as fossil fuels and hydroelectric projects contribute in controlling greenhouse gas through its low carbon emission (Botelho et al., 2017). However, harmful environmental impacts of hydropower dams cannot be ignored.

Climate change and other man made activities have endangered huge number of species of all biomes. Worldwide aquatic and terrestrial biomes’ species are being endangered by dam building. Moyle and Mount (2007 p. 5711) have claimed that “Dams homogenize flows mainly by reducing peak flows and increasing minimum flow”. As a result, the variability of flow is altered and turned into uniform flow. From an aquatic organism perspective, this change in natural flow is important as it reduces the channel complexity (Moyle and Mount 2007). This uniform flow and stable channel that fails to carry high flows is preferred by some species for example, catfishes in North America. But overall, it is not natural for all other species and not favorable that causes loss of biodiversity in the downstream rivers (Winemiller et al., 2016). With alteration of flow, nutrient cycle important for the fishes and other species is also interrupt which results in the same extinction both by increasing mortality rate and reducing fertility rate of the species.

Comparing between fresh water, terrestrial and marine biodiversity, fresh water biodiversity is most endangered and that is mostly due to human activities of which dam building in the upstream is the biggest threat (Winemiller et al., 2016). Flow alteration by building dams being an anthropogenic activity, significantly impacts the ecosystem of those particular rivers or wetlands provides (Aguiar et al., 2016). With the rising numbers of dams built in tropical Asia, researchers are becoming aware of the impact of the dams by altering flows that leads to huge biodiversity loss in the downstream (Aguiar, et al., 2016; Dudgeon 2000). Example from dams built in Mekong river basin in China will be best example for the loss of biodiversity. After Amazon, Mekong is the most biodiverse river in the world (Ziv et al., 2012). China built first dam on Mekong mainstream in 1995 and till 2008, there were already 7 large dam on Mekong which have strong possibility to become more than 100 as a lot of proposals for building dam on Mekong are
proposed. However, most number of dams on the 2nd most biodiverse river must have the devastating impact on the biodiversity and so it does. Barriers in the upstream stop migration of both economically and biologically important species (Dugan et al., 2010). Adding to that, larvas and eggs which sustain the amount of fishes in the downstream will be reduced a lot as juvenile staged fishes and other aquatic species will be bound in impoundment. It will reduce the biodiversity by decreasing and sometimes almost vanishing species in the downstream rivers (Dugan et al., 2010). Being a transboundary river, Mekong flows through Laos, Cambodia and Vietnam where also biodiversity will be greatly threatened as being situated in the downstream (Dugan et al., 2010).

From 2015 to 2030, 25 more dams are going to be built and either biomass or biodiversity will be greatly hampered by alteration of flow. With the biomass in the downstream being threatened, for 1% of biomass loss, there will be 6 species endangered (Ziv et al., 2012). Mekong is the home of 4 largest fishes in the world like giant catfish which is more than 2m (Mitamura et al., 2008). These giant fishes are being endangered, found in research due to the alteration of flow which hampers the natural habitat of them (Mitamura et al., 2008). In Padma, river in Bangladesh was famous for hilsha fish which once abounded in northern part of the river but now, because of Farakka barrage over Ganga River, Padma is dying there and hilsha has become an endemic species of Padma river (Whitehead et al., 2015; Banerjee 1999). Like Mekong, all other rivers having dams are also being adverse for its biodiversity. In Bangladesh, Karnaphuli earth filled dam is also regarded as threat to biodiversity of the fish species which abounded in hilly river (Ahmad 2012). Currently the number of species has significantly reduced. It is not only Asia but also in other regions and rivers too.

Where flow of water is being altered by damming the river, river basin areas are also being affected by hydropower dams (Zarfl et al., 2015; Nilsson 2005). Dams need large area to be built including workers’ living, residence of the engineers are for other technical support for which, large river basin area is used. A global overview on dams’ impact has shown that 8 of most biodiverse areas were affected by dam building (Zarfl et al., 2015). The adverse impacts are by forest fragmentation, flooding large area which is a catastrophe towards the terrestrial biodiversity. The research has found that more than half of the catchment areas of
the dams worldwide are highly affected by the dams (Harris et al. 2016; Nilsson 2005). Catchment area strongly affected Large river system (LRS) constitutes more than 50% of three biomes; broad leaf and mixed forest, temperate grassland and savannas (Jager et al., 2015; Nilsson 2005). In desert biome, affected catchment area of LRS is more than 82%. This area also includes Mediterranean forest, woodland and forestlands enriched with medicinal plants and other rare plants which are threatened to extinction by dam building (Jager et al., 2015). Other animals and species depend on these forest land and biomes are also highly threatened as their habitats are being threatened. Also, with the extinction of aquatic species due to alteration of flow has an impact on the terrestrial biodiversity as they are interlinked through the ecosystem. Of all biomes, only tundra is less affected as that includes less LRS as being less favorable landform and climatic to have dams built in that region. However, most of the affected areas lies in Asia as the dammed rivers are transboundary and affects the biodiversity of hotspots.

**Is Hydropower Energy Really a Clean Energy?**

Hydropower dams use gravitational force of water as the source of energy production. Because of that, it does not require burning of any fossil fuel in order to produce energy and produce almost zero to minimum greenhouse gas. That is why the energy from hydropower energy is called green energy. However, despite not emitting any carbon, hydropower dams impact environment in many other ways. Hydropower researchers have found hydropower dams as producers of green house gas (CHG). Yang (2012) argues that “After reservoir basin inundation, the readily decomposed carbon stocks in now submerged plants and soil are largely converted into carbon dioxide and methane”. In high temperate countries like Southeast Asia where more dams are built, high temperature accelerates the process of decomposition and produces more CHGs to emit. The rate of emission of CHGs is more than 3 to 6 times than in countries with reservoirs in temperate weather (Yang 2012). Carbon off-setting scheme CDM (Clean development mechanism) is well-known for funding eco-friendly projects and they have funded for dams in China and India near Himalaya but the main purpose of clean development is not achieved as the dams emit CHGs (Erlewein 2011). Water level in Mekong delta has risen significantly which clearly shows the negative impact of building dams randomly for energy production without maintaining sustainability (Grumbine et al., 2012).
While damming in the upstream, many downstream rivers are dying without flowing of enough water in the dry season. Dams are killing the rivers as argued by many researchers (Stone 2010). Due to Farakka barrage, the northern part of Padma in Bangladesh has almost died and wide flow of water is now flowing like small canal there which has also destroyed the biodiversity there (Banerjee 1999). Aral Sea which was world’s 4th largest saline lake was fed by Amu darya and Syrdarya, two large river (Karthe, 2018). In 1960s, the soviet government decided to alter the river flow to the desert to support agriculture instead of watering the Aral sea basin which brought catastrophe drying the whole Aral sea into desert. This environment hazard destroyed not only the environment but also the biodiversity of Aral Sea (Micklin, p. 2016).

Terrestrial, aquatic, marine, tundra, grassland, savanna or freshwater biome; all of them have some certain characteristics including temperature, rainfall and biodiversity (Van Manh et al., 2015). When they are adversely affected by hydropower dams being in the LRS, the natural rate of evaporation and precipitation are also affected adversely and the natural rate of rainfall is no more. This is a scary indicator of climate change as rainfall is one of the main components of weather (Van Manh et al., 2015). Altering rainfall and increasing world temperature by emitting CHGs, hydropower dams are accelerating the climate change adversely which is not going bring any good neither for the earth system nor for the biotic and abiotic beings that together build the ecosystem.

Politics of Hydropower Dam and International Conflict
Construction of Dams on international rivers is an important source of creating tensions and crisis among the countries in recent days (Ehsani et al., 2017). Building dams by the upstream country affects the riparian country directly or indirectly in many ways (Ramachandran, 2015). For example, India is an upper riparian state to Pakistan and Bangladesh and lower riparian state to Nepal and China. In the case of Farakka Dam, India is an upstream country and Bangladesh is lower riparian country to India. Thus, Bangladesh is really facing serious problems due to the building of Farakka dam over Ganges which has become a tension area to the Bangladeshi government (Gain and Giupponi, 2014).
Brahmaputra River is an enormous transitional river spanning more than 2880 kilometers across China, India and Bangladesh. China’s location, upstream from both India and Bangladesh, gives it an advantage in terms of controlling the management of Brahmaputra’s flows. China’s grand plan to harness the waters of the Brahmaputra River has set off ripples of anxiety in the two lower riparian states: India and Bangladesh (Ramachandran, 2015). According to Chinese Policy documents reveal a plan of building four hydroelectric dams on the rivers; it has only built the Zangmu Dam (Chowdhury, 2016). Besides the Zhangmu power station, the Chinese government has approved other hydropower projects along the Brhmaputra. It maintains that all these are run-of-the-river projects that involve no storage or diversion and that they will not affect the river’s downstream flow into northeast India. However, India is seriously concerned that China may divert water from Brahmaputra to Yellow River through Sichuan province (Chowdhury, 2016). Fact is that China has also its own concern regarding the recent development activities in Arunachal Pradesh. Though Arunachal Pradesh is a part of Indian Territory, China is still claiming this province as an integral part of China. Recently India increased its development activities in Arunachal Pradesh, and plans to build a series of dams in the region for energy production. Seeking control of Arunachal Pradesh, China is concerned that Indian development there will strengthen New Delhi’s presence in the area. While China cannot force India to stop building dams in its sovereign territory, this could create potential for Chinese retaliation upstream, in the form of diverting water flow or with holding water level data (Chowdhury, 2016).

Water distribution and dam building can also result in dispute between countries. For example, the newly proposed dam in Shawalkoat, Kashmir is predicted to be an element of dispute that already exists between India-Pakistan relationships impacting the flow in rivers in Pakistan (The Guardian, March 2017). There’s already dispute between Bangladesh and India about the water distribution due to Farakka dam. China’s dams on Mekong river impacts its relationship with Cambodia, Vietnam and other neighbour countries (United Nations Department of Economic and Social Affairs, 2014). Upstream countries can build dam using gravitational force of water but it is not possible for the countries in the downstream because they don’t have the same force as the upstream countries. However, the impact of dams is suffered by the downstream countries because flows are weaker.
in the downstream because of dams in the upstream. Because of dams, the rivers in the downstream have less supply of water and often fall prey to desertification. During dry season, countries in the upstream can close the barrage and reserve water which cause desertification in the downstream and in the rainy season they open the barrage which cause flood in the downstream. This is the case between Bangladesh and India because of Farakka dam and Bangladesh being situated in the downstream. However, because of power imbalance and political issues between current government of Bangladesh and India, Bangladesh is kind of accepting the injustice towards them because of dam. But in other countries, the issue won’t be accepted without any dispute which might turn into war. Thus, dams and distribution of water is important enough to give birth or stop wars.

Water is a natural resource and like other natural resource, it does not follow any boundary. There are 263 transboundary lakes and river basins in the world and together they cover almost half of the earth’s surface (United Nations Department of Economic and Social Affairs, 2014). 145 countries in the world share international river basins and of them, 21 are completely depending on the water of the international shared basins (United Nations Department of Economic and Social Affairs, 2014). Most of the rivers are shared between two countries but there are cases of more than five countries sharing the same river basin. There are 5 river basins, the Congo, Niger, Nile, Rhine and Zambezi, are shared between 9 and 11 countries. Danube, the longest river in Europe, travels within the territory of 18 nations (United Nations Department of Economic and Social Affairs, 2014). It shows that water distribution is an important element of international treaty. Actually, it is said that the first ever treaty was also signed about the distribution of water. During 2500 BC, when the two Sumerian city-states of Lagash and Umma crafted an agreement ending a water dispute along the Tigris River - often said to be the first treaty of any kind (United Nations Department of Economic and Social Affairs, 2014). There are more than 150 treaties on water distribution and they are followed more attentively than other treaties may be because water is really important for a country than most other resources. Water treaties like Indus water distribution between India and Pakistan has saved two countries for involving into more wars (United Nations Department of Economic and Social Affairs, 2014).
**Hydropower Dams and Displacement**

According to the world commission on dam, more than 40 – 80 million people have been displaced by dam (Available information at: https://www.internationalrivers.org/human-impacts-of-dams, Accessed: June 18, 2017). There are more people who have been displaced by road construction, reservoir, power station construction which come along with dam. Many more have lost the access to clean water, transportation system those have been destroyed by dams and have become environment refugee. People have been displaced by dams as their lands have gone under water, as there is no livelihood of them in their own land (Tilt and Gerkey, 2016). Also, there are disease outbreak found in India, near the Narmada dam and in Africa, malaria outbreak have made people suffer more due to dam buildings (Bosshard, 2015). Case studies from The World Commission on Dams shows that a disproportionate amount of the adverse impacts caused by dams affected mostly the poor and rural populations, subsistence farmers, indigenous peoples, ethnic minorities, and women (Cooney, 2012). These groups, especially in developing countries, are underrepresented in politics, and seldom have equal human rights.

Starting from the first large dam, Hoover dam in USA, almost every dam has displaced people from small to large number. Hoover dam alone has displaced more than 25 million people from their home, from their previous job and made them homeless and worker earning 4$ per day by working in the risky dam site which has caused death more than 200 worker in unhealthy and risky workplace (Leslie, 2007). In west, new dam building has come to an end but in Asia, it is going in full swing in China, India and other countries. In India, The construction of the Bargi Dam (1971-1990) on the river Narmada affected (Si, 2013), 432ha of land and displaced 5,475 families (Global Water Partnership, 2013). People there not only lost their land but also lost their livelihood which they used to earn by fishing and farming (Global Water Partnership, 2013). In Bangladesh, the first ever dam was built in 1960s, on the river Karnaphuli that displaced more than 1 million people who were 30% of the total population and indigenous people (International Labour Organizations, 2000). By Kaptai dam, indigenous peoples became panicky and because of insecurity, finding no other alternatives, from among them some 40,000 Chakma people obliged to migrate to India and about 20,000 other community people had to take refuge to Myanmar. The refugee
people who were settled in Indian State of Arunachal are yet to be awarded with citizenship (International Labour Organizations, 2000). Karnaphuli hydropower dam supplies almost half of the electricity in Bangladesh and has also protected Chittagong city from flooding but the opportunity cost of these cannot be made up. Dams on Mekong river have comparatively less impact because of maintained more properly but still it has more than millions of people throughout China (Si, 2013). People living near dam have been resettled in towns and other villages where they have lost their livelihood of farming (Si, 2013). The three gorges dam in China is named as environmental catastrophe which has displaced 123 people per production of megawatt (Jobin, 2004).

Damming the upstream create shortage of water in the downstream where people do not have any water for irrigating their lands which takes away their livelihood that can also become a cause for displacing (Si 2013). Water diseases in India and Malaria in Africa have already been diagnosed caused by dams which destroy the fresh water resources not letting the regular flow and make it favorable for mosquitoes to breed in that water (Outbreaknewstoday, 2015). Dam building is being regarded as new barrier against source of fresh water and human health (Jobin, 2004). As well as for human rights and rights of the minorities, dam building is an important issue to discuss.

**Conclusion**

In conclusion, the paper identifies the negative impacts of hydropower in worldwide particularly in Asian. It can be said that the opportunity cost of hydroelectricity and irrigation from the dam are enough but the lost of biodiversity, scarily accelerated climate change, water conflict and displacement of millions of people should not be ignored. Renewable energy can easily be produced and irrigation has been developed miraculously by building hydropower dams. But huge lands have dried and become unusable for farming. Hydropower dams are producing renewable energy and side by side it has been destroying other resources and biodiversity. Without taking into account of the environmental and political impacts of hydropower dams, the sustainable development cannot be ensured. Building hydropower dams for safe energy should be encouraged due to its less environmental impact but the politics of water distribution, conflicts and displacement of the people should also be taken into consideration by the policy
makers. Otherwise, hydropower would promote international conflict as well as it will be considered as a tool for power inequality. Then the cost of producing hydropower energy would be more than the benefit that we are getting from it.

Some environmentalists have suggested producing energy from nuclear rather than hydropower dams (Ansar, et al., 2014). It seems to be more sustainable if the nuclear projects could be well maintained and protected to avoid accidents (Marples, 2018). Solar power energy could be used more to ensure sustainability. The paper does not claim to stop building hydropower dams entirely but considering its impacts on biodiversity and politics, it should be limited. Damming that might be the source of international conflicts and that may have extensive impact on environments should be stopped immediately. Displaced people due to damming should be given proper rehabilitation with alternative jobs, shelter and other needs. Near the dam area, it should be strictly maintained that health hazard like water break diseases and malaria and other diseases cannot be broken out. Finally, diplomacy among countries should be strengthened for implementing water treaties properly to avoid conflicts among the countries.

References


SHADES OF SOVEREIGNTY: UNDERSTANDING SOVEREIGNTY IN INTERNATIONAL POLITICS

Apkeshya Shah

Abstract

This paper analyses the concept of Westphalian sovereignty and its practices among states, particularly in the bilateral relationship between Nepal and India. The notion of Westphalian sovereignty, basically a principle of nonintervention in the internal matters of other states, has been a contested concept since the beginning of its inception. Despite numerous international agreements, system-affecting and system-influencing countries have not refrained from meddling into the internal affairs of system-ineffectual states. Taking the issue of alleged Indian interference in Nepal's internal affairs into consideration, this paper examines levels and degrees of correction in accusations and assertions. And if it is correct then how can we understand it better. The first part of the paper discusses the conceptual frame of state sovereignty and its evolution over time. Then, the issue of the exercise of sovereignty is explored and, concurrently, the compromise of state sovereignty is also explained before analysing Nepal-India relations. Next, the Nepal-India relations are analysed.

Keywords: Sovereignty, Political Independence, International Politics, Power Asymmetries, Rule-based International Order

The Concept of Sovereignty

The international community is formed by different independent states that are to be sovereign, making the concept of sovereignty a crucial principle in international politics. Jackson (1999) asserts that “the importance of the doctrine of sovereignty can hardly be overrated.” To understand the concept of sovereignty, we need to explore the idea of a state. The fundamental attribute of any state is its capability to control its people backed by a certain amount of authority (Krasner, 1999, 2001a and 2001b). The intricate relationship between the authority and control while governing a state essentially gives birth to the idea of sovereignty. The control and authority over the body politic are meant to be the sovereign: the “supreme”. Sovereignty is the "final and absolute political authority in the political community, and no final and absolute authority exists elsewhere." Thus,
sovereignty is not just only about the “physically controlled territory” but the legitimate authority that is practised exclusively within the declared territory (Morgenthau, 1948, Onuf, 1992). Jackson (1999, 2003) further exaggerates by explaining that the concept of sovereignty consists of some of the main principles of political modernity as the concept of political independence.

In the medieval period, the political life in Europe was solely influenced by religion, and all spheres of life may it be political, private or social were not separate entities and were heavily influenced and regulated by the church, and this phenomenon has been termed as "Christendom". Geographically, the states did not have clear borders, and although they were ruled by sovereign entities, many areas faced “overlapping and constantly shifting lordships” (Jackson, 1999). However, by the end of 15th century, the rule of the church was weakening, and modern political theories were gaining significance.

In this background, the initial writing contributing to the modern concept of sovereignty came from the French thinker Jean Bodin, where he concentrated solely on the rule of monarchs and thus according to him sovereignty was "absolute and perpetual" power and authority enjoyed by a ruler. Although the ruler could entrust some responsibilities to other workers of the state, the ultimate decision was of the monarch. Bodin also sets some limitation on the monarch by asserting that the ruler has to follow the rule of God, nature, and nations; making the limitations on the monarch more ethical than political (Merriam, 1900, and Andrew 2011).

While Bodin concentrated on sole leadership, Hobbes focused his theory of sovereignty on the contract between people and the state. Hobbes believed that the true nature of humans is selfish and evil; therefore, people sacrifice their personal sovereignty and create the state, whose sole responsibility is to protect their right, so that they remain protected from one another. Therefore, according to Hobbes (2006), the people of the state altogether make up the true sovereign state rather than an individual leader or a person. Although he asserts that the sovereign created by people is absolute as they give up all their rights in the hands of the sovereign, he does clarify that the only right that people keep with themselves is the right of self-preservation and hence can go against the sovereign in the case of self-defence or if the state fails to fulfil its obligations towards the
people. For both Bodin and Hobbes although slightly different but the concept of sovereignty was the supreme authority achieved by the governing bodies to decide the laws of the state (Onuf, 1991, Nagan & Haddad 2012).

Both have elaborated the concept of sovereignty as the legitimacy of a single hierarchy of domestic authority. However, Krasner, (2009) argues that this idea of supreme domestic power is irrelevant in practice. It is noted that by the beginning of 18th century, the political authority in Britain was divided between the King and parliament. Similarly, the founding fathers of the United States of America drafted a constitution with decentralised sovereignty. However, it only implied that a state is free to choose its form of governance and structure based on the effectiveness of political authority and the principle of self-determination. With decolonisation governments that were elected by the people (democratic government) asserting their rights of self-determination were given the sovereign status, which is termed as popular sovereignty.

The concept of sovereignty was inspired by the Treaty of Westphalia (1618-1648) that promoted religious tolerance: "cuius regio, eius religio" (whose realm, his religion). Although the treaty failed to end the influence of the church in the political life, it distinguished political and religious spheres as separate entities (Croxton, 1999, Krasner, 1999). It laid the foundation for the concept of nonintercourse and equality of states in international relations. Vattel and Wolff in 1758 argued that with the concept of sovereignty, all the states existing in the international arena become independent actors regardless of their wealth, size or capabilities and its polity is free to choose its own form of governance. Applying the logic of the state of nature, Vattel concluded that if men were equal in the state of nature, then states were also free and equal. Thus, for Vattel, a small republic was no less a sovereign state than a mighty kingdom. This theory consequently gave birth to the notion of non-intervention: interference from other states or external actors in the internal affairs of the state is a violation of the sovereign status enjoyed by all the countries in the system. Therefore, Westphalian sovereignty is compromised when the domestic governing structures of a state are influenced by external actors (Croxton 1999, Krasner 1999, 2001a and Lake, 2003).

As a result, the international legal order was organised around the principles of non-intervention and consent due to states' commitment to the conception of
domestic sovereignty as unbounded authority. It has also been codified by the International Court of Justice (ICJ), which is the principal judicial organ of the United Nations, in Article 2(4) of the United Nations Charter: "All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state" (Khan, 2004). With this, the concept of Westphalian sovereignty became the major governing principle of the rule-based international order that exists today.

Logics of Appropriateness vs Logic of Consequence

No matter what the principle of Westphalian sovereignty entails, the international environment is too complicated for any set of rules, including that of sovereignty, to be applied rigidly across all cases. And it has been observed that sovereignty has been compromised in a myriad of ways. The concept of state sovereignty among nations can be examined through the lens of Constructivism, which emphasises that the relationships among states are not merely based on objective facts but are more socially constructed by their belief, history, norms, etc. Thus, even though the international arena is "decentralised and anarchical," where "none is entitled to command; none is required to obey" (Waltz, 1979), ‘anarchy is what states make of it” (Wendt 1992). According to the normative logic of constructivism, international norms are basically the shared understanding among states regarding the appropriate behaviour expected out of them and acknowledging that these norms will leave them better off (Barkin & Cronin, 1994, Barkin, 1998 and Ramos, 2012). This phenomenon can be understood with the “logic of appropriateness" (March and Olsen, 2005) in which actors internalise the norms to which they conform, not to get what they want, but because they understand the behaviour as ‘natural, rightful, expected, and legitimate.' Rules of appropriateness are also embodied in the foundational norms of contemporary democracies.

Norms based on the logic of appropriateness explains the evolution of explicit rules regulating international encounters and development of the international system that exists today. The rule-based international order was considered beneficial for all and was made possible because of shared interest.

Even the concept of Westphalian sovereignty is socially constructed and is one of the oldest norms guiding the international system. Consequently, the very foundations and sources of international law come from the concept of sovereignty
and “no international law norm is valid unless the state has somehow ‘consented’ to it” (Jackson, 2003). Thus, as it is made up of social understanding, it can also change or get altered on the same basis. And over the years, the new norms and intuitions agreed by the international community coupled with the globalisation process have brought changes to how the principle of non-interference has been understood and applied to international relations.

With the end of Second World War (1914-1918), the international system changed drastically. The creation of United Nations altered many previous norms accepted by the international community. Moreover, the decolonisation process made the international environment more multifaceted and the UN charter pressured governments to approve new norms. Over the years, the governments have voluntarily signed and agreed to many agreements, like commitment to human rights, litigious standards such as the responsibility to protect, and have joined different international organisations such as WTO that obliges them to follow certain kinds of practices while ruling within their borders. They have also accepted the baggage that has come with the globalisation process. And countries, especially the weaker ones, have willingly compromised their autonomy because it leaves them better off than in the status quo ante (Barkin & Cronin, 1994, Goodman & and Jinks, 2003 and Finnemore, 1996).

The underlying reality of international relations of the present time is that the authority structure in any given political entity is not free of external influence. The domestic authority structures are not only penetrated through invitation, as observed above but also through intervention. The latter is problematic as it is driven not by the logic of appropriateness but of consequence and arises mainly due to power asymmetries between countries. The logic of consequence occurs when states take ‘analysis-based’ action, which comprises thoughtful consideration of alternatives, assessment of their outcomes and preference-driven choices. Those who see international politics in this light link actions exclusively to the logic of expected consequences and ignore the ‘rule-based’ international order (March & Olsen, 1998).

Krasner emphasises that international community functions more with the “logic of consequence than appropriateness”, as it has been witnessed that the stronger states do not hesitate to “dictate or coerce changes” in the authority structures
of weaker states using their physical capabilities as long as it suits their interest (Krasner, 1999).

This modality is carried out through coercion or imposition, and unlike convention and contracts, takes place due to power asymmetry between the countries-- the initiator must have overwhelming power to leave the target worse off if its intervention is not heeded. In such a situation, one ruler threatens to impose sanctions on another if the target ruler does not alter his or her policies. The target country is although free to reject these demands, in which case it suffers sanctions, or accept them as it has no choice given its situation. In both the circumstances, the target suffers (Krasner, 1999). For instance, the relations between the U.S. and Latin America over the last two decades has been entirely influenced by the extent of the hierarchy that the ever-growing regional hegemon imposes on its lesser neighbours. The U.S. not only intervenes in the internal affairs of its neighbours but instead believes that it possesses the right to do so. Small regional states can do little about the interference. And although they can seek to deny any obligation to follow the US's dictates, they are aware it will not be without consequences (Lake, 2003). The U.S. sanctions on Cuba, one of the longest-running embargoes in U.S. history, is an ideal example of this. Or its sanctions on Venezuela, Iran, and North Korea.

It is also argued that stronger nations have been able to manipulate actions into legitimacy and have had superiority over arrangements made. For example, sovereignty is not supposedly curtailed in principle by a country agreeing to reform its economy in exchange for new capital. But in nearly all instances, restrictions are imposed from outside as a precondition for loans to avert national bankruptcy, implying that in fact sovereignty is being constricted. These variations, therefore, reveal a wide range of authority relations between actors (Lake, 2003).

Such phenomenon can also be observed in Nepal-India relations. Nepal and India, given the geographical, historical, economic and socio-cultural ties the two country share, have maintained close cooperation and understanding. With decade-long civil war and political instability since the early 1990s, Nepal is one of the most underdeveloped countries in South Asia and heavily reliant on its more prominent and wealthier southern neighbour. But the 'special relation' the two share has not been free of 'tensions that small neighbours typically have
with large ones" is, to say the least (Chaturvedy & Malone, 2012). India has ‘informally’ blockaded Nepal three times in the past, with the most recent being the 2015 blockade.

**Nepal-India Relations**

A fundamental objective for all countries is to build strong external relations around the world in pursuit of one's interests. Nepal occupies a very strategic position lying between the two Asian giants, China and India but suffers from weak economic growth and political instability. The landlocked country with a trade deficit of more than 30 percent is highly dependent on India for not only exports but also on the import of essential goods (The Kathmandu Post, 2018). The two countries share an open border, pegged-currency and India was the only country giving Nepal transit rights (Sarup, 1972) until Nepal got access to Tianjin port of China in 2016. The southern plain of Nepal that connects the two countries has been a decisive factor in their relations. Geographically, it was always more viable for Nepal to have trade arrangements with India, as it is separated through rugged terrain with China. Moreover, the Chinese sensitivities regarding Tibet also constrained the possibility of having feasible trade routes with the northern neighbour. While this geopolitical reality made Nepal reliant on India for trade, as the principal barrier to India, the Himalayas became a significant component of Indian security establishments. The rise of the communist Chinese in the north, with which it has sparred along the Himalayan border for decades, India has always spelled its security interests in Nepal. And Nepal’s extreme dependence on India for food and fuel has given Delhi leverage over the arrangements made.

**A Sovereign**

Nepal is one of the first countries in South Asia to be recognised as a sovereign by the British back in 1923—even before its two giant neighbours India and China. However, the diplomatic relations between the two countries began in the early 1800s. After the Anglo-Nepal war of 1814-16, the British, well aware of the strategic position Nepal held as a trade route between Tibet and the Indian kingdoms did not colonise the Himalayan nation even after defeating it. Instead, the European power chose to make it a weak ally on the northern border (Joshi & Rose 1966 and Baral, 2012).
During that period, the international order was dominated by European supremacy and sovereignty was considered only a Eurocentric attribute. It was the European powers that began organising the foreign affairs with appropriate norms and were the only countries to enjoy the notion of sovereignty, termed as imperial sovereignty. The European societies were closed to outsiders unless they chose otherwise. Non-European nations were considered lacking ‘credible claim' to sovereignty and were treated with discriminatory measures (Jackson, 1999). Thus, to have diplomatic relations with the British Empire, even though the relationship was based on unequal footing, was a milestone for Nepal and its rulers in terms of political survival.

It was also the British that spelled the security policy for modern India based on the geopolitical realities. The three Himalayan kingdoms that were not colonised by the British, namely, Nepal, Bhutan, and Sikkim, were the foothills where the Empire ended and thus keeping these weak allies close was a major security policy of the European power. The British strategy was to "gain security on India's frontier, not the absorption of the Himalayan states" (Ghori, 1964, Baral 1992, Uprey 2003 and Baral, 2012).

During the rule of Ranas, Nepal pursued the policy of appeasement towards the British to guarantee their autocratic survival in Nepal and also signed the Treaty of Friendship with Great Britain in 1923 (Rana, 1971, Rose, 1971 and Baral, 2012). The Treaty not only acknowledged Nepal's independence but also stipulated that consultations would be held on foreign and defence matters. This provision was a double-edged sword for Nepal's sovereignty.

By 1930s, the wind of democracy was blowing in the region, and by 1947 the Indian Independence had inspired many Nepalis to revolt against the autocracy. By 1950, the Rana regime could already feel the signs of future rebellion, and that pushed the then Rana Prime Minister Mohan Sumsher Rana to sign a new Treaty of Peace and Friendship 1950 with Independent India upon a hope to garner latter's support. In this background, given India's security concerns, independent India did not hesitate to the follow the same framework of the 1923 treaty to keep Nepal's sovereignty in check (Rana, 1971, Rose, 1971, Uprey, 2003 and Baral,
However, the 1950 Treaty had a controversial security requirement: “Any arms, ammunition or warlike material and equipment necessary for the security of Nepal that the Government of Nepal may import through the territory of India shall be so imported with the assistance and agreement of the Government of India” (Tripathi, 2012).

Moreover, the provision to treat citizens of the other country as their nationals by granting them rights to property ownership and participation in trade and commerce was considered problematic by the Nepali side given the sheer difference between the populations of the two countries. This provision was however not fully implemented by the Nepali side, and the Indian establishment has not had reservations over it. The two nations even decided to keep their borders open. Similarly, India became the first and only country to provide landlocked Nepal with transit rights through the Treaty of Trade and Commerce of 1950. But even this treaty was under fire for having putting restrictions on Nepal’s right to pursue independent trade policies (Ghori, 1964, Baral, 1999, Garver, 2002, Uprety, 2003 and Baral, 2012).

Even after signing the 1950 Treaty, India supported the emerging Nepali political factions and the monarch, and hence facilitated the ‘Delhi compromise’ between the king of Nepal and the newly formed Nepali Congress Party of Nepal. The agreement was the beginning of Nepal’s ‘special relationship’ with India (Rose & Dial, 1969, Uprety, 2003 and Baral, 2012).

But the 1950 Treaty became a bone of contention between the two countries within a few months, with the Nepali side complaining the Treaty to be unfair and that it restricted Nepal’s sovereignty. Moreover, given that the Indian establishment signed the Treaty with ‘the discredited regime’ added insult to “Kathmandu’s sense of injury” (Rana, 1971).

Rana argues India was also to be blamed for the paranoia that emerged in Nepali society and especially for the ruling elite. "The isolation of centuries was broken by the bustling presence of Indian advisors, brusque and confident of their competence. The loose language of Indian politicians referring to Nepal as a
part of India and the frequent visits of Nepalese ministers to Delhi all led to an impression in Kathmandu of undue Indian influence in Nepal's internal affairs" (Rana, 1971, Rose, 1971, Uprety, 2003 and Baral, 2012). Therefore, anti-Indian sentiment slowly found its place in the development of Nepali nationalism which was utilised by King Mahendra to consolidate power in 1960. Worried that India was overshadowing their independence and sovereignty, he extended diplomatic relations with other countries, such as America, France, and especially with China and Pakistan. And it was the signing of the contract for the highway connecting Lhasa, the capital of Tibet and Kathmandu that infuriated India. As a result, India imposed an informal blockade on Nepal, but with the 1962 Indo-Sino border conflict, India worked towards making the relationship stable in the risk of losing Nepal. This incident was the first time India had flexed its muscles with Nepal and was a clear signal that Chinese influence will not be tolerated in Nepal (Rana, 1971, Rose, 1971, Uprety, 2003 and Baral, 2012).

The relations started souring again when Nepal purchased some defence materials from China in 1989 (Garver, 1991, Garver, 2002 and Baral, 2012). It was considered a violation of the 1950 Treaty and India announced that it would not be renewing the trade treaty between Nepal and India that was about to expire. Consequently, this led to the blockade of the border and the Indian imports were halted. The halt in imports put Nepal in a grave pressure as the dependency on Indian imports and trade facilities were crucial for Nepal's survival. This incident was also a stark reminder to Nepal regarding its reliance on India and the limitations of Chinese assistance. With the People's Revolution of 1990, King Birendra did not struggle to consolidate power and ended the Panchayat system with the announcement of parliamentary democracy (Baral, 1999 and Baral, 2012). Then the blockade was removed.

Nepal had become a democracy after 1990 but confronted the ‘people’s war’ launched by Maoists five years later, which eventually culminated at the end of its Hindu monarchy and the loss of 19,000 lives. With the royal massacre of 2001, the brother of the late King, Gyanendra Bir Bikram Shah, was placed on the thrown. The new king irked the political parties with signs of authoritarianism and riled India too as he did not heed to its suggestions (Baral, 2012).
Eventually, India brokered the 12-point agreement between the Seven Party Alliance and the Maoist rebels in Delhi. The agreement paved the way for the Comprehensive Peace Accord (CPA) in 2006, which officially ended the Maoist Insurgency. And even though the Maoists propagated anti-Indian sentiments throughout the civil war period, they succumbed to Indian interest to safely land into Nepali politics. Then the second People’s Revolution in Nepal started and was successful in completely removing monarchy (Thapliyal, 2006 and Muni, 2012).

During Nepal's peace process, of which India was a major stakeholder, the latter got exclusive access to Nepali politicians, and thus, influencing the decision making and policy formulation processes. It is claimed that governments in Kathmandu were formed and dismantled at the dictates of New Delhi. Thus, over the years, all the Nepali political parties, including the newly created Communist Party of Nepal, were seen expressing their anger against India for micro-managing Nepal’s internal affairs one time or the other. And this kept the anti-Indian sentiments alive among the people of Nepal because the unstable politics was primarily seen as being influenced by India (Jha, 2012 and Chaturvedy, & Malone, 2012).

**Another Blockade**
On 20th September 2015, the Nepal Government promulgated its first Constitution drafted by the people's elected representatives. All those previous constitutions were prepared by the monarchy or a selected committee. The ‘people’s constitution’ was one of the main agenda of the 12-Point Agreement signed a decade earlier and was endorsed by more than two-thirds majority in the Constituent Assembly. However, the constitution-writing process was neither easy nor without controversy, especially days leading to its promulgation.

For almost seven years, the constituent assembly, although was able to resolve many issues, failed to create consensus on the modality of federalism for the country. At that time, the first constituent assembly was dissolved in 2012, and a new constituent assembly was elected. Things changed drastically when the 2015 Nepal earthquake hit the country. Considering the huge loss faced by the state, the major political parties decided to keep their differences aside and create political
consent to charter the course of reconstruction and rehabilitation. They chose to ‘fast-track’ the constitution-writing process, and to this end the major parties sealed a 16-point deal on the key contentious issues including federalism, paving the way for constitution promulgation.

This political development, however, alienated Madhesians—an ethnic group, which form more than one-third of the country's population; living mainly in the 20 of Nepal’s 75 districts bordering India. There indigenous ethnic communities, which have lately been organized under different political parties have often expressed their reservations with the so called high cast rulers in power over decades. The deep mutual suspicion between the hill and Madhesis has existed since Mahendra imposed a monolithic, hill-based Nepali identity. The hill caste—also called Khas Arya—questions the loyalty of Madhesians to Nepal, on account of their proximity to and close relations with India, while the Madhesis accuse the hill people of economic and political domination (Ghimire, 2015).

Since the end of civil war, Madhesians have been demanding political and economic representation in proportion to their population and ethnicity-based federalism with two Madhesi provinces in the southern plains. But as the 16-point agreement did not address their demand for two provinces, the agitated Madhes-based parties launched their protest in the Tarai region with people taking to the street. The protest became violent on more than one occasion which pushed the government in Kathmandu to respond with force. Eventually, the Madhes-based parties frequently boycotted the constitution-writing process. But by the time the constitution was promulgated, over 40 protesters were killed, and the Tarai faced a complete shutdown. The Nepal Government's heavy-handedness in dealing with the Madhes agitation was criticised, primarily by its southern neighbour.

In the run-up to the constitution promulgation, extending its support to the agitating parties, India maintained a consistent position for an inclusive constitution that accommodated all the stakeholders. Many top Nepali leaders visited Delhi before the constitution promulgation, and it is believed that they had assured the Indian leaders that the agitating groups would be taken on board. However, when Delhi realised this was not going to happen, it even sent a special envoy to Nepal to
postpone the promulgation which was to take place in a matter of days. Now, of course, it is not clear whether the Madhesi issue was the main concern or not, but all interventions in the internal matters of Nepal did not yield desired result (Muni, 2015, 2017).

The Constitution was promulgated despite the reservations against it, and the political parties asserted that the statute was a living document and was open to amendments. India, feeling snubbed by Nepal, merely ‘took note’ of the document while China, the US, and some EU countries welcomed the statute immediately.

As a consequence, soon after the promulgation of the constitution, the Madhesi protesters blocked the Birgunj checkpoint, through which a majority of Nepal’s trade with India takes place (Jha ,2017). This move was backed by India through restrictive movement of essential good to Nepal claiming security reasons, and also dictated to the Nepali political class the amendments they should make in their constitution (Roy, 2015).

The “unofficial” Indian blockade brought huge crises in Nepal. Over the years, although all the political parties had voiced anti-Indian sentiment and had their reservations against India trying to micromanage Nepal, in reality, efforts were never made to release Nepal out of the Indian shadow. The blockade of 2015 was a stark reminder of this, and the issue was no longer only political.

Because of the blockade, the country was soon reeling under the shortages of essential supplies such as petroleum, cooking gas and medicines. Moreover, given that it had hardly been six months since the 2015 Nepal Earthquake had hit the country made the matter worse. It was revealed that the country’s dependence on India had increased tremendously since the last time the borders were closed. In 1989 trade with India accounted for 34 percent of the total trade, while the figure stood at 63 percent in 2014-15. According to a study report released by Nepal Rastra Bank (NRB), India accounted for 22.39 percent of Nepal's imports in the 1990s that soared to 58.06 percent in the 2000s. Nepal's rampantly growing reliance on fuel and failure of the government to increase the storage capacity of...
the petroleum products was a huge setback for the country. As a result, the blockade hit the country's fragile economy recovering post-earthquake tremendously, and even the reconstruction work had to come to a halt (The Kathmandu Post, 2015).

The CPN-UML-led government in Kathmandu vehemently opposed India's interference in Nepal's domestic politics. During the blockade the then leadership, K. P. Sharma Oli, did not shy away from playing the nationalism card criticising India's interventionism. The drawback of not diversifying its trade routes and the ever-increasing dependence on India also became apparent to the political leaders.

Thus, when Prime Minister Oli visited China, he concluded ten critical agreements and memorandum of understanding covering fields of transit and trade, connectivity and infrastructure, energy, exploration, and storage, among others. The much-publicised was the transit trade treaty which would end Nepal's total dependency on Indian seaports for third-country trade. There are also talks of Chinese railway network arriving at a border point northwest of Kathmandu Valley by 2020. It is claimed that ‘at long last, the national economy is converting from ‘India-locked’ to ‘land-locked’ status” (Dixit, 2015, 2016, 2017 and Sharan, 2016).

The resilient Nepali people lived through the humanitarian crisis with the help of black-marketing till the blockade ended in nearly six months. Without a doubt, the blockade hampered the Indian goodwill deeply that was particularly built when the Prime Minister of India, Narendra Modi, had visited Nepal in 2014—first Indian prime minister to visit Nepal in 17 years. The UML-led government during the blockade was also applauded from many corners for standing up to Indian interference and attempting to diversify Nepal's trade. The UML has secured a landslide victory in recent elections as mandated by the Constitution, and Oli is once again the prime minister of Nepal.

**India’s Interventionism**

The Indian blockade of 2015 was heavily condemned in Nepal given that the new constitution was the first document written by the people themselves. The
political scenario was not as it used to be earlier. India, even though has always supported one political faction over the other throughout Nepal's history, the 2015 Constitution was personal: it was the appropriate conclusion of the people's war and guaranteed the hopes and aspirations of the people's revolution. The constitution was endorsed by more than a required two-thirds majority in the Constituent Assembly—‘92 percent of all Constituent Assembly members endorsed the Constitution, while 85 percent voted in favour of the document” (MOFA, 2015). Moreover, the Madhesis lacked the people's mandate as the people had already rejected their demands during the second Constituent Assembly elections. Still, even if their claims were legitimate, given that Nepal houses diverse ethnic groups, it was an internal dispute, on a sensitive matter.

Furthermore, the Indian establishment over the years has been ‘patronizing small Madhesi groups and their involvement in Madhesi mainstream politics has also increased sharply’” (Jha, 2012). So, New Delhi backing their demands with high-handedness made Kathmandu wary of India's intention of wanting Madhes-based provinces close to its borders. Even the Mashes-based parties have felt like a mere pawn in Delhi's grand design more than once, and India's support has not helped them achieve their demands that need to be addressed internally (Jha, 2012, 2016).

But to dictate Nepal on the constitutional amendment and then sanction it with a siege to secure Indian interest is a violation of Nepal's sovereignty. From the very beginning, the asymmetry of power between Nepal and India has dictated their relationship, especially given the landlocked state of Nepal. Over the years, with the optimism of improving its domestic condition, Nepal has willingly compromised its sovereignty in many aspects with India. The constant political instability has pushed Nepali political leaders to get help from India in the hope of political as well as personal gains. And this is a common phenomenon in international relations (Blaney & Inayatullah, 1995, Jackson 1996, Kingsbury, 1998, Beeson, 2003, Kahn, 2004). But it can also be seen how India has not backed away from twisting Nepal's arm to influence its domestic structure. The blockade that India has imposed created humanitarian crisis in Nepal which is ‘no
short of declaring war on a neighbour and bombing it” argue Nepali intellectuals (Nepali Times, 2016)

American diplomat Henry Kissinger once famously said "Control oil and you control nations; control food and you control the people." This statement holds true for Nepal. Nepal's excessive dependence on India for food and oil has had dire consequences on its sovereignty. But this in no ways implies that Nepal cannot assert its independence, or that it is a partially sovereign country. It is always free to stand up to Indian interventionism as long as it is ready to face the consequences. Or what the blockade of 2015 has shown, be prepared for it in the least.

Nepal-India relations also sheds light on the prevailing interconnectedness and interdependence in the international environment. Now Stephen D. Krasner (1999) has emphasised that the concept of state sovereignty has more features and meaning to it than just Westphalian sovereignty; therefore he has asserted the importance of other three forms of sovereignty a) domestic sovereignty, b) interdependence sovereignty and c) international legal sovereignty.

Domestic sovereignty is most closely related to the concept of state sovereignty, which is precisely what Bodin and Hobbes asserted about sovereignty—the single supreme authority of a governing body. Domestic sovereignty is chiefly about the control as well as the authority the government has over the state affairs. However, Krasner asserts that sometimes the state might not be able to have full control over the domestic issues such as crime, drugs, corruption, etc. Still, it can have other forms of sovereignty intact like the international legal sovereignty. Likewise, even if a state does maintain full domestic sovereignty, it might not necessarily enjoy international legal or Westphalian sovereignty (Krasner, 1999 and 2001a)—Palestine to be a case in point.

Interdependence Sovereignty is the control the state has over the movements across their borders. Krasner describes interdependence sovereignty as "the ability of public authorities to regulate the flow of information, ideas, goods, people, pollutants, or capital across the borders of their state." In today's globalisation,
however, interdependence sovereignty is hard to maintain with goods and services flowing more freely. Krasner asserts that loss of interdependence sovereignty hampers state ‘control’ but not authority. But the loss of interdependence sovereignty does affect the domestic sovereignty given that if there is no control over what enters into a state, then there will be a loss of control over what happens within the borders as well (Krasner, 1999 and 2001a).

While elaborating on international legal sovereignty, Krasner argues that fundamentally it has to do with the recognition of an independent state by the international community. As individuals, the state is an individual character, but as the international system functions as a community, recognition is important and in most cases necessary for the smooth functioning of the government. Thus, “the basic rule for international legal sovereignty is that recognition is extended to entities, states, with the territory and formal juridical autonomy” (Krasner, 1999 and 2001a). Recognition facilitates treaty making, establishes diplomatic immunity, and indicates to domestic actors that a particular ruler can more easily secure external resources.

In the case of Nepal and India, they do maintain a ‘special relationship’ given the open border, pegged currency, freedom of movement for people and the historical and social ties that the two countries share. And these arrangements does hamper Nepal's and to a certain extent India's, domestic and interdependence sovereignty. But, if anything, this special relationship is not between two equals, and it will be foolish to pretend that it is. In no way can we compare the dependency Nepal has on India, and vice versa. Nepal cannot close its borders to pressurise India to make a certain decision, but India can. Thus, with the observation of Nepal-India relations, erosion of domestic or interdependence sovereignty can lead rulers to compromise their Westphalian sovereignty, and this can only take place due to power asymmetries.

In the case of international legal sovereignty and Westphalian sovereignty, it can be observed that they involve issues of authority and legitimacy, and not control. Even though Nepal's Westphalian sovereignty has been compromised in a variety of ways due to internal shortcomings and power asymmetry that
prevail between Nepal and its neighbours, it is still the oldest South Asian state to enjoy the status of an International legal sovereign. But as long as the rule-based international order prevails, Nepal need not worry about losing its legal status, which will always help in securing Westphalian sovereignty. Political phenomena like territorial conquests and state death have disappeared to a large extent. This speaks volume on the critical impact international legal sovereignty has on the international system.

Thus, for Nepal, the issue of survival should take a back seat now, and economic development and prosperity should become the mantra. It needs to work towards becoming an independent country in a real sense. As long as its domestic and interdependence sovereignty is compromised, it will continue to face restrictions on its Westphalian sovereignty. It is not merely about India. Any other country in place of India, can, and most likely will, behave in the same manner.

Conclusion

The formal concept of Westphalian Sovereignty, which is of non-interference, is an evolving concept that has changed over time. It was one of the first norms accepted by the state system to civilize inter-state relations and is one of the main principles of a rule-based international society that exists today. But as international relations intensified over time, more norms and arrangements have been made to prevent “international relations from being governed by force alone”. Thus, at present, the Westphalian sovereignty of states has been curtailed by norms, conventions, and institutions. Also, the increased international cooperation has made countries very interdependent, which also leads them to compromise their sovereign status and domestic control. But this phenomena still falls within the notion of Westphalian sovereignty as these new arrangements are driven by the logic of appropriateness.

But curtailing sovereignty of a nation through coercion or imposition is problematic as it is against the principles of the rule-based international system. But the weaker states, which are militarily or economically deprived have had to face outside intervention more often than not. This is due to simple reason: the notion that all states are equal in the state of nature does not hold much ground
in practice given the power asymmetries between different countries. Stronger countries are capable of violating the core principle of non-interference upon which international political sphere rests, not because the international arena is anarchic, a state of nature, a world of self-help, but because it is hierarchical. States with specific abilities can act in a certain way which other states might not be able to. It has been observed that stronger nations to secure their interest do not falter to coerce weaker states violating their sovereignty because they can do so. While weaker states willingly subordinate themselves in whole or part to the authority of other dominant states for national gains.

Even while analysing India-Nepal relations it can be observed that the power asymmetry between the two countries dictates their relation. At the time if Nepal has willingly compromised its sovereign status by giving its southern neighbour a stake in its internal decision-making, India, being a more powerful country, has not shied away from flexing its muscles when required. The 2015 blockade is a case in point. This proves that stronger nations can be driven by the logic of consequence rather than appropriateness because they can afford to do so. Viewing sovereignty from this light reveals the hierarchies in international politics and the subaltern status of weaker states. But acknowledging these realities may constrain powerful states from pursuing ‘imperial’ projects.

But in no way has the principle of sovereignty become obsolete. The concept of Westphalian sovereignty is still appealing to countries, regardless of their standing in world politics. Numerous fault lines of conflict around the world exist in national borders--whether it is Israel and Palestine or India and Pakistan, India-China, among other. People belonging to stronger nations, like the United States of America or the United Kingdom, have also been seen wanting to take control of their sovereignty amidst the ever growing interconnectedness and interdependence in the world order.

The principle of sovereignty is all the more critical for weaker states like Nepal as it empowers them to specify their rights in this rule-based international system, like promulgating a democratic constitution with over two-third majority. But
nearly all states in the 21st century face greater or lesser restrictions on their sovereignty depending on their capabilities to assert independence.

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A SMALL STATE BETWEEN TWO MAJOR POWERS: NEPAL’S FOREIGN POLICY SINCE 1816

Dhruba Raj Adhikari

Abstract

Nepal is a small state situated in a geo-strategic location between two major powers—China and India, the former being a great state, and the latter a middle state. Nepal has asymmetric relations with both India and China in terms of national power. Nepalese psyche has been shaped by the very geostrategic situation since the time immemorial. However, Nepal as a modern state was born only in 1768, since then it has adopted different strategies for its survival according to the changes in international, regional and domestic power equations. During the initial phase (1768-1814), Nepal was called Gorkha empire and it had pursued a grand strategy of sub-regional hegemony while being mindful of the sensibilities of the big powers in the North and the South. Nepal made a transition from imperial grand strategy to small power diplomacy in 1816 when it was defeated in Anglo-Nepal War (1814-16). From 1848, when Jung Bahadur came to power; Nepal started to fully bandwagon with the British colonialists in India. After that, Nepal had followed strategies of ‘special relationship’ with its neighbors, non-alignment, balancing, balking, neutrality, equidistance, equiproximity and trilateral cooperation depending upon changes in domestic, and regional as well as international politics.

Key Words: Small State, Major Powers, Foreign Policy, Equi-proximity, Tri-lateral Cooperation.

Introduction

Nepal is a small state geo-strategically located between two major powers—China, a great state in the North, and India, a middle state in the South. This geostrategic location has shaped the psyche of Nepalese elite, and hence its foreign policy. With the rise of China and India as the new economic powerhouses of the world, the vulnerabilities of the country have not increased only, its opportunity for greater economic cooperation with both the immediate neighbors also has enlarged. If Nepal can smartly formulate the strategies of small state economic diplomacy there are tremendous opportunities for Nepal’s prosperity and development. The
new constitution promulgated in 2015 has laid the foundation for such foreign policy. According to Nepal’s new constitution, Nepal pursues “an independent foreign policy based on the Charter of the United Nations, non-alignment, principles of Panchsheel, international law and the norms of world peace, taking into consideration of the overall interest of the nation” (The Constitution of Nepal, 2015, Clause 51 (m (1))). However, Nepal had to travel a long and tortuous way before being able to adopt this policy. This paper retraces the historical path Nepal travelled in the evolution of its foreign policy.

The primary research questions the paper addresses are: What are the strategies that Nepal employed in its history as a small state for its survival? Did the changes in the international, regional and domestic situations have any effect in the formulation of Nepal’s foreign policy? If they had, what were such effects? Other secondary questions that the paper tries to inquire into are the following: What is a small state? Does Nepal satisfy the criteria for a small state? When did Nepal start to adopt small state diplomacy? To get answers to these questions, the paper has adopted qualitative research methods—historical and secondary document analysis.

The paper is organized into six sections. The first section introduces the topic and unfold research questions. The second section deals with the definitional problem of the concept ‘small states’ and tries to see whether Nepal is a small state or not. The third section postulates a theoretical framework for analysis. The fourth section retraces a historical background to the study. The fifth section is the main part of the research, where the evolution of Nepalese foreign policy in the final section.

**Defining the Small States**

International Relations (IR) scholars use at least three terms, sometimes interchangeably, to connote the least powerful states in world politics: ‘small states’, ‘weak states’ and ‘small powers’. However, the term ‘small states’ is chosen here because the latter two terms seem to be less suitable for the study. The reason for the choice is the following: the adjective ‘weak’ robs the concept of any plausibility of agency and the term ‘small powers’ is sometimes understood to be an oxymoron. Furthermore, the term ‘weak’ creates a kind of ambiguity about whether the state in question is weak internally or externally. The case in
the study is a small state between two major powers in the so-called third world, and it is not totally without agency.

In the disciplines of Social Sciences including IR, most of the concepts are contested. So is the concept ‘small states’. First, there is a long standing debate on whether the concept is a useful analytical tool at all. For example, Peter R. Baehr is totally pessimistic about the utility of the concept as an analytical tool. In an article published in World Politics, which reviews two seminal works (Azar, 1973; Singer, 1972) in the field of Small State Studies, he suggests the following:

Whatever the criterion is adopted, small states form too broad a category for the purposes of analysis. There does, of course, exist a continuum of the size of states in international relations. However, notions of a sharp dichotomy between large and small states, and of a special role played by small states, should be discarded (Baehr, 1975, p. 466).

Despite Baehr’s blanket dismissal of the concept, small state studies have persisted for more than six decades, and there is a general consensus among IR scholars on the necessity of further research on ‘small states’ as distinct category. Even then, there is still lack of cumulation and consensus on the definitional understanding of the concept (Long, 2017, p. 144). Moreover, ‘scholars at least have three different communities in mind when they speak of “small states”: microstates with a population of less than 1 million…, small states in developed world…, and small states in so-called third world’ (Hey, 2003, p. 2). Present research is about a small state in the third world.

There are primarily four approaches to the definition of small states: quantitative, perceptual, behavioral and relational. The latter three are often called qualitative approaches. For the sake of convenience, let’s start with the quantitative approach. There are divergent views within the quantitative school in terms of type and scope of measures. Some scholars argue that population should be the yardstick for categorizing states but others bat for Gross National Product (GNP) and geographical size. The third group of scholars argues for more sophisticated and combined measure. Among each group, disagreements persist about the cutoff point. To present some examples, Daniel Thurer puts the benchmark of ‘fewer
than 10 million inhabitants’ (Thurer, 1998, p. 37) for small states. Karl Deuch
prefers GNP as a measure and a country with GNP that is 1 percent of that of
World GNP is a small state (Karl Deuch referred in Baehr, 1975, p. 460). Maurice
East and Bjorn Olafsson argue for composite measures to define small states,
which include population, geographic size and GNP (plus military strength for
East) (Olafsson, 1998; East, 1975).

David Vital’s definition is more appropriate for the present purpose if we are to
take a quantitative approach since it explicitly mentions about ‘underdeveloped
countries’ as well. Vital categorizes countries around the world into three types—
great, middle and small states. He further divides the latter into two groups—
those in developed countries and those in underdeveloped countries. His “rough
upper limit” of the population for the small states in developed countries is 10-15
million, to be defined as such. For the third world, a country having a population
of 20-30 million can be considered as a small state (Vital, 1967, p. 294).

Secondly, the perceptual/psychological perspective defines a small state in terms
of the perception of the ‘self’ and the ‘other’. If any country and its leaders
perceive themselves as being a small state and other countries also recognize
them as such, then that country is a small state (Hey, 2003, p. 3). Robert Rothstein
(1968) and Robert O. Keohane (1969) are among the proponents of perceptual/
psychological perspective on small states. They do not completely jettison the
importance of material dimensions, but they put more emphasis on national
psychology. Rothstein offers the following definition of small states:

A small power is a state which recognizes that it cannot obtain security
primarily by using its own capabilities and that it must rely fundamentally
on the aid of other states, institutions, processes, or developments to do
so; the Small Power’s belief in its inability to rely on its own means
must also be recognized by other states involved in international politics.

Similarly, Keohane defines a small power as “a state whose leaders consider that
it can never, acting alone or in a small group, make a significant impact on the
system” (Keohane, 1969, p. 296).
Thirdly, *behavioral* approach defines small states according to their actual behavior in the practice of their foreign policies. If we are to follow this approach, small states are those states that exhibit limited involvement in global affairs, are primarily engaged in the regional level, basically, do not have the military option on the table, and are great champions of international law (Evans and Newnham, 1999, pp. 500-501).

Finally, after reviewing both the quantitative and qualitative approaches explained so far, some of the scholars have concluded that what matters most is power relation and “a small state is a part of the asymmetric relationship, which is unable to change the nature or functioning of the relationship on its own” (Archer, Bailes and Wivel, 2014, p. 9; see also Long, 2017). What is most significant here is the regional context and the relational nature of national power.

**Is Nepal a Small State?**

Nepal is a small state by many standards. To begin with, it has a population of 28.98 million in 2016 according to the world bank data (World Bank, 2016), which is 1 million less than David Vital’s cutoff limit for underdeveloped countries. Its GDP is 0.027 percentage of world GDP (World Bank, 2016), which is much less than the upper benchmark of 1 percent set by Karl Deutch. If we are to take the perceptual or psychological approach, most of the rulers of modern Nepal have accepted that Nepal is a small state and it is taken as such by the countries including the United States, China, and India. Nepal’s founding father Prithvi Narayan Shah’s following dictum is equally valid for Nepal’s foreign policy in the present, if not more: “This kingdom is like a traul (yam) between two boulders. Great friendship should be maintained with the Chinese empire. Friendship should also be maintained with the emperor beyond the southern sea” (Prithvi Narayan Shah cited in Chaturvedy and Malone, 2012, p. 288).

In the regional context also, Nepal is a small state sandwiched between two major powers—China and India which are a great state, and middle state respectively. In terms of population, Nepal is 47.58 times smaller than China, and 45.68 times smaller than India (see Figure: 3). China’s GDP is approximately 530 times bigger than that of Nepal. India’s GDP is 107 times bigger than that of Nepal (see Figure: 2). If we are to consider military dimension, China’s defense budget is 770 times bigger than that of Nepal, and India’s defense budget is 242.85 times of Nepal’s
defense budget. Geographically China is 65.20 times bigger than Nepal and India 22.33 times. These figures are enough to remind us about the ‘smallness’ of Nepal and its power asymmetry with its immediate neighbors.

**Figure 1:** Geography: Nepal Between India and China

**Figure 2:** GDP (World Bank, 2016)
The Small States in International Politics

A Theoretical Framework for Analysis

The international system is shaped by great powers. Small states are “system-ineffectual”- they cannot change the configuration of the international system (Keohane, 1969, p. 296). If great powers are ‘power suppliers’, small powers can be classified as ‘power consumers’ (Steven L. Spiegel cited in Amstrup, 1976, p. 170). What they can do is to adjust to it as smartly as possible. In classical and structural realist tradition, small states are not significant in international politics. The ancient Greek historian Thucydides famously wrote in *The History of Peloponnesian War, Book V* where Athenians say to Melians: “the strong do what they can and the weak suffer what they must” (Strassler, 1996, p. 352). Classical realists think that small states survive just in case they do not harm the great powers, have the support of one of the great powers or if they have not attracted the attention of any great power. For, example Hans Morgenthau suggests that “Small nations have always owed their independence either to the balance of power or to their lack of attractiveness for imperialist aspiration” (Morgenthau, 1948 cited in Kassab, 2015, p. 2).

According to structural realism, the international system is determined by the distribution of capabilities among states (Waltz, 1979). However, small states have the very insignificant capability. Therefore, small states are not subjects of
that much attention for structural realists either, and whenever they have interest in small states that is only as entities that are ‘acted upon’ by major powers. For both classical and structural realists, the small states have very limited and primarily two choices in international politics—they must either bandwagon with or balance against great and middle powers. Nonetheless, if history is any guide, the choices available to small states are broader than the realist theories would generally indicate. For example, Kristen P. Williams, Steven E. Lobell, and Neal G. Jesse (2012) in the edited volume Beyond Great Powers and Hegemons have shown that “a continuum of possible strategies exist, moving from responses that directly oppose the hegemon and its interests (such as hard or soft balancing, balking, blackmail, leash-slipping) to neutrality to more accommodative responses (such as binding, bonding and band wagoning)” (Jesse and Dreyer, 2016, p. 33). In the present ‘international society’ (Bull, 1977; Watson, 1992) where the death rate of states is very low, and their sovereignty is respected and guaranteed, at least in principle, by being a member of global organizations like United Nations, the danger for small states of being coerced by regional powers into total submission has become less tenable.

To put the realist doctrine in a nutshell, the domestic politics does not have any significant role in the formation of the foreign policy of small states since their behavior is dictated by the constraints and opportunities present in the international structure. However, the domestic and constructivist theories on small states beg to differ with such realist doctrine. The domestic theories on foreign policy of a small state posit that the change in balance of power among different stakeholders in domestic politics, change in public opinion, and change of the regime or leadership can have significant impact on the evolution of foreign policy of a small state. Finally, constructivists argue that the change in identity and norms can cause change in perceived interest of a small state, and hence change in its foreign policy behavior (Jesse and Dreyer, 2016).

If we are to pull together the insights from different theories of International Relations reviewed in the above paragraphs, eight types of strategies can be employed by small states to survive and enhance their status in the international politics: a) ally with one major power to balance another major power, b) ally with small powers to balance a major power, c) bandwagon with the great power in the region, d) increase participation in regional and global organizations, e) remain
neutral (Amstrup, 1976; Reiter and Gartner, 2001), f) balking, g) soft balancing—i.e. balancing with non-military means and h) norm entrepreneurship.

The brief survey of the history of Nepal’s foreign policy shows that Nepalese foreign policy is shaped by both the regional and international environment, and the changes in balance of power among different stakeholders in the domestic politics. As a small power between two major powers, Nepal has employed following strategies in its struggle for survival and development: 1) Bandwagoning with the British after defeat in Anglo-Nepal War, 2) “Special relations” with India (1950-55), 3) Diversification of foreign relations; 4) Non-alignment 5) Neutrality during regional war and balancing during regional peace, 6) Zone of Peace Proposal 7) equidistance, 8) equiproximity, 9) trilateral cooperation.

**Historical Background**

**From Imperial Grand Strategy to Small State Diplomacy**

In the early eighteenth century, Nepal was not a single entity as it is now. It was divided into many principalities—three kingdoms within the Kathmandu valley, so called baisirajyas or 22 mini-states and chaubisirajyas or 24 mini-states in the western part, and Kirat and Limbuwan in the east. There were other small principalities in the south as well. King Prithvi Narayan Shah started the campaign for the unification of Nepal in 1768 with the conquest of Kathmandu valley. His successors expanded Nepal from Kangra in the west to Tista in the East by the first decade of the nineteenth century with an ambition to expand Gorkha Empire as far west as Kashmir (Whelpton, 2005, pp. 19-34).

From the second half of the eighteenth century to the first decade of the nineteenth century, Nepal's Royal Palace harbored an imperial grand strategy of becoming a powerful sub-regional power. To fulfill that ambition, Prithvi Narayan Shah’s dictum was not to offend the Chinese empire in the North and the British colonialists in the South, but to unify those small principalities in the sub-region. However, this grand strategy of keeping the major powers neutral while annexing the small sub-regional ‘micro-states’ into the Gorkha Empire did not translate into practice. Ultimately, Nepal collided with the great powers both in the North and the South. Nepal went to war with China in 1792 which permanently delimited its
Northern border, and it fought a two-years-long war with the British in (1814-16) and Nepal lost disastrously.

The dispute of the allegedly debased coins supplied by Nepal to Tibet, Nepal’s grant of refuge to the Tibetan 10th *Samarpa Lama* and the mistreatment of Nepalese traders in Lasha led to the first Nepali-Tibetan war. When the dispute could not be resolved through dialogues, Nepal invaded Tibet in 1788. The war ended with the signing of *Treaty of Kerung* between the representatives of Tibet and Nepal in 1789. According to the treaty, Tibet had to pay tribute to Nepal every year. However, Tibet refused to pay the tribute to Nepal Durbar (Royal Palace) from the following year and demanded the nullification of the treaty. Simultaneously, Tibet requested the Chinese emperor for military assistance. The Chinese emperor was quite offended by Nepal’s expansionist behavior since Tibet was under the suzerain protection of the Qing empire. However, Nepal’s reckless foreign policy behavior did not stop there, and it attacked Tibet for the second time in 1791 and looted monasteries in Kuti. The Qing empire asked Nepal to return the property looted during the second attack to Tibet, and also to return Smarpa Lama to Tibet. However, Nepal refused to yield to Chinese pressure, which resulted in China-Nepal War in 1792. Nepal was vanquished by China in the war and ultimately it had to accept suzerain status along with Tibet (Stiller, 2017, pp. 186-206).

The *Anglo-Nepal War* (1814-16) was more disastrous for Nepal. It ended with the Sugauly Treaty in 1816, and Nepal lost a big chunk of its territory to the British East Indian Company. During the war with the British, Nepal made desperate attempts to garner support from the emperor in China, the great power in the North. However, Chinese found the then Nepalese rulers very unreliable and opportunist, and they refused to provide any help (Rose, 1971, p. 86). Nepal also tried to make an alliance with other small states such as Punjab and Gwalior in the Indian subcontinent (Stiller, 2017, pp. 334-339). They also did not cooperate with Nepal since Nepalese were the biggest threat in the sub-regional level for their survival. Nepal failed in its attempt to forge alliances with the great power in the North against the great power in the South. Nor could it succeed to make an anti-British alliance among the small states in the sub-continent. Ultimately, Nepal could not withstand the British might and had to sign Sugauly Treaty that was the final nail in the coffin of Nepal’s imperial grand strategy. Then, Nepal had to make its transition from the imperial grand strategy to small state diplomacy.
Evolution of Nepalese Foreign Policy after 1816

Bandwagoning with the British (1816-1947)
Even after being disastrously defeated by both the Chinese and the British, Nepal Durbar had not fully abandoned its aspiration for becoming a powerful state at least in the sub-regional level. Bhim Sen Thapa’s attempt to modernize Nepalese army in the post Anglo-Nepalese War period provides evidence of such residual aspirations. However, by the mid-nineteenth century, Nepal fully realized the futility of such grand strategic aspirations, and it wholeheartedly embraced the strategy of small power diplomacy. Janga Bahadur Rana, who became the new Prime Minister of Nepal on 19 September 1846 through Kot Parva—a massacre of his opponents in Nepalese Durbar (Vaidya, 2000), decided to align Nepal’s foreign policy with that of British. The reason behind that was two-fold. The first reason was the unprecedented weakening of China after its defeat at the hand of British in the First Opium War (1839-1842). The second rationale for this decision lied in the domestic politics. Janga Bahadur consistently needed a strong backing to defend his regime at home from any kind of internal coup which used to happen frequently within the Durbar in Kathmandu.

As a part of the strategy of bandwagoning with the British, Jung Bahadur offered help to British rulers when sepoy mutiny erupted in India. On 10th of December 1857, the prime minister himself led 8,000 men strong Nepalese army contingent into India to suppress the mutiny of Indian armymen against the British. British rulers in Calcutta were impressed with the Nepalese Prime Minister and they took a decision to restore a part of Nepalese land in the western Terai which Nepal had lost to the British in the Anglo-Nepal War four decades ago. The territory that Nepal gained by aligning with the British rather than fighting them was then called ‘Naya Muluk’ which includes four districts—Bake, Bardia, Kailali and Kanchanpur of present-day Nepal.

During the Rana period, Nepal’s foreign policy was aligned with that of British India. Nepal sent 10 battalions of Nepalese army to fight World War I on the side of the allies, and 55,000 more Nepali men were recruited into British Gurkha battalions in India (Rose, 1971, p. 170). As soon as World War II broke out in 1939, Nepal again sent 10 battalions of Nepal Army personnel to the battlefield, and more than 200,000 Nepalese men served in British units during the period of the war (Rose, 1971, p. 172).
As quid pro quo for Nepal’s bandwagoning with them, British granted the status of an independent state to Nepal in a treaty signed on December 21, 1923. However, Nepal was kept within the British sphere of influence and “Kathmandu would continue to “consult” the government of India on relations with Tibet, Sikkim, Bhutan, and China”. Nepal established its Legation in London only in 1934, which was another step in the process of recognition of Nepal’s independent status.

After India got independence from the British rule in 1947, the autocratic Ranas ruled Nepal for three more years. In a desperate attempt to save their regime from the regional political upsurge and democratic revolution at home, the Rana Government signed the ‘Peace and Friendship Treaty’ with independent India in 1950. The treaty helped India to mantle British policy for Nepal and keep its preeminence in the Himalayan Kingdom.

‘Special Relations’ with India (1950-1955)

Until the collapse of Rana regime in the face of armed revolution initiated and led by Nepali Congress in 1950, Nepalese rulers, for the most part of its history, did not have substantial contact with other nations except with various rulers in the Indian subcontinent, British colonialists, Tibet and occasionally China (Levi, 1957, p. 236; Bista, 2012, p. 27). During the Rana period, it bandwagoned with the British colonialists in India. In the immediate aftermath of the Indian independence in 1947, it aligned its foreign policy with independent India. This alignment is also termed as ‘special relations’ between the two and it was formalized in ‘The Treaty of “Peace and Friendship” between the Government of India and the Government of Nepal’ on 31 July 1950. Ranas had acquiesced to the Indian security demands in their desperate move to protect their teetering regime from possible democratic usurp. After the advent of democracy, the ‘special relations’ with India were further strengthened.

There were a number of reasons for the emergence of the ‘special relations’ between Nepal and India. At the individual level of analysis, it was the indebtedness of King Tribhuvan and Nepali Congress leaders towards India for providing support for democratic revolution. King Tribhuvan had fled, with his family, to Embassy of India to Nepal in Kathmandu on 6 November 1950, was flown to India boarding a special plane of Indian Air Force and had taken asylum in Delhi from 7 November 1950 to 18 February 1951. He had returned to the
Nepalese throne only after the tripartite Delhi settlement among the king, Nepali Congress and the Ranas. Similarly, the personal level relation between leaders of the Congress Party of India and Nepali congress leaders who had participated in Independence movement in India also contributed the special relation.

At the domestic level, the second factor behind the ‘special relations’ was the imperative of state-building in the post-revolution Nepal. As Rana oligarchy was based on family rule, institutional structures of Nepali state that were handed down to the new dispensation were very feeble. The modernization of the bureaucracy, security agencies and the governance was proving to be herculean task for the new establishment (Muni, 2016, pp. 65-66). More than that, the Nepalese state was not able to monopolize the legitimate use of political violence within its territory. To put it another way, the new ruling elite was not fully secure from domestic rebellions across the country. At that time, Nepalese state was militarily so weak that it had to seek help from Indian army to suppress internal rebellions, for example, the refusal by KI Singh to lay down arms after Delhi settlement, and peasant rebellion led by Bhim Datta Panta in the Western Nepal in 1952-53 (Whelpton, 2013).

At regional level, first, the “special relationship” between India and Nepal in the beginning of 1950s was a product of “Himalayan frontier policy” the independent India inherited from the British Raj “under which the Himalayas were regarded as a second frontier” (Subedi, 1994, p. 274). The “special relationship” was, despite having strong roots in domestic politics of Nepal as well, rather an idea enforced by the Indian establishment than a voluntary foreign policy formulated by Nepal. Nepal was keen to diversify its foreign relations even during the last phase of the Rana Regime and the initial phase of democratic dispensation. However, India actively throttled such aspirations on the Nepalese side. For example, when the US communicated with Nepal seeking approval to establish embassy in Kathmandu in 1951, India suggested Nepal to turn down such proposal and Nepal followed Indian advice (Feer, 1953, p. 140). A similar proposal from the Chinese government the same year was rejected by Nepal on India’s behest (Brown, 1971, p. 665; Dai, 1963, p. 88). The reason behind such pressure from India on Nepal was that after losing its “outer buffer Tibet”, the new Indian establishment that had inherited Raj mentality in its approach to national security was alarmed and its presence in the “inner buffers”—Nepal, Bhutan and Sikkim was not to be
loosened at any cost (Feer, 1953, p. 137; Levi, 1957, pp. 241-242). Moreover, India wanted to keep the “Himalayan buffer kingdom” out of both the communist and the Western hands and avoid Cold War contest in its immediate neighborhood (Brown, 1971; Feer, 1953).

Second, the ambiguous practice of official exchange between the Tibet and Nepal in the beginning of 1950s had established an uneasy relation between People’s Republic of China (PRC) and Nepal, and this also contributed indirectly to the “special relationship” between India and Nepal. A section of Nepalese ruling class was suspicious about Chinese motives regarding not only Tibet but also Nepal (Dai, 1963, p. 88), and this suspicion was to some extent implanted by the Tibetan and Indian establishment itself (Upadhya, 2012, p. 72). Third, Nepal’s presumed status of being China’s tributary state discussed in some circles within and outside China also contributed to the fear among the erstwhile Nepalese ruling elite about the true intentions of China which further pushed Nepal into Indian sphere of influence. In fact, the Chinese government, after taking control over Tibet in 1910, had “laid claim to suzerainty over Nepal” (Feer, 1953, p. 137). Finally, to bring in constructivist insight here, the newly gained democratic identity of Nepal and India on the one hand, and communist identity of China on the other defined the interests of China and Nepal in somewhat incompatible terms initially.

At the level of international system, the tacit support of United States, the new world hegemon after World War II, and the United Kingdom, the previous hegemon and the ex-colonial masters of India also contributed to the India’s special presence in Nepal and hence Nepal’s special relation with the same (Muni, 2016, p. 63).

**First major thrust for Diversification of Relations (1955-1965)**

Nepal could expedite the diversification of the diplomatic relations only after 1955 when Mahendra became the new king of the country after the death of his father. Werner Levi claims that the diversification was a result of initiation from foreign countries rather than Nepal (Levi, 1957, p. 236). However, such a claim is untenable given the fact that the diversification of foreign relations was one of the most important factors that guaranteed the survival of Nepal as a small state.
between two giant neighbors in post-1950 regional and international political environment, and it was one of the major planks of the foreign policy of the new king (see Brown, 1971, p. 665; Mehra, 1994, p. 851). Without the diversification of foreign relations, a ‘buffer state’ like Nepal could not have survived or avoided “the formal loss of control over foreign policy to” (Fazal, 2007 cited in Jesse and Dreyer, 2016, p. 25) the southern neighbor, to put it more concretely, could not have avoided the fate of Sikkim or Bhutan.

Several factors in domestic, regional and international politics made the first major thrust for the diversification of Nepal’s international relations possible. To start with, at the domestic level, unlike his father Tribhuvan, Mahendra did not have the special indebtedness towards India. In fact, as an ambitious and independent minded crown prince, Mahendra was already active in the machinations among the power elite (Levi, 1956) and at loggerheads with Nepali Congress leaders in the government, who were presumed to have special relations with Indian establishment. Mahendra was ready to go against Indian wishes if that impeded his political ambitions and purportedly Nepal’s national interest. Within a very short period of ‘special relationship’, the Indian highhandedness had led to significant resentment among Nepalese public against India. The unequal 1950 ‘peace and friendship treaty’, a similar Trade Treaty that robbed Nepal of its independence in having its own foreign exchange, and import and export duties, the presence of Indian representative in cabinet meeting of the Nepalese government and the posting of Indian security agencies in the Northern border of Nepal, and ultimately India’s visible role in nomination of the prime ministers in the short lived consecutive governments flared the smoldering resentment that was already present among Nepalese public against India (Levi, Nepal in World Politics, 1957, pp. 240-241; Brown, 1971, p. 665; Muni, 2016). Such public sentiment became an important asset for king Mahendra in his attempt for diversification of diplomatic relations.

The opportunity for the diversification of the relations was becoming more conducive in the regional level as well. A major development in regional politics in that direction was the agreement signed by India and PRC regarding Tibet, in which the principles of Panchasheel were formulated for the first time, and Tibet was formally recognized by India as the integral part of PRC. This bilateral agreement between India and China opened door for Nepal to reestablish its
diplomatic relations with China and the principles of *Panchasheel* proved to be very significant discursive resources for Nepal to assert its independence and sovereignty in the coming days. As a major success in its pursuit for diversification of relations, Nepal reestablished diplomatic relations with the People’s Republic of China in 1955. Chinese premiere Chao En-Lai visited Nepal in 1957. However, Chinese embassy was opened in Nepal only in August 1960. The same year, in April, Nepal signed ‘Sino-Nepal Peace and Friendship Treaty’ with China.

The United States had recognized Nepal as an independent country in 1947 and signed a treaty of friendship and commerce. Nepal had established a Legation to the United States on 16 February 1948. However, Embassy of United States was opened in Kathmandu only on 6th of August 1959 (Office of the Historian). Germany established its embassy in Kathmandu in 1963, and the Embassy of Nepal to Germany was established in 1965. During 1960s, Nepal expanded its official diplomatic relations with almost fifty countries. By 1969, eleven countries had maintained their embassies in Kathmandu, and Nepal opened its embassies in twelve countries around the world (Brown, 1971, p. 665). Nepal continued with its diversification policies and now it has diplomatic relations with 144 countries, the Republic of Burundi being the latest to establish such ties with Nepal.

At the level of international structure, Nepal officially became a member of international society when it was granted the membership to United Nations (UN) on 14 December 1955 (Muni, 2016, p. 142). Nepal’s membership to the global inter-state organization was the biggest guarantee for its survival as a nation-state in the post-World War II global order. Nepal had applied for a UN membership seven year back. However, a Soviet veto had blocked Nepal’s accession to the world body in 1949. The Soviet Union blocked Nepal’s membership in UN presumably because Nepal already had diplomatic relationship with the United Kingdom and the United States. (Chicago Tribune, 1949). However, after ward the Soviet Union clarified that it had nothing against Nepal, and Nepal got a membership to the world body.

To sum up, the diversification of the diplomatic relations and membership of the UN were vital assets for Nepal to assert its independence and sovereignty, and to avoid the fate of Sikkim and Bhutan in the sub-regional politics of South Asia.
Non-alignment (1955-1990)
Non-alignment was another major plank of Nepal’s foreign policy in the Cold War era. The concepts of ‘neutrality’ and ‘non-alliance’ are sometimes confused in journalistic writings. However, these two concepts are not the same. According to Tulukder Maniruzzaman, “[w]hile neutrality means a state’s opting out of international politics so that it can avoid involvement in any future war, non-alignment, as it is understood since the beginning of the Cold War, means avoidance by a state of any military pact with any of the power blocs” (Maniruzzaman, 1982, p. 32). While neutrality is a juridical concept and stresses on non-participation in the controversies of regional and world politics, non-alignment is political practice with strong sense of agency (Maniruzzaman, 1982, p. 32). To be more precise, non-alignment called for not non-involvement (as in case of neutrality) but active participation of world affairs by taking independent principled stand on major issues of concern to the international community without the inclination to side with the any of the two power blocs.

Bijay Sen Budhraj has pointed out three benefits of non-alignment—First, it made it possible for underdeveloped non-aligned countries from the Third World to get financial aid from both the blocs for their economic development. Second, it “contributed to the maintenance of peace and relaxation of tensions” (Budhraj, 1966, p. 49). Third, it enabled “arelatively weak, both militarily and economically newly independent country”, for example, a middle power or a small state “to play major role on the stage of world politics—a role out of proportion of its military strength” (Budhraj, 1966, p. 49).

The first step towards the non-alignment movement was, in fact, the Bandung Conference of Afro-Asian nations held on 18-24 April 1955 in Indonesia. However, the First Conference of Heads of States or Governments of Non-Aligned Countries was convened in Belgrade on 1-6 September 1961 (Baral, 1981). King Mahendra himself led the delegation to the conference which signified the amount of importance Nepal attached to the Non-Aligned Movement (NAM). The NAM countries were fully committed to the Principles of Panchasheel including respect for each other's sovereignty and peaceful coexistence. In the speech delivered at the Conference, King Mahendra said:
The principle of peaceful co-existence, when used negatively in the sense of military non-involvement, becomes one of non-alignment. Belief in the policy of non-alignment implies in our opinion rejection of the theory that the challenge of the modern world is a military challenge (King Mahendra cited in Baral, 1981, p. 262).

Through the NAM platform, Nepal highlighted the inequality among nations in the world and importance of economic development in the countries of Asia and Africa. Nepal also raised voice for the justice among nations in international relations.

**Strategies of Balancing in Peace and Neutrality in War**

Neutrality was a vital element of Nepalese foreign policy especially when the immediate neighbors India and China had significant cross border disputes or war. During the border war between China and India in 1962, Nepal was able to maintain its neutrality in the face of Indian pressure to side with it. For Indian establishment, “Mahendra’s assertion of neutrality amounted to a brazen repudiation of the 1950 Peace and Friendship Treaty” (Upadhya, 2012, p. 90; see also Dabhade and Pant, 2004). However, Mahendra could not be cowered and refused to take side tactfully. Recently, during Doklam standoff between China and India in 2017 also Nepal successfully maintained its neutral position and tactfully refrained from making any comments on the issue.

During period of peace in the Asian region specially between India and China, Nepal adopted a very tactful policy of ‘balancing’, some authors would call it ‘soft balancing’, and balking, i.e. ignoring or avoiding the demands of the great powers when it is against the national interest of the country (Jesse, Lobell, Press-Barnathan, and Williams, 2012). Nepal’s ability to solve the dispute about Mt. Everest with China basically in favour of Nepal, and its success to register protest for border transgression by People’s Liberation Army and get apology from Chinese side in the 1960s were example of Nepal’s successful agency in the relations with the northern neighbor (Muni, 2016, pp. 93-94). Similarly, the diversification of the foreign relations after 1955 despite Nehru’s public displeasure, removal of Indian security agencies from Nepal’s border with the Tibet region of PRC in the end of 1950s and opening of Kodari highway that linked Kathmandu with the Tibet region of PRC during 1963-1967 going against
the apprehension and wishes of India are some of the examples of successful bustling in Nepal’s relation with the sub-regional hegemon.

The balancing act by Nepal between India and China was like a diplomatic dance sometimes being seemingly tilted towards one, and other times towards the other. It was not balancing in traditional sense of ‘balance of power’. Its objective was more limited and was primarily aimed at minimizing restrictions on Nepal’s freedom to pursue its independent foreign policy and enhancing its national security. Nepal had to pay some price specially in its relations with India for this diplomatic dance of balancing. As Dev Raj Dahal has rightly pointed out, “Nepal's balancing act between India and China has always been precarious akin to a game of national self-assertion versus regional accommodation… The balancing act would have been a viable strategy had Nepal achieved self-sufficiency on essential goods” (Dahal, 2011, p. 43). One example of such a precariousness was “India's imposition in late 1989 of trade blockade on landlocked Nepal in reprisal for its import of arms from China” which led to shortage of the most essential goods such as fuel, cooking oil, salt and gas and it also weakened the monarchy especially in the context of political change in 1990 (Dahal, 2011, p. 43; see also Koirala, 1990).

The Zone of Peace Proposal
The Zone of Peace proposal, the lynchpin of kind Birendra’s foreign policy, was another major innovation in Nepal’s foreign policy during the Panchayat period. In February 1975, King Birendra proposed Nepal as ‘a Zone of Peace’ (ZOP) while speaking to the representatives of foreign countries attending his crowning ceremony (Anand, 1977). In his address to the foreign dignitaries, King Birendra made following statement:

As heirs to one of the most ancient civilizations in Asia, our natural concern is to preserve our independence—a legacy handed down to us by history. The absence of peace will delay, make more difficult and even deform our development. Just as a world without peace will jeopardize our traditional independence. (King Birendra cited in Sharma, 2004, p. 47)
The ZOP was a part of an attempt to assert Nepal’s independence from Indian hegemonic behavior (Scholz, 1977). The rationale king Birendra presented for the ZOP proposal was that the proposal represented Nepal’s “overriding concern for peace and development” and its “realization that one is not possible without the other” (Vaidya and Bajracharya, 1996, p. 244). China, US, and the Soviet Union immediately welcomed the proposal. However, India did not support it because “New Delhi saw the ZOP proposal as a brazen attempt to circumvent the “special relations” between the two countries it believed the 1950 treaty had enshrined” (Upadhya, 2012, p. 103). The ZOP proposal was a result of Nepal’s attempt to safeguard its sovereignty both from internal and external threats. It was proposed because Nepalese monarchy was anxious about its future and national security of the country from India given the increasing Indian sponsored anti-monarchy unrest and continuous meddling of Indian security and intelligence agencies in the internal politics of neighboring Sikkim, another Himalayan “buffer state”. Ultimately, Sikkim was officially annexed into India after two months on 26 March 1975 (see also Datta-Ray, 1984). ZOP was proposed “[t]o symbolize that Nepal no longer was included under Indian defense umbrella” and to “guarantee that no foreign power would use Nepal as a military base” (Scholz, 1977, p. 203)

Moreover, Nepalese state was facing communist rebellions in the eastern part of the country and these communist rebels were claiming Chairman Mao Zedong as their helmsman. This intriguing situation had contributed to the feeling of insecurity among the Panchayati ruling elite and the then Nepalese king devised ZOP probably drawing on the similar proposal of ‘Zone of Peace’ by Sri Lanka at the 26th United Nations General Assembly in 1971. The proposal had led to the declaration of Indian ocean as Zone of Peace. In the same year, ‘Zone of Peace, Freedom and Neutrality’ was proposed by the members of Association of Southeast Asian Nations (ASEAN). The choice of words ‘Zone of Peace’ in line with Sri Lankan proposal rather than using additional words such as ‘neutrality’ and ‘freedom’ following ASEAN proposal is notable here. In case ‘neutrality’ had been added, it would have connoted passivity in international politics and ‘freedom’ would have gone against the grain of Panchayati doctrine.
The ‘Opening Up’ and Departure from Panchayati Foreign Policy (1990 onwards)

The collapse of Soviet Union ushered in a new era of triumphalism for liberal democracy. Riding the new global wave of democratization, Nepal went through a second democratic revolution. The thirty-year-old Panchayati regime was toppled down through Jana Aandolan—people’s movement, and multiparty parliamentary democratic system with constitutional monarchy was established in the country. Restoration of democracy brought in some significant changes in Nepalese foreign policy.

In the immediate aftermath of the establishment of the multiparty democracy, “interim Prime Minister Krishna Prasad Bhattarai called for a return of “natural ties” with India” (Upadhyay, 2012, p. 119). This was a setback to the policy of balancing and equidistance that was established during the Panchayati period. More over, as Upadhyay has explicitly mentioned, “[t]he new government, which had already repudiated king Birendra’s Zone of Peace proposal as irrelevant in the new political context, reaffirmed the validity of the 1950 treaty” (Upadhyay, 2012, p. 119).

It is difficult to verify Upadhyay’s claim specially about Prime Minister Bhattarai’s alleged reaffirmation of a controversial treaty like 1950 treaty between India and Nepal given the level of negative sentiment among the Nepalese public about the same. However, it was true that Nepal tried to revive the ‘special relations’ with India for a brief period after the restoration of democracy in 1990, and during the multi-party system period (1990-2005), Nepal’s internal and regional/international politics got more enmeshed with each other.

As Nepal opened its doors to the outside world, it started a campaign of liberalization and privatization under the guidance of World Bank (WB) and International Monetary Fund (IMF). Given Nepal’s sensitive geostrategic location and vulnerability of the economy of a small state, the unrestricted opening up actually jeopardized Nepalese economic and security interests. The unfettered neo-liberalization of the economy especially the structural adjustment programs became the cause of more unemployment, displacement of manpower and increased income and wealth inequality in the economy. The budding domestic industries could not sustain competition with the multinational corporations which resulted in the deindustrialization of the Nepalese economy. The economic elite and the middle-class people of the country increasingly became victim of
consumerism and ‘conspicuous consumption’. In the security arena, India, the US and China became entangled into the strategic game of security in the Himalayan region. The political parties and various factions within these parties developed proximity with one or another great power, and they themselves occasionally acted as the proxies of different international interest groups, which further complicated the economic and military vulnerability of Nepal as a small state.


In 1996, Communist Party of Nepal (Maoist) launched a ‘People’s War’ (PW) with the aim of establishing a New Democratic System in Nepal. With the increase of Maoist influence in Nepal, the government directed its foreign policy initiatives to gather international support for the suppression of the rebels. After the terror attack in the US on 11 September 2001 by the Muslim fundamentalists, US started an so-called global war on terrorism. Nepalese government had already declared its domestic rebels as terrorists. US government also listed Nepalese Maoists as ‘terrorist outfit’, and the US provided financial, logistical and training help to Nepalese army. During 2001-2005 period, US footprint in Nepal became larger (Banerjee, 2002). On January 18, 2002, U.S. secretary of State Colin Powell arrived in Kathmandu and expressed support for the Nepalese government’s fight against Maoist insurgency (Mage, 2007, p. 1836). Highlighting increased cooperation between US and Nepal government, John Page further writes:

Shortly afterwards the Bush administration announced it was seeking an initial special appropriation of $20 million for the Nepalese security forces, and a team of US military advisors from the US pacific Command arrived in Nepal, including a colonel of the US Marine Corps, the chief of logistic plans division and the deputy chief of engineering. This group was followed by mobile teams that worked with RNA ground units on matter of military tactics. Programmes that had for years brought RNA officers to US military schools were greatly expanded. RNA officers were sent to US Army War College, the US Army and General Staff Colleges, the National Defense University and the Pacific Center for Strategic studies (Mage, 2007, p. 1836).

Nepalese Prime Minister Sher Bahadur Deuba visited Washington and London the same year to garner international support against Maoists at home. He met with both President of United States, George W. Bush and the Prime Minister.
of the United Kingdom, Tony Blair. The United States had harder line about the Maoists. Even though their public statements were more nuanced, the focus of the US administration was initially on the military solution, however, Europeans had “placed greater hope on negotiated settlement” (Upadhya, 2012, p. 135).

India had adopted a paradoxical policy towards Maoists. On the one hand, Indian establishment was providing support to the Nepalese government in its fight against the Nepalese Maoists who had links with Indian Maoists. On the other, India was being very strategic when it came to the cracking down on Nepalese Maoist leaders who were hiding within Indian territory. Indian establishment was, in fact, looking for the possibility of using Maoist issue as a leverage in its bargains with Nepalese government (see also Mishra, 2004).

Thus, the civil war increased the vulnerability of Nepal regarding regional and international influence on Nepalese politics. Maoists claimed themselves to be anti-imperialist and anti-expansionist forces but as Shoubhagya Shah has rightly pointed out, “[p]aradoxically, movements that promise liberation may deepen dependency when the intensification of the struggle causes the protagonists to raise their bids for external support in order to vanquish internal foes” (Shah, 2004, p. 215). Not only during the conflict but also in post-conflict republican Nepal as well, the external intervention in Nepalese politics in the pretext of human rights and minority rights, and rule of law, as a manifestation of excessive obsession among the Westerners with their own ‘higher’ values, has not ended yet. Nepalese and experiences from some other third world countries tells us that once international agencies get into a small and weak country, they do not easily choose to get out of the country. That is why Nepalese government had to terminate the mandate of United Nations Mission in Nepal (UNMIN) and the United Nations Human Rights Office in Nepal (OHCHR- Nepal) in 2001 going against the will of these agencies, even though they were established at the request and with the consent of political parties in Nepal including the then Communist Party of Nepal (Maoist) and the government of Nepal. In a recent attempt to get rid of interference of international agencies, on 11 June 2018, government of Nepal ordered to closure of Office of the United Nations Department of Political Affairs in Kathmandu.

To get back into the discussion on civil war era, in 2005, King Gyanendra, who had become new king few years back when the then king’s family was massacred
inside the royal palace by the then crown prince Dipendra, took power into his hand and launched a coup against parliamentary parties. King’s move contributed indirectly to the formation of alliance between the parliamentarians and the Maoists against royal autocracy. The alliance was supposedly mediated by the Indian government whose relationship with the new king had already started to sour. With the change in the alliance among different stakeholders in Nepal’s domestic politics, international dynamics also started to take a U-turn. After the initiation of the second Janaadolan in 2006, the western powers and India, respecting the public opinion in Nepal, stopped providing political support and supplying arms and ammunition to the king’s army. Furthermore, Sridhar K. Khatri observes that during that period, the western diplomatic agencies including US embassy in Nepal “were openly involved in bringing about political change to Nepal” to such an extent that they royal government was compelled to accuse them of “engaging in undiplomatic activities” (Khatri, 2012, p. 77).

After being isolated from much of the international community, king Gyanendra tried to play ‘China card’ in a desperate move to gather support for his illegitimate regime. Though China was ready to provide military support to the Nepalese king, Chinese establishment was not calling Maoists the “terrorists”. The term they used was “anti-government outfit”. (Upadhya, 2012, pp. 134-136). However, use of such language on China’s part regarding Nepalese Maoist was mostly due to their unwillingness to use the “terrorist” term loosely as usually the Westerners do. Chinese establishment was, in fact, very critical of Nepalese Maoists for ‘misusing’ Chairman Mao’s name and it provided unwavering support to Nepalese government in its various campaigns to suppress the Maosit rebels. China rethought about its previous stand about Nepalese Maoists only after Maoists came to peace process in 2006.

The Concept of ‘Equiproximity’ and Tri-lateral Cooperation (2006 onwards)

5.9.1 Equidistance or equiproximity?
After royal takeover in 2005, the parliamentarian parties and the Maoists in Nepal forged an alliance to launch Jana Aandolan-II, the second mass movement that led to the Peace Process in 2006 between the Nepali state and Maoist rebels. In 2008, election to the constituent assembly was held, from which CPN (Maoist) emerged as the single largest party, and Maoist supremo Prachanda became the
Prime Minister of the country. Prachanda chose China as the first destination for a foreign visit despite India’s mounting pressure, even though he expressed his second thought after returning from China. Prachanda stressed the importance of equiproximity with both the neighbors rather than any ‘special relationship’ with India (Dahal, 2011, p. 45).

After the establishment of republics, and with the rise of both China and India, Nepalese strategic thinkers have put more emphasis on the policy of equiproximity recently. According to Dhurba Kumar “equiproximity” is a conception guaranteeing a balanced relation with both India and China. Sovereign equality remains central to this proposition. In so doing, Nepal should advisedly undertake an effort to review all the previous treaties and discard the ones that had proved unfavorable to the country’s national interests. The thrust of the argument conclusively points towards ending the special relationship with India, which restricts Nepal’s freedom to maintain a meaningful relation with China, nowhere has this feeling been reflected more concretely in recent memory than in the case of China arms versus Indian blockade (Cited in Pandey, 2009, p. 58).

The concept of ‘equiproximity’ is preferred to ‘equidistance’ because the former means having an equally proximate relationship with both China and India to solicit cooperation in the economic and infrastructure development of Nepal, while the latter has more strategic and security-related connotation. Nepal needs to have equally sound relations with China and India for its prosperity and development.

5.9.2 Proposal for Tri-lateral Cooperation
Another new development in Nepalese foreign policy after the establishment of republics is its proposal of tri-lateral cooperation among China, Nepal, and India in especially tourism development, and infrastructure building including hydroelectric sector. The reason behind the proposal for the tri-lateral cooperation in hydropower development in Nepal is that China possesses the technology and technical know-how for big power plants, and India has the market for electricity. The proposal for tri-lateral cooperation among China, Nepal, and India was put forward by the Prachanda-led government in 2009 and is emphasized by the
communist majority government led by chairman KP Sharma Oli recently. In his visit to China in June 2018, prime minister KP Oli reiterated Nepal’s desire to become bridge between China and India.

Nepal signed on China’s ‘One Belt, One Road’ (OBOR) project on 12 May 2017. Nepal is trying very hard to convince India also to take part in OBOR but India has opposed it so far. However, within India itself there are more than one views regarding OBOR. Ultimately, India will have to sign on OBOR project, otherwise, it will be isolated from its neighbors in South Asia. Nepal wants China and India to have a better relationship and cooperate in infrastructure building in Nepal, for which OBOR can become a useful framework. The main goal of Republican Nepal in its neighborhood policy is to become a ‘vibrant economic bridge’ between the two economic powerhouses of the world—China and India.

Even though Nepal wants to play a proactive role to facilitate acordial relationship between China and India and make the dream of the Rise of Asia a reality in the twenty-first century, the realist thinking predominant among especially the Indian establishment has frustrated Nepal’s such benign initiative. Another problem related to the proposal of trilateral cooperation is: Nepal, being a small state, has very little economic clout and diplomatic resources to materialize it. The liberals also might not find the trilateral cooperation that attractive since Nepal is a very small market compared to China and India. However, if we are to draw from constructivist insight, Nepal can, in fact, become a bridge between the two ancient civilizations which never went for war in the ancient past. To materialize the proposal for tri-lateral cooperation, Nepal needs to be able to redefine its identity or refocus on its identity as a meeting place of two great civilizations. The foreign policy that ensues from civilizational identities of Nepal, China and India will have completely different paradigm compared to the foreign policy that ensues from the identities of nation-states.

**Conclusion**

Small states can be defined by different measures—quantitative, i.e. in terms of geographical size, GDP, population, military strength, or qualitative, i.e. national psychology/perception, behavior in foreign relations, and power asymmetry in the regional context. By most of the measures, Nepal can be categorized as a small state. However, in the 18th and the beginning of 19th century, Nepal’s foreign
policy was driven by imperial grand strategy rather than small state diplomacy. Only after the disastrous defeat in Anglo-Nepal war (1814-16), Nepal embraced small state diplomacy. Nepal has employed different strategies of small state foreign policy depending on the international situation in the last two centuries. Initially, it bandwagoned with British imperialists from 1816-1947. After India got independence, it pursued a foreign policy of ‘special relationship’ with India for few years. However, Nepal also took steps to diversify its foreign relations and applied for participation in United Nations. The membership of United Nations in 1955 was one of the most significant moment for Nepal in its entire struggle for survival in the anarchical international system.

Nepalese foreign policy was strongly influenced by the change in the domestic political system. After King Mahendra took power in 1960 and established a partyless Panchayati system, Nepal adopted a foreign policy of non-alignment, balancing during period of peace and neutrality during the period of war rather than having any special relations with its immediate neighbors. After the end of Cold War, Nepal also was swept by the worldwide liberal democratic wave. As a result, the Panchayati system collapsed and multiparty democracy was established in Nepal. During Multiparty and Constitutional Monarchy period (1990-2005), Nepal opened up to the world, and its foreign policy was to some extent guided by liberal ideology. In this period, US footprint became larger in Nepalese domestic and foreign policies. With the escalation of the civil war, Nepal became more vulnerable not only to US influence but also to all external influences. For a brief period in 2005 when King Gyanendra usurped power, he became isolated from the broader international community and tried to reach out to China in desperation, but this could not save his regime from collapse. After the establishment of republics, Nepal is trying to have a foreign policy of ‘equiproximity’ with its immediate neighbors China—a great state, and India—a middle state. Nepal also aims to become a vibrant economic bridge between China and India, and it wants to promote trilateral cooperation among China, Nepal, and India. To materialize the new effort for trilateral cooperation between Nepal, China and India, Nepal needs to focus on the civilizational identities of each of the three countries. Refocus on Nepal’s identity as meeting place of two great civilizations has potential to create new discourse that will be more conducive for the facilitation of cooperation and amicable relations between China and India when it comes to their involvement in Nepal in particular and in South Asia in general.
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NEPAL’S SEARCH FOR PROSPERITY THROUGH TRANSIT DIPLOMACY

Khadga K.C. and Gaurav Bhattarai

Abstract
This article traces out the causes for why Nepal’s search for prosperity through transit diplomacy appears to be an unaccomplished venture. Identifying different indicators of Nepal’s transit diplomacy, it specifies to what extent Nepal can execute its transit diplomacy and to what extent it cannot. This article also argues that Nepal’s proposal of trilateralism to its immediate neighbours, India to the South and China to the North, itself, so far has not been institutionalized through any means of trilateral dialogues or ministerial-level meetings. It has only been reduced to the status of a metaphor merely inferring Nepal’s possibilities to bridge two emerging economies in the neighbourhood, which are, however, deemed as the prime actors of Easternization process itself. Hypothesizing that the venture of transit diplomacy has not gained sufficient momentum, this article does not only assess the reluctance of India in providing momentum to trilateralism, but underlines Nepal’s lack of preparation and assertiveness which have actually sidelined her plausible role to make it happen at Nepal’s larger interest. The idea of trilateralism should, therefore, bear an institutional reality. Without such an institutionalization, Nepal’s quest for prosperity through transit diplomacy might not yield expected results, and shall always dwell on the status of an unaccomplished venture.

Keywords: transit diplomacy, trilateralism, prosperity, Geo-economics, Nepal India and China

Background
History is evident to the fact that Nepal has become rich whenever her immediate neighbors, India to the South and China to the North have become economically strong (Amatya, 2017). At present, prosperity in Nepal is being understood and interpreted in its relation with Nepal’s geographical proximity with the economic development of India and China (Baral, 2015). Noticeably, such an understanding is the reflection of the geography hypothesis. To materialize it, connectivity through modern infrastructure is a prerequisite. Unfortunately, Nepal is sadly deprived of
the inclusive economic institutions and infrastructural development to formally jump start as a viaduct between two rising economies (Bhattarai, 2017). Still, it is not good to exterminate hopes and aspirations by unfolding bitter realities. Many of the scholars and critics have reckoned development activities and objectives of prosperity pursued by India and the unrivalled infrastructural and technological development of China as the sign of relief and hope to underdevelopment in Nepal. Despite their contentious border issues and political differences, the communist China and democratic India have little animosity in their economic relations. Owing to the same, Nepal aspires, at least in rhetorics, statements delivered during visits, to get rid of the conventional cliché of being identified as “a land locked country”. Circuitously, she aims to escape the political cliché of being branded as “an India locked country” (Shrestha, 2015). Apparently, such aspirations bear assorted jingles for national prosperity with a fresh formula: Nepal is not landlocked between India and China, but land linked between India and China (Amatya, 2017). It is not a new and novel discourse. In the year 1973, Late King Birendra had stated that Nepal is not a part of the subcontinent: “It is really that part of Asia which touches both China and India. Our historical experience is that we maintain friendly relations with both these countries” (Jha, 1976). Redefining the geostrategic location of Nepal, King Birendra dismissed the geopolitical dependency on India. Rather he advocated on the geopolitical opportunities that Nepal has, lying in the strategic portion of Asia. But, prosperity has more to do with geo-economics than to geo-politics, and today’s context is also not of the Cold War (1945-89). However, the resurgence of geo-politics cannot be ignored. The Ukrainian crisis and case of the Crimean annexation in 2014 in the European continent and the Indian blockade on Nepal from September 2015 to March 2016 in Asian continent.

**Geo-economic Indicator of Nepal’s Transit Diplomacy**

Sharing benefits out of geographical proximity for the purpose of unimpeded trade through enhanced connectivity, the geopolitical sensitivities in South Asia have been often cursed for impending the probable opportunities of geo-economics in the region (Menon, 2017). Also, when we talk of the trilateral partnership, the feasibility of geo-economics gives a bleak picture, chiefly because of the poor bordering areas. The bordering areas with Nepal are the poorest regions of both China and India (Bhattarai, 2016). The affluent Indian states and Chinese provinces are far away from Nepal’s borders. Nepal’s border regions with both
India and China largely remain underdeveloped. Quite inadequate efforts have been made by the centre to develop infrastructures, such as highways, bridges, telecommunications, health centres and educational institutions along the regions. Albeit the British rule in India developed coastal cities like Kolkata, Madras, Mumbai and Ahmadabad, no such effort was ever made for the development of the regions bordering Nepal. Similarly, China gave a major thrust to the development of its coastal cities by opening special economic zones (SEZ) in Shenzhen, Shantou, Zhuhai and Fujian after public sector reforms were introduced in 1978, but no such effort was ever made by China to develop the regions along its border with Nepal (Jha, 2013).

Nepal borders with Tibet Autonomous Region (TAR) on Chinese side. Tibet is the highest region on the earth, which indicates the geographical complexities for better connectivity in terms of trade and transport. The economy of Tibet is governed by subsistence agriculture albeit tourism has been growing in recent decades. According to the Tibet Poverty Alleviation Office, some 150,000 rural residents in southwest China's Tibet autonomous region escaped poverty in 2016. Statistics showed that Tibet had around 590,000 rural poor by the end of 2015 (China Daily 2017). Deemed as the "water tower" several major rivers have their sources in Tibet including Yellow River, Indus River, Yangtze, Mekong, Ganges, Salween and the Yarlung Tsangpo River (Brahmaputra River). Lhasa is Tibet's traditional capital and the capital of Tibet while Shigatse is the second largest city in the Tibet, west of Lhasa. Despite of the geographical constraints for Nepal to trade with Tibet through road and railways (such difficulties were exhibited during 2015-16 Indian Blockade on Nepal as it was difficult to import fuels and gases from TAR to Kathmandu), many in Nepal hope that Nepal’s dependence on India might be radically reduced. They believe that Nepal’s asymmetric dependence on India can be downsized firstly by further economic and infrastructural development in Tibet and secondly by turning the old trade route from India to Tibet via Kathmandu into the major link between Chinese and Indian road and rail systems. However, any such plan would depend on a much greater strengthening of the detente between India and China since India has reservations against China-led BRI projects and Nepal’s formal entry into it. Also, Tibetan Autonomous Region (TRA) acts as a “bridge” to South Asia. In addition, TAR accounted for over “90 percent of China’s foreign trade with Nepal since the opening of the Xining-Lhasa railway in 2006, implying that the
railway facilitated the transportation of goods from coastal China to the TAR and on to Nepal” (Pudasaini, 2017: 6). But, the pertaining question is whether Beijing is confident enough on Tibet to allow open international commerce? China’s reluctance to reopen Kodari after the earthquake and throughout the five-month blockade should give one pause (Dixit, 2016). If not, the way Kathmandu-Lhasa bus service stopped in 2006 could give a thought The Sajha Yatayat, a public sector transport company in Nepal, used to operate a twice-weekly bus service between Kathmandu and Lhasa from May 1, 2005. The bus service was disrupted when China refused to give visas to the concerned individuals (The Kathmandu Post 2010). Interestingly, the bus service could not be resumed even during the Beijing Olympics in 2008 (Jha, 2013).

On Indian side, Nepal borders with Uttar Pradesh, Bihar, Uttarakhand, and West Bengal. Uttar Pradesh, which means "Northern Province", and often abbreviated as UP, is the most populous state of India. Bordered by Rajasthan to the west, Haryana and Delhi to the northwest, Uttarakhand and Nepal to the north, Bihar to the east, Madhya Pradesh to the south and touches the states of Jharkhand and Chhattisgarh to the southeast, is the fourth largest Indian state by area. Although UP has provided seven of India's prime ministers, and is the source of the largest number of seats in the Lok Sabha (Parliament of India), recurrent episodes of caste and communal violence, its poor record in economic development and administration, high crime rate and corruption have not only overshadowed it political influence but also tagged it as one of the India's backward states. The state has been affected by repeated episodes of caste and communal violence. Bihar is the 13th largest state in East India and third largest state of India by population. However, Bihar has lagged far behind other Indian states in terms of economic development and social transformation. Bihar has become a byword for the worst of India: of widespread and inescapable poverty; of corrupt politicians indistinguishable from the mafia dons they patronize; of a caste-ridden social order that has retained the worst feudal cruelties (The Economist, 2004). In 2005, the problems faced by Bihar were "enormous" because of "persistent poverty, complex social stratification, unsatisfactory infrastructure and weak governance" (World Bank, 2005). However, today's Bihar has been able to curb crime and corruption to some extent with ongoing efforts for economic and infrastructural development and greater social equality.
Similarly, what is called India’s “Chicken’s Neck” of Siliguri—a city of West Bengal-- divides Nepal with Bangladesh. Bhutan is just on the other side of the Indian state of Sikkim (Jha, 2013). West Bengal is India's fourth-most populous state in eastern India. It is bordered by Bangladesh, Nepal and Bhutan, and the Indian states of Odisha, Jharkhand, Bihar, Sikkim and Assam. Similarly, Uttarakhand borders Tibet on North and Malakali Zone of the Far-western Region of Nepal on the east. It borders Indian states of Uttar Pradesh to the South and Himanchal Pradesh to the West and Northwest as well as Haryana in the Southwest corner. This state was created from the Himalayan and adjoining northwestern districts of Uttar Pradesh on 9th Nov, 2000 as the 27th state of India. All of these states are not developed states of India. To be a transit state, unimpeded trade, policy coordination, transportation connectivity and updated infrastructure are the most. Unfortunately, they are absent in proposed China-Nepal-India corridor, chiefly because of the strategic reason, which is exhibited by India’s reluctance to be part of BRI

Although Nepal has Delhi to the north west of Uttar Pradesh and Sichuan Province adjoined to Lhasa, geographical complexities with TAR (at least until Qinghai-Tibet railway is not extended up to Nepal’s border) and political complexities with India (that originated after Nepal’s promulgated its own constitution without paying heed to New Delhi’s concerns) are the major factors affecting the transit diplomacy of Nepal through which Nepal is exploring economic prosperity. Along with the structural scarcity of Nepal, the asymmetric dependence of Nepal on India is also an obstruction. India is Nepal’s largest market in terms of both exports and imports (Khanal, 2014). About 65 percent of Nepal’s total export and 63 percent of total import is with India. Nepal imports more than 60 percent of its goods from India through the Birgunj border point alone, which was completely blocked during the 2015 Indian blockade (Bhattarai, 2017). But with the signing of the Transit and Transportation Agreement with China in 2016, Nepal has now access to the Chinese port of Tianjin. However, diversification of trade and economy does not happen overnight. It is a gradual process, which entails policy coordination, good connectivity, financial cooperation and good transport networks. Once connectivity via land is enhanced, and integrated border customs are built, China-led BRI is expected to bring down landlocked Nepal’s shipment costs during both exports and imports. As China is all-set to extend its Qinghai-Tibet railway up to Nepal border point of Kerung by 2020, this is the right time to
ask what Nepal plans to send back to China when the train reaches Kerung. The loaded train will bring low-priced Chinese goods into Nepal. But will we then send the train back empty on its return leg? Nepal only exports small quantities of goods like iron, steel, tea, coffee, spices, carpet, footwear, textile, plastic, clothing, accessories, handicraft, beverage and vegetable. Can we significantly scale up the production of these goods to meet the huge demand of Chinese markets? And will they be able to compete against Chinese products? If Nepal’s exportable goods can’t compete in core Chinese markets, then will the aforementioned goods be traded in Tibetan Autonomous Region (TAR) of China alone? (Bhattarai, 2017). Even historically, Nepal’s trade was limited to Tibet. But bilateral trade relies on the interplay of demand and supply. Without understanding the core demands of TAR, indiscriminately dispatching goods would not be wise. Categorization and compartmentalization of goods is essential. Green vegetables are in great demand in Tibet. So there should be a proper cost-benefit analysis in terms of the production and transport of these goods. Exporting goods, which are already available at low prices in Tibet, does not make much economic sense. Now, 2020 is not far-off and Nepal has officially joined China-led One Belt One Road (OBOR) initiative that aims at enhancing connectivity and cooperation between China and the rest of the world. In case of Nepal-China bilateral relation, OBOR provides China a strategic route to enter South Asian markets, through the building and upgrade of Nepal’s physical infrastructure. Extension of Qinghai-Tibet railway to Nepal border is an effort in this direction. China is eager to extend the railway up to India via Nepal. Although India is currently hesitant about any proposed trilateral partnership, Chinese academics have already started touting the great benefits of China-India-Nepal economic corridor under the OBOR framework. India does not want to join OBOR as yet, but she is already a founding member of China-sponsored Asian Infrastructure Investment Bank (AIIB).

Nepal proposed 2013 trilateral proposal has encouraged China while India remains indifferent to this initiative. Even at Indo-Nepal trading points, India tries to undermine any trilateral arrangement. India prohibited the import of ginger from Nepal in September 2016, as Chinese gingers, India accused, were being exported to India in the name of Nepali merchandise. Earlier, Chinese scholars used to see Nepal as a bridge between China and India. But these days, they prefer to see Nepal as a bridge between China and South Asia. Extension of Qinghai-Tibet
railway to Nepal border by 2020 will be the first big effort to join Nepal and China through rail links.

**Geo-strategy as Indicator of Nepal’s Transit Diplomacy**

Among different tangible and intangible factors that have played an important role in the determination of Nepal’s foreign policy, geostrategic factors have occupied a foremost position. Some have identified Nepal’s geography with ‘landlocked-ness” while others have considered this position a land linked with India and China. The metaphors of “Yam”, “Buffer” and “Bridge” are also the byproducts of varying interpretations made in different periods of time about Nepal’s geographical position (Thapa, 2014). Those who have identified Nepal’s geography with “land lockedness” believe that Nepal’s positional status as a landlocked country has turned itself a hostage of its geography, severely limiting its prospects in political, economic and diplomatic frontiers. Physical constraints imposed by geography have been limited not only on its access to third countries beyond its immediate neighbours; it has also created a structure of dependence in which Nepal remained just a ‘client’ state to its powerful neighbours. Maintaining Nepal’s independence and protecting its geographical sovereignty has been a major goal of its foreign policy, leave alone the idea of having influence outside. The asymmetric dependence remained for centuries particularly after the unification of Nepal (Adhikari, 2013: 4).

But now, those who believe Nepal should be a land-linked state between India and China reckon that Nepal needs to get out of its trapped status of a “Buffer State” that has often been associated with economic backwardness and political instability. Now that both China and India have experienced a long period of robust economic development, and it is only reasonable to expect that Nepal also wants to develop itself without rocking the boat. Nepal wants the benefits of closer economic relationship with both China and India; rather than just from India (Tang, 2016: viii). It is often said that Nepal’s prosperity is dependent on its geo-strategic location. Development economists consider the landlocked situation of Nepal as a major impediment to development. Nepal’s lack of access to sea and its landlocked status have always been blamed for Nepal’s underdevelopment. However, Nepal's geographic position of landlockedness has been altered with transit and transportation agreement between Nepal and China in 2016. Moreover, Nepal's conventional identity of “India-locked” due to Nepal’s economic over
dependence on India has recently been conceded. Consequently, Nepal now is land-linked to the Chinese port of Tianjin and the Indian port of Calcutta in changed diplomatic and political contexts. Nepal's comfortable position with links to major coastal cities of China and India can lead to rapid economic progress and prosperity. Today, Nepal lies in the competing spheres of influence of both India and China. While connections to India are stronger, China’s engagement in Nepal has immensely been increasing. The Chinese central government’s emphasis on connecting and developing its backward regions, such as Tibet, and on upgrading regional relationship accords primacy to both Nepal and India. Both India and China are rising powers, commanding their influence in regional and global political spheres. As competitive as India and China’s drive to secure influence in Nepal appears in terms of sheer strategic interest, economic interest is inescapable, thus leading to economic cooperation (Subedi, 2016: 28).

Unlike the Korean Peninsula that has always been an integral part of the Northeast Asia strategic discussion and Mongolia that has been an inherent component of the China-Russia relations for a long time, Nepal can safely be set aside, if not entirely ignored, from the standpoint of Beijing and New Delhi. Nepal wants to get out of its trapped status of a “buffer state” that has often been associated with economic backwardness and political instability. Now, both China and India have experienced a long period of robust economic development. Put it more economically, Nepal wants the benefits of closer economic relationship with both China and India; rather than just from India (Tang, 2016: viii). However, Nepal’s dismal economic picture that is more or less hamstrung by the failures of political parties to end the long transition to democratic stability is a matter of concern to both China and India (Baral, 2016:16).

Since Nepal has a history of standing as a rare bridge between India and China, in present times, the number and types of interactions is increasing—culture, politics, security, trade, tourism, investment—rather than diminishing. In this context, it is worth examining the potential of trilateral arrangements or the “Bridge” discourse to synergize the current bilateral India-Nepal, China-Nepal and India-China relationships (Subedi, 2016: 52). At the time when India and China are emerging as global economic powerhouses, it provides strategic advantages to Nepal for benefiting from their economies and harnessing Nepal’s potentialities for higher growth and economic prosperity. Apart from attracting investment in
the areas of comparative advantages, such as hydropower, tourism, agriculture and medicinal herbs, “Nepal has ample opportunities to grasp their rising huge markets” (Shrestha, 2012:3). Strategically, China is eager to use Nepal as a gateway for South Asia where she can sell her goods and services. Nevertheless, China’s prospect to enter y into South Asian markets via Nepal has displeased India since the latter considers South Asia a part of her sphere of influence. So China is trying to kill two birds with one stone: China is becoming strategically economic and economically strategic and wants to extend both her economic and geopolitical clout through the OBOR. Meanwhile, Nepal could also reap certain strategic benefits from the OBOR project. A decade-long Maoist insurgency followed by protracted transitional period and frequent government changes offered space for external powers to meddle in Nepal’s internal politics. Today, India’s micromanagement in Nepal is no more a secret. Funding by European countries in the Tarai belt of Nepal to promote their own interests is also not hidden. To deal with such challenges, OBOR offers a strategic proposal for Nepal, a platform that already has the backing of 64 countries. Nepal could join OBOR for the strategic purpose of asserting her sovereign rights and particularly to enact her policies of neutrality and equidistance in her relations with her two big neighbors. OBOR presents to Nepal an opportunity to implement “Panchsheel” or Five Principle of Peaceful Co-existence, which bears a resemblance to the Chinese idea of “Community of Common Destiny,” upon which the BRI initiatives rest.

An idea that Nepal, in its efforts to maintain its land linked nation status, should move beyond a conventional cliché of landlocked country has been taking a momentum. The 14th National Periodic Plan also prioritizes projects to convert Nepal into a land-linked state and accomplish Sustainable Development Goals by 2030 (Amatya, 2017). Economists, development planners, foreign policy experts and the business community share are often caught accentuating that the country should draw benefits from the BRI projects. Also, during the election campaigns of 2017, two top leaders of Nepal's major communist parties, namely Pushpa Kamal Dahal and KP Sharma Oli repeatedly promised to link Nepal and China via rail services and make Nepal prosperous. Railway services are a long-awaited yet unfulfilled dream for Nepalis. If Nepal is all set to use China's existing high-speed train of 300 km per hour, Nepal's east to west could be covered in about three hours while the journey from Kerung to Kathmandu, Kathmandu to Pokhara, and Pokhara to Lumbini could take only half an hour each (Subedi, 2017). Notably,
Lhasa of Tibet is emerging as a major transportation hub in the western China. China has announced another railway to connect Lhasa with Chengdu of Sichuan. Chinese growth centers and manufacturing hubs are thus moving closer to Nepal. Hence, Lhasa-Shigatse-Kerung railway could prove to be a great asset for Nepal’s search for infrastructure driven prosperity and growth oriented development. Besides the expectations of economists, development planners, foreign policy experts, and the business community from BRI, common Nepali people also have high hopes for Nepal’s development from BRI. For instance, general people were not happy when Sher Bahadur Deuba-led government scrapped a $2.5 billion deal with China Gezhouba Group Corporation to build the 1,200 MW Budhi Gandaki Hydroelectric Project, which would be the largest in the country (Poudel, 2017).

Sub-Regional Forums as Indicator of Nepal’s Transit Diplomacy
Nepal’s proposed trilateral partnership between China, India and Nepal has so far drawn an encouraging response from China, but India appears reluctant. Geopolitics is undoubtedly one of the major one big reasons, as India considers Nepal under its traditional sphere of influence. Indeed, whenever Nepal has tried to inch closer to China, India has resisted any such efforts. Hence there is not much hope for trilateralism in the near future. But Nepal has great interest in trilateral partnership, as it sees its prosperity and development linked to it. Equally, China sees trilateral partnership strategically. When it materializes, Nepal is expected to be a gateway for China into South Asia. Nevertheless, trilateralism is still an idea in its infancy. This represents a missed opportunity for Nepal. Besides India’s reluctance to join any such trilateral initiative, protracted political transition and political instability in Nepal have also been big impediments to trilateralism.

Meanwhile, there are other sub-regional forums and economic corridors that Nepal could join for her prosperity and development. Despite Nepal’s geo-strategic location between India and China, along with physical proximity to Bangladesh, Nepal was ignored in the making of the Bangladesh-China-India-Myanmar (BCIM) corridor. The reason, as Chinese scholars visiting Nepal have repeatedly pointed out, was political instability in Nepal at the time the forum was initiated in the late 1990s. However, today, these same Chinese scholars believe Nepal should join it (The Himalayan Times, 2016). For a country like Nepal that is heavily dependent on India, in terms of trade and markets, BCIM forum will allow it to have direct access to markets beyond India. As a sub-regional initiative,
BCIM prioritizes multi-modal trade corridor between the four countries through multilateral trade and investment. Aimed at minimizing overland trade hurdles, and guaranteeing greater market access, BCIM countries have agreed to reduce transaction costs through improved connectivity and infrastructure development. Today, Nepal is often advised to draw benefits from spill-over effects of unrivaled development in the vicinity triggered by the rise of China and India. Both of them are present in the BCIM forum as well. Here, a question might emerge: Why does Nepal not, instead of wasting time to promote trilateralism, try to be a part of BCIM? But we also need to properly understand the broader context. Today, the Chinese have started emphasizing the One Belt One Road (OBOR) initiative, which strategically accommodates different trade corridors. BCIM and India-China-Nepal trilateral partnership are considered. Despite reluctance from the Indian side, and while trilateral partnership is limited to discourse, Chinese academicians still refer to the proposed trilateral partnership as China-Nepal-India trade corridors. Unlike trilateralism, BCIM is already taking initiatives for the improvement of trade and tourism, and investment and energy among the four member countries. Remarkably, BCIM is devoid of any kinds of perpetual disputes like the India-Pakistan conflicts that bedevils SAARC (Bhattarai, 2017). Even the alleged hegemonic attitude of India that is seen in other forums where small states in her vicinity are included, is apparently absent in this forum. Most importantly, at multilateral forums like BCIM, Nepal does not have to be incessantly anxious about addressing India’s strategic concerns in South Asia and about China’s economic concerns in the region.

Nepal has not been able to draw substantive benefits out of the Bangladesh-Bhutan-India-Nepal (BBIN) forum either. It is another sub-regional initiative where Nepal is present but China is not. Since China is absent from this forum, it cannot be an alternative to trilateralism. But BBIN does provide an opportunity for Nepal to integrate itself into the regional value chains and to diversify its trade relations (Dixit, 2016). Although Bhutan rejected the ratification of the 2015 BBIN Motor Vehicles Agreement (MVA)—which permits partner states to ply their vehicles in each other’s territories usually for trade and economic purposes—Nepal’s parliament has already endorsed it. Meanwhile, to improve ground connectivity for inter-regional trade, India has already approved US $1.04 billion for the construction and upgradation of roads linking Bangladesh, Bhutan and Nepal (Bhattarai, 2017). Its land-locked status is often attributed for Nepal’s
underdevelopment. But with such initiatives in connectivity through modal trade corridors at the sub-regional level, Nepal’s lack of direct access to the sea could be somewhat compensated. Bhutan and Nepal get access to sea only through India. When India had imposed blockade on Nepal in 2015, Nepal moved closer to China and eventually obtained the right to use its Tianjin port. Since then, debates about Nepal as a land-linked state between Tianjin port of China and Calcutta and Vishakhapatnam ports of India, are also emerging. Although the BBIN operates under the Indian sphere of influence, it is still advantageous for Nepal. BBIN is a platform to lobby for use of Mangla and Chittagong ports in Bangladesh. Today, inquiries are being made about what Nepal will send back in the Chinese train that reach Nepal’s border in 2020. The trade routes made available by BBIN will make it easier for Nepal to bring in more goods from Bangladesh and India, also for possible export to China. Nepal should not miss out on this wonderful opportunity as well.

Foreign Policy Actors as Indicator of Nepal’s Transit Diplomacy

To escape its geopolitical vulnerabilities, Nepal has always been firm on equidistant relations with its two immediate neighbors. But with its formal entry into BRI, Nepal’s commitment to equidistance is again being questioned. With BRI, Nepal takes a firm step to emerge from the Indian sphere of influence in South Asia. Paradoxically, the erstwhile pro-Indian government in Nepal ultimately signed the BRI agreement with China last month.

On the security front, the concerns and interests of India and China in Nepal are incompatible. India has been accommodating the Tibetan Government in Exile in its territory, while Nepal has been strictly pursuing Chinese directives to curb the influx of anti-China Tibetans into Nepal (Sharma, 2016). Securitization of foreign policy is not a new phenomenon. Nehru, the architect of modern India, had himself acknowledged the Himalayas as the natural defense frontiers of India (The Economist, 2014) while Chairman Mao branded Tibet as the palm of China, with Nepal, Sikkim, Ladakh, Bhutan and North-East Frontier Agency (NEFA) as its five fingers (Arpi, 2010). Strategically, the policy of equidistance indicates maneuvering of small states like Nepal while dealing with big powers like India and China. The rationale for a policy of equidistance is that it will help balance Nepal’s relations with India and China. Historically, Nepal has always been closer to India, socio-economically, culturally, and geographically (Koirala, 2016).
However, with its unveiling of the ‘Himalayan frontier’ policy under Nehru, Nepal eventually understood that the Indian establishment in independent India still hoped to treat its neighbors with a colonial mindset. Ideologically, equidistance is a Cold War strategy adopted by small countries in the then bipolar world: the US-led capitalist and USSR-led socialist. But today’s world is multipolar. Owing to this change, equidistance seems an outdated idea. However, Nepal remains consistence with the equidistance policy, through different mediums, including the proposal of Trilateralism. Every country has a sovereign right to cherry-pick what is best suited for its growth and development. Nepal, at present, is apprehensive of India because of its direct interference in the Madhesi issue. Even prior to the promulgation of the charter, India had drawn considerable flak for trying to micromanage Nepali politics, not to mention its perennial attempts to keep Nepal firmly under its old sphere.

Fragile internal politics combined with complex geopolitics have obliged every political leader in Nepal to appease the two neighbors, even though their specific foreign policy behaviors may differ (Bhattarai, 2017). Some political leaders prefer to appease only one neighbor at a time (New Delhi or Beijing) while others opt for two-fold appeasement at the same time. The purpose of appeasement, in the first case, is fleeting survival, mostly to protect coalition governments back home. In the second case, one can say that the complex geopolitical realities in the neighborhood have been considered. The act of appeasing immediate neighbors to protect one’s government back home is accomplished in various ways. During his India visit in August, Prime Minister Sher Bahadur Deuba assured the political leadership in New Delhi that his coalition government was still committed to amending the constitution. He even informed his Indian counterpart, Narendra Modi that his government had tried to amend the constitution but failed in the absence of two-thirds majority in the parliament. His message was not received well back home, as he was criticized for unnecessarily dragging amendment, a purely domestic issue, during a bilateral meeting. Apparently, Deuba was not in the mood to again irk India which had already imposed a crippling blockade on Nepal right after constitution promulgation. Appeasing Indian leadership, it seemed, was indispensable to protect his government back home. But in September, Deuba appeared a changed man. While addressing the World Leaders Forum at Columbia University on September 21, he spent most of his time defending the new statute—particularly constitutional provisions on human rights, inclusion,
political freedom, women’s representations. Moreover, the incumbent Nepalese Prime Minister applauded the promulgation of the Constitution followed by fair election. He even said that “the rise of ethnic politics is eroding the core principles that bind us together”. Notably, India had imposed the blockade citing constitutional deficiency over-representation of Madhesi ethnic groups. Unlike in New Delhi, at Columbia University, Deuba spoke confidently about Nepal’s sovereign foreign policy goals. “In pursuing independent foreign policy, Nepal judges every issue on its merits without fear or favor,” he said. Nepal’s appeasement policy thus seems limited to the neighbourhood (Bhattarai, 2017). Twofold appeasement, however, goes beyond safeguarding governments back home and also considers regional geopolitical sensitivities.

On the Chinese front, the neutral stand Nepal took over the two-month-long Doklam standoff was an example of regional geopolitical sensitivity. Such a border dispute exemplifies simultaneous appeasement of both our neighbors, with the conventional tactics of ‘neutrality’ and ‘non-alignment’. Likewise, Premier Pushpa Kamal Dahal’s proposal of trilateral partnership between China, Nepal, and India was also an attempt to appease both our neighbors at once. But, even after Dahal’s unplanned trilateral meeting with Chinese President Xi Jinping and Indian Prime Minister Modi in Goa—at the sidelines of the Brics-Bimstec Outreach Summit in October of 2016—India is still reluctant to the trilateral idea. Contrarily, Chinese academicians and scholars readily portray Nepal as a bridge between China and South Asia; not only an economic but also a strategic bridge. From the perspective of international political economy, India is anxious about compromising on her economic nationalism. Undoubtedly, once Chinese goods start flooding the markets of UP, Bihar and West Bengal via Nepal, India’s economic nationalism will be weakened. Even at the regional level, India’s traditional sphere of influence over core markets in South Asia is being challenged by mammoth Chinese investments and large-sized national projects. Thus, apart from shielding the government back home, what inspires Nepal to appease its neighbors is also the region’s difficult geopolitics—and this has been the case since the formation of modern Nepal in late 18th century. Of course, Nepal’s neighborhood policy, on paper, is guided by old principles of neutrality, equidistance and non-alignment. These principles have not changed with regime change (Bhattarai, 2017).
Rise of India and China has altered the erstwhile balance of power. Consequently, a new hierarchical regional order is evolving. Prime Minister K.P Oli’s tilt towards China during the Indian blockade was a clear example of this evolution. But the resurgence of geopolitics (as seen in the Doklam standoff, for one) can quickly alter regional hierarchy, putting small states like Nepal in great dilemma. Such a dilemma cannot be resolved by appeasing only one neighbor. Notwithstanding Lipulekh, twofold appeasement, ever enriched by growing engagements, is the only way out.

Transit Diplomacy: Idea in Making
The bridge discourse is still an idea in the making; it has not been institutionalized. In the 1970s, late King Birendra had put forward the idea of developing Nepal as a gateway between South and Central Asia (Jha, 1976). Later, in 2005, while addressing the Afro-Asian Summit in Jakarta, former King of Nepal Gyanendra Shah spoke about Nepal’s readiness to be “an economic transit point between the two Asian economic giants—India and China” (Adhikari, 2013: 45). Along the same line, Prime Minister Pushpa Kamal Dahal made the trilateral proposal during his visit to India in 2010. He again proposed the same during his April 2013 visits to both Beijing and New Delhi (Nayak, 2013: 638-639). In 2012, former Prime Minister Baburam Bhattarai also envisioned Nepal as an ‘economic bridge’ between China and India. Unlike his predecessors whose emphases on the spirit of trilateral partnership were limited to statements and speeches, former prime minister KP Sharma Oli moved a step ahead by signing transit and transportation treaty with China in 2016. He had signed the treaty in the wake of the 2015 Indian blockade on Nepal (The Kathmandu Post, 2016). With its signing, Nepal is now in a favorable position to act as a “bridge” between China and India, at least geographically. Along the same lines, incumbent Prime Minister Pushpa Kamal Dahal again floated the “bridge” idea during his Goa visit, where he simultaneously met the Chinese President as well as the Indian Prime Minister at the sidelines of the BRICS-BIMSTEC Outreach Summit in October 2016 (Indian Express, 2016). At a time when the trade volume between China and India is ever-expanding, the Nathula Pass is currently the only operational trade route between them, despite the two countries sharing 4,500-kilometer-long border. Considered perilous, snowy and expensive, Nathula Pass is not an all-season route. The pass had been closed following the 1962 India-China war; it only reopened in 2006. Now, Nepal is being seen as another important transit point between India and

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China. But while China seems positive about the trilateral proposal of Nepal, India appears reluctant owing to its geopolitical sensitivities. Of course, trilateral partnership is the best way for China to get an access to South Asia. Similarly, it will benefit India by giving it access to Tibet. So Nepal needs to convince its southern neighbor that whether it is trilateralism or the China-India-Nepal corridor under the BRI framework, it will not be the strategic partnership with China against India.

Nepal has been given different metaphors due to its sensitive geopolitical location, but these metaphors need clarification. Although the idea of bridge is replacement of the old metaphor of “buffer” and “yam,” some also reckon the bridge metaphor is a reflection of Nepal’s equidistance foreign policy, which is at least inscribed in policy papers. Although the idea of ‘bridge’, ‘trilateralism’ and ‘transit’ have been hitherto confined to discourse, they are different concepts which give more or less the same message that Nepal’s geopolitical situation has both opportunities and threats. Trilateralism prioritize partnerships between China, India and Nepal on different issues, ranging from trade, economy to security. It is a partnership borne out of reciprocity and interdependence between the three countries. However, bridge is simply a metaphorical representation of such a partnership, particularly in terms of trade and economy. But transit refers to a state or condition reached due to geographical proximity, connectivity, transport and most importantly infrastructure development, to eventually foster greater trade and business between India and China via Nepal. Such a differentiation is a need of the hour, particularly to convince our immediate neighbours that Nepal does not view trilateral cooperation as a strategic concept, but as a purely economic and sociocultural phenomenon. Although speeches and opinions have been delivered time and again on the issue of trilateralism, there are no established declarations, agreements or policies to institutionalize the idea. Questions are even being raised whether the trilateral partnership damages Nepal’s special relationship with India or whether it embraces the relationship in a new way. There has been no effort at the political level to make trilateralism work. Apparently, neither does the Ministry of Foreign Affairs (MoFA) have any such plans. Therefore, the bridge concept is limited to an idea or a discourse for now. It deserves to be taken more seriously.
Trilateralism is still an idea in the making; it has not been developed into institutions. However, Nepal has shown imagination in leapfrogging from bilateral to trilateral arrangements, and in engaging stakeholders in India and China. Materialization of Trilateralism not only requires a new order of diplomatic collaborations between India and China but also a way to convince its neighbours that it does not favor one at the cost of the other. They need to be convinced that trilateralism is mutually advantageous to both India and China for long term strategic connectivity. Trilateral partnership is the best way for China to actively seek access to South Asia, or in other words there is a big market for China in South Asia. Similarly, it will benefit India by giving India access to Tibet, and possibly even to Xinjiang and further on to Central Asia. However, prior that the political and security issues among India, China and Nepal should be addressed. The three countries will have to work domestically to put this vision in a perspective. Nepal has to settle its internal problems in a more meaningful manner and forge national consensus on how to relate itself with India and China. To make trilateralism a reality, trust deficits prevalent between them should be erased.

When Nepal and China come closer, India’s discomfort has been visible. When China and India get closer, probably Nepal feels discomfort of losing its strategic space. India on its part must dare to address the Chinese sensitivities. In fact, the Asian century cannot be conceived on the premise of Sino-Indian conflict and rivalry. Although the Sino-India border dispute remains unresolved ever since the two Asian powers had a short border conflict in 1962, relations are being improved gradually. China’s initiative to establish the Asian Infrastructure Investment Bank (AIIB) has been endorsed by India, contributing 8.37 percent to this Bank (Baral, 2015). China has invested 30 percent to this Bank. Nepal is also one of the founding members with less than one percent investment (Sharma, 2015).

To materialize trilateralism there has been zero homework in Nepal on proposed trilateral cooperation. No homework has been done even at the policy level and not even at the political front. The foreign ministry has no such plans at present. Nor has the agenda of trilateral partnership been owned by any political party (Baral, 2016). To materialize the trilateral idea we need to have clarity on what it actually means. Does it simply mean connectivity? Or it refers to Nepal as a transit state? Or does it mean the India and China investing together in Nepal? Or a trading bridge between India’s UP and Bihar, and China’s Tibet Autonomous
Region (TAR)? However, to derive economic benefits out of the economic rise of India and China, Nepal will have to work through robust bilateral channels that have been carefully cultivated over time. Similarly, political actors should be able to develop not a politically oriented consensus, but a policy-oriented consensus on the Nepal’s foreign policy towards the trilateral partnership.

To make trilateral cooperation a reality, firstly, we need to build a mechanism to dwell upon the concept for the sake of inclusive growth so that the benefits could be shared. That sort of development is very important as unequal development cannot be beneficial in that regards. So the establishment of mechanisms is the most important. Secondly, connectivity is very important. Nepal is eagerly waiting to get connected to the proposed Qinghai-Tibet railway and also to the Indian railways. Only such a level of connectivity can pave the way for the further development on the discourses of trilateralism. Both of our neighbours should be sensitive towards Nepal’s development perspectives and Nepal has been repeatedly saying that it will always take into account the concerns of both the neighbour. Until the appropriate infrastructure is not introduced along with appropriate cross border transportation networks through policy coordination for unimpeded flow of goods and services that eventually promotes People-to People relations, trilateralism could be limited to idea, speeches, statements and discourses.

To boost trade relations between China and India, Nepal corridor could play a vital role. Nepal also could lure them to transfer their production bases here. Nepal needs a massive infusion of FDI to build roads and other infrastructures (Chalise, 2006). A divided society with political instability, problems with laws and orders, inadequate infrastructure development, poor management of its lucrative tourism sector and labour unionism, all factors hinder the proper economic growth of our nation. Nepalese government, planners and policy makers must study how the country could ‘catch up’ with its fast growing neighbours under the given constraints. “Mere wishful thinking to integrate our economy with that of our neighbours will not be utilized unless we take significant steps to correct these issues” (Adhikari, 2012: 7). Data show that Nepal has huge but increased and unsustainable trade deficit with both countries undermining positive spill overs effect on Nepal unlike in the context of many other countries. This is a serious issue. Therefore, a review and reorientation of trade policy with these countries
linking with removal of supply side constraints and reducing of transaction cost will be essential.

**Conclusion**

Hence, how to materialize the idea? How to convince the southern neighbour? How to attract Chinese investment through detailed project reports? Mere speeches are not sufficient. Mere wishes and statements are not enough. We must do our homework properly and make the country more investment-friendly and capital friendly. Nepal has failed time and again to attract Chinese industries. Time has come to think why the Chinese industries are migrating to Africa but not coming to neighbouring Nepal. Similarly, India has also launched ‘Make in India’ campaign. But why we have not been able to draw benefits out of that global value chain as well despite being so closer. On the issue of trilateralism, no declarations, agreements and policies have been made to institutionalize the idea of trilateral partnership. Questions are also being raised whether the trilateral partnership damages Nepal’s special relationship with India or it embraces the relationship in a new way.

No serious attempts have so far been made at the policy level or at the political fronts to materialize trilateralism. Apparently, neither the Ministry of Foreign Affairs (MoFA) has such plans at present, nor any political party has conspicuously carried the agenda of trilateral partnership. Therefore, bridge is limited to an idea or to a discourse for now. Nepal’s lack of preparedness, India’s reluctance to be part of China-Nepal-India economic corridor under BRI framework and Nepal’s entry into BRI without convincing India that the partnership with China isn’t strategic but entirely economic are some of the reasons that have limited trilateralism to discourse, an idea in making. The root cause is the lack of institutions that would have helped to materialize the trilateral partnership between the three countries. Thus, the idea of trilateralism should bore an institutional reality through trilateral dialogues or ministerial-level meetings; without such an institutionalization, Nepal’s search for prosperity through transit diplomacy might not yield expected results, and shall always dwell on the status of an unaccomplished venture.
References


Nepal’s Search for Prosperity through Transit Diplomacy


CHINA-LED BRI AND ITS IMPACT ON INDIA WITH
SPECIFIC REFERENCE TO CPEC

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Abstract
Given China’s proactive international diplomacy today, it continues to make its presence felt in the region. The ambitious project of Belt and Road Initiatives (BRI) stands among the widest reaching of all other initiatives. It not only represents a renewed, stronger and better co-ordinated push to expand China’s influence overseas but is also coupled with a domestic investment drive, in which nearly every Chinese province has a stake. BRI is a set of two outward-facing models introduced by the Chinese President Xi Jinping in 2013 to promote economic engagement and investment along two main routes: the New Silk Road and the Maritime Silk Route. The proposed countries under the BRI framework are close to 68 countries, with up to 40 per cent of the Global GDP (Griffiths, 2017). This article looks at four major issues. First, what comprises BRI and what it has for the partners in the project? Second, what does it mean for India with specific reference to China Pakistan Economic Corridor (CEPC)? Third, major concerns in BRI and CEPC. Finally, the article also discusses the available options for India reluctant to join BRI.

Keywords: BRI, CPEC, China, India, Chabahar port

‘Strategy without tactics is the slowest route to victory.
Tactics without strategy are the noise before defeat’.
-Sun Tzu (544-496 BC)

Introduction
China’s move towards international diplomacy is embryonic. For past several years, it preferred to maintain a “low profile” at the global platform with its closed economy and strict media regulations. But, now, it has understood the importance of being an open economy and hence has sought to have bigger and prominent
role in the world order. Chinese companies have begun to move outside their home markets and are shifting to foreign territories, in the hope of finding new consumers for their market and new technologies. The Chinese President Xi Jinping is making all efforts to ensure the strengthening of China’s position in the international forum. The Chinese government has promoted numerous high-profile joint projects with an intention to project China’s presence globally and to develop closer ties with more countries. One of the main initiatives under this ambition is Belt and Road Initiative (BRI), that has an optimism to be among the widest-reaching of all other initiatives. It not only represents a renewed, stronger and better co-ordinated push to expand China’s influence overseas but is also coupled with a domestic investment drive, in which nearly every Chinese province has a stake.

BRI revives an ancient trade route that once connected most of Asia to Europe and Africa - known as Silk Route. The idea of the new Silk Route, which was unveiled in 2013, is a step to revive the old channel and connect these countries with trade routes of both land and sea, through significant investments chiefly from China.

What Comprises of BRI and What it has for the Partners in the Project?
BRI is a set of two outward-facing model introduced by the Chinese president in late 2013 to promote economic engagement and investment along two main routes, i.e. New Silk Road and the Maritime Silk Route. To date, reports suggest that the first route, the New Silk Road Economic Belt, will be westward overland through Central Asia and onward to Europe. The second route, as mentioned by the Ministry of Foreign Affairs and the Ministry of Commerce in PRC in March 2017, is the 21st-Century Maritime Silk Road probably loop south and westward by sea towards Europe, with proposed stops in South-east Asia, South Asia and Africa. The map below explains the two routes. The route linking Moscow, Istanbul, Tehran and further denotes the New Silk Road and the other line going through sea route is the Maritime Silk Route.
Although the project assured of opportunities for the domestic companies, the route is to be so smooth and fair in all respects. The proposed countries along BRI range from Singapore to Syria. The companies involved under BRI framework could be heading into territories that may be strategically important for China’s foreign relations but challenging to navigate (EIU, 2015:11).

However, the geographical reach of the BRI initiatives is expected to be ambitious. Official Chinese media have indicated that up to 68 countries have already became members of the project. Besides its political objectives, BRI has a strategic focus on the government’s “go out” initiative, which encourages Chinese firms to go abroad in search of new markets or investment opportunities. The BRI push is being led from the highest levels of the government, and involvement will run across several ministries. Even though China’s approach is to open its market window for new consumers, its first priority is to gain regional connectivity projects. BRI is backed by substantial financial power. The government has launched a US$ 40bn Silk Road Fund, which directly supports the BRI mission. The fund, which became active in February 2015, is backed by the China Investment Corporation (China’s sovereign wealth fund), China Development Bank, the Export-Import Bank of China and the State Administration of Foreign Exchange (EIU, 2015:7).
With an initial focus on Central and Southeast Asia, the finances will be used to develop infrastructures and improve connectivity among the countries around the BRI. The focus will be mostly on railways, roads, airports and seaports.

According to state media, BRI covers nearly two-thirds of the world’s population and one-third of global GDP (Campbell, 2017). The initiative is a departure from broader trends in Chinese outbound investment, which is increasingly being led by private firms. At least at the initial stage, China’s state-owned enterprises (SOEs) and largest financial institutions—will be leading the charge. In its discussion of BRI, the national government work report encourages active involvement in overseas infrastructure investment and construction, such as through the export of equipment and machinery (EIU, 2015:5).

China has championed its initiative of Belt and Road Initiative (BRI) as an ambitious design for the region. However, till date, the project has been long on expression but it fails to gain the confidence of the members due to its fuzzy details. As Balding said the project is "more like a diplomatic effort for China to win friends and influence people," rather than a strictly economic program. Economist Intelligence Unit (EIU) believes that several implementation obstacles mean that the project is likely to fall short of its grand ambitions (EIU, 2015:7).

**What does it Mean for India with Specific Reference to China Pakistan Economic Corridor (CEPC)**

While several countries became the part of massive Belt and Road Initiative (BRI) summit orchestrated by China, it was boycotted by India, the United States of America, Germany and other European countries. They have been reluctant to sign the deal, citing concerns that the draft of the document is highly in favour of Chinese firms to hijack the BRI projects without any room for a fair chance for Europe to participate in the projects.

For India, this is not just a matter of economics, but it has serious ramifications on the issues of its territorial integrity and security. It is because an economic corridor is in progress -- between two of its ‘hostile’ neighbours. It is known as China-Pakistan Economic Corridor (CEPC) which is central to the BRI project. The CPEC involves the construction of roads, railways and power plants. It directly links China to the Gwadar port to the southwestern coast of Balochistan.
in Pakistan ashore the Arabian ocean, something Pakistan built with significant Chinese assistance. The BRI envisages significant additional investments in CPEC corridor.

It offers India two major reasons to worry. First, CPEC project passes through the Pakistan Occupied Kashmir, (PoK) a geography India claims to be its part. Secondly, Chinese currency flow to Pakistan will increase its economic and strategic influence on India’s hostile neighbour, which means a win-win situation for Pakistan visa viz India. BRI is not just an economic project, but through this China is also upholding its political control in the region.

But, BRI seems to be a bigger challenge for India to safeguard its interest in the region. China’s growing influence in Pakistan, with which India has fought four full-fledged wars since 1947, through the BRI and China Pakistan Economic Corridor (CPEC), is a major concern for India. It has made its stance clear when it boycotted the BRI meet and remained isolated internationally in opposing the project. But the fact is that there is a general agreement for the BRI from most countries, including many of India’s neighbours. This backing was evident from the opening ceremony that was attended by the heads of 29 states, including Russian President Vladimir Putin, a close ally of India in past. Also, delegations

Source: Google Images.
from over 100 countries were present at the ceremony. Most eastern countries are apparently excited with the prospect of mutual benefits in the future. China alone has promised to fork out $124 billion for BRI. In other words, this money will go to projects in different countries along the corridor as loans from China and will, in turn, boost trade and employment for them.

Out of three main areas of concern between India and China, India is most worried about the fact that the CEPC is being laid through PoK, apart from the other two being, China blocking India’s admission to Nuclear Suppliers Group, (NSG) and the China’s disinterestedness in supporting the UN ban on JeM leader Masood Azhar.

Apart from PoK, another neighbouring country of India, Nepal is seen warming up its relations with China at the different level. Nepal and China have agreed to revive the old silk route that runs from Lhasa to Kathmandu. China plans to connect Nepal to Eurasian Transport Corridor. For the same, in 2014, Nepal signed a four-point document. The old Silk Road built approximately 2000 years ago was a complex set of connections of routes for trade that endorsed economic, political, and cultural exchange all over Asia, Africa, and Europe (Mingkang and Wenzhi, 2016). Due to this project, the Nepalese Government and the economy
of the country are to be benefiting the most in South Asia region as it is directly connecting Nepal to Eurasia for trade and commerce unlike previously when all the trade used to take place via New Delhi. This has further caused a jerk to India’s diplomatic relations with Nepal leaving India on a back foot.

It is seen by the scholars all around as the step to debunking US policy of “Asia Pivot” doctrine to counter rising China. With this project, China aims to build its trade relations and expand beyond Europe and link eastern world with the western world.

China’s strategic infrastructural growth in the South Asian region is referred as the ‘New Great Game’ by the former foreign secretary of India S. Jaishankar while Indian diplomats consider it as Beijing’s intention to influence the neighbourhood. There is the presence of strategic mistrust. Pakistan is another factor for the presence of anxiety in the Indian decision-makers. CEPC which is likely to link Kashgar with the Port of Gwadar in Balochistan that runs through PoK, which is again a bone of contention. Even though China has been cajoling India to join the new silk route project, India has been reluctant.

Source: Google Images
BRI and CPEC and Some Major Concerns.
BRI project has raised some serious questions in the mind of the members of ASEAN group as well. Therefore, despite being of large-scale and having immense scope, the Maritime Silk Road project is not able to gain the confidence of others. Some of the reasons have been discussed in the following section.

First, though China trying hard to show it as a commercial venture, it does have some military relevance to it due to the large-scale maritime infrastructure development and connectivity of the Indian Ocean and the Western Pacific.

Secondly, the lack of firm plans and fixed timelines then creates doubts in prospective investors and participating countries.

Thirdly, with the consistent territorial disputes and sovereign jurisdiction over the South China Sea and the East China Sea, Beijing’s expectation of a full access to the region to create an entire infrastructure corridor in a disputed maritime space appears to be alerting to the countries.

Fourthly, many countries have microeconomic risk owing to exchange rate, non-diversified untenable economic structure, as well as governance failure due to corruption and several failed attempts at executing the reforms.

Fifth, the risk of natural disaster which is omnipresence due to climate change, there are several environmental reports on the case of Karakoram Highway (KKH) and it is feared that any construction taking place on that stretch may invite some unwanted stress on the nature causing flood, landslides, earthquakes and threat to the flora and fauna of the region along with other environmental degradation and rehabilitation concerns.

Sixth, there are multifaceted and varied laws, rules and regulations influencing the business policies of each country which may not coincide with the terms and conditions of the BRI projects.

Seventh, the majority of the population in Xinjiang Uyghur Autonomous Region (XUAR) are Muslims, which is geographically closer to the Federally Administered Tribal Areas (FATA) and it is likely to enhance the mobilisation of
separatists to Uyghur movement which will find Muslim sympathisers and have
the possibility of obstructing the development and progress of the BRI project
and become a cause of threat for other member countries as well.

Eighth, the CEPC and infrastructure development also manifest in terms
of tactical threat to Ladakh areas. It provides well-developed infrastructure
connectivity to Shaksgam Valley and threat manifesting from that direction.
China is apprehending to threaten Siachen and SSN to have connectivity to
Shaksgam Valley from its Western highway.

Finally, some of the challenges that are faced by China-led BRI are various. First,
the insight, course of action and execution to date do not motivate trust in BRI as
a participatory and collaborative venture. The one-sided ideation and assertion —
and the lack of transparency — further weaken any seriousness towards a project
which talks about an Asian entity and economic unity.

The second conflicting issue is Beijing’s desire for committing its political capital
to the project. While for obvious reasons the Chinese do not want to be seen as
showcasing their military and political presence along BRI, it seems clear that
China is willing to endorse security through a collaborative framework.

The third challenge deals with the success of the project itself given that the
Chinese document talks about different layers of connectivity: policy-level,
physical-level, economic-level, financial-level and human-level. While no
developing country will deny the offer of infrastructural development that too is
financed by the Chinese, they may not be equally enthusiastic about the bunch of
rules that comes with the offer.

Finally, how can this initiative navigate the conflicting geometries of South Asia
that prevent India from providing full backing to BRI? Hypothetically, a formal
nod to the project will serve as a de-facto legitimization to Pakistan’s rights
on Pakistan-occupied Kashmir and Gilgit-Baltistan under the China-Pakistan
Economic Corridor (CPEC) that is “closely related” to BRI and India be accepting
Gilgit-Baltistan as an integral part of Pakistan and at the very moment it will have
to withdraw its forces from J&K region and it would be more like a war scenario
affecting economy and security of the entire nation. The whole Kashmir issue
will be revoked at the international level apart from the regular mention of it by the Pakistani ambassadors to UN.

Thus, it is more than logical and vital for India at this stage to check China’s growing influence by gaining approval and trust of major global powers such as Germany and other major European countries. Europe’s face off with Trump’s U.S. and the region’s apprehensions on BRI's fine print offers a golden opportunity for India to strengthen its strategic ties with the region. Already, India does not have a friendly relationship with China, which came to fore with the recent standoff at Doklam and China subsequently renaming six places in Arunachal Pradesh.

Therefore for India, it is suggested that the sales pitch of shared economic gains does not conceal the real purpose of BRI ensuring the security of sea lines of communications in the Indian and Pacific oceans. The BRI could end up creating Chinese logistics in the Indian Ocean linking already existing Chinese infrastructure around the Indian Ocean.

Peter Cai in his article quotes Rajni Bakshi, a senior Gandhi Peace Fellow from Mumbai’s Gateway House, who has argued that Beijing has to co-design the new Silk Road with India for it to have any chance of success. If the Chinese government wants to address the trust deficit and get a larger buy-in from Indians, it will have to engage Delhi in designing and implementing “One Belt, One Road” (Cai Peter, 2016).

Fundamentally, New Delhi needs to go through the series of self-assessment whether BRI is really a threat or an opportunity. BRI is a product of the Chinese ambition of political expansion and economic ambitions. India needs to be firm in its reasoning while responding to the proposed project, by utilising the opportunity to utilise the interests of China in including India in this project. However, it will largely depend on the institutional agency and strategic imagination India is able to bring to the negotiating table (Saran and Passi, 2016).

**Option for India.**
The medieval traveller Al Beruni has described the Chabahar port, translated as “four springs”, as the access point to the Indian subcontinent. Because, as far as economic trade is concerned, India should not worry as it is already a partner
in the Chabahar project which connects India to Russia, Europe, Central Asia, entering into Afghanistan without the Pakistani assistance, and moreover allow India to be part of North-South Transport Corridor. The map as shown below, the North-South Transport Corridor (NSTC) greatly reduces shipping distance for Indian Goods to Central Asia.

Source: www.thetalkingindian.com

Chabahar project allows India to bypass Pakistan, which blocks its access to Afghanistan and Central Asia. On their part, Indians are aware of its strategic location and its potency for opening a route to Afghanistan and Central Asia. Apart from the support of Iran and Afghanistan, India has been receiving encouragement from Japan on the Chabahar project. Both India and Japan prefer to have a strategic alliance in Chabahar as it allows the landlocked countries of Central Asia to find an alternate route far away from ports that are dominated by the Chinese like the Gwadar port. The Chabahar is said to be the best entry point to connect three continents: Asia, Europe and Africa. India must move swiftly to grab the opportunity that Iran is offering to not just explore the land route to Central Asia, but also to connect with the trans-shipment road corridors that Iran is building to reach out to Europe the International North-South Corridor is one of them (Kapoor, 2017). In fact, Chabahar, in many ways, is better than
Gwadar. It is a deepwater port that is connected to the land and the mainland. It has access to international waterways in the Indian Ocean and has a moderate climate. To reiterate, it is the best route to transfer goods to Afghanistan. It has off-coast facilities that are linked to the provinces of Sistan, Baluchistan, Kerman and Khorasan. Besides, due to its geographical location and its proximity to neighbouring countries (the Indian port of Mundra is 900-odd km away) which have great markets and political stability, the Chabahar free zone has enormous potential to host large industries through joint foreign and domestic investments (Kapoor, 2017).

Apart from an economic perspective, India should understand that the Iranian authorities are more than interested to get India to be part of the Chabahar project. If given a chance, this project can prove to be more stable and rewarding for India than the BRI. One of the reasons for saying this can be the security factor which is compromised in CEPC as there is a significant security risk involved with Pakistan having a security control in the bordering area with India.

Contrarily, if India becomes a member of BRI project then indirectly India will be acknowledging the China Pakistan Economic Corridor (CPEC), which runs through Pakistan Occupied Kashmir, it will bring China into the disputed area
between India and Pakistan. Also the much-disputed water of Indian Ocean will witness some significant influence of China in the region in the name of Maritime Silk Route (MSR) challenging India’s foreign policy narrative.

Therefore, to begin with, India needs to reflect upon its ambition commensurate with its capacity that makes it the only net security provider in the Indian Ocean Region (IOR). To achieve this status of being a net security provider in IOR, New Delhi needs to overcome its shortcoming to not being able to take decisions with regard to defence partnerships and procurement.

Arguably, BRI offers India another political opportunity. There appears to be a degree of Chinese fervour to seek Indian government’s partnership in the project. Can India try to find alteration of the CPEC by Beijing in return for its active participation? In fact, for maintaining the diplomatic balance in a South Asian stretch of BRI, can Beijing be encouraged to become an influential interlocutor by ensuring rational behaviour from Islamabad? BRI can prove to be a prospective new track for India to project its strength in the South Asian region.

Another option that India should look at is the pursuance of its own Look East Policy from the Bangladesh point of view; it can give a launch pad for the South Eastern Corridor which could be similar to the CPEC which shall connect Indian quadrilateral to the economic powerhouse of South East Asia through Myanmar. Further India draws the attention of International bodies with regard to the Human Rights violation in PoK and takes the support of the activists who are in consensus with India. And bring all the anti-Chinese development countries onboard and pressurize China to agree on the consensual terms of the agreement in the disputed areas of the project.

**Conclusion**

India should, therefore look up to these realities before agreeing to join the project and also determine its geopolitical interests in the Indian Ocean region which could pose serious security challenges to India. It must measure all the loss and gain before joining the initiative because it might look lucrative and promise several economic benefits but at the same time it appears to be demanding many compromises and threatens India’s interests. India’s decision of not joining the Border Road Initiative (BRI) till China attends to this objection over Gilgit-
Baltistan is understandable. In fact, the decision of India not attending even as an observer has closed the option of discussion till the above-mentioned problem is not addressed. However, an interesting point to make here is that even though countries like the U.S. and Japan, which are not even part of the BRI, have sent their officials to witness the proceeding. It can be viewed as a strategic move to keep an eye on China. Learning from these countries India should send its observers to the meetings and conferences on BRI, in order to gauge the plans of China.

References


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