

Geopolitical Implications on Nepal-China Relations After-2008

A Thesis

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Declaration

I would like to declare here by that this study is my original work and has not been submitted for any other academic degree.

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Letter of Recommendation

This is to certify that Mr. Hirendra Bahadur Shahi has completed this thesis titled “Geopolitical Implications on Nepal-China Relations After-2008” under my supervision and guidance. The researcher has fulfilled the criteria prescribed by the Dean's Office of Humanities and Social Sciences and Central Department of Political Science, Tribhuvan University. I, therefore, recommend this thesis for final evaluation and approval.

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Abstract

Since the formal diplomatic relations were established between the two countries in 1955, Nepal and China have enjoyed the relations of balance and cooperation. China has always treated Nepal as a good neighbor and has been helping Nepal in times of needs. China has always respected Nepal's sovereignty, independence and territorial integrity besides being a reliable development partner for the country. On its part, Nepal has remained committed to 'one-China' policy. Geopolitics refers to a geographic element such a country's geographic position, climate, available resources, population, power structure, Land Power, Ideology and topography and its influence in domestic and international policy formation and implementation of the country. In this respect geopolitics, however, comes to complicate the relations between the two countries. Nepal's southern neighbor has always been concerned about the development and infrastructure projects with funding and assistance from China. Since the construction of the Kodari highway in the 1960s, India has shown its non-cooperation. Today it continues not only with the construction of Pokhara and Gautam Buddha International Airports but also in the hydropower projects being built with Chinese investment and Chinese contractors. The decision made by the Indian government not to purchase electricity except Indian investment creates investment risk for other countries in Nepal.

China is in favor of a stable and strong government in Nepal so that it can maintain both economic cooperation and trust. In the border area between Nepal and China, the government of Nepal should ensure security to prevent anti-Chinese activities. The trade and transit agreement signed between Nepal and China in 2019 should be implemented to put an end to the landlocked situation of Nepal. Both sides should implement the agreement to build a railway connecting Nepal and China and open the door to the economic growth of Nepal. India needs to pay attention to Nepal's sovereignty in Nepal-China relations. Qualitative

method has been used in this study and secondary data was collected from journal articles, dependable books, and genuine websites. For this study, an exploratory research design has been used.

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Abbreviations and Acronyms

AIIB=Asian Infrastructure Investment Bank

ASPI=Asia Society Policy Institute

BIMSTEC=Bay of Bengal Initiative for Multi-Sectoral Technical and Economic
Cooperation

BP= Bishweshwar Prasad

BRI = Belt and Road Initiative

BS = Bikram Sambat

CA = Constituent Assembly

CCP=Chinese Communist Party

CIA=Central Intelligence Agency

CPC = Communist Party of China

EU = European Union

G20=Group of Twenty

GDP=Gross Domestic Product

MCC=Millennium Challenge Corporation

MSR=Maritime Silk Road

NATO=North Atlantic Treaty Organization

NCP=Nepal Communist Party

OBOR=One Belt One Road

PLA=People's Liberation Army

PPP=Purchasing Power Parity

PRC=People's Republic of China

RAW=Research and Analysis Wing

SAARC=South Asian Association for Regional Cooperation

SCO=Shanghai Cooperation Organization

TU=Tribhuvan University

UN=United Nations

USA=United States of America

USSR=Union of Soviet Socialist Republic

WHO=World Health Organization

WTO=World Trade Organization

CHAPTER I: INTRODUCTION

Background

By and large, Nepal has developed friendly relations with both China and India in its modern political history. As a country Nepal lies between two major Asian powers, Nepal has always made efforts to keep the balance in its relations with China and India. Land connectivity between the two countries builds a strong foundation for Nepal-China relations. However, Nepal-China relation is often highly influenced by the geographical constraints. The deeper relation between two countries has also been influenced by the geopolitical landscape of Nepal and Nepal's relations with China also have the security implications of the Himalayas or Tibet for China.

Despite this, Nepal's connectivity with China has enabled the country's access to China's big market. While China's dream project BRI and Multidimensional Connectivity across Himalaya signed between Nepal and China raises the prospects of enhanced connectivity between the two countries apart from possibility of infrastructure development, it has also created a great geopolitical implication in Nepal. These agreements, that Nepal signed, are highly influenced by Nepal's desire to achieve infrastructural development. But, during the implementation of these projects, Nepal is facing geopolitical pressures from other global and regional powers.

Though Nepal appeared to be tilting towards India after the reinstatement of democracy in 1990 until the middle of the early decade of this century, Nepal-China relation improved significantly since Nepal's transition to a republic in 2008 and the end of a decade-long Maoist insurgency. China has become a major contributor in Nepal's economic development and infrastructure projects, investing in hydropower sector of Nepal, roads, airports, and other key areas. The economic assistance linking between the two countries has continued to develop, and China has become Nepal's second-largest trading partner after

India. The signing of a free trade agreement in 2019 has further strengthened economic ties. China is providing military assistance and training to Nepal Army thereby strengthening defense and security cooperation between the two countries. Additionally, the two nations take part in one another's defense exhibitions and conduct joint military exercises time and again. Tourism promotion and the exchanges between academics, students, journalists, government officials and professionals have long been key elements of Nepal-China ties.

Nepal signed an agreement to build a trans-Himalayan three-dimensional connectivity network under the ambitious "Belt and Road Initiative", significantly strengthening bilateral relations. Last but not least, in response to the COVID-19 pandemic, China provided Nepal with anti-virus medical supplies and vaccines, showing its determination to lend support to the country in the face of pandemic. As a matter of fact, since 2008, there have been higher level and greater frequency on cooperation on security, economy and trade, people-to-people and cultural exchanges and political relations have also improved. In other words, Nepal-China relations are in better shape after the declaration of republic in Nepal.

However, post-2008, Nepal-China relations have also been affected by geopolitical interests of various types. With the rise of China's economic and military might, and increasing rivalry between India and China and the US and China, Nepal's relations with China, or with any other major powers have implication of geopolitical dimensions. And as a country lying on a sensitive geopolitical location, geopolitics is an inescapable reality in Nepal-China relations.

In this context, Realism and Geopolitical Theories are more contextual to analyze and understand geopolitical dimensions of Nepal-China relations. The geopolitical theory focuses on the significance of the geographical location of the state and the realism theory looks into national interest. The theory of geopolitics and realism used as a tool to analyze Nepal-China relations, this study also analyzes the issue from multidimensional perspectives. The

relationship between Nepal and China should be explained on economic, social, cultural and geographical dimensions. What was the geopolitical impact on the relationships built on different bases? How does the geopolitical situation affect bilateral relations? What kind of complications was faced while preparing for and signing bilateral treaties, agreements, and development cooperation agreements due to Nepal being a land-locked country? This study makes an attempt to unravel the contexts of these riddles.

Oxford dictionary defines Geopolitics as 'Geo' means geographical factor such as location, climate, natural resources, population, and physical terrain and 'politics' means the activities associated with the governance of a country or area, especially the debate between parties having power. Geopolitics is frequently used to refer to worldwide politics in today's discourse. Rudolf Kjellen first coined the word "Geopolitics" which means 'the study of the influence of geographical space upon the political life of states (Keller, 1916; pg, 8).' In general, Kjellén assumed that geography plays a vital role in shaping the domestic and international politics of countries. Kjellen anticipate that factors like a nation's size, location, resources, and natural boundaries all impact its foreign policy, domestic and International politics, and even its national security and identity. The concept geopolitics defines the relationship between states on the basis of geographical location. This theory was widely used and popular in the 1930s in Germany mainly among German retired generals, more particularly with Karl Haushofer, who was a popular political geographer, defined Nazi Germany's foreign policy of territorial expansion.

Nepal's existing size of geography has been small (in comparison of neighbours) and least developed state with an area of 147181 Square Kilometers. But its surrounding neighbours are big in terms of land-mass, population, economics as well as military strength. No wonder, China and India are also called Dragon and Elephant respectively. Geographically, Nepal is a landlocked nation sharing border with China—the country ruled by the Communist

Party and India—the country that follows the democratic republican system of governance. Culturally, Nepali people living in the Himalayan region of Nepal are closer to China, while there are many cultural commonalities and practices with India. Nepal is rich in hydropower, tourism, forest and minerals resources. King Prithvi Narayan Shah, the founder of modern Nepal, defined the geopolitics of Nepal as a “yam between two boulders,” meaning how fragile this small nation can be during the times of crisis while also suggesting why Nepal needs to conduct its relations with the two countries smartly, wisely and carefully. Following pages describe various stages of relationship between Nepal and China. Broadly, they can be divided into three phases: Nepal-China relations before 1950, Nepal-China relations after 1950 and Nepal-China relations after 2008.

Nepal-China Relations before 1950

Nepal shares the 1415 K.M. border with China’s Tibet, Autonomous Region. When Bhrikuti married to Songtsan Gampo in the 7th century, Nepal-Tibet relation was deepened. Araniko’s visit to China and his contribution to construct White Pagoda Temple (Bai-Ta Temple) in Beijing in 13th century developed the socio-cultural connectivity (Sangroula, 2019, p. 413). China, Tibet and Nepal opened connectivity via Kuti and Keorung routes for Kathmandu and Lhasa from both sides across the border. Initially, Nepal’s relation was with Tibet during that time, Tibet agreed to pay annual tributes of Chinese silver or Rs 57,600 to Nepal according to 1789 treaty. Tibet allowed Nepalese Malla currency in Tibet and Nepal promised never to attack Tibet again. Trade between Tibet and India was to be channeled solely through Nepal, and the alternative trade routes through Sikkim and Bhutan were to be closed and a Tibetan Lama was to visit Kathmandu each year to bless the temple Swayambhu Nath (Rose, 1971, p.42).

Kathmandu was a business hub—because Sikkim to Lhasa road was not built, between Tibet and India. Kathmandu's trade had slightly gone down due to the completion of the trade

rout construction from Sikkim to the Jelep pass leading into the Chumbi valley close to Lhasa in 1877 AD British East-India Company. It was the East-India company's geopolitical strategy to reduce the Kathmandu trade hub to weaken the economic strength of Kathmandu (Rose, 1971). Nepal-Tibet relations went through many ups and downs during the state expansion period over Tibet and Nepal. Gradually, the Chinese emperors knew the strategic business importance of Nepal. After 1970, Nepal and China involved in direct relations, whereas in the past, same was carried out through the king of Tibet.

Nepal-China Relations after 1950s

On 1 August 1955 Nepal-China official relations had been establishing diplomatic relations through the Chinese Ambassador to India, Yuan Zhongxian, who had come to Kathmandu from New Delhi for formal ceremony. At that time China looked Nepal from Indian perspective. By referring to Indian foreign policy expert Satish Kumar, M. Adhikari writes that Chinese engagement with Nepal can be listed in three phases. The first phase started from 1955, when the prime motive of China was to develop infrastructure in Nepal. China promised Nepal to protect its territory from third country. In the second phase, Chinese policy was focused on ending Nepal's overdependence on India. And in the third phase, the focus is more on encircling India (Adhikari, 2012, p.8). Once upon a time, China looked Nepal from Indian perspective but after established the diplomatic office in Nepal then China directly active bilateral relation with Nepal.

The post-1949 new era saw unpredicted change in both countries. In 1949, China became the People's Republic of China and two years later, in 1951, Rana rule was abolished in Nepal and the country embarked on democratic polity. Chinese Premier Zhou Enlai, "on 23rd September 1954, inaugurated the formal diplomatic relations between the two countries. On the occasion, he said China is ready and willing to establish diplomatic relations with Nepal on the basis of equality and mutual respect" (Sangrula, 2019, p.436). Formal diplomatic

relation between Nepal and China open up the economic and development partnership.

Political changes of all three countries like Nepal, China and India became closed with many issues.

In 1956, Nepal's Prime Minister Tanka Prasad Acharya made official visit to China which was the first highest level bilateral visit to China from Nepal side. After that, in 1960 Prime Minister B.P. Koirala made an official visit to China at the invitation of Premier Zhou Enlai. For a number of reasons, including India's claim to the rights possessed by the British colonial government over Nepal, it was another significant moment in Sino-Nepal ties. Prime Minister B.P. Koirala stayed in the Grand State Guest House in Beijing, the same guest house where the Indian Prime Minister Jawaharlal Nehru had stayed when he visited Beijing. Koirala was given a high-level grand Guard of Honor.

The Treaty of Peace and Friendship between two countries was signed on April 28, 1960. India-China war started in 1962 and Nepal took the neutral position at that time. Kathmandu-Kodari Road was built during the 1963-67 period. It was named as Araniko Highway to symbolize Nepal-China bilateral relations. During the Panchayat period, China supported Nepal to develop many projects and to establish industries in Nepal. China acquired the permanent membership of the UN Security Council in October 1971. Nepal was the co-sponsor of the resolution in the UN seeking to end and always supported the One China Policy. It's the historical support to China from Nepal. On 25 February, 1975, King Birendra proposed Nepal as a Zone of Peace (ZOP), the proposal which China supported immediately.

In September, 1976, the Khampas, Tibetan refugee rebels, launched revolution in Nepal against China. Nepal Army killed Khampas rebel leader Mr. Wangdi in the military operation. The Khampas were effectively disarmed by the Nepal Army. This was vital assistance that Nepal provided to China (Sangroula, 2018). Kenneth Conboy and James

Morrison's book, "The CIA's Secret War in Tibet," published in 2002, provides intricate facts to investigate Tibet and the operations of Khampa warriors. This book explores the secret role of the CIA and RAW in the Khampa rebellion against the Chinese government.

Vice-Premier Deng Xiaoping of China took a special jet across the Himalayas on February 3, 1978, and arrived in Kathmandu. Talking about non-aligned and autonomous foreign policy, Deng met with King Birendra. China's Premier Li Peng showed support for Nepal in the face of India's unjustifiable embargo, which had been imposed on Nepal since November 1989. In the later years, particularly during the late 1990s and 2000s, "Western INGOs promoted ethnic identity, federalism, and secularism in Nepal while Nepal was dealing with the Maoist insurgency" and adverse Chinese sentiment surged to an astonishing degree in tandem (Sangrula, 2019). As a result, incidents of demonstrations and self-immolations against China gradually increased, but again Nepal controlled the activities against China under its 'one China Policy.'

Nepal-China Relations after 2008

The democratic parties jointly launched a new People's Movement in April 2006, concentrating the majority of their efforts in Kathmandu and major cities in Nepal, which resulted in a 19-days curfew. After the restoration of dissolved (2002) 19-days second Mass Movement was ended. Nepal Government and Maoist committed to democracy and peace for the advancement of the nation and its citizens when they signed the Comprehensive Peace Agreement (CPA) on November 21, 2006. Election for the First Constituent Assembly was held on April 10, 2008. The first meeting of First CA ended 240-year-old monarchy on May 28, 2008 and declared Nepal as Federal Democratic Republic. In Nepal today, the Prime Minister leads the government, and the president is the ceremonial Head of State. The 2008 marked a big political change in Nepal but it also marks a new era in Nepal-China relations, especially after the Himalayan kingdom was declared the Federal Democratic Republic.

China, too, has undergone a drastic change in terms of innovation and economy. M Adhikari writes:

The present geographical size of China may cause anxiety among its tiny neighbors, but the Chinese contribution, if could be adequately understood to the mankind, is expected to give a totally new perception of the present day China. In the field of innovations, the printing press and paper were first used in China. In the field of warfare, the gun powder too was first used in China.(Adhikari, 2012, p.1)

China's geography and development are the opportunity and challenges for its neighboring countries. Through several infrastructural initiatives and trade agreements, Nepal's economic links with China have become stronger. China has grown to be Nepal's main source of foreign direct investment, with an emphasis on industries including telecommunications, transportation, and hydropower. The China-Nepal Friendship Bridge, which connects the two nations and fosters connection and trade, is one noteworthy project. Nepal is also a signatory of the Belt and Road Initiative (BRI) of China, which aims to improve regional connectivity and foster economic cooperation throughout Asia.

Since 2008, Nepal-China ties have seen major advancements and expanding collaboration. This period, which is marked by improved economic cooperation, stronger political engagements, and strengthened people-to-people contacts, constitutes a significant chapter in the bilateral relationship. The signing of the Comprehensive Peace Agreement (CPA) in Nepal, which put an end to a decade-long Maoist insurgency, and started a new era of peace and political change, also turned out to be one of the key turning points in Nepal-China ties. China helped to facilitate the peace process and subsequently aided Nepal in its efforts to achieve political stability and growth. In recent years, political interaction between China and Nepal has also increased dramatically.

The frequency of high-level visits and interactions between the two nations has increased, promoting understanding and collaboration. High level visit from the Chinese side, especially the presidential level visit, had almost come to a stop after the visit of Jiang Zemin in 1996. For over two decades there had been no visit of Chinese president to Nepal. Chinese President Xi Jinping broke this record in October, 2019 when he made an official visit to Nepal. Several agreements, particularly those concerning infrastructure development and transportation facilities, were signed during his visit. Xi Jinping announced Rs 56 billion Chinese grant for Nepal during the visit.

People-to-people interactions have remained an important aspect of Nepal-China relations. The two nations have been attempting to improve travel, tourism, and academic collaboration. The second largest number of tourists has visited Nepal from China to see its natural beauty and rich cultural legacy. Similarly, the number of Nepali students receiving scholarships from the Chinese government to study in China is increasing in recent years. However, it is important to understand that, at times, these good aspects of Nepal-China relations are dampened by geopolitical factor. Occasionally, there have been differences of opinions and worries about issue related to geopolitical dynamics of Nepal-China relations.

Post-2008, Nepal-China engagements appear to have increased after Maoist party a key actor of mainstream political party. After several interactions with Maoist leaders, China began to feel quite comfortable with the Maoist-led government. After Xi Jinping became president of PRC in March 2013, Maoist leader Prachanda was the first leader to be invited by China for an official visit to meet President Xi (Sapkota, p.188, 2016). China tried to maintain closer relation with Maoist party when Maoist party became the largest party in Nepal.

In May 2017, Nepal signed the understanding on cooperation under the Belt and Road Initiative (BRI). In 2018, during six days visit to China, K.P. Sharma Oli signed a pact to

build a strategic railway link connecting Tibet with Kathmandu. Theoretically, Nepal became land-linked from land-locked after that. The pact was signed in the context of India's blockade during the constitution promulgation in September 2015.

Issues surface occasionally between the two countries but both nations have demonstrated a dedication to settling disagreements via diplomacy and diplomatic channels. In conclusion, since 2008, Nepal-China relations have made notable strides and experienced mutual collaboration. Economic and political links between the two nations have become stronger, as have cultural and educational exchanges. The relationship between Nepal and China is likely to continue to improve as both nations work toward their own development objectives, promoting peace and prosperity in the region.

Nepal's Foreign Policy and Nepal-China Relations

The guiding principles of Nepal's foreign policy are independence, non-alignment, and mutual respect of each other's territory, equality, non-aggression, mutual benefit and peaceful coexistence. Article 51 (m) of the Constitution of Nepal 2015 specifies the following State policy in reference to foreign relations: Nepal's foreign policy is based on the Charter of the United Nations, Non-alignment, principles of Panchsheel, International Law and the norms of world peace while remaining active in safeguarding the sovereignty, territorial integrity, independence, and national interest of Nepal (Bhattarai, 2023).

Landlocked Nepal has made an effort to maintain a balanced stance in its international affairs while preserving its sovereignty and national interests. Nepal is situated between two regional powers (Rising Global Power), China and India. There has been a long history of diplomatic, economic, and cultural relationships between Nepal and China. The two nations have had close people-to-people ties for centuries and share 1415 K.M. of border. Nepal has actively worked to improve its ties with China in recent years, especially in the areas of commerce, investment, and infrastructure development. China has grown to be a significant

economic partner of Nepal. A bilateral free trade agreement between the two nations, which was concluded in 2019, has aided in the expansion of commerce and investment. Particularly in industries like hydropower, tourism, and manufacturing, China has become one of Nepal's major sources of foreign direct investment. Major infrastructure projects in Nepal, including roads, bridges, and airports, have been built by Chinese enterprises.

Furthermore, Nepal has been quite interested in China's Belt and Road Initiative (BRI). Through infrastructure development, the BRI seeks to improve regional connectivity and encourage economic cooperation. Nepal has backed the idea and views it as a chance to develop its own infrastructure, increase commerce, and draw in investment. Nepal has had close diplomatic ties with China. By recognizing the People's Republic of China as the only legitimate government in China and by severing all diplomatic ties with Taiwan, Nepal has also demonstrated its support for the One-China policy. But there are difficulties in Nepal's connection with China. Tibet is a contentious subject because of its shared border with Nepal. In reaffirming its support for the one China Policy, Nepal acknowledged Tibet's status as a fundamental component of China. However, there have sometimes been conflicts brought on by Tibetan refugee movements in Nepal.

In addition, certain segments of society are worried about sovereignty and dependency on a single nation as a result of Nepal's strong ties to China. Discussions have taken place over the effects of growing Chinese influence in Nepal and the necessity of a diverse foreign policy strategy. Nepal has also worked to improve relations with India, its longtime neighbor and top commercial partner, in recent years. India and Nepal have strong historical and cultural ties, and Nepal views India as a key development partner. One of the primary tenets of Nepal's foreign policy continues to be the maintenance of a balanced relationship with both China and India.

The political revolution of 1950 was a decisive event from the point of view of the development and growth of foreign ministry. For the first time, an independent Ministry for Foreign Affairs was established in 1951. Nepal established diplomatic relations with: U.K. (East India Company) in 1816, U.S.A. in 1947, India in 1947, France in 1949, China in 1955, Japan in 1956, Russia in 1956 and so on. Nepal's foreign policy is guided by UN Charter, Non-Aligned, Panchasheel, SAARC Charter and Constitution of Nepal. The geopolitical status also affected Nepal's foreign policy and Nepal-China relations.

Finally, Nepal's foreign policy aspires to uphold the nation's independence, non-alignment, and peaceful cohabitation with all nations. In recent years, trade, investment, and infrastructure cooperation between China and Nepal have risen significantly. Although there are economic advantages to the connection, Nepal must carefully manage its ties with both China and India and handle the sensitive issues surrounding Tibet.

Statement of the Problem

Geopolitics constrains Nepal-China relations. This trend became pronounced after the country became a federal republic in 2008. The relationship between Nepal and China is dominated by geopolitical influence due to Nepal's geographical landscape. China's cooperation is also not out from the geopolitical interests. Therefore, Nepal should be able to balance relations with regional as well as global powers. Nepal has been committed to the one-China policy for a long time. But the Western powers do not seem to like to this idea which is why Nepal should pay attention to curbing anti-China movement, especially in the case of Tibet. When Nepal cooperates unilaterally with China, it has to face the situation of India's blockade. Additionally, the Western powers also do not entertain the idea of rising cooperation and interactions between Nepal and China. Balancing act is therefore a key, and mandatory aspect, of Nepal's foreign policy conduct.

Geopolitical interests and concerns in relation to Nepal-China cooperation, however, is not a recent phenomenon. When China built Kodari Highway, Nepal faced blockade by India. Over the years, geopolitical interest in Nepal-China relation has been felt to be more intensive and visible. This can be substantiated by the fact that despite signing the BRI agreement with China in 2017, Nepal has not been able to implement a single BRI project in Nepal. India and some Western countries, principally the US, stand against BRI. India argues that BRI is the "debt-trap diplomacy". Not only BRI, other Chinese financial cooperation projects are also facing the geopolitical problems. There is a fear of Pokhara International Airport made by Chinese aid and Gautam Buddha International Airport built by Chinese contractors remaining idle as India has not provided air routes from its space apparently because it is averse to any project built with Chinese assistance and funding or by Chinese contractors. This type of non-cooperation by India also poses a challenge to the foreign policy conducts of sovereign nation like Nepal.

Nearly all researches on Nepal-China relations (Rose, 1971), (Adhikari, 2010), (Sangroula, 2018), rise of China (Adhikari, 2012), (Sapkota, 2016), (Sangroula, 2019), (Gautam, 2022), geopolitics (Baral, 2016), (Jaiswal, 2016), (Sapkota, 2016), (Sharma, 2019), (Acharya, 2019), (Menon, 2021), (Khanal, 2073), (Bhandari, 2079), (Bishwokarma, 2080), China-Nepal-India trilateral initiative (Muni, 2016), (Sapkota, 2016), (Simkhada, 2018), (Acharya, 2019), geo-strategic rivalry between China and India (Upadhaya, 2012), strategic relationship between China and Nepal: India's concerns (Singh, 2016), Khampa Disarming (Basnyata, 2007), Secret war in Tibet (Conboy & Morrison, 2002), China Geo-economics (Sangroula, 2018), Silk Road and BRI (Sapkota, 2016), (Frankopan, 2017), (Sangroula, 2019), (Prasai, 2023), Dragon and Elephant (Adhikari, 2012), (Rae, 2021), Regional Cooperation (Bhatta, 2019), Small States (Dahal, 2022) China's aid in Nepal (Mulmi et al, 2023), Non-alignment foreign policy (Bhattarai, 2023) touch on geopolitical interests in the

cooperation between China-Nepal in infrastructural development projects. Thus, geopolitics is a recurrent theme in Nepal-China relations. This study centered on the following questions:

-) How have Nepal-China relations evolved?
-) What are the underlying geopolitical factors of Nepal-China relations with reference to the implementation of Chinese assistance and investment in development sector?
-) What are the geopolitical implications of Nepal-China relations after 2008?

Objectives of the Study

The objectives of the study are as follows:

-) To identify the historical aspects of Nepal-China relations from geopolitical angle
-) To assess the effect of underlying geopolitical factors of Nepal-China relations in reference to the implementation of Chinese assistance and investment in development sector
-) To explore Nepal-China relations from the perspective of geopolitics in development assistance and investment

Significance of the Study

In the discourse of Nepal-China relations following questions have always remained pertinent: How did Nepal-China relations evolve? How should Nepal maintain balanced relations between two giant neighbors, China and India? How should Nepal address the geopolitical sensitivity? What are the major causes of geopolitical implications on Nepal-China relations? In what way may BRI projects contribute in Nepal's economic prosperity and address the different development needs of participating countries including China? What are the opportunities and challenges for Nepal from the Chinese development? These are the real questions that Nepal faces at the moment.

Nepal should also be able to benefit from China's economic development. Nepal should create a good environment to enable economic partnership with China. Because of its geopolitical location, Nepal has to adopt a balanced foreign policy with both the neighboring countries. However, Nepal has lagged behind in utilizing Chinese support for Nepal's development in the context of present geo-political complexities. The significance of this study is self-evident in this background. New Delhi has played an important role in every political change in Nepal ever since. It is said to be an instrumental actor in bringing the Maoist party to the mainstream politics and peace process.

Organization of the Study

The study is divided into five chapters:

Chapter –I, the introduction part, deals with the background of Nepal-China relations in different eras, followed by statement of problems, research question, objectives of the study, significance of the study and organization of the study.

Chapter-II is literature review. It deals with research source and method of this study. Geopolitical and realist theoretical lens have been used and empirical and theoretical review, research gap, theoretical and conceptual framework are also described in this chapter.

Chapter-III is related to Research Methodology. It describes the research design, nature and sources of data, method of data collection, limitation of the study and validity and reliability.

Chapter-IV is concerned with gathered data analysis and interpretation in the research. It focuses on geopolitical concerns and Nepal-China cooperation in different projects. Geopolitical character of Nepal, India and the Western interests, and trilateral engagements are discussed in this chapter.

Chapter-V deals with a summary of research findings, conclusions, contribution of study and recommendations for future research in this study.

CHAPTER II: REVIEW OF LITERATURES

This chapter explore the findings from the existing literature. The first section deals with sources and review methods, followed by a review of relevant concepts and literatures. The subsequent section deals with a review of the theoretical and empirical literatures. A central theme of the research questions organizes the empirical review. Findings from both international and national researchers have been presented under each theme. Finally, research gaps based on critical analysis of literature have been presented which is followed by a conceptual framework.

Sources and Methods

Relevant literatures have been searched for this research from different electronic as well as physical libraries. Among the electronic libraries, open sources, primarily Google Scholars, Mendeley, SEMANTIC SCHOLAR, Sci-hub, Dimensions, e-library ucl, Pro Quest, and Sodhaganga, have been utilized. Academic books and journal articles have been cited. Relevant literatures in each electronic library were searched with the key words: Nepal-China Relations, Cooperation, Geopolitical Implications, BRI, Rise of China, Chinese Aid, Geopolitics and Tri-literalism.

Theoretical Review

Geopolitical and Realist theoretical perspectives have been applied in this research. Geopolitical and Realist theories are the dominant theories in the international relations. It is predicated on the premise that states are the major players in the international system and that their actions are motivated by self-interest, power, and the pursuit of national security. This study analyzes the geopolitical implications on Nepal-China relations from the perspective of realism. Many of Nepal-China cooperation projects have been facing challenges due to Nepal's geopolitical landscape. China's mega project BRI and other hydropower projects have not moved forward due to the same reason. Geopolitical theory explores Nepal's geopolitical

connectivity and aspects related to population, natural resources, military, culture, and territory dispute with neighboring countries.

Geopolitical Theory

According to the geopolitical theory, the relationships between states are determined by their physical locations. It was Rudolf Kjellen, a Swiss political scientist, who originally used the term "geopolitical." The prominent political geographer Karl Haushofer, a German retired general, was a major contributor to and proponent of this idea in the 1930s. This phrase was used to describe the territorial expansionist foreign policy of Nazi Germany. Geo refers to a geographic element such a place's geographic position, climate, available resources, population, and topography. At present, geopolitics is widely used to refer to global politics. The geopolitical theory has been influenced by the Heartland and Rimland theories, by Sir Halford Mackinder and Nicholas Spykman, respectively. These theories offer conflicting viewpoints on the role of geographic considerations in influencing the dynamics of global power (Bhandari, 2019).

Heartland Theory

Popular geopolitical expert in 20th century Mackinder's and his Heartland theory, predicts the large resource-rich region of Eastern Europe and Central Asia would enable a country to rule and dominate the whole planet (Bhandari, 2019). Mackinder believed that the "Heartland" served as the center of world power. He maintained that whoever had control of the heartland would have the financial means, the personnel, and the tactical edge to hold control of the globe island, the term he used to describe as Eurasia, and may come to dominate the entire planet.

Mackinder argued that Russia was cited as the main challenger for control in the heartland due to its sizable area, abundant natural resources, and advantageous position. He also underlined the need to keep the balance of power throughout Europe in order to avoid

any one nation from taking control in the area and then expanding its influence into the interior (Bhandari, 2079).

Rimland Theory

Spykman's Rimland hypothesis first appeared in the middle of the 20th century as a counter argument to Mackinder's Heartland theory. Spykman asserted that gaining dominance over the world's maritime edge, often referred to as the "Rimland," was essential. The Rimland is made up of the coastal regions of Eurasia that stretch from Western Europe to East Asia and include places like Southeast Asia, the Middle East, and Western Europe.

Spykman claims that because of its proximity to both the Eurasian mainland and the world's major seas, the rimland has enormous strategic worth. According to him, nations that controlled the rimland could project power both inland and across the ocean, giving them the ability to control important trade routes and have an impact on the heartland. As a maritime state with interests in both the Pacific and the Atlantic, Spykman contended that the US should concentrate on maintaining a balance of power throughout the rimland to prevent the emergence of a single dominant power. While Spykman's Rimland theory switched the focus to maritime power and the relevance of controlling important coastal regions, Mackinder's Heartland theory continued to stress on land power and the role of the heartland in international politics. Both ideas affected politicians' strategic thinking and helped to better comprehend geopolitical dynamics throughout their respective eras.

This is significant to note that the Heartland and Rimland theories have experienced opposition and criticism over the course of time. They are criticized for oversimplifying complicated geopolitical situations and laying too much emphasis on regional determinism. Additionally, the applicability of these theories in the modern world has been questioned by advancements in technology, globalization, and changes in power relations.

Nevertheless, the Heartland and Rimland theories continue to be significant in the development of geopolitical theory because they offer insightful perspectives on how geography, power, and international relations interact. They continue to elicit discussion and provide more research on geopolitical ideas.

Realism

Another research philosophy related to scientific investigation is realism. The realist philosophy is founded on the concept that reality exists in the world and that this reality is independent of human thoughts and opinions. Realism is opposed to idealism since the existence of reality is independent. Realism is a sort of epistemology, and it is related to positivism in that it takes a scientific approach to developing knowledge. However, realism can be classified into two types: direct realism, in which "what we see is what we get" and the researchers observe the real world precisely, and critical realism, in which "what we see is not what we get." Researchers see the world as experiences rather than actual things, which necessitate more scrutiny of reality (Saunders et al., 2009, pp. 114-115).

According to WJ Korab-Karpowicz (2010), realism, often known as political realism, is a perspective on international politics that emphasizes its competitive and conflictual aspects. It is frequently contrasted with idealism or liberalism, which encourages collaboration. Realists regard nations as the primary players in the international arena, concerned with their own security, acting in pursuit of their own national interests, and vying for dominance. The downside of realists' emphasis on power and self-interest is their skepticism about the applicability of ethical principles to interstate relations. They sometimes assert that national politics is the area of authority and law, whereas international politics is a sector devoid of justice and marked by active or prospective conflict among nations.

Realists believe that struggles between states to secure their frequently conflicting national interests are the main actions on the world stage (Rourke, 2003). Since realist also

believes that power determines which country prevails, they hold that politics is aimed at increasing power, keeping power, or demonstrating power.

India and Nepal share an 1880 km. long open border without any buffer zone. Realism theory stands associated with the names of Max Weber, E.H. Carr, Frederick Schuman, Nicholas Spykman, Reinhold Niebuhr, Arnold Wolfers, Kenneth Thompson, George F. Kennan, Hans J. Morgenthau, Henry Kissinger and several others.

Realism is the most dominant theory in international relations. Realism is a collection of connected international relations ideas that stress the importance of the state, national interests, and military might in world affairs. The idealist viewpoint is rejected by realism. It considers idealism to be a utopian viewpoint. It is concerned with what international politics is, rather than what it should be. Realists base their thoughts on how international relations work on the concepts of power and security while studying the political and/or international systems. The realist approach views international politics as a battle for power among states and defends a nation's attempts to utilize national power to secure the aims of its national interest as natural. It ignores ethics in international behavior and instead adheres to...?.

The second principle of political realism is the centrality of power: realists believe that power is the main articulation of political interest, a hypothesis which can be tested by the observable actions of statesmen throughout history. By focusing on the study of political power, realists create a continuity of analysis of policy: each state can be analyzed in terms of power politics (Baral, 2019).

However, Morgenthau warns against two common misconceptions: the first, trying to understand the motives of statesmen, is faulty because motives do not always align to actual policy or outcomes of policy; and the second, the alignment of ideology with action, to which the realist responds that a policy may be articulated in terms of popular ideologies, but

nevertheless remains a product of considerations of power. Only a rational foreign policy built on a reasoned analysis of international relations will be a successful foreign policy.

Empirical Review

According to Adhikari (2012), "The present geopolitical size of China may cause anxiety among its neighboring neighbors, but the Chinese contribution, if could be adequately understood to the mankind, is expected to give a totally new perception of the present-day China" (p.1). Dahal describes small state's foreign policy in his book (2022): "In a period of great power rivalry, small states matter a great deal for their numerical strength, an ability to serve as bridge among powerful nations and propensity for cooperative, just and peaceful international order" (p.1). Nehru wrote about Nepal's geopolitical situation below.

Nepal lies between two Asian giants, China and India. Due to its geographical location it occupies a unique position in the strategic calculations of both these countries. While China is already a global power of some standing, India's economic rise over the last decade has catapulted it to the global level as an emerging power of consequence. Both nations recognize that an unstable Nepal could negatively affect their regional security and strategic considerations. Moreover, due to their geographical proximity, both India and China have had a significant influence on the decision-making process of Nepal. (Nehru, 1961, pp. 42-43 quoted in Jaiswal)

According to Nehru Nepal is a strategic location between two Asian giant countries. Nepal always alert with Neighboring countries security and own political stability.

According to Acharya (2004), "around 1907, due to the expansion of the new convenient trade route from Chumbi in Sikkim towards India, the old trade routes towards Kuti and Kerung in Nepal were closed due to lack of trade, and Nepal was forever deprived of the trade benefits from that route" (p.314). When new trade route open from Chumbi to Sikkim Nepal lost trade of old trade routes.

On February 1, 2005, King Gyanendra declared a state of emergency and dismissed Sher Bahadur Deuba, the elected prime minister of Nepal. China described it as a "neural affair" involving Nepal, while the United States, the United Kingdom, India, and the European Union demanded the return of democracy. Additionally, these nations ceased providing Nepal with development aid. In actuality, China was the only nation to arm King Gyanendra against the Maoist rebels after the US, the UK, and India declined to offer such military support (Outlook, 12 December 2005). India wanted to establish democracy in Nepal but at that time China supported with king.

Chaturvedy and Malone (2012) say Nepal is a hotbed of conspiracy theories that blame all internal problems on its southern neighbor, an unhappy disposition to establish a more mutually advantageous relationship with New Delhi, which Nepal's current harsh economic and other realities cry out for.

King Gyanendra gravitated towards China by openly supporting China's entry into South Asian Association for Regional Cooperation (SAARC) during the 13th SAARC summit in Dhaka. Gyanendra hinted that Nepal would veto Afghanistan's entry into SAARC unless China was to be given observer status (Kharel, 2005). King Gyanendra Shah wanted to China's entry into SAARC. King Gyanendra later noted that his action angered New Delhi and led to his downfall (The Indian News, 12 March, 2008).

Due to chronic political instability in Nepal, China has been apprehensive about Nepal being used by external powers to challenge its strategic interests. Chinese analysts argue that Nepal is being used by the United States in its larger strategy of encircling China (Adam, 2005).

They view that monarchy was the most stable, credible and dependable partner while mainstream political parties are pro-India in their outlook. The Kings of Nepal adopted a close relationship with China to counter Indian influence. The King, being the Commander-

in-Chief of Nepal's Army served the security interests of China well and ensured friendly engagement with China, knowing well that such a policy had a balance-of-power coordinate, vis-à-vis India (Jaiswal, 2016, p. 87). Nepal army served the security interest of China.

Poudel quoted in his article India wants to become a South Asian key player in this region.

As India has 80 per cent share in the South Asia region's total economy, it naturally aims to be the leader. Its aspiration to emerge as a regional leader has fallen short not due to the strength of other countries being sufficient to contain it but because India has not been trying to help other countries to grow economically and be stable and prosperous. Indian scholars argue that there is a propensity to countervail India through an overt and covert strategic relationship with extra-regional powers." This perception in New Delhi shows that India does not want to see other powers having a good relationship with the countries that are in the region(Poudel, 2016, p.141).

India financially supporting South Asian countries so India wants to any other countries does not play South Asian region against India.

China's visible involvements in trying to prevent a split in the NCP were a stark contrast to its conduct in previous years. China had prided itself on its quiet diplomacy and working behind official channels so far. But it seemed Beijing no longer cared; it now wanted to get its message across. China had been increasing its presence in Kathmandu, the past three ambassadors had broken tradition and spoken in English at public forums, a signal that China wanted its message to Nepal and to the world delivered clearly, keeping in line with their new world-power status. But this was the first time a Chinese ambassador and leaders were visibly doing the rounds of Nepali politicians as Indians had done in the past. Beijing was no longer the non-meddling neighbor. Nepalese now began to ask, is China the new

India, controlling Nepali political leaders from behind the scenes? In the distant city of Delhi, one might envision a faint chuckle echoing through the corridors of South Block.

The realm of Nepal's politics and its politicians appears as a perplexing maze. Its leaders engage in a constant game, maneuvering against each other and their neighboring nations in their pursuit of power. India had previously immersed itself in this intricate dynamic, played its part, and ultimately faced defeat. Presently, the spotlight had shifted to China, marking its turn in this convoluted narrative (Mulmi, 2021). Delhi and China highly focused over Nepal.

Jaiswal (2016) Nepal, being a buffer state between two emerging great powers, India and China, has existed by balancing one against the other. Nepal's relationship with India is qualitatively different from its relationship with China, and hence, demands closer attention of the Nepalese leadership all the time. India has assured Nepal security assistance and material aid in times of need, which is viewed by the Nepalese as having limited their freedom of action and decision-making on various international issues. Moreover, Nepal is also dependent on India for various other reasons. For a land-locked country like Nepal, its transit trade is possible only through India and, in fact, 90 per cent of its foreign trade is with India (Upreti, 2001, p. 5). Nepal's trade has been heavily dependent with India.

China adopted a pro-establishment policy towards Nepal based on three principles. First, their relationship stands on the five Principles of Panchsheel, second, principle of non-interference in one another's domestic policies and the third, Nepal will respect the One China Policy i.e. Nepal will support on issues concerning China's sovereignty and national interests, including the issues of Tibet, Taiwan, and human rights. "Whereas India adopted a pro-party policy towards Nepal since her independence, based on the following principles, India's interference in the internal affairs and their support and preferences to the democratic forces in Nepal over the monarch" (Ahmad, 2016, p. 216).

India has been a decisive factor in Nepal-China relations. Due to geographical proximity, Nepal cannot ignore the importance of India in its foreign policy. But it is not strange for a landlocked state to play its neighbor against one another Nepal has been able to

derive assistance from both its neighbors especially in trade, transit and security arena: Nepal considered China as an alternative to the Indian dominance as well as a corrective to the Indian attitude. "However, Nepal-China diplomatic relations was established with the help of Indian mediation. When China wanted to assert its position in the international community, its relations with India were cordial" (Jaiswal, 2016, p.103).

Singh described South Asian politics in his article below.

Nepal has a geo-strategic location in South Asia between the two emerging powers- India and China. Thus, it figures very prominently in their respective foreign policies. These three countries had historical and civilization relations. Under the monarchy rule, a balanced policy remained the main pillar of Nepal's foreign policy vis-à-vis these two countries. In order to establish democracy, the people of Nepal fought against the monarchy and ultimately the monarchy came to an end. With the fall of the monarchy and take over by the Maoists, Nepal came closer to China. Now China is strategically making strong imprints in Nepal in terms of strategic capacity building along the Indian border. This infrastructure along the Indian border will facilitate more strategic maneuverability on the part of Chinese defense forces. Also, this would provide more say in Nepalese internal matters such as political and strategic. These measures on the part of China will create serious security concerns for India. Thus, it is highly recommended that Nepal should be given an important place in Indian foreign policy Whatever the promises have been given to Nepal must be translated into reality, Economic and strategic help should be enhanced to Nepal in order to check Chinese strategic influence in Nepal (Singh, 2016, p.116).

Sometimes, Nepal has been closer to China after Maoist came to power in Nepal.

India did not feel comfortable with Chinese projects in near Indian Territory in Nepal.

Research Gap

Many studies have been conducted on issues related to the diplomatic relations between Nepal and China, but there is much less research and studies with particular focus on Nepal-China relations by considering geopolitical dynamics after 2008. Due to the changing geopolitical dynamics, Nepal-China relations have witnessed many ups and downs since 2008, which, again, have not been properly studied. Due to geopolitical pressure in rapidly changing world order, political maneuvers are increasing in Nepal. Due to the changing geopolitical dynamics of in the Himalayan region, security issues are becoming more complex and complicated. In this scenario, Chinese investment and development aid is under unreasonable scrutiny from countries with geopolitical interests such as India and the US. This study examines the status of Chinese investment and development aid projects from the perspectives of geopolitical interests which has not been done by others.

Theoretical Framework

The study will be guided by the geopolitical and realist theoretical framework. Realist views of international relations stress the importance of the state, national interests, and military might in the conduct of international affairs. Idealism is opposed by realism. Idealism is viewed as a utopian strategy. Instead of focusing on how international politics should be, it concentrates on how it is. Realists concentrate their beliefs on how international relations function based upon the principles of power and security when examining the political system and/or the international system.

The realists view international politics as a contest for dominance among states and rationalize as natural attempts by a nation to utilize its national strength to further its own interests at home. It disregards morality in global conduct and adheres only to the factor of power. Realists contend that the chaotic nature of world politics influences it. This is as a result of the absence of a global government. As was previously noted, governments aspire to

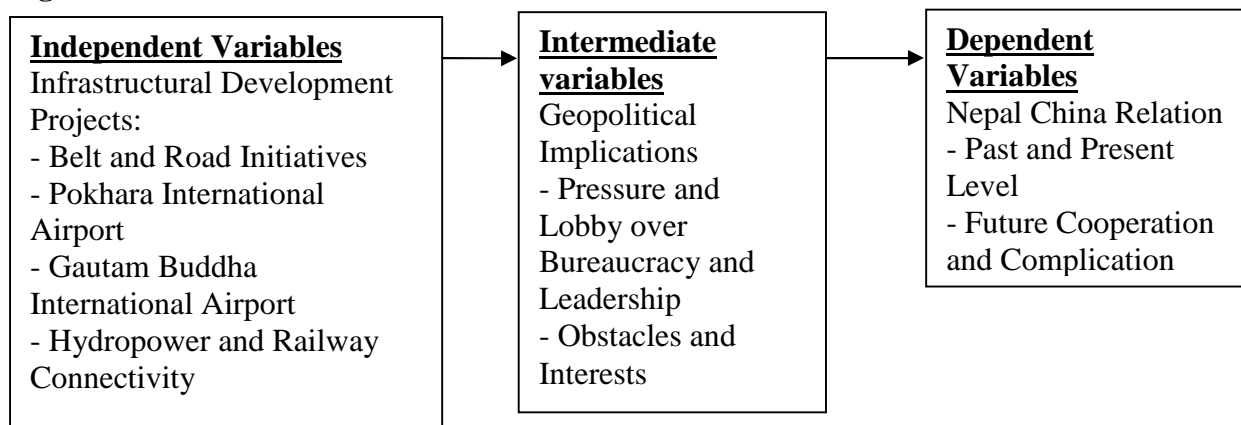
power, and this is done by using tools like economic might, diplomatic clout, and military might. The level of strength each state possesses determines how the states interact.

Realists attribute human nature for the war and aggression and put forward the argument that human beings are driven by the greed of power and dominate others. Hans Morgenthau argued that international politics is governed by objective laws. They are highly pessimistic about the human nature which they call as 'bad' and something that cannot be changed. For realists, survival is one of the most significant national interests and this can be achieved by maximizing power.

Conceptual Framework

Various factors influence bilateral diplomatic relations between any countries. Therefore, Nepal-China relations are also influenced by various factors. Independent, intermediate, and dependent variables play key roles in influencing Nepal-China relations through geopolitical perspective. The variables presented in figure: 1 influence Nepal-China relations.

Figure: 1



CHAPTER III: METHODOLOGY

This chapter details the research procedures used in the current study. It presents the research designs and procedures followed in the data collection and data analysis.

Research Philosophy

This study aligns with Ontology and Epistemological research philosophies, delving into the essence of geopolitical implications. It acknowledges diverse realities uncovered during the research process. Guided by Epistemology, the research employs reliable scientific tools, emphasizing both quantitative and qualitative analytical methods. Utilizing qualitative research methodology and secondary data collection, the study evaluates informal geopolitical issues affecting diplomatic spheres and development project complexities. Drawing from Realism and geopolitical theory, data collection and analysis occur through qualitative and descriptive lenses.

Studying the geopolitical implications in Nepal-China relations necessitates a comprehensive approach. These studies predominantly employ qualitative methodologies to explore historical, political, and economic contexts, employing descriptive and exploratory designs for security dynamics assessment. Research methodologies strive for objectivity, considering Nepal's intermediary role between China and India while acknowledging the US interests. Contemporary analyses scrutinize the Belt and Road Initiative's influence on Nepal's geopolitical positioning, emphasizing objective assessments of its strategic alignment. In essence, the researcher adopts a multifaceted strategy encompassing qualitative research, historical analysis, and nuanced comprehension to grasp the intricate geopolitical landscape in Nepal-China relations.

Research Design

The research has adopted exploratory study methodology utilizing qualitative Research Methods. Qualitative method follows interpretative approach. At analytical level, descriptive (to find out the causes and consequences of Nepal and China relations), historical and comparative (past and present) strategies have been adopted.

Nature and Source of Data

The study is analytical, descriptive as well as comparative in nature. Data were collected using qualitative research methodologies. The study is based on secondary sources of data.

Secondary Sources of Data

Secondary sources of data were obtained from published and unpublished literature and documents on Nepal- China relations, publications from Chinese embassy in Nepal and Nepali embassy in China, publications from Indian embassy, different books, journals and authentic news papers' articles as well as unpublished dissertations, and other research materials.

Limitation of the Study

Each and every research study has its limitations, and this research is no exception. This is a macro study for the MPhil degree dissertations paper and covers a limited area and time. This study has time, methodology, and source limitations. To explain further, the study has the following specific limitations.

-) Time limitation of this study is from 2008 to 2023. Nepal-China relations of this period have been studied in the research.
-) Nepal-China relations have a broad array of issues. The study focuses only on geopolitical implications on Chinese cooperation in infrastructural development-

related projects in Nepal, with special focus on Pokhara International Airport, Gautam Buddha International Airport, BRI projects and hydro-projects.

) The study is based on qualitative research methodology and secondary data.

Validity and Reliability

This study is periodically cross-checked by the supervisor in order to preserve its validity. Moreover, researcher reviewed the literature having similar argument and counters argument and developed the interaction in this research which develops the validity of the research. Different strategies were used to preserve validity and reliability some of them are standard practice-based argument and applicable data/information are used. The reliable and valid sources of publication like books, journals articles, website publications and unpublished academic research document are used. Data collected for this study are most reliable because data and statistics are directly collected from research papers, dignified journals and books. Researcher adopted the critical perspective to analyze data and information collected from different sources. Researcher's argument has been presented as unbiased and supported by the literature reviewed and pragmatic diplomatic interaction between different entities/parties or variables which fully developed the reliability and validity of this study.

CHAPTER IV: GEOPOLITICAL CONCERNS AND NEPAL-CHINA COOPERATION

Secondary data has been analyzed in this study. Analyzed data has been on the basis of essence of collection of the data. Thus, the study succession lies in the presentation and the analysis of the collected data. Therefore, the study interprets and analyzes data on various aspects of the changing Nepal-China relations, status, geopolitical complicity according to the nature and context of the data. Data analysis follows qualitative data analysis method.

Nepal's Geopolitical Character

A country's geographical location, size, population, cultures, religions, economic strength, and natural resources are the major determining factors in defining its geopolitical character.

Size of Country

"The size of a country is defined in terms of power. The power of a country derives from the size of its territory, the size of the population, national income, natural resources, military strength etc" (Khadka, 1997, p- 54). According to Dahal, "by the existing standard of size and power, Nepal is small, weak, and one of the least developed state" (Dahal, 1997, p- 26). Several writers contend that Nepal's size is more substantial than it appears. It is because of its location between the two of the largest and most heavily populated countries of the world—China and India—that Nepal has acquired an image of a "small" nation. The geography of the country has affected not only the perception of its size but also the substance of its public policies and performance.

Geography

Geography is the most fundamental conditioning factor in the foreign policy of states because it is the most permanent. According to the Department of Survey of Nepal, Nepal has a border that stretches 1880 kilometers with India and 1414 kilometers with China. Nepal

occupies a pivotal position in the Himalayas located between the Central and South Asian Regions.

Cultural and Ethnic Links

Ethnic and cultural ties are also crucial when talking about a nation's geopolitical features. Nepal serves as a crossroads between two distinct nations and cultures—India and China—and for two regions—South Asia and Central Asia. Nepal is a host country to both Hinduism and Buddhism, and these religions are the most prevailing religions in India and China respectively. The Nepalese citizens of the Terai region, who are of Aryan stock and are predominantly Hinduism shares linguistic, cultural, and religious connections with the people of India, Similarly, The inhabitants of the high hills and mountainous regions belong to the Mongoloid lineage maintain stronger cultural, linguistic, and religious connections with the population of China.

Borders and Population Movement

Nepal's open border with India and its landlocked status heavily constrains its economic development. The growing trend of concentration in the Terai has serious implications for Nepal's economy. But the growing migration also has a serious impact on the ethnic, religious, social and political composition of society and the country as a whole.

Natural Resources and Economic Development

Nepal's natural resources, the rivers, lakes, mountains, forests and minerals have tremendous potential for industrialization, economic development and prosperity of the people. Therefore, the geopolitical aspects of Nepal's natural resources need to be considered in the context of a changing world and on the basis of that a comprehensive framework is needed for its proper utilization. The utilization of natural resources demands collective efforts and carries strategic interests not only for Nepal but also for its neighboring countries. Nepal's natural resources have geographical link between China and India. Major

rivers of Nepal like Koshi, Gandaki, Budhi-Gandaki, Karnali, Tamur, Arun etc originate from China's (Tibet) and flow into China, Nepal and India. These rivers are making vital economic contribution in Nepal's development and prosperity. China and India are linked via these major Nepal's rivers. Proper utilization of natural resources can dramatically contribute to Nepal's economic development, apart from the development of India and China.

Geopolitical Situation of Nepal

In this map, Nepal is surrounded by China and India. India surroundings Nepal by three sides and China has surrounded by one side. Nepal lies between two big neighboring nations China and India. Nepal is in buffer zone. Map attached in Appendix-E.

Nepal-China Financial Cooperation

Under Chinese assistance, some of the major projects built include: Arniko Highway, Prithvi Highway, Kathmandu Ring Road, Pokhara-Baglung Road, Syaphrubesi-Rasuwegadhi Road Project, Bansbari Leather and Shoes Factory, Hetauda Cotton Textile Mills, Harisidhi Brick Factory, Bhrikuti Paper Mills, Lumbini Sugar Mills, Sunkoshi Hydroelectricity Plant, Pokhara Water Conservancy and Irrigation Project (Multipurpose), B.P. Koirala Memorial Cancer Hospital, Civil Service Hospital, National Ayurveda Research Centre, Satdobato Sports Complex, City Hall in Kathmandu, and Birendra International Convention Centre. (MOF, 2014).

Continuously, the projects currently receiving Chinese assistance encompass: Upper Trishuli Hydropower Project, Kathmandu Ring Road Improvement Project, Aid in northern 15 bordering districts, Enhancement of Syaprubensi-Rasuwegadhi Road, Expansion of Civil Service Hospital, Upgrade of Kodari Highway, and restoration of bordering bridges at Kodari and Rasuwagadhi, Pokhara International Regional Airport, and National Armed Police Force Academy Project (MOF, 2023). Upon the signing of the Memorandum of Understanding on Cooperation during the one Belt and one Road Initiative on May 12, 2017, in Kathmandu

between Nepal and China, it is anticipated that new opportunities for bilateral cooperation will emerge in the agreed-upon domains (MOFA, 2017).

Geopolitical Interests on Nepal-China Relations

The geopolitical interests in Nepal-China relations actually have been the fact well recognized by the researchers as well as the foreign policy experts—both Nepali as well as the foreigners. S D Muni, an Indian scholar and Nepal watcher, writes: "If China and Nepal draw closer, India feels uneasy. Likewise, if India and Nepal strengthen ties, China might feel uneasy. Furthermore, if China and India form closer bonds, Nepal may feel concerned about losing its strategic position. To address and reconcile these strategic aspects within the triangular relationship (Muni, 2016, p.8).

Likewise, Indian and Chinese leaders have also tried to establish their notion about Nepal. "Both Mao and Nehru had a lot of differences in schooling but one thing was common. They both wanted to establish their own school of thought, drive the outsiders out of their territory" (Adhikari, 2012, p.35). This school of thought represents the geopolitical factor of Nepal-China relations. Both neighbors wanted that Nepal should be close to their political systems. Chinese policy toward Nepal has been marked by much ambiguity, which both Beijing and Kathmandu have benefited. Upadhyaya states: "One school of thought—which has resonated throughout history - sees limited Chinese interest in Nepal, where phases of Beijing's assertiveness are the exception. Beijing could thus easily concede Nepal as part of New Delhi's sphere of influence" (Upadhyaya, 2016, p.4). Scholars also point to the fact that cold relations between India and China and geopolitical rivalry between China and the US has added geopolitical complexities for Nepal. Though beset with geopolitical complexities, economic and security challenges the relations between Nepal and China are poised to entering into an altogether new phase with transformational engagement between the two countries across many sectors from the traditional relations which is based on mutual trust,

goodwill, friendship and cooperation (Acharya,2021, p.129). China's emergence as a global superpower and its power rivalry with the United States and strategic competition with India have brought several influences and complexities in the region and in Nepal and managing that complexity is among the major challenges in Nepal's foreign policy (Acharya,2021, p.129). Despite this new reality, India still defines relations with Nepal as 'special,' which it views, started with Peace and Friendship Treaty of 1950, which was very controversial and created tension in the bilateral relations between Nepal and India (Khanal,2073). Jawaharlal Nehru called India's relationship with Nepal a 'special relationship' after that treaty. Indian officials are saying that even after a long time, that special relationship continues(Khanal,2073). India feels that Chinese influence in Nepal is posing a challenge to that special relationship. Jaiswal is of the opinion: "India has felt threatened by expanding Chinese footprints in Nepal. However, China has maintained a low profile in Nepal. Nepal too consulted India on its policies on China" (Jaiswal, 2016, p.85).India is not happy with Nepal what China and Nepal doing in Nepal.

Due to its geostrategic location serving as a buffer state between the two Asian superpowers, China and India, Nepal occupies an important geopolitical position in the Himalayan region of South Asia. Nepal is situated between two big countries India and China in terms of geography, population, economy. Geography cannot be changed so Nepal needs to maintain strong and harmonious neighborhood relations with both India and China. This reality aligns with the geopolitical theory which is the study of the influence of geographical factors on state behavior and policy with other countries. It studies how location, climate, natural resources, population and physical terrain determine a state's foreign policy options and its position in the hierarchy of the states. Its use spread throughout Europe in the period between World War I and II (1918-39). Alfred Thayer Mahan and Halford John Mackinder

promoted this theory as an academic field of study. Mahan relates the geopolitical theory in naval power and Mackinder focused on territory and territorial power.

Nepal's geopolitical location has been fraught with its own set of challenges. The 1751 km long open border between Nepal and India has become a paradise for any insurgent activities because anyone can disappear after entering the vast Indian territory through the open border (Sharma, 2013). Sharma further states:

The Maoists made full use of this opportunity. They did everything from hiding in India to carrying bullets and organization activities. Despite all these bases, it was possible to carry out armed activities from India only when the government agencies there turned a blind eye. It happened that for Prachanda's Maoist insurgency, it was not Mao's country, but Gandhi's country, the pioneer of non-violent movement (Sharma, 2013).

One example of geopolitics at play can be cited from the incident following the appointment of Pushpa Kamal Dahal as the prime minister in 2008. He was sworn in as prime minister on August 18. Upadhyaya sums it up well:

Before the full domestic implications of a government led by the once-feared rebels could be gauged, Nepal was caught in a geo-political predicament. Days after taking the oath, Dahal flew to Beijing to attend the closing ceremony of the Olympic Games. A senior Indian politician had publicly urged Dahal not to make the trip, saying it would send a negative message to India, but the prime minister claimed Beijing would have greater cause for offense if he did not attend. New Delhi saw the visit as a violation of an unwritten tradition which held that a new Nepalese leader always visited India first. (Upadhyaya, 2016, p.153)

India was not happy with Prachand first official visit in China as a prime minister of Nepal in 2008.

In recent years, Nepal has been caught between the BRI and the US Indo-Pacific Strategy thus posing a peculiar problem for both the neighbors. While India and China had deep and entrenched strategic differences transcending those two issues, they had also worked to boost cooperation in areas considered mutually productive (Upadhyaya, 2021). Both India and China realized that the presence of third party had the potential to undermine the careful balance they had struck in their simultaneous quest for global leadership (Upadhyaya, 2021). Amid its praise for New Delhi's overall strategic autonomy in external affairs, Beijing had been careful not to challenge India's core interests in Nepal (Upadhyaya, 2021). India scholars, including the establishment, ring the alarm bell when they perceive Nepal as undermining strategic harmony with India. Muni (2018) writes:

Nepal, specially its aspiring and ambitious leadership, on its part has to realise that denting strategic harmony with India by the use of 'Mandale Nationalism' may yield short term political benefits but will push Nepal backwards on the path of development and prosperity in the long run. Nepal is within its rights to seek economic engagements with as many diverse sources as possible but needs to ensure that this is not done just to pursue the narrow goal of regime security or to dent the strong foundations of strategic harmony with India at the cost of long-term security of both the neighbors and the region as a whole. (Muni, 2018, p.120)

Nepal shares 1415 K.M border with China's Tibet and 1850 K.M border with India. Before the unification, Nepal's foreign policy was focused on dealing and balancing with Tibet, China, and East India Company government for securing its survival and ensuring its prosperity. After the unification of Nepal, King Prithvi Narayan Shah formally formulated an underlying principle of Nepal's foreign relation based on geopolitics. The conversation Nepal's Prime Minister B.P. Koirala had with Chinese Premier Zhou symbolizes the geopolitical sincerity between Nepal and China relations. Here is a part of that conversation:

Koirala: I am serious about developing my country, so I need your financial assistance. I really expect it in a large amount.

Zhou: How much have you received from India?

Koirala: We have received 180 million rupees (18 crores).

Zhou: That is great, but for the sake of good of our both countries, China should provide relatively less. Because if we provide more, India will be alarmed and may start getting suspicious of you & the international community might consider that China is competing with India, both of which will not have positive consequences. You must cooperate with India even in the future... We must not also compete with India in Nepal's development efforts. (Sangroula, 2018, p.448)

When in 1961, China and Nepal agreed to build the Araniko Highway, India expressed its reservation. "In 1961, China and Nepal agreed to construct a 104-kilometer road from Kathmandu to Kodari on the China-Nepal border. Against this, Indian Prime Minister Jawaharlal Nehru expressed strong reservations stating that "India's security interests would be adversely affected by the road. He asserted that Nepal's failure to consult with India on the matter was a flagrant violation of the treaty of 1950, both in letter and spirit" (Adhikari, 2012, p.85).

Apparently to address the concerns of Nehru, King Mahendra said "communism does not come in a taxi". India also opposed Nepal's proposal for zone of peace which King Birendra had brought in 1975, after Sikkim was merged with India. King Birendra proposed the idea to prevent Sikkimization of Nepal, which the Indian Prime Minister Jawaharlal Nehru strongly opposed and requested other countries not to participate in it. China wholeheartedly supported this proposal. In 1988, Nepal bought arms from China, which was strongly opposed by India as a violation of the 1950 treaty. After 1980, due to strained Nepal-India relations, India imposed a blockade on Nepal. Nepal was closer to China at the time.

India tends to make a countermove to any move proposed by China to Nepal and other countries in the region. A Dhaka based University professor, says "While China is pushing forward BRI among South Asian countries like Nepal, Pakistan, Sri Lanka, and Bangladesh, India is bringing a sub-regional concept like Bhutan, Bangladesh, India, and Nepal (BBIN). Thus, maintaining a balance between the two big giant economies of the region is a challenging task for them" (Sangroula, 2019, p.492). Undoubtedly, this is a complicated geopolitical situation for Nepal. "Nepal's Prime Minister Puspa Kamal Dahal skipped the Summit by showing the excuse of local election in May, 2017. A Nepalese journalist dubbed the absence as unfortunate for Nepal. According to him, Dahal escaped the conference due to pressure from Delhi" (Sangroula, 2019, p.506).

As the region becomes an increasingly crucial component in interactions between India and China, Tibet will continue to play a significant part in Nepal's development. Nepal sees the possibilities presented by the rapid changes in Western China as an opportunity to strengthen its relations with China and other countries by taking advantage of new physical relations. Nepal considers this process irreversible and requests Indian engagement for the entire region. India sympathizes with Nepal's development goals but is concerned about China's military and infrastructure expansion in the region, as well as its rumored intention to divert or dam rivers flowing out of Tibet and into India. China's territorial claims in Tibet, growing cooperation with Pakistan and the belief that China's stance on Kashmir will have made India's stance on Tibet even tougher. On the other hand, China's uncertainty over Tibet will continue to dictate how it deals with India.

In this context, Chinese media expert Zhou Shengping argues in his book *Mend or End* that Nepal should move forward by balancing its relations with China and India though Nepal's relationship with China has reached a critical stage (Zhou, 2022).

Before the promulgation of the Constitution of Nepal on October 3, 2015, then Indian Foreign Secretary S. Jai Shankar came to Nepal as a special envoy of the Indian Prime Minister and suggested that the constitution should not be promulgated immediately. Referring to the fact that the Madhesi and tribes are protesting against the prepared constitution, ignoring his request constitution was promulgated, India imposed a blockade on Nepal. All these facts and events depict the geopolitical situation of Nepal and call for a geopolitical balance.

Geopolitical Dynamics on Nepal-China Cooperation

"When bulls fight, the calf is terrified," goes an ancient Nepali aphorism. Nepal is in such a condition. Two giant and rising world superpower neighbor nations have been showing such types of behaviors. The country's geographical location, size, population, cultures and religious, its economic strength, vital resources, etc are linked with neighbors. These are the main factors in formulating the geo-strategy for survival and defense. India has, since long back, expressed its displeasure over the projects funded by China. As China's influence in world politics is increasing, geopolitical interests of many countries, including the West, are also increasing in Nepal. Since Nepal is located between China's autonomous region Tibet and India, the geopolitical importance of Nepal is also increasing. The construction of this railway will prove to be a milestone in the tri-national cooperation import and export. It is necessary for Nepal to adopt a strategy in order to contribute to the economic development of Nepal through both its neighbors by emphasizing trilateral cooperation.

Both neighbors are serious about their security issues with Nepal. Therefore, Nepal should address the security interests of both neighbor countries. Nepal-China relations can be made result-oriented and sustainable only by sensible steps by both Nepal and China at the time of this geopolitical complexity. From an economic and strategic point of view, both

neighbors China and India are emerging nations. Nepal should also take China and India's security interests seriously.

Bishwokara (2080) in his book described about some Chinese projects.

Pokhara International Airport was made by Chinese contractors from Chinese government loan. But when construction was completed then Chinese Embassy in Nepal said Pokhara International Airport was the BRI flagship project. Pokhara International Airport was inaugurated on January 1, 2023. China claims this airport, with China's loan assistance, is under the BRI project of China. Here is a catch. India needs to provide an air route to Nepal for smooth operation of Pokhara International Airport. However, since India is not in favor of China's BRI project, it is difficult for Pokhara Airport to get an air route from the Indian government. Even the Gautam Buddha International Airport located in Bhairahawa, which was completed and operational before Pokhara, has not been able to receive air routes from India. Since India argues the Gautam Buddha International Airport was built with Chinese investment, it is not yet visible to support that project. Both these airports have become victims of geopolitics.

As things stand, because the air route is not convenient, international flights are not possible from both airports. If India does not provide the air route, it seems that it will be expensive for the Nepalese government to pay the Chinese loan for these two airports. Indian obstacles have surfaced in all Chinese investment projects. Difficulties have arisen in the construction of the hydropower project, which is being built by China after India banned the import of explosives. India has already said that it will not consume the electricity produced by any hydropower project except those invested by itself. Therefore, the Chinese investment in Nepal is facing geopolitical obstacles, and Nepal-China relations are also falling under the grip of geopolitics. Here are some glimpses of Pokhara and Gautam Buddha International Airports: Pokhara International Airport Photo attached in Appendix-F.

Figure: 1 Air Routes of Nepal

Only three international air routes are in Nepal. Two international air routes from Indian side at Simara and Mechi and route from Chinese side at Olangchung Gola. Nepal has made several attempts to get additional air routes from Indian side but India has been reluctant.

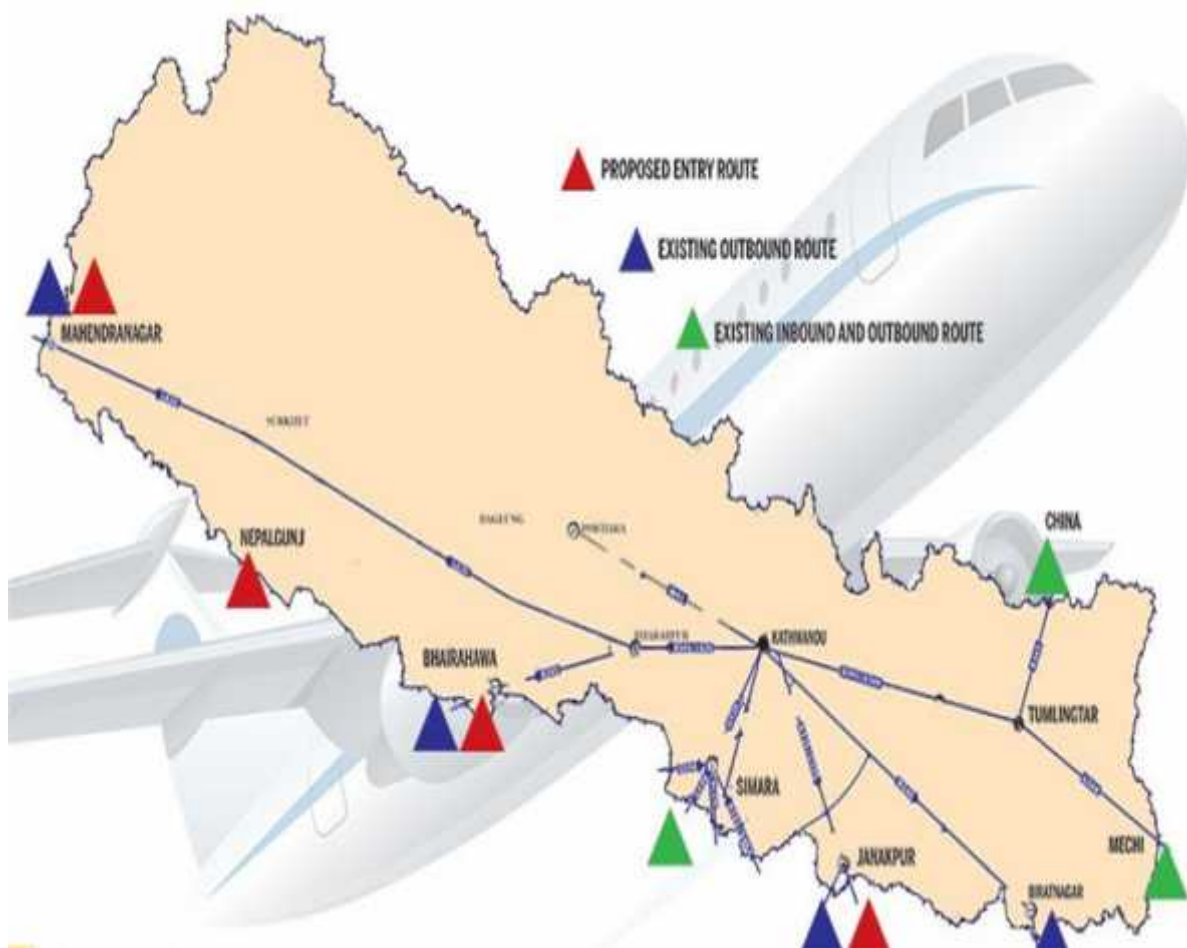


Photo Courtesy: ekantipur.com

India Factor

At times, India has expressed the wish that its bordering states, including Nepal, be parts of India. Leo E Rose mentions that the definition of policy toward the three "border states" of Nepal, Sikkim and Bhutan had been a perplexing problem for in-dependent India. "Several high-level Indian officials, including Deputy Prime Minister Sardar Vallabhai Patel,

are reported to have urged at one time the accession of the Border States to the Indian Union on the same basis as the Indian "native states" (Rose, 1971, p.195).

Geographical contiguity, historical legacy, socio-cultural identities and the need for Nepal to utilize the nearest sea access have in totality, made it more interdependent with India than with China. India and Nepal do not view each other as being a threat to their security. However, minor irritations in the bilateral relations between India and Nepal do exist but they can be resolved through bilateral talks with mutual understanding (Shrestha, 2015). On the other hand, India has made a significant contribution not only in declaring the end of the Rana rule and in 1990's constitution, but also in bringing the Maoists into peaceful democratic politics. The much-discussed 12-point agreement between the Maoists and the then seven political parties was made in New Delhi (Bishwokarma, 2080).

China Factor

Since 1956, Nepal and China have established a longstanding relationship in economic aid, with China consistently positioned as one of Nepal's primary donor countries. China's support encompasses a broad spectrum, extending financial and technical assistance to Nepal in crucial sectors such as infrastructure, transportation, industrial development, healthcare, education, and hydro power development (Dahal, 2018, p.52). Nonetheless, Nepal remains wary of reducing its relationships with China to a mere strategic exercise and instead aims at mutual benefit while avoiding being drawn into regional power struggles (Bhatta, 2023).

Nepal is close to China's autonomous region Tibet. China seeks to avoid any anti-China activities happening in Nepal. China's security interests seem to be the top priority. Since there are sometimes protests against China in Nepal demanding an independent Tibet, China wants such a situation not to happen in Nepal. China closed the Tatopani border point for a long time after the Covid-19 pandemic. According to media reports, China kept the

border closed primarily because it sensed that anti-China activities were increasing along the border area. China reopened the Tatopani port on the eve of prime minister Pushpa Kamal Dahal's official visit to China in September, 2023.

U.S and European Interests

Economically, the ascent of China signifies distorted the unipolar world into a multipolar world system. While the Western economy is declining, China's economy is becoming stronger. China's influence is growing globally. Western powers have come together to counter China's growing influence. Since China's self-governing region is connected to the border of Tibet, Western powers are paying attention to anti-Chinese activities in Nepal. The investments and activities of western countries are increasing in Nepal's monasteries, districts connected to China, Manang, Mustang, Sindhupalchok, Rasuwa, etc. Western powers want to stop the growing rise of China and they understand that Nepal is a suitable place for that. The involvement of Western power in the anti-Chinese activities in Nepal has been disclosed intermittently. Especially in the monasteries of Nepal, anti-Chinese activities are taking place and there is Western influence in those monasteries. Western countries want to prevent the rise of both China and India. They understand that Nepal's geopolitical location is strategic to understand both countries closely.

The Sino-US dispute may also prompt China to view Nepal as a strategically important country, making it a preferred country for major investments. It shows how Chinese investments will improve Nepal's standing with the US, EU, and India by reducing Nepal's long-term dependence on the US, EU, and India. It will also support capital accumulation and growth across the country (Prasai, 2023).

"Lately, heightened collaboration between India and the United States via initiatives spearheaded from Washington, D.C., such as the MCC, is perceived as a counterbalance to China's BRI efforts in Nepal" (ASPI, 2023, posted, sep).

Lamichhane, (2023) Generally speaking, the study suggests that this piece of writing will emphasize how important it is for the United States to preserve its active presence in Nepal since China and India now view that nation as strategically critical. Due to their increasing engagement in international politics, these countries are now in rivalry with one another. Nepal's non-aligned foreign policy is significant in this sense and has characteristics with Ukraine's given its geographic position. In order to secure economic growth and avoid becoming a geopolitical focal point, the research emphasizes Nepal's need to maintain a balanced relationship with international powers. Additionally included in the report are the strategic partnerships in the Indo-Pacific area between the US and India, which are primarily driven by a common fear of the Chinese threat.

Nepal-China Relations during Republic Time

From 2008 onward, there has been a sequence of significant progressions in Nepal-China relations, fostering closer ties between the two nations across various domains. With the collapse of the monarchy and the inauguration of a republic in 2008, Nepal's political landscape underwent a significant sea change. After undergoing this change, Nepal moved to strengthen its diplomatic and economic ties with its neighbors, notably China. The Comprehensive Peace Agreement, marking the official conclusion of Nepal's decade-long Maoist insurgency, was signed in 2006, marking one of the significant turning points in Nepal-China ties. China demonstrated its commitment to regional peace and stability by constructively promoting talks between the Nepali government and the Maoists. The bilateral connections between the two nations were further reinforced by this cooperative endeavor.

China has grown in significance as a partner for Nepal's economy. The Transit and Transport Agreement between the two nations was concluded in 2016, opening up Chinese seaports to Nepal and promoting commerce between the island country and the rest of the world. With the help of this arrangement, Nepal was able to diversify its trading channels and

lessen its reliance on India. China has also made significant investments in Nepal, mainly in infrastructure initiatives like hydropower, highways, and telecommunications, which have helped the country's socioeconomic growth. Additionally, the Belt and Road Initiative (BRI) launched by China has created new opportunities for cooperation between the two nations. Nepal has indicated that it is interested in taking part in the BRI due to its advantageous location between China and India. It is possible for Nepal's commerce and transportation networks to change due to the development of cross-border connectivity projects like the China-Nepal Railway, which would improve the country's economic development and regional integration.

Cultural exchanges and interpersonal contacts have both accelerated in recent years. An increasing number of Chinese tourists are discovering Nepal's natural and cultural attractions because of China's aggressive promotion of travel between the two nations. With more chances for academic collaboration and Chinese scholarships being provided to Nepali students, educational exchanges have grown. Relations between CPC and Nepalese communist parties have become stronger. Leaders and cadres from both sides frequently visit Nepal and China for ideology exchanges. When Nepal Communist Party was a unified entity, NCP and CCP had frequent exchanges. CPC leaders delivered the theoretical lecture on Xi Jinping's thought on 'Socialism with Chinese Characteristic' to NCP leaders in Kathmandu.

In recent times, however, difficulties have arisen in Nepal-China relations. The two nations continue to disagree on the delicate matter of Tibet. While Nepal adheres to a "One China" policy and recognizes Tibet as an autonomous region of China, China views Tibet as a fundamental component of its territory. Due to Nepal's geographical proximity to Tibet and its historical links to Tibetan Buddhism, maintaining this part of the relationship requires careful balancing. Additionally, Nepal's geographical location between China and India and two powerful nations needs cautious diplomacy to sustain a balanced foreign policy. It has

been difficult for Nepal to maintain the proper balance while handling the interests and worries of both China and India.

In conclusion, since 2008, Nepal-China ties have significantly improved, as seen by increased collaboration in a number of areas, including politics, the economic, and culture. However, problems with Tibet and maintaining the delicate balance between China and India still exist. It is crucial for Nepal to retain a realistic and balanced approach, protecting its national interests while seizing the possibilities given by its northern neighbor. During his two-days visit to Nepal in October, 2019, Chinese President Xi Jinping announced that 'we have decided to establish a "Strategic Partnership" relationship of friendly strategic cooperation from generation to generation that is oriented towards development and unity (Bishwokarma, 2080). How this strategic partnership will play out is a subject of another study.

Bilateral Cooperation and Tri-lateralism

Following 2008, there have been some dynamic mix of bilateral collaborations, notable successes, and major obstacles in Nepal-China relations. The connections and collaborations between the two countries have developed and broadened in a number of areas. Here follows a brief review of Nepal-China bilateral co operations, accomplishments, and difficulties since 2008.

Bilateral Cooperation

China and India almost replaced overseas countries in terms of providing aids and assistance to Nepal during the 2015 earthquakes. "India was the first country to reach Kathmandu with relief materials (flown by the Indian Military Planes) and also by committing NRs one trillion for both relief and post-quake reconstruction projects. China came with NRs 56 billion above its previous grant of 20 million" (Baral, 2016, p.15).

Economic Partnership: Nepal and China have established a strong economic alliance. China has become one of Nepal's major commercial partners as the two nations' trade has increased. Chinese investment in Nepal has primarily gone toward important fields including telecommunications, electricity, and infrastructure. Road networks and hydropower plants, among other crucial infrastructure, have benefited greatly from Chinese support.

Cross-border projects and connection: Both nations have made improving connectivity through infrastructure projects a priority. The Belt and Road Initiative (BRI) of China has made it possible for countries to work together more closely in sectors like connectivity and transportation. Once finished, the projected China-Nepal Railway will significantly enhance Nepal's access to Chinese markets and beyond.

People-to-People Contact: Tourism and cultural interactions have increased between China and Nepal. The rich cultural legacy and natural beauty of Nepal have drawn more Chinese tourists, boosting the country's tourism business. With more Nepali students receiving scholarships and enrolling in Chinese colleges, there has also been a rise in educational exchanges.

Achievements

China has contributed significantly to Nepal's political transform in conditions of political understanding and support. Both the peace process and the change from monarchy to republic in Nepal have had its support. The involvement of China in Nepal's political affairs has promoted stability and offered direction during pivotal moments.

Infrastructure Development: Chinese investment has made significant strides in Nepal's construction of infrastructure. The building of motorways, communications systems, and hydropower plants has met Nepal's development demands, providing job opportunities and fostering economic progress.

Trade diversification: The Transit and Transport Agreement between Nepal and China was signed in 2016, which was a significant accomplishment. It has given Nepal access to new commercial channels, lessening its reliance on India and broadening its range of exports. This pact has improved Nepal's economic toughness and provided new trade opportunities.

Challenges of Geopolitics

"If you point your one finger to others do not forget that three fingers of the same hand will be pointing towards you," goes a Chinese saying. This saying has implications on Nepal-China relations as well.

Tibet Issue: Nepal-China ties are still tense when it comes to the Tibet issue. Nepal adheres to the "One China" policy and acknowledges Tibet as a fundamental component of China. It is difficult to handle this situation while balancing the Tibetan community's feelings within Nepal. Besides, India and China follow two ideologically different political systems. While parliamentary democracy India has adopted with adult franchise, China has continued with its Communist system (Adhikari, 2012, p.1). Adhikari additionally states that the boundary dispute continues to haunt the relationship between India and China for the past 50 years and the problem might trigger into a violent conflict between the two neighbors (Adhikari, 2012, p.39). If this happens, Nepal might be in the receiving end of the conflict it has absolutely no role in creating.

Geopolitical Balance: Maintaining a delicate geopolitical balance is difficult given Nepal's critical location between China and India. Nepal must balance its own interests with those of both main regional actors, China and India, while preserving its own national sovereignty.

Nepal, China and India on Trilateral Engagements

Trilateral cooperation or tri-lateralism is an important component of Nepal-India-China cooperation discourse. But the idea of trilateral cooperation, offered by the Unified

Maoist Leaders, Prachanda and Baburam Bhattarai, is either questioned or considered to be "premature" in the given context of relations between China and India (Baral, 2016, p.20). However, there also is an opinion that it could be really beneficial for Nepal. An Indian scholar argues that India-China-Nepal Trilateral engagement is a fascinating vision of cooperation in South Asia. All the three countries we are talking about are going to be hugely benefited if the vision is realized (Muni, 2016, p.1).

Baburam Bhattarai, then Prime Minister, was the first to express the idea of making Nepal as a bridge between the two emerging economies of India and China (Baral, 2016, p.14). But how realistic it can be is another question because as Zhongying& Sapkota argue "from the political realist point of view, one can assume China and India are both competitive and conflictive for greater economic and political sphere of influence and even regional leadership in the greater Asia" (Zhongying& Sapkota, 2017, p.224). It is obvious that China has been interested in expanding its economic and political influence in South Asian geopolitics. Several factors are responsible for China's long-term interests in the region. China's South Asia policy is a combination of unique bilateral relationships, it is characterized by economic opportunity, territorial disputes, security challenge, contain Indian power and resist US influence (Kaura, 2018). China is trying to contain India's influence and power by strengthening Pakistan's strategic and military capabilities. While cementing traditional ties with Pakistan, China remains committed to strengthening ties with Pakistan. Has implications for Bangladesh, Nepal, Bhutan and Sri Lanka (Kaura, 2018).

Chaturvedy and Malone say that the key objectives of both Nepal's domestic and foreign policy are to achieve internal stability, peace, and economic development, to pursue an independent domestic and foreign policy and to play a growing role in both regional and international relations (Chaturvedy and Malone, 2012). Ahmad writes:

India and China are in a race to increase their influence in the whole of South Asia and Nepal is no exception. India's development assistance of US\$ 1.62 million for the remote hilly region of Mustang was responded by China's financial assistance worth US\$ 0.16 million for construction of a science laboratory, a library, and a school building with computers in Chhoser village (adjoining Jhongwasen district of Tibet). In the same region, in order to check Indian influence, China constructed the railway link from Tibet to the Nepalese border. In response to this, India has sanctioned assistance worth US \$ 0.18 billion for the expansion of the railway service in five places along the India-Nepal border and has designed a plan to extend its railway links to Nepal along the border. In the fiscal year 2013-14, China provided financial assistance of US\$ 0.06 billion to Nepal, while India expended US\$ 0.09 billion.

(Ahmad, 2016, p.216,)

The triangular relations between China, India and Nepal offers another aspect of geo-politics (Baral, 2016, p.16), for it has been agreed that as long as the Tibetan question remains alive, it will create difficulties in the development of the triangular relationship (Muni, 2016, p.8).

Additionally, there are unique relations between the people of Nepal and India. People of Madhesh have different kind of relations with the people of Bihar and Uttar Pradesh. Almost every family in the Tarai has familial relations across the border—which is why it is called a roti-beti relation (relations of bread and kinship) with India. In other words, roti-beti relations mean close families ties and economic interdependence (Jha, 2018). Besides, some 30,000 Nepali citizens commonly known as 'Gorkhas' serve in the Indian army. Renowned for their indomitable courage, the Gorkhas provide an additional bond, one forged in blood, between India and Nepal. There are over 100,000 Gorkha pensioners of the Indian army and paramilitary in Nepal (Mukharji, 2018). Having good relations with India and China will be in greater interests of Nepal for a study of the International Monetary Fund (IMF) has suggested

that by 2050 a new hierarchy of power is likely to emerge by placing China, USA and India as the first, second and third power. And Nepal, by coming out of the old "yam" concept, needs to be more interactive and cooperative in its relations with its neighbors (Baral, 2016, p.20). So, how should Nepal push for and capitalize on trilateral cooperation? According to Sapkota, the geopolitical situation is a major consideration for the concept of trilateral cooperation. Nepal needs to use its geo-strategic location and move away from its "Yam Syndrome". He writes:

Nepal cannot alter its geography. It needs to learn to balance its relationship with its neighbouring giants diplomatically, thereby effectively handling its own foreign and security policy. Nepal needs to come out of this "Yam syndrome" and forge an effective link to act as a "vibrant bridge" to benefit from its two giant neighbours.

Nepal's strength to manipulate her great neighbour in her transit-position, there lies a win-win-chance for all-the-three-Nepal, China and India, if the transit point-of-Nepal is successfully and adequately used... Discussing the trilateral initiative, China anticipates some kind of positive trilateral mechanism between Nepal, India and China would be beneficial for the region. India has been hesitating to collaborate with China and Nepal within the trilateral basis. (Sapkota, 2016, p.182)

Relations between China and India are both cooperative and competitive. They compete in the periphery. India is concerned about growing Chinese military presence in the Indian Ocean and also in the Himalayan frontiers. The border between China and India is the longest disputed frontier in the world. China is determined to have an independent say in the economic, political and security order around her and the world. For example, President Xi's visit to Pakistan in 2015 witnessed the signing of infrastructure contracts worth \$46 billion (Bhattarai, 2018).

Socio-cultural Disparities: Due to their different socio-cultural histories, Nepal and China may not comprehend and cooperate in the same way. Building the connection requires bridging these gaps and fostering mutual understanding.

This highlights Nepal's key role in delicately managing relations between major global powers and emphasizes the importance of diplomatic skills in seeking support and navigating security complexities (Baniya, 2023).

In conclusion, Nepal-China ties have seen increasing bilateral cooperation since 2008, which has resulted in noteworthy successes in economic cooperation, infrastructural development, and intercultural exchanges. However, issues like the Tibet problem, the geopolitical balance, and socio-cultural divisions continue to be problematic. To further strengthen its ties with China and protect its own interests, Nepal must successfully traverse these hurdles. Fostering a mutually advantageous and long-lasting connection between the two nations will depend heavily on continued communication, diplomacy, and collaboration.

Trilateral Trade and Transit Route

After the BRI was proposed in 2013, trade between China and South Asia has seen a steady rise. The trade volume in 2016 exceeded 110 billion US dollars, an increase of 14.8 percent than that in 2013. Direct investment of China to South Asia in 2016 reached 1.46 billion US dollars, increased by 114.7 percent compared to that in 2013. China now is one of the major investors in South Asia (Sangroula, 2018, p.493). Besides, the long stretch of the Himalayas in Nepal several low-lying passes that are not covered with snow throughout the year. Corridors connect mountain passes in the north with the plains in the south, creating a transit route bet India and China. Although Nepal currently conducts only basic level of trade through these corridors, they have the potential to be developed into large-scale official transit routes between India and China. Nepal has started to open several corridors for this

purpose, with the Koshi Corridor, Kali Gandaki and Karnali corridors listed as projects of national priority (Subedi, 2016, p.43).

Nepal and China are linked by many trade and transit routes. Both sides of governments some of them are operating and others are under construction. Here are some vital trade and transit routes linking China, India and Nepal, which could be developed as tri-nations linkages.

Table: 1

Possible Transit and Trade Routes to Link China and India

Transit Road Corridors	Total Length (Km)
Mohana-Dhangadi-Ataria-Baitadi-Darchula-Tinker	415
Nepalgunj-Surkhet-Jumla-Hilsa-Yari-Purang	581
Bhairahawa-Pokhara-Jomsom-Lizhi	467
Birgunj-Trishuli-Rasuwa	265
Birgunj-Naubise-Kathmandu-Tatopani-Nyalam	393 (existing)
Janakpur-Dolakha-Lamabagar-China border	295
Rani-Itahari-Hile-Kimathanka-China border	419
Kechana-Taplejung-Olangchungola	460

(Source: Government of Nepal, Department of Roads, 2005)

Above mentioned Nepal-China and Nepal-India trade and transit routes can be developed as the tri-nations link routes. Though these routes are developed but not as tri-nations agreement, these are developed with bi-lateral agreement. If these routes will be developed as tri-nations trade and transit routes or linkage, it will greatly contribute to the Nepalese economy as well as China and India.

Rise of China

Once upon a time, French ruler Napoleon Bonaparte said- "China is the Sleeping Lion in Asia". In 2014, on the day of the fiftieth anniversary of China-France diplomatic relations, Xi Jinping landed on Napoleon's land and said: Sleeping China has now woken up. In Napoleon's time, China was going through the autocratic rule of the Qing Dynasty and the Japanese colonies. The Kuomintang Nationalist Party, led by Dr. Sun Yat-sen, overthrew the Qing Dynasty and established the People's Republic of China on January 1, 1912. Considered the father of China, Sun Yat-sen became the first president of China. On March 12, 1925, Dr. Sun Yat-sen was assassinated. Then after, Chiang Kai-shek led the Kuomintang party. He was a Japanese puppet and a conservative.

In 2014, Xi stressed: "China has always been a builder of world peace, a contributor to global prosperity, and a defender of global order, giving Chinese knowledge and power to the establishment of a global community of shared futures and a better world."

Some Western tend to compare today's China with the Soviet Union. Chinese scholars do not buy this line of argument. China is an open nation, whereas the Soviet Union was a closed one. China's decision to open up came about as a result of both internal factors and external factors. China has a market economy that is heavily focused on exports, and there is a great deal of flexibility in terms of people movements and cross-cultural interactions (Xijin, 2023). On the contrary, common citizens of the Soviet Union and Eastern European nations were unable to travel to the West during the Soviet Union era (Xijin, 2023). China suffered century of humiliation and holds the Western powers responsible for this. The history taught in Chinese schools and universities portray that China was humiliated and squeezed by foreigners in the past. The period 1840-1945 is portrayed as 'Century of Humiliation'. The imperial powers were fleecing the Chinese people and even dictating

China's fate. It was under Mao Ze-Dong, who gave his popular slogan of 'Stand up' against the foreigners (Adhikari, 2012).

Under Mao's leadership, the Chinese Communist Party was established in 1921. Japan had oppressed a large population and geography, feudal economy, from the womb of the Chinese way of life oppressed by the colonial exploitation of Japan. In January 1933, the Japanese invaded China. In such a dire situation, the Chinese Communist Party, led by Mao, waged a double war against the autocratic and puppet government of Chiang Kai-shek and the Japanese aggression, with loud voices of nationalism, livelihood, feudalism and liberation from the Japanese colony. On the question of nationality raised by the Chinese Communist Party, the Chiang Kai-shek government knelt down and agreed to work together with the Chinese Communist Party to fight against Japan. From 1937 to 1945 there was a fierce war between China and Japan. At the same time, the United States bombed the Japanese cities of Hiroshima and Nagasaki. Japan finally surrendered on October 15, 1945. The People's Revolution, led by the Chinese Communist Party, was gaining strength. The result was the proclamation of the People's Republic of China on October 1, 1949, at Tiananmen Square in Beijing. Chiang Kai-shek fled to Taiwan. Following the fall of the Qing Dynasty in 1912, Tibet was incorporated into China in November 1949.

To the north, miraculous development of China is a world's success story of modern times. Today's state-of-the-art China has been made possible by the planned development of the Chinese Communist Party. The success achieved in poverty alleviation in a short period of time, the innovation in technology and development is the outcome of hard work of the Chinese people and the communist party. Most of all knows, national unity, which is hard to achieve, is a main strength of the Chinese politics.

Hardworking people is behind the success of China. China is the country with the number one worker in the world. According to the statistics of 2014, 29.5 percent of the total

working populations of China are involved in agriculture, 29.9 percent are in industry and 40.6 percent are active in the service sector. In 2012, the annual growth rate of China remained at 7.8 percent even in the midst of the Eurozone, 2008, and 2010 American crisis (Dhakal, 2016). By 2012, China had become the world's largest foreign currency hoarder and largest creditor country (Dhakal, 2016). Since the adoption of economic reforms in 1979, China's annual gross domestic product (GDP) growth has averaged around 9.5 percent. China is now the world's second largest economic power (by GDP, in current dollar terms), largest economy in terms of purchasing power parity (PPP), highest manufacturer and merchandise trader and largest holder of foreign exchange reserves. It has become a major trading partner of the world's many developed and developing countries. In 2000, the GDP of China was one-tenth of the United States, whereas in 2020, China's GDP was about \$14.7 trillion, more than 70 percent of the size of the United States economy the rapid stride China made in its financial increase has been described by the World Bank as "The most rapid and consistent growth ever seen by a major economy" (Gautam, 2022, p.1)

Thus, the Chinese Communist Party under the Mao's leadership carried out the Chinese Revolution, while the then Chinese Communist Party government carried forward the collective-owned agricultural revolution, the Cultural Revolution, amidst various protests and support. The names and views of three paramount leaders are mentioned in the Chinese constitution as the builders of modern China—they are Mao and Mao ideology, Deng Xiaoping, economic reformist leader and Xi Jinping's views on socialism including the Chinese Characteristics of the new age.

The world now depends on China for global economic growth and that dependence is mutual. If China becomes a global player, it also needs the world for its own continued growth. In this context, Menon argues, the issue is no longer one of accommodating China in a U.S.-led international order, as some U.S. administrations did in the past. The issue is

whether United States will share global leadership with China, as it must to avoid conflict. What makes China-US conflict unlikely is the fact that unlike the U.S-Soviet Cold War, China and the United States are economically joined at the hip, operate under nuclear deterrence, and are part of a single global system (Menon, 2021). Alan Thomas, the former Australian Ambassador in Beijing, calls China's rise as one of the top global developments of the present time. Similarly, the former American ambassador to China, James Stapleton Roy, has stated that "never before in history has a country risen as rapidly as China." The rise of Chinese economic might has resulted in speculation about the emerging world economic order. For instance, American professor Christopher Layne views the 2007 economic recession as a sign of the shift of global wealth and power from West to the East—a trend particularly illustrated by China's exceptional rapid rise to great power status. Similarly, the participation of the United States' closest European as well as Asian allies as founding members of the Asian Infrastructure Investment Bank (AIIB) despite United States' attempt to persuade them to collectively boycott the membership is seen as the gradual emergence of China as the global economic pivot accompanied by the decline of the United States. (Gautam, 2022, p.1)

The impact of China's rise on global affairs has been a hot topic for researchers since the collapse of the Soviet Union. China's rise has attracted global interest particularly since the end of the Cold War (Guo, 2006; Iken berry, 2008; Kem, 2011; Lynn Jones, 2000). There are two major schools of thought – realism and liberalism – which try to put forward their own hypotheses regarding the rise of China. For realists, the rise of China is seen as a threat against the rest of the world since, in realist views, states are bound to pursue power, self-interest, and other benefits. Therefore, China is more likely to go to war to extend its influence and dominate other states to fulfill its own interests. In addition, the more UC Occasional Paper Series, Vol. 1, No. 1, pp. 1-18 © 2017 by The University of Cambodia

Press 2 powerful a state is, the more aggressive and dominant it becomes and therefore the more likely conflicts may arise. For liberalists who believe in order, justice, and cooperation within the anarchic international system (Dunne, 2014).

However, the rise of China can be translated into global economic development, including a cooperative and harmonious world, and international peace. The modern development and economic prosperity achieved by China within the short period of time in the leadership of Communist Party of China (CPC) has become a model for rest of the world. There comes a time for everyone, but waiting for that time with a lot of effort and hard work is a must. Today, China has become the almighty nation of the world. In the 1950s, Nepal, India and China were almost in the same situation, but today China has achieved historic success in development and prosperity by showing miracles to the world in a short period of time.

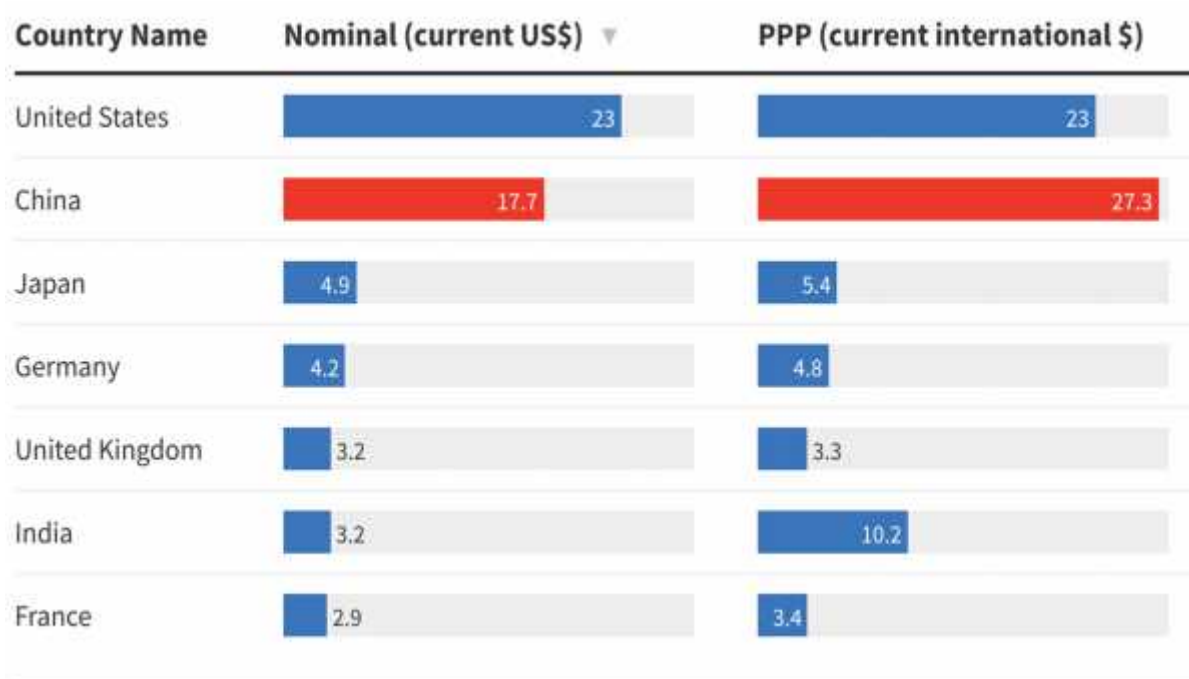
Following the inception of market reforms in 1978, China transitioned from a centrally planned economy to a market-oriented one, propelling swift economic and social progress. With a population of 1.3 billion, China recently became the second largest economy and is increasingly playing an important and influential role in the global economy. Although China remains a developing country with 98.99 million citizens still income below the national poverty line of RMB 2,300 per year at the end of 2012 (World Bank, 2015), more than two decades this country has enjoyed the benefits of dynamic growth. For example, Chinese GDP has practiced high growth rates, with an average annual growth rate of 9.4 percent from 1979 and 2004 (Liu, 2006).

With its high economic annual growth rate which has taken place since the late 1970s, China has transformed itself from a low-income to a middle-income country. And if this trend persists, China is more likely to be on a path to becoming a high-income country (Ye, Zhang, & Zhao, 2015). And the development of China, according to Male sky and London

(2014, p. 397), has been more rapid than that of its neighboring countries, namely Japan and Korea, and China's growth is "among the most rapid in modern history". In addition to its status as the world's second largest economy, China is also the world's greatest export economy; therefore, the fact that China has been predicted to be the next great superpower is highly likely (Watson, 2016). Arvind Subramanian, an economist and former head of the Indian government's economic advisory council, raises the prospect that, by 2030, China's economic hegemony would dominate a nearly unipolar world rather than a multipolar one due to the relative collapse of the United States (Gautam, 2022).

Bar Chart: 1 Comparing GDP: Nominal v. Purchasing Power Parity (PPP) (2021)

Figures are in trillions of \$

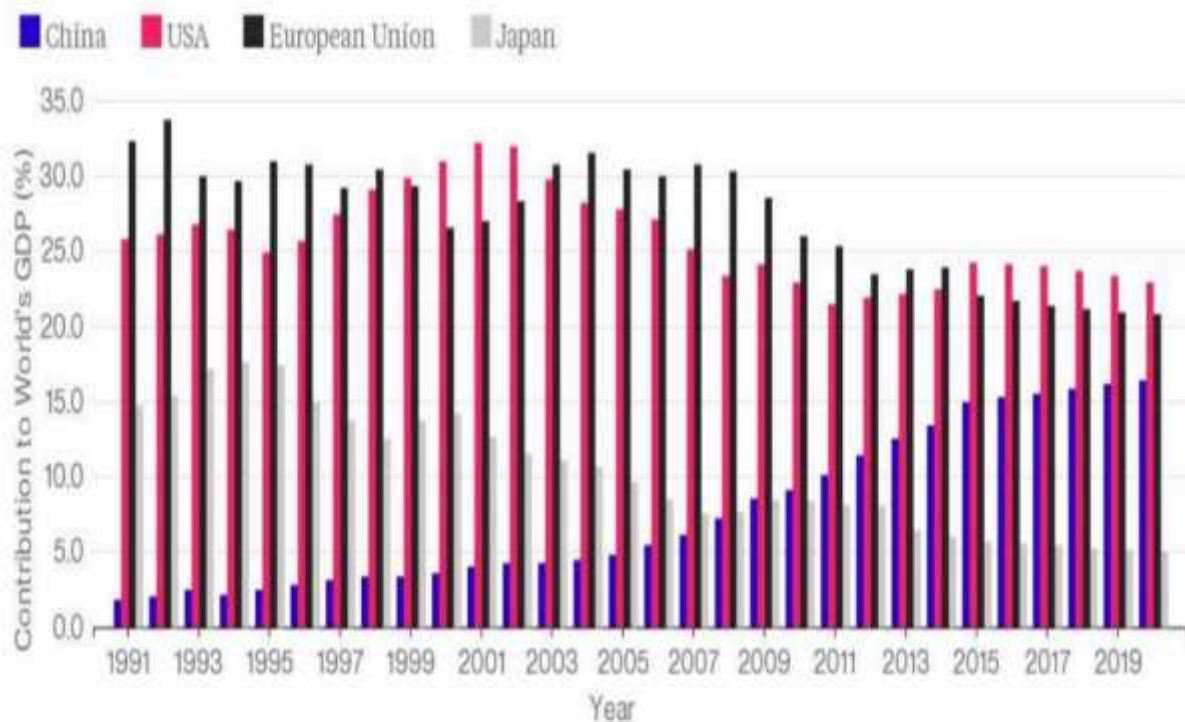


Source: CSIS China Power Project; World Bank

The above-mentioned data reflects the rise of China as the economic powerhouse. At present, China is the main competitor of USA in all aspects of the economic and strategic affairs. China is the first country in PPP or larger than USA. Nepal and other neighbouring countries of China should be able to get benefit.

Several key factors, however, are required for China's development (Liu, 2006). First, it is social and political stability, which in turn requires ongoing reforms in economic and political systems. Therefore, China has to create and maintain a peaceful environment set forth in its five principles of peaceful coexistence. Second, China needs to sustain its open-door policy which has played crucial roles in attracting FDIs, opening up markets, and promoting 5 international trades. Third, it is China's integration into the international system. Without such integration, it would be unlikely for China to be able to enjoy its rise at the moment. Moreover, by integrating into the global system, China has improved its economics, human rights, and security.

Bar Chart: 2 China's Rising Share of the Global Economy



Source: World Bank, 2020

Given data reflects the growing Chinese economic rise from 1991 to 2019. Comparing to Japan and EU, China's rise is clearly visible whereas USA is almost constant.

Xi Jinping has proposed socialism with Chinese Characteristics. Socialism with Chinese Characteristics is the integration of the theory of scientific socialism and social development theories of Chinese history. Socialism has taken root in China. It reflects the wishes of the people and meets the development needs of the country and the times. The communists of other countries should learn and study the concepts and principals developed by Chinese leadership.

Table: 2 Growth of China's Economic Strength

Category	1952	2018	Growth
GDP	RMB67.9 billion	RMB90 trillion	174 times
Fiscal revenue	RMB6.2 billion (in 1950)	RMB18.33 trillion	12.5% annually on average
Industrial added value	RMB12 billion	RMB30.5 trillion	970 times
Per capita GDP	RMB119	RMB64,644	70 times
Final consumption rate	78.9%	54.3%	--
Non-financial FDI	US\$920 million (in 1983)	US\$135 billion	146 times
Trade in goods	US\$1.9 billion	US\$4.6 trillion	2,380 times

Source: World Bank

The given table remarks the growth of Chinese economic strength. This growth itself is the miraculous economic growth of China for rest of the countries. GDP growth of China from 1952 to 2018 does remarks the 174 times growth. This growth rate shows the 12.5% annual average growth of its fiscal revenue.

According to research conducted by various organizations around the world, China is ahead in some aspects and in close competition with the United States in other aspects.

Various figures show that the dominance of the West, which has been in world politics for a

long time, is gradually diminishing. Cities such as Shanghai in China are at the forefront of the world economy. Just as the American rulers put forward policies such as "Make America Great Again," the Chinese president is now pursuing the policy of the Chinese dream with "The Great Rejuvenation". Since the rise of Xi Jinping in 2012 as Chinese president, China has become increasingly dominant in world politics. China has made miraculous improvements in education, health, industry, physical infrastructure, electricity, tourism, and so on. As a result, China's economy and per capita income have skyrocketed. China has made great strides in alleviating poverty. This is exemplary for the rest of the world. Too many unemployed citizens are found to be involved in employment and production. Twenty years ago, America was the most significant market for all the major Asian economies, and Japanese multinationals were the largest foreign investors across South East Asia. But those days have gone. Now China is the most important trading partners for South Korea, Japan, Australia, and most of the nations of South East Asia. Chinese investment is also increasingly important and attractive to neighboring countries in Asia (Rachman,2017, p,xv).

Political system also greatly contributed in the rise of China. Chinese rule with socialist policies has contributed a lot. According to Marx, the transition from capitalism to communism is socialism. Socialism is also a system of political economy. It represents the condition of no private ownership. The evolution of theory and concepts on Marxism and scientific socialism started with the declaration of manifesto of communist party. This theory provided the alternative path for democratic freedom from socio-economic disparity, inequality and injustice through continued struggle against capitalism.

Table: 3 A Comparison of the Economic Growth rates of the U.S and China.

The average annual growth rate of GDP	U.S. (Percentage)	China (Percentage)
1980-1990 Average Between	2.9	9.2
1990-2000 Average Between	3.4	10.4
2000-2008 Average Between	2.0	10.6
2010 Average	3.0	10.4
2017 Tentative Average	2.6	6.9

Source: Dhakal, 2076

If we compare the economic growth between USA and China, it is visible that China gains almost three times larger from 1980 to 2017 with USA. This is what the China's economic rise remarks by global countries.

Table: 4 List of the Chinese Head of Communist Party

Name	Duration	Party Affiliation Date
Mao Zedong	1935-1976	Founder
Hua Guofeng	1976-1981	1938
Hu Yaobang	1982-1987	1930
Zhao Ziyang	1987-1989	1935
Jiang Zemin	1989-2002	1950
Hu Jintao	2002-2012	1964
Xi Jinping	2012 - onwards	1971

Source: Dhakal, 2076

Head of the Chinese government and communist party from Mao Zedong to Xi Jinping contributed for the above-mentioned economic rise of China.

BRI Connectivity and Nepal

China proposed Belt and Road Initiative (BRI) in 2013. BRI is one of the most ambitious, economic development and transformative infrastructure projects in the 21st century. BRI has evolved significantly, reshaping the global trade, connectivity networks, and investment patterns and strengthening academic collaborations across the world. BRI is focused on the Silk Road Economic Belt which land-based infrastructure developing from China to Europe through Central Asia. Next is the 21st Century Maritime Silk Road which promotes on sea routes connecting China to Southeast Asia, South Asia, Africa, and Europe.

Connectivity is a key component of BRI projects. Connectivity is in diverse sectors like digital connectivity, road connectivity, railway connectivity, airways and waterways. In the today's global system every country connects to others. Therefore, BRI is also a connectivity project. BRI aims to connect with many Asian and European countries. It is designed to increase connectivity with Asia or other countries for mutual economic benefits.

The Silk Road is a long and golden history of world human civilization that has united world civilizations through the rise of world trade. It exchanged culture, lifestyle, art, knowledge, skills and tools. The 'Silk Road' civilization was a great school that set the standard for how different people from different worlds could live together in brotherhood, camaraderie and cooperation. The exchange of trade goods was an integral part of the development of human civilization. There were three main branches of the historic Silk Road, which developed from the 2nd century BC to the 15th century.

One of the main branches passed through Xi'an from central west China to the north of the Gobi Desert, and the other to the south, passing through Kasgar in Xinjiang. The northern and southern branches met at Kasgar and reached Rome and Europe via Iran, Iraq, Turkey and Syria. The southern branch of the third Silk Road passed through Yenan, Burma, Bangladesh, India and Pakistan and joined the Silk Road of Kasgar. Nepal's mountain

crossing routes were in use before the sixth (seventh) century AD. By the thirteenth (fourteenth century), various branches of the Silk Road had been developed and diversified not only silk but also trade. The trade route between China and Europe, which developed in the second half of the century BC, was named the Silk Road by the German geographer Fernand in 1877. However, silk production in China's Yellow and Yangtze rivers is believed to have started 5,000 years ago. It is said that more than half of the total imports of silk in the Roman Empire were imported from China, due to which a large amount of money went abroad, and silk cultivation and production was carried out in Rome and Europe. Silk has been found buried in the tomb of a 500-year-old man in Stuttgart, Germany.

The Han dynasty is credited with extending the Silk Road west and west (southward) to General Zhan Qian, who repeatedly expanded his campaign to focus on the importance of trade over power. In the 13th century, during the Yuan Dynasty, the Silk Road became more extensive, and its routes seem to have developed in various areas. Along with the development of the 'Silk Road' of land through camels, sheep and horses, the sea route was also developed. Waterways from eastern China through the Malacca Strait to India, Persia, and Egypt in the Middle East were widely used from 206 BC to 220 BC. From the 13th to the 6th century AD, there seems to have been great trade and cultural interactions with the countries of India, Persia and the Middle East by sea. By the time of the Tan and Song dynasties, it had spread to most of the countries of East and South Asia, including Korea, Japan, the Philippines, Malaysia, Thailand, and Africa.

Nepal's integration into the Belt and Road Initiative, while India has still not joined, has created complications in the Nepal-China-India dynamic that require nuanced diplomatic strategies to maintain relations with both neighbors (Chand, 2023).

The success of BRI changes status of Nepal from land-locked to land-linked country. Nepal should learn the development strategies of China to make the country strong and

prosperous. It is necessary to know how China was before revolution and how evolved as the powerful nation after the revolution. Nepal is still struggling for the political stability, poverty reduction and underdevelopment. So, this is right time and golden opportunity for Nepal to increase economic partnership with good neighbor China for its prosperity and modern development.

Chinese president Xi Jinping formally announced the "One Belt One Road", later called BRI, in October, 2013 in Kazakhstan (Sapkota, 2017). BRI covers global GDP- 40%, population-65%, energy resources-75%. The 'One Belt One Road' envisages a rail link from western China through Central Asia to Europe, the Middle East and South Asia. The purpose of the 'One Belt One Road' is to develop ports and other facilities to connect maritime routes from East Asia to increase maritime traffic. Through this project, China wants to increase the demand for industrial capacity and consumer goods outside its own country. China wants to move its big industries to less developed countries, so that those countries become more prosperous and the demand for Chinese products increases.

However, the project has been a source of shock to the West. During a visit to Kazakhstan in September 2013, Chinese President Xi Jinping, speaking at the University of Nazareth, spoke for the first time about developing the Silk Road economic corridor. Shortly afterwards, in his address to the Indonesian parliament in October, he raised the issue of the 21st Century Maritime Silk Road and the Asian Infrastructure Development Bank. In November of that year, the Eighteenth Central Committee of the Communist Party of China decided to move forward with that vision, and in December, a strategic action plan was announced. At the same time, Chinese Premier Li Keqiang stressed the need to build Bangladesh, India, Myanmar and China Economic Corridor, China (Pakistan Economic Corridor).

In the meantime, China signed a Euro-Asia railway agreement with Russia, and China signed a 98 million infrastructure development agreement with Kazakhstan. Within a year, 21 Asian countries agreed to set up the Asian Infrastructure Investment Bank in Beijing, and China immediately announced 40 billion. With the inauguration of the Boao Forum in March 2015, China announced its principles, strategy and action plan. The 'One Belt One Road' project aims to achieve shared development by connecting the economy, people and culture by building roads, railways, ports, energy and communication networks and other infrastructure. The 21st Century Dream Project, which involves about 70 countries from around the world, including Asia and Europe, and has a direct impact on a population of about 4.4 billion, has generated a great deal of interest in world politics, economics and international relations.

On March 28, 2015, the Chinese government published for the first time the plan for the Silk Road Economic Belt and 21st Century Maritime Silk Road. At the summit forum in Beijing in May 2017, the BRI was widely acclaimed by the participating countries, indicating that the international community had affirmed the Chinese way and model for development. First, we should focus on Asian countries and realize connectivity in Asia first. Both the Belt and Road initiatives have their roots in Asia, garnering support and delivering advantages to the region. It's inherent for us to prioritize interconnectivity among Asian nations, endeavoring to broaden our shared interests. The Belt and Road Initiative symbolizes a collaborative effort between China and its neighboring Asian countries (Xi, 2017, p.543). Bolstering Asian connectivity through the BRI project involves harnessing economic corridors, encompassing both land and maritime routes.

BRI contains three key words. The first is "21st-Century". The core word is interconnection—all things connected, man-machine interaction and sky-earth integration clearly reflect the features of the 21st Century. The second is "belt": economic belt, corridor

and development belt. They reflect China's experience of the model in the reform and opening-up. The third is “road”. In China, the “road” is a way to achieve your goals. The BRI reflects the Chinese concepts: wide consultation, joint construction, mutual benefit. Firstly, “wide consultation”: during the BRI, fully respect the say of countries along the route for their cooperation issues and properly handle interest relationships among them. Secondly, “joint construction”, countries along the route should be encouraged to cultivate relevant personnel after introduction of funds and technologies, so as to enhance their independent development capabilities.

Nepal’s intricate interactions with United States, India and China have had a significant impact on its foreign policy and regional dynamics. Nepal’s active participation in China’s “One Belt, One Road” initiative has enhanced its bargaining position in negotiations with China and the United States (Prasai, 2023).

China prioritizes railway and highway projects that connect with Pakistan, Bangladesh, Myanmar, Laos, Cambodia, Mongolia, Tajikistan, and other neighboring nations. Many Asian countries encounter funding shortages for development. Consequently, China has pledged \$40 billion to create a Silk Road Fund. The Belt and Road Initiative (BRI) aims to enhance Asian connectivity, fostering people-to-people exchanges.

President Xi Jinping’s BRI project gave a new dimension to the field of global imagination. No one in any history or empire has presented this kind of thinking. It has global implications. Its implications are also large and wide in terms of strategic, economic and political implications. That is why there is so much talk about it. The maps below show the detailed routes of BRI.

Map: 2 BRI Routes

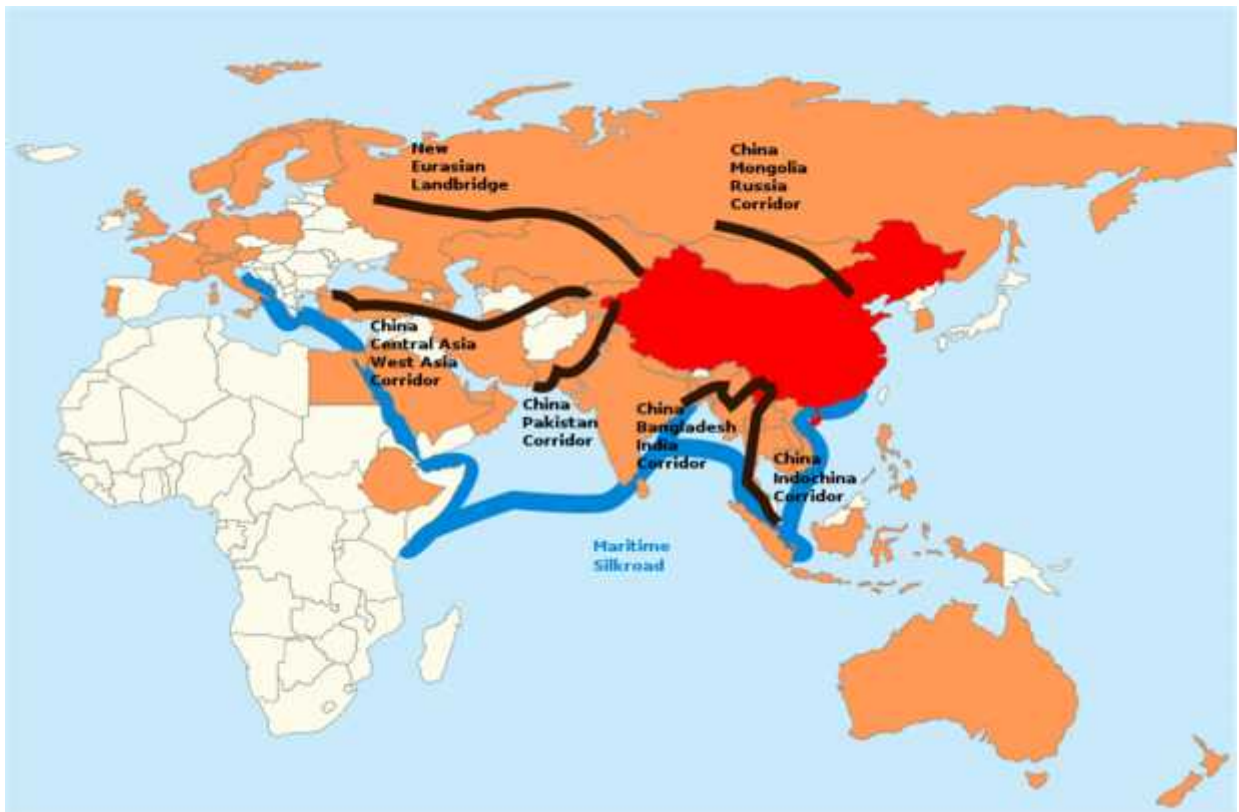


Photo Source: Belt and Road Project

The BRI map reflects the Belt and Road Initiative routes which connects Asia, Europe and Africa. Through different routs China expand its infrastructures making China at the center of all the developmental and economic activities.

Map: 3 China's BRI Road Map



Photo Soucre: 2018The Sankei Shimbun/Japan Forward

This BRI map shows the connectivity of the world country through BRI projects. These BRI maps are published by different agencies which shows the importance economic integration and strategic doubt of the countries.

As the BRI project connects countries in Asia and Europe, it will create a big upheaval in the region. Such turmoil will come in the fields of economy, material development, trade, technology, education, health, culture, politics, etc. Due to all this, China will be the center of all these countries. According to the BRI project, if the whole of Asia and Europe were connected to this network, China would become the center of almost everything. Trains, ships and trains will travel around Europe and Asia, with China at the center. China's trade will expand its direct reach to more than a third of the world's citizens, making the Chinese economy more powerful. The high-speed rail service that will be built under the BRI project will carry a long line of Chinese and create a kind of long-term dominance in the world's largest geography. Through this project, development will take off in many countries. The project will make a big difference in the economies of the countries involved. Its effect will be felt in the surrounding countries as well. Therefore, the BRI project will play an important role in the rise of China.

CHAPTER V: SUMMARY AND CONCLUSIONS

This chapter describes the findings of this research. The conclusion is based on the findings and facts.

Summary of Findings

China has increased multiple sectors engagement in Nepal after 2008 which deepened Nepal-China relations in this republican time. China's multiple sector engagement in Nepal forces India for the same kinds of engagement. In this regard, both neighbors are sensitive over the issue of security connection with Nepal. Our neighbors have Geopolitical interest, doubt and implications which have significantly increased in Nepal these days. These geopolitical doubt and implications are visible in different foreign projects and grants more specifically in Chinese projects. Studies by various agencies and individuals have shown that China has nearly become the number one country in the world in-terms of economic strength. The current Chinese president seems to be working hard to make China the world's most powerful country economically and strategically. During his tenure, China is becoming more powerful. China is giving happiness and prosperity to huge Chinese citizens. The Communist Party of China (CPC) is practicing good governance by harmonizing the party's principles and practices. The BRI project has put forward is certain to go hand in hand with the future of many countries in Asia, Africa and Europe. Under the same plan, China recently added a high-speed rail line to the Laos capital. By distributing development through the BRI project, China is moving forward by standing before the world through economic cooperation. These all the China's world engagement creates multi-faceted geopolitical implication in Nepal because of its connectivity with China by Landmass.

Therefore, the BRI project is certain to play an important role in expanding China's soft and hard power. BRI has been winning the applause and support from an increasing number of countries owing to its distinctive vision, value for promulgation, and its quality as

a type of global common, with corresponding economic benefits. It has greatly promoted China's right of discourse in global governance. The way China has made strides in development technology is exemplary for the world. The huge hydropower, physical infrastructure and technology that China has built in such a short time are truly amazing. While China, Nepal's next-door neighbor the north, is thus rising, there are concerns that Nepal might not be able to reap the benefits from China's rise because of geopolitical issue, instability and lack of proper strategic visioning. Nepal, which is geographically sandwiched between the two regional powers of Asia, India and China, is the most recent battleground in their struggle for influence and dominance in the South Asian Region. From which Nepal cannot escape. This is because the Himalayan state is crucial from a geostrategic standpoint for both of these powers. It is impossible to rule out the possibility of Nepal facing the greatest number of ongoing threats to its essential interests from any of these two nations. The field of geopolitics is experiencing significant transformation due to the gradually diminishing contributions of geographical elements to foreign policy and international relations.

Conclusions

Nepal is the heartland of the Himalayan Geopolitical at present due to its location between two rising powers, China and India. For long period of time, Nepal-China relations have been in balance and based upon mutual respect. China is always in favor of a permanent and strong government in Nepal and wants to have a partnership of both development and trust with such a government. China's good faith itself is the acceptance of Nepal's geopolitical location because Tibet the most sensitive region of China is physically connected with Nepal. So that, in the border area between Nepal and China, the government of Nepal should reassure China by arranging high-level security to prevent anti-Chinese activities. Nepal needs a strategy that fosters economic development by engaging with both neighboring

countries, potentially emphasizing trilateral cooperation or bilateral engagement where feasible. The Trade Transit Agreement signed between Nepal and China in 2016 should be implemented to put an end to the landlocked situation of Nepal (though it's not materialized yet). The Nepali side should be serious to implement the agreement to build a railway connecting Nepal and China and open the door to the growth of Nepal. At the same time, Nepal should be aware with its geopolitical landscape and Indian geopolitical strategy. While Nepal is more focused on its economic development with bilateral agreement India needs to pay attention to Nepal's sovereignty in Nepal-China relations, but at the same moment, Nepal should also take India's security interests seriously. Overall, Nepal's astute diplomatic engagement in geopolitical interests highlights the complexity of its relations with China and its neighbors, emphasizing the need for a cautious and multi-dimensional foreign policy approach.

Contribution of Study

This research aims to aid to understand Nepal-China relations in a changing situation and changing geopolitical dynamics in recent years in world arena. After Nepal became a Federal Democratic Republican country, it has been revealed the geopolitical implication appeared in Nepal-China relations. The growing geopolitical dimensions of the diplomatic relations between Nepal and China have been studied. The growing economic activity between the two countries and China's contribution to Nepal's development were discussed. To weaken the growing economic partnership between two countries, the issue of increasing geopolitical pressure has been seriously explored. Why are Western powers and other countries paying attention to Nepal? China's security interests and the Nepal government's commitment to 'one-China policy' are mentioned. In this study, the growing geopolitical pressure on Chinese investment projects has been studied in general.

Recommendations for Future Research

Complication faced by the Chinese aids and investment projects in Nepal is a subject for further research. Chinese investment should be a boon for Nepal's development, but due to Chinese investment, geopolitical pressure and interest in Nepal has increased. There is a need to study the growing geopolitical interest and balanced foreign policy of Nepal. Nepal-China relation becomes somehow complicated due to the increased geopolitical interest in Chinese cooperation and investment. Although there have been many studies and researches on Nepal-China relations, there is a need for research on geo-political impacts in Nepal-China relations at the present time on the basis of development aids and investment. It is necessary to resolve the geopolitical confusion that has appeared in Chinese investment in a diplomatic and strategic manner. Only a sensible step of geopolitical complexity can make Nepal-China relations result-oriented and sustainable.

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Appendix-A

1950 Indo-Nepal Treaty of Peace and Friendship

The Government of India and the Government of Nepal recognizing the ancient ties which have happily existed between the two countries for centuries;

Desiring still further to strengthen and develop these ties and to perpetuate peace between the two countries;

Have resolved therefore to enter into a Treaty of Peace and Friendship with each other, and have, for this purpose, appointed as their plenipotentiaries the following persons, namely, The Government of India, His Excellency Shri Chandreshwar Prasad Narain Singh, Ambassador of India in Nepal; The Government of Nepal, Mohan Shamsher Jangbahadur Rana, Maharaja, Prime Minister and Supreme-Commander-in-Chief of Nepal, who having examined each other's credentials and found them good and in due form have agreed as follows:

Article 1

There shall be everlasting peace and friendship between the Government of India and the Government of Nepal. The two governments agree mutually to acknowledge and respect the complete sovereignty, territorial integrity and independence of each other.

Article 2

The two governments hereby undertake to inform each other of any serious friction or misunderstanding with any neighbouring state likely to cause any breach in the friendly relations subsisting between the two governments.

Article 3

In order to establish and maintain the relations referred to in Article 1 the two governments agree to continue diplomatic relations with each other by means of representatives with such staff as is necessary for the due performance of their functions. The representatives and such of their staff as many be agreed upon shall enjoy such diplomatic privileges and immunities

as are customarily granted by international law on a reciprocal basis: Provided that in no case shall these be less than those granted to persons of a similar status of any other state having diplomatic relations with either government..

Article 4

The two governments agree to appoint Consuls-General, Consuls; Vice- Consuls and other Consular agents, who shall reside in towns, ports, and other places in each other's territory as may be agreed to Consuls-General, Consuls, Vice-Consuls and consular agents shall be provided with exequaturs or other valid authorization of their appointment. Such exequatur or authorization is liable to be withdrawn by the country which issued it, if considered necessary.

The reasons for the withdrawal shall be indicated wherever possible. The persons mentioned above shall enjoy on a reciprocal basis all the rights, privileges, exemptions and immunities that are accorded to persons of corresponding status of any other state.

Article 5

The Government of Nepal shall be free to import, from the territory of India, arms, ammunition or warlike material and equipment necessary for the security of Nepal. The procedure for giving effect to this arrangement shall be worked out by the two governments acting in consultation.

Article 6

Each government undertakes, in token of the neighbourly friendship between India and Nepal, to give to the nationals of the other, in its territory, national treatment with regard to participation in industrial and economic development of such territory and to the grant of concessions and contracts relating to such development.

Article 7

The Governments of India and Nepal agree to grant, on a reciprocal basis, to the nationals of one country in the territories of the other the same privilege in the matter of residence, ownership of property, participation in trade and commerce, movement and privileges of a similar nature.

Article 8

So far as matters dealt with herein are concerned, this Treaty cancels all previous treaties, agreements, and engagements entered into on behalf of India between the British Government and the Government of Nepal.

Article 9

This Treaty shall come into force from the date of signature by both Governments.

Article 10

This Treaty shall remain in force until it is terminated by either party by giving one year's notice.

Done in duplicate at Katmandu this 31st day of July 1950.

(Sd.)

Chandreshwar Prasad Narain Singh

For the Government of India

(Sd.)

Mohan Shamsheer Jangbahadur Rana

For the Government of Nepal

(Source:

<https://mea.gov.in/bilateraldocuments.htm?dtl/6295/Treaty+of+Peace+and+Friendship>)

Appendix-B

Sino-Nepalese Treaty of Peace and Friendships, Kathmandu, 28 April 1960

The Chairman of the People's Republic of China and His Majesty the King of Nepal, desiring to maintain and further develop peace and friendship between the People's Republic of China and the Kingdom of Nepal.

Convinced that the strengthening of good-neighbourly relations and friendly cooperation between the People's Republic of China and the Kingdom of Nepal is in accordance with the fundamental interests of the peoples of the two countries and conducive to the consolidation of peace in Asia and the world.

Have decided for this purpose to conclude the present Treaty in accordance with the Five Principles of peaceful coexistence jointly affirmed by the two countries, and have appointed as their respective plenipotentiaries.

The Chairman of the People's Republic of China:

Premier Chou En-lai of the State Council

His Majesty the King of Nepal: Prime Minister Bishweshwar Prasad Koirala

The above-mentioned plenipotentiaries,

Having examined each other's credentials and found them in good and due form, have agreed upon the following:

Article I

The Contracting Parties recognize and respect the independence, sovereignty and territorial integrity of each other.

Article II

The Contracting Parties will maintain and develop peaceful and friendly relations between the People's Republic of China and the Kingdom of Nepal. They undertake to settle all disputes between them by means of peaceful negotiation.

Article III

The Contracting Parties agree to develop and further strengthen the economic and cultural ties between the two countries in a spirit of friendship and cooperation, in accordance with the principles of equality and mutual benefit and non-interference in each other's internal affairs.

Article IV

Any difference or dispute arising out of the interpretation or application of the present treaty shall be settled by negotiation through normal diplomatic channels.

Article V

This present Treaty is subject to ratification and the instruments of ratification will be exchanged in Peking as soon as possible. The present Treaty will come into force immediately after exchange of the instruments of ratification and will remain in force for a period of ten years.

Unless either of the Contracting Parties gives to the other notice in writing to terminate the Treaty at least one year before the expiration of this period, it will remain in force without any specified time limit, subject to the right of either of the Contracting Parties to terminate it by giving to the other in writing a year's notice of its intention to do so.

Done in duplicate in Kathmandu on the twenty-eighth day of April 1960, in the Chinese, Nepali and English language, all texts being equally authentic.

Plenipotentiary of the
People's Republic of China

Sd/-

CHOU EN-LAI

Plenipotentiary of the
Kingdom of Nepal

Sd/-

B. P. KOIRALA

Source: Bhasin, A. S. (ed.), Documents on Nepal-India, Nepal-China Relations, (1947-2005), pp.3076-77.

Appendix-C

AGREEMENT ON TRANSIT TRANSPORT BETWEEN THE GOVERNMENT OF NEPAL AND THE GOVERNMENT OF PEOPLES REPUBLIC OF CHINA

The Government of Nepal and the Government of the People's Republic of China ("the Contracting Parties"),

With the desire to maintain, develop and strengthen the existing friendly relations and cooperation between the two countries;

Noting the relevant international legal instruments, especially the 1982 United Nations Convention on the Law of the SEA, recognizing that Nepal, as a land-locked country, has the right to have permanent access to and from the sea, and the right of freedom of transit, and realizing the need to facilitate the transit transport through their territories ;

Considering the importance of the One Belt One Road Initiative proposed by the Government of the People's Republic of China,

Have agreed as follows:

ARTICLE I

The Contracting Parties shall provide each other with the freedom of transit across their respective territories through routes mutually agreed upon. Operational modalities including the utilization of ports, routes, conditions of transits, mode of transport and transfer of goods, customs and other necessary arrangements to facilitate transit transport shall be mutually agreed upon by competent authorities of the Contracting Parties and shall be laid down in the Protocol which shall be an integral part of this Agreement.

ARTICLE II

i. Each Contracting Party shall have the right to take all indispensable measures to ensure that transit activities on its territory does not in any way infringe its legitimate interests of any

kind or facilitate any transnational crimes such as stowaways, money laundering and arms smuggling.

ii. Nothing in this Agreement shall prevent either Contracting Party from taking any measures which may be necessary for the-,protection of its essential security interests.

iii. While protecting legitimate interests under this Article, the Contracting Parties shall adopt least transit and trade restrictive measures.

ARTICLE III

i. The term "transit transport" means traffic-in-transit which covers the passage of goods, including consigned baggage, across the territory (including territorial land, inland waters and territorial seas) of a Contracting party when the passage is a portion of a complete journey which begins or terminates within the territory of the other Contracting Party, with or without transshipment, warehousing, assembly, disassembly or change in the mode of transport.

Nothing in this Article shall be construed as imposing an obligation on either Contracting Party to establish or permit the establishment of permanent facilities on its territory for such assembly, dis-assembly or reassembly.

ii. The Contracting Parties agree to use railway rolling stock and road vehicles, vessels and other transport means agreed upon by the Contracting Parties in transit transport.

ARTICLE IV

The cargo and goods in transit transport shall be exempt from customs duties and from all transit duties, or deposits for the payments of these taxes of transit state if the customs and the relevant quarantine and inspection departments of the Contracting Parties are satisfied that the requirements for transit transport procedures are met, except reasonable charges for transportation and such other charges as are commensurate with the costs of services rendered in respect of such transit transport.

ARTICLE V

For convenience of the transit transport, the Contracting Parties agree to provide at point or points of entry or exit, on such terms as may be mutually agreed upon by competent authorities and subject to the relevant laws and regulations prevailing in either country, warehouses or sheds, for the storage of transit goods awaiting customs clearance before onward transmission.

ARTICLE VI

Transit transport shall be subject to the procedures to be mutually agreed upon by competent authorities and subject to relevant laws and regulations prevailing in either country, as well as international treaties to which the Contracting Parties are signatories. Except in cases of failure to comply with the procedures prescribed, all appropriate measures should be taken by either Contracting Party to rule out avoidable delays or restrictions in such transit. Such procedures may be laid down in a protocol agreed upon by competent authorities of both sides.

ARTICLE VII

In order to enjoy the freedom of the high seas, merchant ships sailing under the flag of Nepal shall be accorded, subject to the laws of the People's Republic of China, treatment no less favorable than that accorded to ships from any other foreign country in respect of matters relating to navigation, entry into and departure from the ports of China, use of these ports and harbor facilities, except that the provisions of this Article shall not be extended to the coastal trade.

ARTICLE VIII

Notwithstanding the foregoing provisions, either Contracting Party may maintain or introduce such measures or restrictions as are necessary for the purpose of:

- i. Protecting public morals;

- ii. Protecting human, animal and plant life, health and security;
- iii. Safeguarding implementation of laws relating to the import and export of gold and silver;
- iv. Safeguarding state security and political, economic and social stability;
- v. Preventing the smuggling of goods; and
- vi. Safeguarding such other interests as may be mutually agreed upon.

ARTICLE IX

Nothing in this Agreement shall prevent either Contracting Party from taking any measures which may be necessary in pursuance of general international conventions, whether the Contracting Party has signed or will sign hereafter, relating to transit transport, export or import of particular kinds of articles such as narcotics and psychotropic substances, animal and plant quarantine objects or in pursuance of general international conventions intended to prevent infringement of copyright or trademark right or relating to false marks, counterfeits or other methods of unfair competition.

ARTICLE X

- i. In order to facilitate effective and smooth implementation of this Agreement, the Contracting Parties, shall consult each other when necessary. This Agreement may be amended upon consensus -reached by the Contracting parties through consultations.
- ii. The modalities, routes, conditions of transit, customs and other necessary arrangements may be reviewed and modified by the Contracting Parties to further facilitate the transit transport.

ARTICLE XI

Any dispute or difference which may arise in the application or interpretation of this Agreement shall be settled through consultations between the -Contracting Parties.

ARTICLE XII

This Agreement shall come into force on the date of signature, remain valid for a period of ten years and be automatically renewed in every ten years unless either of the Contracting Party gives to the other a written notice, six months in advance, of its intention to terminate the Agreement.

Done in Beijing on March 2L, 2016, in duplicate in the Nepalese, English and Chinese languages, all texts being equally authentic. In case of divergence, the English text shall prevail.

For the Government of Nepal
China

For the Government of the People's Republic of

Source: Website of Government of Nepal, Ministry of Industry, Commerce and Supplies,
Trade and Export Promotion Centre (<https://moics.gov.np/en/>).

Appendix-D

Memorandum of Understanding (MOU)

between the Government of Nepal and the Government of the People's Republic of China on Cooperation under the Belt and Road Initiative

Being cognizant of importance of cooperation between the Government of Nepal and the Government of the People's Republic of China (hereinafter collectively referred to as "the two sides") to promote mutually beneficial cooperation with full respect to each other's sovereignty and laws;

Being desirous to promote cooperation on mutually beneficial areas between the two countries under the principles of proposed framework of the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiative (hereinafter referred to as "the Belt and Road Initiative") to realize equitable sharing of benefits from integration of goods, technology, capital and human resources;

Realizing that sharing of experiences between the two sides in formulating development strategies, enhanced policy dialogue for mutually beneficial cooperation on fields such as economy, environment, technology and culture will help contribute to rapid development and economic prosperity of both countries;

Hereby the consensus has been reached as follows:

Article I: Objectives of Cooperation and Guiding Principles

1. The two sides shall, taking advantage of good neighbourly ties, promote mutually beneficial cooperation, under the Belt and Road Initiative as per mutually agreed terms and conditions, to realize economic growth and sustainable development; thereby enabling the two sides to further develop friendly relationship, enhance economic ties, deepen cooperation and promote people-to-people exchanges. Cooperation between the two countries under this

framework will result in strengthened connectivity and transit-transport facilities, enhanced economic partnership characterized by openness, inclusiveness, balanced development, shared benefits and environmental sustainability between the two countries and other benefits. The two sides shall ensure the sustainability of the programs and projects by taking into account of the economic, social and environmental dimensions, and and enhance cooperation in areas of climate change and disaster management, among others.

II. The two sides shall adhere to the following principles in their cooperation:

- (i) respecting each other's core interests and major concerns, enhance mutual trust and promote win-win cooperation to realize prosperity and development;
- (ii) cooperation to inject new vigor in economic and social development in accordance with each other's applicable laws and international obligations;
- (iii) strengthening connectivity and mutual support, draw on each other's strength and best practices by making full use of the existing bilateral mechanisms, regional cooperation mechanisms and multilateral forums where applicable.

Article II: Areas of Cooperation

The two sides agreed to facilitate cooperation in the following areas:

I. Policy Exchanges: Carry out dialogues and exchanges in areas of major development strategies, plans and policies.

II. Facilities Connectivity: Strengthen cooperation for connectivity by enhancing cooperation on transit transport, logistic systems, transport network security and related infrastructures development through joint studying and promoting cross border infrastructure projects, including railway, road, civil aviation, power grid, information and communication. Also push for the development of major projects beneficial to both sides and strengthen mutual recognition of standards and information sharing.

III. Trade Connectivity: The two sides shall conclude the joint feasibility study of China-Nepal Free Trade Agreement within 2017 and if viable, will start negotiations on the Free Trade Agreement (FTA) to further open up markets and expand two-way trade, with a view to achieving a win-win outcome; establish cross-border economic cooperation zone at the existing ports; improve investment landscape with a view to developing mega projects in the areas of power generation, water conservancy, road, railway line, cross-border transmission line, information and communication technology infrastructures etc., strengthen bilateral cooperation on customs, entry and exit control, inspection and quarantine and mutual recognition of standards as well as certification and accreditation.

IV. Financial Integration: The two sides shall endeavor to expand the use of national currencies in bilateral trade transactions and investment according to practical situation. The two sides shall encourage financing support and service for investment and trade cooperation, and provide facilitation and supportive policies; enhance cooperation on credit management, and facilitate to establish the branches of financial institutions in each other's territory and enhance the matchmaking between the financial institutions in both countries.

V. People Connectivity: The two sides shall promote people-to-people exchanges, cultural exchanges, encourage the establishment of sister-city relations; facilitate cooperation agreements on media, education, health, culture, art, tourism, biodiversity protection, poverty alleviation, public welfare, agriculture development and etc.; step up regular exchange programs of the parliamentarians, people of bordering regions, media persons, think tanks, students and youth, among others.

VI. The two sides shall formulate the framework of cooperation plan, as and when necessary, to assess the economic, environmental, legal and other associated risks and opportunities.

VII. Other areas of cooperation as agreed by the two sides

Article III: Cooperation Modalities

The two sides shall take full advantage of the existing bilateral mechanisms, and regional and multilateral mechanisms where applicable, to promote connectivity under the Belt and Road Initiative between the two countries and explore new opportunities and areas for bilateral cooperation and modalities for collaboration on major transnational issues of common interests.

I. Cooperation modalities between the two sides shall include, but not limited to, the following:

- (i) Exchange of high-level visits and existing governmental and non-governmental mechanisms, establishment of multi-level information sharing platform in diverse fields through multiple channels to realize information sharing, increase transparency and mobilize the people's participation for development and enhanced cooperation;
- (ii) Carrying out pilot programs, joint research, personnel exchanges and professional training through collaborative analysis, joint planning, economic and technological exchanges and cooperation as well as knowledge sharing and capacity building as per needs;
- (iii) Adoption of appropriate modes of cooperation for mutual benefit to support development and implementation of major programs under the Belt and Road Initiative between the two countries; and provision of investment, financing and technological support for these programs through mutually agreed sources of funds; and strengthening of exchanges and cooperation to ensure program's sustainability and safety.

II. For cooperation in any specific field, the two sides shall sign agreements or other cooperation documents based on mutually agreed terms and conditions.

Article IV: Settlement of Differences

The two sides shall settle the differences in the interpretation and implementation of this MOU through friendly consultation.

Article V: Commencement, Amendment and Termination

I. The MOU shall enter into effect on the date of signing and shall remain valid for three years.

II. The two sides shall modify and supplement the MOU, when necessary, and any agreed revision in writing shall be considered as an integral part of this MOU.

III. Either side intending to terminate this MOU shall give written notice to the other side through diplomatic channel at least three months prior to the expiration of this MOU.

Termination of the MOU will not affect any ongoing projects.

IV. This MOU shall be automatically renewed for another three years thereafter unless and until terminated by either side by giving written notice at least three months in advance to the other side prior to the expiration of the present MOU.

Done at Kathmandu on May 12, 2017, in duplicate, in Nepali, Chinese and English languages. Each version is equally valid. In the case of any divergence of interpretation, the English text shall prevail.

Representative

Representative

Government of Nepal

Government of the People's Republic of China

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Shanker Das Bairagi

Yu Hong

Secretary Ministry of Foreign Affairs

Ambassador Extraordinary and Plenipotentiary of
the People's Republic of China to Nepal

Source: **Khabarhub**, June 27, 2022, (<https://english.khabarhub.com/2022/27/260006/>)

Appendix-E

Map: Geopolitical Location in Map



Photo Courtesy: Khabarhub.com

Appendix-F

Figure:2 Pokhara International Airport



Photo Courtesy: Civil Aviation Authority of Nepal

Figure: 3 Pokhara International Airport Runways



The runway is 45 meters wide and 2,500 meters long and has an east-west orientation. Photo Courtesy: Civil Aviation Authority of Nepal

Figure: 4 Gautam Buddha International Airport



Photo Courtesy: The Kathmandu Post