

# **Evolution of Sphere of Influence in Indo-Nepal Relations**

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## LETTER OF RECOMMENDATION

I certify that this dissertation entitled 'Evolution of Sphere of Influence in Indo-Nepal Relations' was prepared by Bijay Chhetri under my supervision. I hereby recommend this dissertation for final examination by Research Committee Department of International Relations and Diplomacy, Tribhuvan University, in fulfillment of the requirements for the Degree of **Master's in International Relations and Diplomacy**.

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Professor Dr. Khadka K.C

Supervisor

Date:19.03.2020

## DECLARATION

I hereby declare that this dissertation is my own work and that it contains no materials previously published. I have not used its materials for the award of any kind and any other degree. Where other authors' sources of information have been used, they have been acknowledged.

.....  
Bijay Chhetri

Date: 19.03.2020

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## ABSTRACT

In political discourse of India-Nepal relations, the term sphere of influence often appears without much scrutiny. This position has been used by several writers and politicians as the continuance of a strategic tradition inherited from the British imperial policy of treating South Asian region as its exclusive strategic backyard. Since its inception, Indian establishment had their interests in defending the political status-quo in Indo-Nepal relations which in another word is to maintain its sphere of influence rather in implicit manner. Nepal continuously struggled to defy the prevailing status-quo in interstate relations between the two countries. But, Chinese annexation of Tibet in 1950, a move that brought China's territorial boundaries to the edge of Nepal, New Delhi found new justification to its sphere of influence claim over the subcontinent on defensive grounds. India unilaterally started to assume the responsibility of entire himalayan frontier as far as its defence is concerned.

By definition, a sphere of influence is a determinate region within which a single external power exerts a predominant influence, with exclusion of other powers and limitation of the independence or sovereignty of political entities within it. For long, absence of strong presence of external actor(s) in India's political orbit had made the Indian Sphere of Influence claim, more valid. But, Nepal's desire to establish itself as an bonafide independent state in international society would not go hand-in-hand with being part of Indian sphere of influence. Coming out of Indian shadow was a necessary condition if Nepal was to realise its national aspiration. Thus, rigorous attempts were made from Nepal in a bid to reduce heavy handed Indian influence in its internal and external polity. As far as Nepal started to diversify its external relations beyond its southern neighbour, it started to test the balancing act of Indian foreign policy. The case for Indian SOI did not remained the same, indeed, it is evolving over time.

Keywords: Sphere of Influence, Status Quo, Defensive Power, Sovereignty, Foreign policy, External actors, Geopolitics, British, Frontier policy, Anglo-Nepal war, Isolationism, Special relationship, Diversification

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## **LIST OF ABBREVIATIONS**

AK	Automatic Kalashnikov
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BRI	Belt and Road Initiative
ECAFE	Economic Commission for Asia and the Far East
EPG	Eminent Persons Group
EU	European Union
GDP	Gross Domestic Product
ILO	International Labour Organisation
MoFA	Ministry of Foreign Affairs
OBOR	One Belt One Road
PLA	People's Liberation Army
SAARC	South Asian Association for Regional Cooperation
SOI	Sphere of Influence
SSM	Surface-to-Surface Missile
UK	United Kingdom
UN	United Nations
UNMIN	United Nations Mission in Nepal
US	United States
USSR	Union of Soviet Socialist Republics
WHO	World Health Organisation
WTO	World Trade Organisation

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# Chapter 1: Introduction

## 1.1. Background

The modern Nepal came into existence under the leadership of King Prithivi Narayan Shah during the middle of the 18th Century. Until this time, Nepal was a conglomeration of different principalities and kingdoms, each sovereign and autonomous in their own sphere. Relation between these political units were not always peaceful; family feuds and rivalry would draw neighbouring kingdoms into an open hostilities and warfare would be frequent phenomena in the inter-state relations. The Gorkhali conquest put an end to this state of affairs by forcing all these different principalities and kingdoms by bringing them under one rule to form one united Nepal. The unification campaign turned out to be the cornerstone in Nepal's history. It not only ended the internecine struggle but also paved way for Nepal to become a modern nation-state (Sharma, 2006, pp. 3-5).

Once unified under one political unit, Nepal became a formidable power in the Himalayan region. By 1809, it had already engulfed an area between Sikkim to the east and the Sutlej to the west. Nepal's vigorous consolidation of power and expanding territories by unifying small principalities on the Southern side of the Himalayas (Shaha, 1955, p.8). Nepal's territorial advancement reached close to the boarder with areas under the control of East India Company. British imperial power in India took Nepal's continued territorial expansion as a serious threat, which in itself was engaged in establishing its own hegemony in the whole region.

The British had long been interested in the trans-Himalayan trade. Several attempts were made by the British to gain commercial rights and foothold in Nepal, without much success (Lamsal, n.d.). Unsuccessful in many attempts to bring Nepal into some kind of trade agreement, the British were therefore waiting for an opportune moment. The opportunity came in the year 1792, a year when Nepal reached a crucial stage in its conflict with Tibet. In fact, Tibeto-Nepalese clash provided a good opportunity to the Britishers to get treaty from Nepal. Nepal agreed to the commercial treaty of 1792 only because they thought that they could get some help from the Britishers against the Chinese. A treaty on trade and commerce was thus signed between the two countries that year. Since, Nepal got nothing in return, the Nepalis rendered the treaty with the East India Company meaningless, soon after the war with Tibet was settled (Amatya, 1969).

Nepal's cautious manoeuvring turned diplomatic efforts made by British, fruitless which left the British with no choice then to take alternative overtures, if they were to bring Nepal into some kind of trade agreement with them. They tried not without some success at times to play off certain political factions within Nepal. They supported for instance, Rana Bahadur Shah's move to gain power back. When latter succeeded in his effort, they exacted a treaty out of which resulted the Knox Residential Mission. But, this treaty would meet the same fate as the trade agreement of 1792. Consequently, the British themselves stepped back from the agreement (Sharma, 2006, pp. 3-7).

Convinced that only military pressure was the way to intrude into Nepal and establish its political presence and commercial domination, the East India Company was looking for the a suitable

pretext to draw Nepal into a war. The border disputes of Butwal and Seuraj served as an immediate excuse for the British to declare a war against Nepal. However, the fundamental reason behind the war was the clash between the British imperial policy to control the entire South-Asian region and Nepal's desire to keep its independence intact. The existence of Nepal as a powerful force was enough to challenge the East India Company and was incompatible with British drive to establish their hegemony in the region. The reason behind the British move was therefore to do away with one of the few challenges to the British domination on the subcontinent. The geographical position of Nepal directly above Bengal, the heart of the British administration, had long been a matter of concern to Calcutta. Besides, there was growing realisation among the British that time had come to check the esteem Nepal enjoyed among the Indian rulers who had not been as successful in their resistance to the East India Company, since, it could very well lead to an anti-British coalition under the Nepali leadership. Nepal was very well aware of the British imperial design and was always cautious enough to keep the British imperialism at bay. More particularly, Nepali leadership had seen how one Indian state after another had fallen into British control, and they were aware of the next target of British ambition was definitely Nepal. Nepal, however, had limited options except war, as all other peaceful options had already failed to settle the differences in Anglo-Nepal relations that started from the border dispute. The fundamental aim of Nepal's foreign policy was thus to remain out of the 'clutches of the British imperialism'.

There were clear indications that the British were going to declare a war, as the Governor General of the East India Company had earlier written a letter to Nepal renouncing the 1792 and 1803 treaties. Thus, Nepal was left with no alternative but to prepare for the war as both war and friendship with the British was not without cost for Nepal. Even if Nepal had accepted friendship in British terms, the friendship would cost Nepal as the East India Company sought Nepal to give up several newly conquered territories. Nepal Durbar became divided as to whether friendship was to be accepted on British terms or go for the war. Bhimsen Thapa, the prime minister of Nepal at the time, argued that the war with the British was imminent as, according to him, timing for the war was appropriate for Nepal as Britain had been engaging in Napoleonic war in European front and were having hard time managing internal conflicts within India. Thus, Bhimsen Thapa's logic prevailed and Nepal finally decided to go for war with the British (Sharma 2006, pp.3-11).

Nepal was very well aware of East India Company's power and Nepal's own strength was no match to the British might. Thus, forging alliance with neighbouring states against the British became an immediate task. In this connection, Nepal wrote a letter to the Chinese emperor asking for support during the war against the British. China, however, rejected Nepal's request for assistance and refused to get involved in Anglo-Nepal war. Similar proposal to some Indian states with an appeal for alliance against the British was turned down. Since the aid was not forthcoming, Nepal came to the conclusion that it had to fight with the British imperial force, on its own. In the final response to the East India Company, Nepal wrote a letter expressing their desire for friendship, not in British terms but in Nepal's own terms, which was obviously not acceptable to the Company. Finally, on November 2, 1814 the East India Company declared a war against Nepal. Soon after the declaration of the war, British troops flooded over Nepal at different crucial points. The Nepalese soldiers showed high degree of valour against well equipped British army. Basically, Nepal was fighting a defensive war. The war in Kangara was most notable to mention as poorly equipped Nepali fighter

could defeat the British troop which were more in number and more sophisticated in terms of the weapons, which left an astounding impression on the British side.

Despite victories in few points, Nepal lost in other important fronts of the war and was compelled to seek ceasefire and peace treaty. Representatives were sent to negotiate with the East India Company for peace treaty. However, British demanded Nepal to pay compensation for the expenses of the war if the peace treaty was to be signed. British proposal was not acceptable to Nepal as it involved giving up a large part of landmass in the Terai. Sensing Nepal's unwillingness, the British later modified their proposal following which a peace treaty was signed between the representative of Nepal in Sugauli and the East India Company on December 2, 1815. However, Nepal was reluctant to ratify the treaty which led to reoccurrence of hostility between the two powers (Lamsal, n.d.). After some delay, Nepal ratified the Sugauli treaty on March 2, 1816. Although, the treaty did not effect Nepal's sovereignty, it nevertheless constituted a serious material loss. The treaty provided that the significant part of the Terai would fall under the control of the company. Another important loss for Nepal was the establishment of a British residency in Kathmandu, a point which Nepal had been so far tactfully keeping at bay (Naraharinath and Basnyat, 1964, pp. 13-17).

The single most important development of Anglo-Nepal war was that it subsequently determined the international politics of the subcontinent and the attitude the British came to adopt towards Nepal in the years following the war. The military campaign the British had launched in the hills did not turn out as they had expected. Instead, it involved human as well as financial strain of a magnitude the British were ill prepared to bear. The financial strain on Company's side was, in fact, so serious that it brought the East India Company under fire by its Board of Directors in London. For this reason alone, the Company wanted to close their military campaign as soon as possible and not to make the mistake of having to repeat it again (Sharma, 2006, pp.5-9). Another factor that proved to be crucial in determining the subsequent British policy towards Nepal was the assessment of the fighting qualities of the Gurkha soldiers. These Nepali soldier had fought most heroically and exhibited the great deal of valour during the whole war. The policy which evolved from this assessment was the decision to cultivate Gurkha friendship rather than giving them any cause for animosity (Jain, 1959, p.9)

But, the territorial loss constituted a serious financial blow to Nepal. With the revenue losses from those areas, Nepal could hardly hope to maintain the military strength it once had. Thus, British must be said to have been successful in weakening the himalayan kingdom to a point where it would never be able to constitute a serious threat to the British hegemonic ambition on the subcontinent (Sharma, 2006, pp.3-7). If not Anglo-Nepal war was the only event, but it was by far the most crucial event that brought Nepal under the influence of its southern neighbour. The power disparity between these two became clearly evident in the subsequent years. The relational dynamic in Anglo-Nepal relations started to go in favour of British interests. The British power that Nepal so far able to keep in distance started to have its influence felt in Nepal's domestic and external political spheres. Thus, the post Anglo-Nepal war can be considered as a starting point from where the sphere of influence discourse came into existence in Indo-Nepal relations.

## 1.2. Statement of the Problem

Sphere of influence in its pejorative sense means not only disapproval of its practice but also avoiding a critical approach to the idea of sphere of influence, ultimately leading to the denial to use of the concept (Hast, 2012, pp.13-14). The sphere of influence has become a kind of self-fulfilling prophecy, according to Sussana Hast, there is less room for discussing the phenomenon and the safer way to approach the concept is to avoid any reference to it, and formulate the new expression (Hast, 2012, pp. 15, 33, 287) that is at least less pejorative.

As sphere of influence was and still a pejorative notion as a foreign policy tool, it is morally unacceptable, representing injustice. In normative consideration, the concept of sphere of influence becomes an issue that goes to the very core of international ethics and notion of what ought to be that qualifies for normative test. Crucial negative surplus remains in the meaning of the concept of the 'sphere of influence', example, that the powerful actors reorganising their affairs against the will of smaller powers (Nyyssönen, 2016). Similar things can be said in Indo-Nepal relations. The pejorative connotation of the concept is manifested in the criticism of Indian foreign policy as many writers and political activists mostly from Nepal argue- signifies expansionism, oppression, and a British-Indian mentality that does not respect the sovereignty rights of small powers, nor promotes stability or peace in the region. On top of that it does not address aspirations of a sovereign state.

Although, there is no international law on sphere of influence, but the principles of sovereignty and non-intervention establish the limits of international influence and also limits to the idea of sphere of influence. Contemporary use of the term 'sphere of influence' in political language, use and non-use of term itself reflects an idea according to which the referent in most case is too straightforward to require a theory or too old for anyone to be interested in it, or has become too common to pay attention to. Later, seems to be plausible in the case of Indo-Nepal relations. The concept of sphere of influence in itself is simple given, academicians use the concept more than often while writing about the issues pertaining to relations between the two countries without analysing the concept in the first place.

Indian writers in particular treat the concept of sphere of influence without considering the noticeable developments in both ends of the spectrum. For, e.g the books or articles written about political issues or Indian influence over Nepal in 1950 or 60s or published in 2015 or 2018, the concept bear the same weight for them. The possible explanation for this could be that the concept in itself lacks moral justification and the safer way to approach the concept of SOI is to consider it as simply given in Indo-Nepal relations. In addition, there is no shared understanding of Indian sphere of influence over Nepal among political actors and academic circle and they come up with their own version of the idea in their writings and speech acts. There is lack of coherence in articulating the Indian vision of influence.

Many books and journals published in Nepal go as far as to deny the existence of any form of Indian influence over Nepal, taking account of specific event where Nepal has exercised its sovereign rights in its external political sphere. Sometimes, ultranationalistic feelings and emotions

have its role to play and authors being humans are not exception to it. This impression can be felt in their writings. While, other see overwhelming Indian role in almost every events occurring in Nepal. To larger extent, fluctuation of views and lack of consistency is also exhibited in literatures of Nepali authors. According to Sussana Hast, influencing states are likely to ignore internal and external political developments in influenced state if such developments do not effect or shake the very foundation of influence it posses over state under its influence (Hast, 2012). This argument holds at least some water and historical memories suggest that India has come to intervene where it felt necessary against any change that possess possibility of structural change in inter state relations between the two countries. Attempts were made to bring back Indo-Nepal affairs to its previous state. So, it is important to analyse the nature of particular event before making conclusion entirely based on it.

Further, much emphasis is given to Nepal's internal political structure and role of individuals in leadership position while analysing Nepal's international relations or to explain any shift in its foreign policy orientation. Of course, role of leadership and their sound judgements is crucial in maintaining external affairs. Strong and stable internal political structure in addition underpins the confidence of leaders to shape country's internal and external polity. But, to get good glimpse of foreign policy of any country or any shift in its approach in its external relation, developments beyond its boarder has some role to play too. In another word, including internal substance, external factors are integral part under which country's position is defined. But, literatures mostly published during Panchayat era (to lesser degree before and after that), a crucial phase in Nepal's history when it comes to establishing Nepal's independent identity and expansion of its external relations, were more focused towards appreciating comparatively stable internal political structure during the Panchayat era and leadership of Kings (King Mahendra in particular) in particular. Over emphasis on internal political course and role of individual actor was highlighted but those literatures somewhere failed to take good account of the external political dynamics where overtures from Nepal were possible on external front.

The international political system in itself during that period was going through the transition. In Nepal's immediate neighbourhood economic and political rise of China is significant in this matter. The political scenario of early 1950s and 70s was to large extent different in many aspects. The independence movements against colonialism around the globe, issues of sovereignty, expansion of United Nations in its scope and number of members, growth of multilateral institutions, non-alignment movement, technological advancement and interconnectedness, emergence of political blocs based on political ideology were some noteworthy developments in world political system. These developments had been largely shaping international and interstate relations during that period. Nepal was no exception to it. Gradual rise of Nepal's independent identity in international politics was underpinned also by developments that were happening in international political arena. For comparatively smaller power like Nepal that rarely posses power to change the course of international politics, its state of external affairs are mostly oriented vis-a-vis external political environment. Hence, relational dynamics and relations with other actors is outcome of both internal and external factors. Domestic factor alone might partially explain foreign policy orientations that Nepal adopted over the course of time.

### 1.3. Objectives

The aim of this research paper is to analyze the Indo-Nepal relation from the 'Sphere of Influence' perspective. As many academic literature and news articles sought to include the concept, rarely any academic works have attempted to explain- How Indo-Nepal relation carries the shadow of 'Sphere of Influence' that many scholars believed had its origin specific to British-India. If any such attempts have been made, unsurprisingly many academic works have been influenced by geopolitical stances. These geopolitical stances are defined in a rigid framework. Hence, sphere of influence as a concept in Indo-Nepal relations mostly receives similar treatment from political to academic sector. In another word, sphere of influence as a concept is simply given; and scrutiny of the concept itself has received less attention, if not any. While, geo- political aspect a vital part for any country to explain the nature of interstate relations, there are other factors involved and are responsible for state's political approaches towards one another. Likewise, there are other external dimensions that are not only limited to state parties involved, i.e., regional and global in scale.

Sphere of influence is not entirely a new idea that has to do specifically to modern day Indo-Nepal relations. It can be traced back to the era of British Raj in today's India. Going through literatures, memoir, reports the notion of influence can be found in various forms although the term 'sphere of influence' as such was not explicitly used. Area of special interests, adjustment of external relations (Mulmi, 2017) etc. were used to explain the nature of relations between the two states, where on political front, influence of British-India over Nepal would be visible in some way or another.

The treatment of the concept has some resembles of the past, particularly to the era of British India. The major break throw in sphere of influence concept took place when India finally got independence from the British. The term started to appear more vividly. The frontier policy adopted by India can be taken as an example. The policy kept Nepal under India's special interests Zone. Sphere of influence started to appear inseparable when it comes to Indo-Nepal relations ever since. The major difference between British era sphere of influence concept and the policy adopted by independent India is their consideration towards the northern neighbour, China. The rise of China and loss of Tibetan autonomy at the hand of Chinese mostly guided Indian policy. The frontier policy in itself was reactive in nature, mostly in response to growing power of China. In that sense, China factor has some importance to explain relational dynamics between India and Nepal. Indo-Nepal relations have seen considerable change over the years. At the same time there are other major shifts and changes in international political arena. As Indo-Nepal relations cannot operate in isolation, these changes in internal and external politics have influenced the nature of relation between these two countries. Thus, the impact can be felt on the nature of influence in Indo-Nepal relations.

This paper aims to trace the evolution of sphere of influence in interstate relation between India and Nepal. According to encyclopedia ' the idea of evolution, in its simplest form, is that the current state of a system is the result of a more or less continual change from its original state'. Cambridge Dictionary defines evolution as a gradual process of change and development. Sticking to these very definitions, this paper will try to analyse the interplay of external and local developments that

have brought significant change in the nature of relation between the two countries. Over the years, Nepal's external dimension that was limited to its Southern neighbour and to a good degree with Tibet, has expanded to 168 countries by 2020 ("Bilateral Relations - Ministry of Foreign Affairs Nepal MOFA", 2020). The quality and quantity of engagement with actors beyond southern neighbour is deepening. From isolationist policy to today's more diverged outlook, foreign policy adopted by Nepal in subsequent period has to matter of analysis. Foreign policy is outcome of alignment of local, regional, and international circumstances (Rouhana, 2017), combination of all these very factors define the interstate relations. Rather than focusing only on internal dimension, this paper will give equal focus on external aspects that will also help understand the evolving nature of the concept that could be the departure from the simply given concept of 'sphere of influence' in India-Nepal relations.

## **Research Question**

How 'Sphere of Influence' is evolving overtime in Indo-Nepal relations?

### **1.4. Delimitation**

Single case study analysis this research endeavor has implied has, however, been subject to a number of criticisms, the most common of which concern the inter-related issues of methodological rigor, researcher subjectivity, and external validity. Also incorporating issues of construct validity, concerns that of the reliability and replicability of various forms of single case study analysis. Prominent critique of single case study analysis is the issue of external validity or generalizability. Criticism of generalizability is of little relevance when the intention is one of particularization as in this research project.

From theoretical point of view, the shortcoming of various definitions of SOI lies in the inadequacy of emphasis given to the role of small states under the sphere of influence of powerful actors and attention they receives in the concept of SOI. This makes the concept of SOI in itself a perspective through the lens of powerful actors.

Further, the term 'sphere of influence' is frequently used in political speeches, political protests in India-Nepal relations but less been part of critical academic discourse, thus, availability of resources are very limited which was a challenge while carrying out the project.

Sphere of influence in Indo-Nepal relation is a sensitive issue to begin with, and opening up paths of unorthodox reasoning about Indian influence over Nepal is a challenge. As a Nepali who has learned the history of his country, I know how the subject stirs the national sentiments. History has a strong grip on us and being witness of major events in interstate relations sometimes influence our outlook. But, I have not allowed my own understanding of rights and wrongs of the past to affect my analysis of Indian influence over Nepal and Indian discourse, nor, I have tried to exaggerate Nepal's efforts to mitigate the Indian influence in its internal and external political life. Analysis in

this paper is based on historical documents, academic literatures, speech acts, foreign policy , approaches of actors (Nepal and India in particular).I hope readers can follow my purpose while explicating Indian arguments and historical event which is not to justify Indian policy or Nepal's foreign policy choices but to cultivate some understanding of them.



## Chapter 2: Literature Review

### Review of Literature

Indo-Nepal relation has been a subject to many articles, research papers and host of other studies- from historical, culture, economics to politics and the list only goes on. Sphere of Influence in itself may not be the new word in Indo-Nepal relations. It has been part of many newspaper articles, journals, research paper but less, if not any, has been written on changing nature of sphere of influence. And for most part, it has been simply given.

While talking about Indo-Nepal relations, Leo E. Rose and his book *Nepal Strategy for Survival* is the one whom we have to look up to. His most focus is Nepal's foreign policy and strategy where survival happens to be the prime concern. His study is not particularly concerned with analyzing the processes or agents of decision-making, but rather with the substance of Nepal's foreign policy. And political system in which decision making on foreign-policy issues is so greatly influenced by forces external to the polity. From the time of Pritivi Narayan Shah to King Mahendra, Nepal with its comparatively smaller size in a difficult geopolitical situation confronts and confounds the intrusionist and directive policies of the major power. Nevertheless, there are choices to be made within strictly limited framework and there is paucity of alternative policies for a country like Nepal (Rose, 1971, pp. 7-29).

While Leo E. Rose *Strategy for Survival* tries to explain Nepal's foreign policy from geo-political stands point, S.D Muni's PHD dissertation that later took form of a book on *Foreign Policy of Nepal* sheds light on development of Nepal's approaches towards the external world. Later published as a book in a revised form it covers analysis of Nepal's foreign policy since the late forties. Prior to that, the author has given background of the subject providing setting for the major theme of the book. He then proceeds to discuss major determinants, dividing these determining factors into two broad categories and their influence on shaping Nepal's foreign policy. First, the constant factors having a permanent and stable character like geography, history and the general socio-cultural structure. By virtue of rigidity, factors of first category remain constant in their influence on foreign policy. The author argues that these factors are simply given and policy makers have to accept them as such, whatever course of action they pursue.

In the second come the variables that the author opines are comparatively recent in origin and are prone to change, i.e. phenomenon of nationalism and political system. The author also sees the role of leadership as second category is susceptible to manipulation by policy-makers and so their influence on foreign policy will vary in character and content. But as the permanent factors or first category remains the same, in such watertight compartment, leadership has limited role to play when it comes to their influence on the orientation of foreign policy. The idea is that Nepal's foreign policy would necessary be influenced and affected by the extent to which its two-neighbor allowed it. This impression can be felt in author's analysis of Nepal's foreign policy making and development (Muni, 2016, pp. 30-31).

There are instances where Indian perspective would come into play as in the following analysis; “Chinese behavior and the developments during 1967-1968 had a deep psychological impact on Nepal’s perception of China. On the one hand with the increase in China’s nuclear capabilities and its consequent leap towards the status of super power and on the other, with the completion of Kathmandu-Kodari highway. Whereas the first development established China’s supremacy in the region, particularly in the view of confused political and economic scene in India, prevailing at that time, the second brought China too close to Nepal and thereby exposed the latter to any possible or probable Chinese threat; the strategic significance and economic irrelevance of highway had been underlying in several quarters. All this combined introduced an element of scare in Nepal’s dealing with China during and after the Cultural revolution” (Muni, 2016, p. 214).

There are no substantially convincing reasons for Nepal to be displeased with the construction of Kodari-Kathmandu highway. In fact, Kodari-Kathmandu highly sought out project from Nepali side. Such connectivity with the north would reduce Nepal’s over dependency to its southern neighbor; there is less cause if not any for Nepal to feel vulnerable. At least, there is paucity of evidence to support author’s claim. Rather King Mahendra had to make statement that “communism would not come on a taxi” to convince New Delhi regarding the road construction.

In few other occasions, author views are much in line with Indian establishment as in the case of Nepal’s “Zone of Peace” proposal. As a reader one could reach a general feeling that the book has shied away from the academic inquiry, biasness is something to notice. Such is the case when the author claims that ‘the armed conflict between China and India in 1962 created a situation which was both grave and embarrassing for Nepal (Muni 2016, pp. 107-109). The author has not left any clue to back his claims. On multiple occasions, Nepal’s vulnerability and its geopolitical situation would be reiterated for Indian military presence in Nepal up until 1970s.

Nevertheless, the book in itself comes handy while understanding Nepal’s foreign policy and its developments. Glimpse of Indian perspectives would further shed lights on gap between political circle in India and Nepal. Some unfortunate situation in history of Indo-Nepal relations were just absence of coordination between the two countries as per the author. There is a correlation between foreign policy developments and external political context is appropriately taken care of, while analyzing direction of Nepal’s foreign policy.

As a highly touted subject area, the book has less to say about Indian intervention in Nepal. If it has been the case, the author’s conclusion is rarely different from the Indian stand point. The motivation behind New Delhi’s approaches over Nepal has got sympathy from the author. In that sense, Jagadish Sharma’s “Nepal: Struggle for Existence” is found to be an elaborate documentation of Indian political interventions in Nepal. The author makes chronological analysis of Nepal’s history beginning from the period of national unification. The author has allocated great deal of time and space to explain Nepal’s rigorous attempts for its broader international recognition. Further, the book has laid explicit background to the developments in Indo-Nepal relations that helps reader to understand events in its entirety. The debate of ‘survival’ for the country is relevant when there are external and to some degree internal challenges to its existence. Survival of Nepal as an independent state has been a primary focus of the author. And he has tried to explain how some events in Nepal’s history would amount to existential crisis and how it was avoided.

Large portion of the book is occupied by 'Panchayat era'. The period in itself marks the watermark in Nepal's history. It is no surprise that the author has given good emphasis to this period. Most of the events and endeavors from Nepal are described as an attempt motivated towards survival. There are instances where the line between vital overtures from Nepal and minor one is blurred. Most of the efforts from Nepal's part are described as major achievements somehow connected to its survival. In another words, author of this book sums up Nepal's outward looks. He also explains, how political establishment in Nepal see their efforts and overtures vis-à-vis India. It represents the mentality of some political circle of Nepal that anticipates response specifically from Indian side in almost every step when it comes to extending Nepal's relations big or small with the external world. According to Sussana Hast, the influencing state might ignore developments in or from influenced state that do not change the nature of interstate relations between the two nations (Hast, 2012). Nepal being part of 'Postal Union' or inking trade agreement with distant countries that rarely come into practical utility for example the author has given good amount of emphasis, probably has less to do with the survival of the state. Nor every move would bring counter response from the other side. Meanwhile, some developments are important but not so important from even from survival point of view, the theme of this book.

Benefits of doubt are of course is in favor of the author, considering the period when the book was first published (1986). The book was first published when Nepal's external relations were minimal if not none, beyond India. Almost each and every events and developments in its external polity would bear great significance for Nepal if those would involve countries other than India. There would be quick attempts to connect it with Nepal's survival endeavor. In broader perspective, not every events or course of actions are considered vital vis-à-vis India. Or, it might be about how we view things. Smallness and grandness or important or not so important state of affairs for a country has to with our point of departure. 'Sphere of influence' perspective in Indo-Nepal relations happens to be the 'point of departure' for this project. This thesis is not an attempt to exaggerate or minimize the value of certain events, developments or efforts from Nepal guided by its survival instinct. In theory it is not.

King Mahendra rise to power marks the beginning of new era in Nepal's foreign policy making. The period in Nepal's history where King Mahendra was leading has great significance in diversification of Nepal's external relations. His foreign policy were oriented in reducing Nepal's dependency to India. The role of leadership that supposed to be vital in such chaotic political scenario, King Mahendra's rule and his determination from the very beginning as a crown prince has seen great admiration from the author.

The author has touched upon but less to say about the external factors and its impact on orientation of Nepal's foreign policy. His more focus is on the role of leadership in particular. We can not ignore the fact that the leadership and domestic political atmosphere has equal if not more, role in its affairs with other countries. There are ample examples in Nepal history alone that personality has impression on foreign policy making, particularly in relation to India. Foreign policy is reflection of domestic factors as well as consideration of external factor. Unlike big powers, for comparatively small power like Nepal that posses limited power in its state of affairs are influenced by power dynamics in external sphere and relations between major stakeholders. As in most case,

Nepal is not in position to change the course of external political environment all alone, one way to approach it, is to go in line with political space created and to make best out of it.

In that sense, foreign policy during Panchayat era and King Mahendra in particular was successful in identifying external political space to orient his policies. He was able to give a new look to Indo-Nepal relations. Often times, predicaments were there in bilateral relations, he kept India at good humour. During his tenure, Nepal saw diversification in its external relations. Long sought exercise of independence authority in principles were realised to a good degree in his leadership. Meanwhile, the Sharma's entire focus on leadership and internal factors may encourage one to take his/her sight away from the developments in regional and global political scenes that offered space for foreign policy to succeed.

For country like Nepal that was under staunch sphere of Indian influence, pursuance of relatively independent foreign policy would demand favourable external environment too. Analysis of domestic factors or persona of leadership alone may not be the whole answer to the orientation of country's state of affairs with the external actors. Tracing evolution of sphere of influence in Indo-Nepal relations requires analysis of internal developments in both side of the equilibrium (or parties involved) and systemic and sub-systemic (regional) level framework where states function.

## Chapter 3: Research Methodology

### 3.1. Conceptual Framework

Given that the concept of spheres of influence is so frequently employed in political discourse and yet relatively neglected in the academic study of international relations, Susanna Hast's thoughtful and penetrating study represents a welcome and timely effort to provide a 'critical analysis and reassessment of the concept of Sphere of Influence with an interest in normative and theoretical questions arising from the past and the present.

Hast explore the idea from a normative angle, the place of spheres of influence in international society and international affairs. Recognizing that it is a concept that has been contested among academics and elsewhere including politics, Hast employs a constructivist approach to understand its place in the realm of international discourse and dialogues. She identifies two core features in her definition of a sphere of influence: 'exclusion of other powers and limitation of the independence or sovereignty of the influenced. The great power rivalry and its repercussions for sovereignty are the underlying tenets of the present discourses as well, even though they are not expressed explicitly'. These core principles of sphere of influence concept that Hast has narrowed-down works as a framework to understand and analyze dynamics of sphere of influence in interstate relations including sphere of influence in Indo-Nepal relations. Not to mention, Hast understanding of sphere of influence is largely shaped by Cold War politics of superpowers although its historical origin lies elsewhere.

Drawing on the classic study by Lord Curzon of the 'Great Game' for spheres of influence in Asia conducted by the British Empire and the Russian Empire, the theoretical and comparative Cold War works of Hedley Bull, Paul Keal and Edy Kaufman, and the more recent studies by Barry Buzan and Robert Jackson, she emphasizes that Great Powers have historically assumed a managerial responsibility in the international system and have sought to promote stability and order by means of tacit understandings which underpinned the management of regional spheres of influence. She also observes that, whilst commonly perceived as the victims of Great Power arrangements in a balance of power game, small powers and influenced states can actually utilize their influence relationships to play the Great Powers against each other. However, in concordance with Bull and Jackson, Hast concludes that although spheres of influence fulfil necessary functions as an idea and foreign policy tool in the maintenance of international order, it is often at the price of systematic injustice to the rights of smaller nations and states (Hast, 2012). The realist paradigm has obviously left its mark also on the present understanding of spheres of influence. This is why the possibilities of the concept have not been explored entirely outside the realist worldview of power politics (Hast, 2012, p. 158). The realist accounts of anarchy and the system of states might appear as a more natural source of the history of sphere of influence (Hast, 2012, p.57)

Under Indian perspective the discourse on national interests is aimed against those who try to dismiss Indian voice or try to manage regional affairs without the country. "National interests" is a sort of realist voice in India's foreign policy discourse. Spheres of influence in geopolitics represent a balancing game and a facet of geo-strategy. The geopolitical intention is to discover who will rule and how, not specifically to discuss matters of sovereignty, intervention, justice and other themes (Hast, 2012, p. 188)

### 3.2. Methodology

Identifying speech acts, official statements and remarks of individuals holding a responsible position that convey idea on sphere of influence is identified as methodological basis for analysis, at the same time, this paper do not adhere to discourse analysis as such. This research paper is mostly relied on secondary sources and literatures were selected which would express not only political thinking but also theoretical thinking as well. While, majority of content for analysis come from people holding or at some pointed at the helm of government, ministry or academic positions, they are not chosen by their personality, only by topic. If some people are quoted more frequently than others, such as Indian Prime Minister Nehru, it is not because of his position and amount of influence he had in Indian politics including foreign policy, but views that are expressed by them as representative of the Indian Politics and academic elite. Thus, their opinions become the visions of sphere of influence presented to the outside world.

As a research strategy, case study research design is adopted, given its wider scope for single case analysis (Yin, 2009). Indo-Nepal relation given its historical, cultural, social-economic and geopolitical proximity, is unique by nature, so, analysis of sphere of influence in Indo-Nepal relation is different in many ways compared to other sphere of influence, including sphere of influence of great or regional power on system and regional level. Further, this paper avoids comparative case study method mainly for two reasons; first, there is no similar or comparable similar case which makes this research entirely a single case study. Second, this paper will not apply comparative case study method only for the sake of external validity and reliability of research outcomes.

One of the most prominent advocates of case study research, *Robert Yin (2009: 14)* defines case study as “an empirical enquiry that investigates a contemporary phenomenon in depth and within its real-life context. Clifford Geertz’s (1973) notion of ‘thick description’, that allows for the thorough analysis of the complex and particularistic nature of distinct phenomena. Another frequently cited proponent of the approach, Robert Stake, notes that as a form of research the case study “is defined by interest in an individual case, not by the methods of inquiry used”, and that “the object of study is a specific, unique, bounded system” (Stake, 2008, pp. 443-445). As such, three key points can be derived from this – respectively concerning issues of ontology, epistemology, and methodology – that are central to the principles of single case study research. One of the principal reasons for this, he argues, is the relationship between the use of case studies in social research and the differing epistemological traditions – positivist, interpretivist, and others – within which it has been utilized. Purport to explain only a single case, are concerned with particularization, and hence are typically (although not exclusively) associated with more interpretivist approaches. In methodological terms, given that the case study has often been seen as more of an interpretivist approach and it has also been associated with a distinctly qualitative approach (Bryman, 2012, pp. 67- 68).

The early years of Indian independence and particularly during Nehru era, there is much discussion about the sphere of influence and Indian interests in Indian subcontinent. The term sphere of influence was explicitly found in speeches of political actors and official statements of Indian government in relation to Nepal. With the passing of time, there is less discussion about the controversial term in political sphere. It’s not that the Indian approach towards Nepal has entirely

changed or there is some moderation in Indian actions towards Nepal. Moreover, the political language has become more sterile and the term sphere of influence is used in extreme rarity. Apart from the official language of Indian establishment the idea of Indian sphere of influence is still a catchphrase for academicians, writers and think tanks. Unfortunately, there is no shared understanding of Indian sphere of influence over Nepal and authors bring their own version of the idea in their writings. There is lack of coherence in articulating the Indian vision of influence and regional order that is reflected in Indian foreign policy. The Indian idea of influence as we find in different materials resemble discourses justifying its own efforts to exert influence for its own security reason and refuting other's policies of doing the same.

Thus, the soft tone on official level and inconsistency on Indian vision of influence, analysing the idea of sphere of influence in Indo-Nepal relations particularly after Nehru era has to be made based on historical facts, events and Indian approach and counter response from Nepal in different period of time. For that matter, a deductive and qualitative approach is adopted from the outset which makes this paper a theory-guided case study that seeks to explain or interpret a historical episodes rather than generalize beyond the case. In research, deductive and qualitative approach offers a methodologically rigorous "analysis of evidence on processes, sequences, and conjunctures of events within a case. Implying Susanna Hast's reassessment of the concept of sphere of influence this paper tries to analyze evolution of sphere of influence in Indo-Nepal relations.

## Chapter 4:

### 4.1. Geopolitics of Sphere of Influence

The concept of sphere of influence is generally associated with the tradition of geopolitics which studies the relationship between territory and politics (Hast, 2012, p. 129) Geopolitics as a term is currently being used to describe a broad spectrum of concepts, but particularly focuses on analysis of geographic influences on power relationships in international relations. In contemporary discourse, *geopolitics* has been widely employed as a loose synonym for international politics (Gogwilt, 2000, p.1).

The sphere of influence as a concept is situated specifically in classical geopolitics; it is a social order that is made spatially visible. Perhaps this is also the reason why spatiality, the geopolitical dimension, of spheres of influence is emphasized over other dimensions. It is emphasized quite rightfully: the spatial element is at the core of spheres of influence as long as international relations is concerned with states and their borders. "Sphere" is the spatial element and when states begin to arrange themselves into unions, blocs, super-states, centers of power – whatever one wishes to call them – we witness a spatial order based on spheres of influence. A sphere of influence also tends to imply territorial proximity of the influenced state to the core, which is why influence in distant territories is not viewed as a sphere-of-influence policy as readily as relations between the core and its surrounding states (Hast 2012, p.140). "Direct sphere of influence" not only means that the influence is *de facto* instead of *de jure* but also that the states have an element of geographical proximity. Spatiality is why it is logical to assume that if India has a sphere of influence somewhere, it is within its neighbourhood or around post-British Indian geographical space.

One reason SOI are considered to be "historical" is because most are geographical in nature. But, SOI does not necessarily encompass only or mainly an area that abuts the influencing power. For instance, Cuba under USSR's SOI. However, most areas considered to be a part of an SOI seem to share features with what we called the "near abroad." One key reason for this frequent geographical proximity between SOI and the influencing power is that SOI can contribute to the influencing power's security by keeping other major powers at some distance, beyond the SOI (Etzioni, 2015).

At the level of international relations, geopolitics which is at the center of sphere of influence idea, is a method of studying foreign policy to understand, explain and predict international political behavior through geographical variables. These include area studies, climate, topography, demography, natural resources, and applied science of the region being evaluated (Evans & Newnham, 1998).

Nepal's discomfiture resulting from its location, size and topography has had a profound bearing on its foreign policy. Nepal lies between Asia's two big powers, India and China. Its northern border runs along the Tibet region of China passing through the world's highest mountain ranges. Geopoliticians often refer this as a 'Zone of Protection'. Its west, south and the east is surrounded by India. Land Connection with Bangladesh is separated by narrow strip of Indian territory of West Bengal. The border with India runs through the inner periphery of Indo-Gangetic plain and constitutes what can be called a "Zone of Exposer" This makes India and Nepal easily accessible



to each other. As a result, the exchange of socio-cultural, economical and political influences between two countries have been largely influenced. This geopolitical standing has long played an important role in determining the form and content of Nepal's relations with the external world. Nepal's perception of its neighbours that has emerged out of history dominates the foreign policy making in Kathmandu (Muni, 2016).

Foreign policy decisions maintain a historical social system that is powerful in determining the parameters for accepted and effective geopolitical action imprinted in its foreign policy. Though we may focus on the actions of the state, the types of actions and the structures within which they occur are mostly influenced by geographic settings (Flint and Taylor, 2018). Nepal's switch from expansionist power in South Asian region and its subsequent isolationist policy following the Anglo-Nepal war were largely necessitated by geopolitical compulsions. The loss of territory in Anglo-Nepal war took geopolitical advantage out of Nepal's way. The landmass that could connect Nepal to Punjab, Kashmir and possibly to Afghanistan forming an alliance to check the growing power of the south, was lost at the hands of the British Empire. Approaches to form alliance was made particularly during Bhimsen Thapa's primership was mostly underpinned by geopolitical position. The aforementioned states were struggling against the British to maintain their sovereign status. And Nepal being in the forefront was leading the campaign against the empire's ambition. Nepal sticking to the prevailing territory would have made possibility of forming a balancing alliance alive in the region. From geopolitical point of view, this loss of possibility came as a cost from Anglo-Nepal war that defined Nepal's external millineu ever since.

Geographical space for the British was growing alongside the fall of independent states of Indian subcontinent into the British Empire. Although, independence remained intact, Nepal's foreign policy choices were limited nevertheless in the emerging geopolitical setting. Vital territory loss was institutionalised through Sugauli treaty following the Anglo-Nepal war. Rigorous attempts were hardly made to reclaim the lost territory. It mostly had to do with the power disparity with growing power of the British. On the north, China was going through its own internal political turmoil so could no longer play the role of balancer. Adjustments in new geopolitical context had to be made with the British. The growing power of the British empire in the region and downsized Nepal in terms of relative power defined the power relations between the two nations (Sharma, 2006, pp. 7-28).

Absence of balancing mechanism, allowed British to exercise preponderance of power in the region. This new geopolitical setting in South Asia paved way for the British to establish sphere of influence around it. A 'sphere of influence' that can be best described as geographic region characterized by the high penetration of one power to the exclusion of other powers and particularly of the rival superpower (Kaufman, 1976, p.11) the definition that could fit in the position of the British in south Asian subcontinent. Isolationism for Nepal thus became the foreign policy choice until major shift starting to emerge in the region. With some initial denials close relations were maintained with the British. Meaning, the British would respect the sovereignty of Nepal and in return, Nepal would not entertain any hindrance to Empire's interests in the region, including trade and security. This, policy orientation for Nepal remained mostly unchanged until the British were in power in the subcontinent (Muni, 2013).

A sphere of influence often reduced to a territorial metaphor, largely concentrates with a map of influences and power struggles between states (Hast, 2012, p. 131). Spheres of influence in geopolitical literature, represent a balancing game and a facet of geo-strategy. The geopolitical intention is to discover who rules *and how*, not to discuss matters of sovereignty, intervention, justice and other themes which relate to the pejorative associations of the present idea of sphere of influence. Imperialist geopolitics represents spheres of influence as aspects of geo-strategy, the association of geography and military elements with politics. "The pervasive commonality of the spatial order is more important than everything usually associated with sovereignty and non-intervention" (Hast, 2012, pp. 142-144). India although emerged through anticolonial political campaign against the British Empire, its external orientation ran in similar lines with their predecessors. A sphere of influence that often reduced to a territorial metaphor, New Establishment in New Delhi found its interests in defending status quo in the subcontinent left by the British. Bilateral treaties and agreements were reached with the states within its sphere. Geopolitics still a deciding factor about who gets what and how.

The relevance for present-day spheres of influence is that *sphere of influence* is safeguarded through formal agreements between states. For Carl Schmitt (2003, 252) the right to intervention is based on agreements and treaties, making it possible to claim that the action taken by the controlling state was no longer considered as intervention. Even the Cold War sphere of influence, though tacit, was well established and included treaties, such as the Warsaw Pact. Schmitt argues that sphere of influence is something where the shell, or outer layer, of sovereignty is maintained but the content of it is somewhat compromised. The controlled state had the right to protect independence or private property, the maintenance of order and security, and the preservation of the legitimacy or legality of a government. Simultaneously, on other grounds, controlling state was free, at its own discretion, to interfere in the affairs of the controlled state. Its right of intervention was secured by footholds, naval bases, refueling stations, military and administrative outposts, and other forms of cooperation, both internal and external. By saying this Schmitt was relating his idea to the cold war sphere of influence politics. At the same time, he was offering a point of departure for other forms of sphere of influence elsewhere in the world (Hast, 2012, pp. 148-149).

The major difference between present sphere of influence and that of the British era is in their projection of power that also goes hand in hand with the distribution of power among major stakeholders in the region. While Indian sphere of influence contains its security-elements attached to it. Indian 'Frontier policy' is relevant in this context. British wanted to cross the Himalayas for economic and security reasons and were more assertive in their approach whereas India considering Himalayas as its security wall makes it rather a power with defensive motives. This changed geopolitical context is largely influenced by the rise of China. China is no longer a divided, occupied in internal power struggle that forced it out of power game, particularly during British days in India. Inclusion of Tibet into mainland China took the previously established buffer zone between the two power out of the scene. This new geopolitical context has brought a whole power game in the region to the forefront. Its impact can be felt in the relations between states in the region, largely influenced by the shift in distribution of power among political actors.

Looking at history from the perspective of the present, the tacitness of influence is not necessarily a distinctive feature of a sphere of influence. The present understanding embodies the

pejorative associations, but it also embodies a sphere of influence which is imperialist or expansionist in contemporary political discourse (Hast, 2012, pp. 148-149) which the controlling country try to avoid any form of reference. Nor its policy to get such outlook that goes against the international norms and morality. At the same time, country do not want to give up their vital interests merely on moral ground. Sphere of influence in contemporary politics is defined much as a area of responsibility by the state in controlling position. The similar reason why bilateral treaties stipulations seem on equal terms but with asymmetrical impacts on the treaty signing parties. In such case the sphere of influence expressed is rather implicit in form.

The realist paradigm has obviously left its mark also on the present understanding of spheres of influence. This is why the possibilities of the concept have not been explored outside the realist worldview of power politics (Hast, 2012). Realist and especially neo-realist approaches focus upon the capabilities of states that are often limited to dyadic or bilateral relations. For neo-realists, structure is an ephemeral manifestation of state-specific calculations based on a zero-sum game that is ultimately about a narrow political–military calculation of strategy and balance of power (Waltz, 1979). Geopolitical calculation suggests, if India loses other actors will gain, such is the case with its influence too.

And this is what makes the concept of sphere of influence more debatable. For small power being under sphere of influence of bigger power there is always a threat to its existence. Second, it challenges the very core notion of sovereignty that current world state system is based upon, at least in principles. A realist is hence likely to hold that they should be opposed only if it violate the core interests of the nation that tolerates the development of such a sphere by another nation (Etzioni, 2015). If we relax the idea of sovereignty, spheres of influence is not always and necessarily a violation of sovereign rights; that is, a sphere of influence does not inevitably deserve a pejorative interpretation (Hast, 2012). But, sovereignty that historically been attached to the sentiment of the Nepali nationhood, being under any external influence that infringe the rights of sovereign nation, it is likely to create friction in the relationship. The country that has historically been independent, exercising the given rights domestically and in international politics happens to be the core interests like any other states. In Nepali domestic political discourse, such core interests is rather treated as an aspiration. Aspiration in the sense that it is not fully realized from Nepal's perspective; full autonomy in its internal and external political lives. There could be debate on how independent today's states are? Discussion probably needs to be focused on relative terms. Sphere of influence in that matter alone is more contested in the sense that it challenges external orientation of country under spatial interest of powerful state. Indian interest to defend the sphere of influence thus goes contrary to Nepali aspiration.

The advent of technology, globalization, regionalism, role of multilateral institutions, interconnectedness etc have made the sphere of influence in itself a more debatable subject in recent years. The relations of states and characteristics of relationships have not remained untouched by these new developments. Small states today have found more rooms to realize their interests. SOI a condition where one power possess preponderance of power over others in its relations within its so called SOI zone and is in position to keep other powers at distance is not equally able to do so, as in the past. With the advent of long-range missiles, surveillance satellites, unmanned aerial vehicles, and cyber communications for spying and, potentially, cyber warfare, territorial distances have

come to be viewed as less important. Indian sphere of influence that is said to be largely based on defensive and security motives is challenged by these new waves.

Militaries today pay increased attention to what is called the “distant battlefield” where machines controlled from afar conduct the fighting, and to rapid deployment forces that can be positioned with little regard to distance. These developments in warfare technology help explain the decline in interest in SOI, which tend to be “local” (Etzioni, 2015). This does not mean that sphere of influence that was primarily based on territorial metaphor has become absolute. But, one thing is certain that the power that fully rely on historical context to defend the ‘status quo’ of its influence had to make adjustments as the foundation of SOI has been shaken. The impact can be felt in the relations between states, and Indo-Nepal relations is no exception to it.

Relations between states today are no longer defined in historical geopolitical context alone. Even geopolitician would agree on that. It has become only evident in recent years. Its impact can be seen in political lives of states and their external orientations. SOI that rests on power relations between states and geopolitical context underpinning those relations to larger extent, has not remained the same. For comparatively small country like Nepal, its external milieu has widen in scope and in scale having obvious impact on its external orientation particularly vis-a-vis India. Analysis of Nepal’s foreign policy will elaborate more on this aspect.

#### **4.2. Foreign Policy of Nepal**

Foreign policy for any country is integral part exhibiting its external posture. The most formidable task of Nepalese foreign policy has long been how to preserve national independence in the face of threats from abroad. This very concern can be traced back to Diba Upadesh of King Prithivi Narayan Shah. Defining Nepal’s geo-political position as a ‘yam between two stones’, he adopted policy to maintain peace with both its immediate neighbors. At the same time he was more cautious about the rising British power in the southern plains. He urged his successor not to engage in offensive warfare but fight should be based on defensive purposes. Besides unifying and consolidation of Nepal, King Prithivi Narayan Shah laid down the basic tenets of Nepal’s foreign policy which also became guiding principle for his successors.

Aware of its limitations Nepal was apprehensive of the growing British power in the south. The apprehensions were evident in Prithivi Narayan Shah’s reluctant to enter trade relations with the British India. He and his successor were averse to the idea of having a British Residence in Nepal. Nepal nevertheless had not given up the policy of territorial expansion. The process of expansion continued after the demise of King Prithivi Narayan Shah in 1774. Rana Bahadur Shah while acting as Regent to infant King extended Nepal’s territory as far as Kumaon towards the west and up to Sikkim in the East. Nepal’s expansion towards the north came to an end when Tibet-Nepal conflict that started with the currency problem led to Nepal’s confrontation with China in 1791-92 when Tibet appealed to Chinese emperor for help (Muni 2016, pp. 1-3). Encouraged by its suzerain obligations and rights, economic, social and geopolitical interests in Tibet, China intervene in favour of Tibet. While Nepal’s vainly requested help from the British. Nepal and China signed a

treaty in 1792 ending the war. The treaty did not however disturb Nepal's favorable position in Tibet.

Decade following Bahadur Shah's fall in 1795, Nepal's strongly resumed its expansionist policy under the leadership of Prime Minister Bhimsen Thapa. His move towards the South however was brought to an end by the consequences of Anglo-Nepal war that ran discouragingly against the Nepali ambition. Sugauli treaty was signed between Nepal and the British in 1816. The treaty was only successful in bringing Nepal to be at peace with the British. It could not make the kingdom to be friendly and cooperative. The British resident was received in Kathmandu but was forced to work in rigidly defined and closely guarded limits. Commercial and other matters in which British had shown their interests were not promoted. Nepal did not completely give up its effort to forge anti-British alliance with the Indian states, China, Burma and Afghanistan to counter the British ambition in the region. This policy was pursued until Junga Bahadur Rana came to power in 1846. During Anglo-Chinese conflict in 1839-1942, Nepal sent its diplomatic missions to Lhasa and Peking and offered its cooperation. Again, when the sovereignty of Sikhs in India was lost to the British in 1846, Nepal approached to China. In all such communication special reference was given to the acquisitive designs of the British. However, none of such attempts for Nepal were successful.

Chinese reluctance to respond to Nepal's call could be blamed for the long distance between these two nations. And many historians argue that the Chinese interests were laid in Tibet, not in Nepal. China was less interested in jeopardizing its commercial interests with the British. Further, China was not convinced with Nepal's position to view the British in India as an assertive power. Failing to make any progress in forging alliance or to draw attention of China to counter the British force, Nepal was left on its own to deal with the mighty British.

Stopped in the North by the Chinese interference in Nepal- Tibet conflict and loss at the hand of the British in Anglo-Nepal war in other directions, Nepal's territorial expansion had come more or less to an end. Nepal no longer was the growing power while British power had been gaining momentum in bringing Indian princely states under its control- one after another. Power disparity between these two was widening largely in favor of the British-India. By the time Junga Bahadur Rana came to power, confrontation or hostile approach towards the British had become inappropriate foreign policy option. Baring the year 1855-56, Nepal did not attempt to enter any military or diplomatic relations with China. The British remained its main concern (Muni, 2016, p.2). Nepal entered an era where its whole foreign policy orientation was diverted towards dealing with the power in the South. "Isolationist policy" hence was an outcome of both domestic and external factors.

Junga Bahadur Rana in particular adopted policy to maintain friendship with the British. The principal determinant of Junga Bahadur's policy was his belief in the invincibility of the British. In return he observed non-interference in internal matter of Nepal from the British. To ward off interference, he minimized intercourse with the British Resident. He also showed less interest in the commercial schemes of the British. Much to the dislike to the later, his attitude towards the question of boundary settlement and border crimes and extradition proved to be 'non-cooperative if not unfriendly' to the British. Jung Bahadur's foreign policy and attitude towards the British were continue even by his successor who came to power. Major difference in their policy with Junga

Bahadur was reservations that he strongly put forth while dealing with the British were gradually removed in the name of enhanced cooperation and mutual goodwill. In 1855, the recruitment of Gurkhas for the British Army was formally permitted by the Rana Prime minister Bir Shamsheer (1855-1901). The issue that had been pending since 1816. In 1904, Chandra Shumsher (1901-1929) helped a British military mission reach to the Tibet (original.15, Muni: 2016:7). Nepal was obliged under the treaty signed in 1856 to help Tibet against the foreign aggression, but Chandra Shumsher pressurized Dalai Lama and the Tibetan Kazis to negotiate a settlement with the British, to the latter's advantage (Muni, 2016, p.7). Nepal became supporting ally to the British Empire. Gorkha troops participated in two World Wars under the British Flag and established a reputation for fighting skill, strength and discipline.

During the period 1947-1950, Ranas strongly adopted an approach to expand Nepal's external relations. This urge was mainly led by vulnerability of Rana Regime internally and were in desperate need to get external recognition of their authority. The foreign policy of Ranas underwent a revision in response to the development at home and in near abroad. Ranas trustworthy and only ally the British no longer in the southern plains to support, now replaced by the new homegrown leadership in India that was not too friendly with the Ranas. Time had come for Ranas to look elsewhere.

Thus, new course of Nepal's foreign policy objectives were two folds; first, to seek international recognition of their authority through extension of diplomatic contacts, second, to keep Indian establishment at good humour (Muni, 2016, pp. 3-12). Taking advantage of the contacts established during the Second World War, Nepal reach out to United States to sign an Agreement of Friendship and Commerce' on 25 April 1947. Exchange of ambassadors between the two countries was formally announced in the following year. In forging and consolidating their ties with the United States, Ranas were well aware of the former position as a world superpower. Establishment of relation with one of two superpowers, the other being the Soviet Union, Ranas believed this relation would be a cornerstone to gain international recognition to their authority. The United States on its part welcomed Nepal's cooperation on its global schemes "to defend freedom and peace" which if understood in the context of the US strategy during cold-war and Martial Plan meant containment of communism. In the following years Rana regime saw establishment of bilateral relations with France (1949). Nepal's long standing relations with the British helped to diversity its contacts with the western world. However, owing to the withdrawal of British from the south asian subcontinent some adjustments were to be made between Nepal and Britain. Diplomatic relations were formally renewed in 1947 and the new treaty to the continuation of Gorkha recruitment in British army was signed in the same year. Commercial and other interests were also renewed under the Treaty of Perpetual Peace and Friendship signed in Kathmandu on 30th October 1950.

Besides these bilateral relations Nepal took part in various conferences. Nepal sent observers to the Asian Relations Conferences held in New Delhi in March-April 1947, to the ECAFE meeting held in Lapstone (Australia) in 1948-1949 and few others between year 1947-1950. In February 1949, Nepal applied for the membership of the United Nations and pleaded its case strongly. By the time Nepal had already acquired membership of the UN bodies such as ILO, WHO (Muni 2016: 14-15).

The main challenge faced by Ranas during 1947-50 the period was to balance the relationship with its southern neighbour India. In an effort to remain in power against the mounting domestic opposition, Nepal diplomacy with India constituted the most vital aspect of the Rana diplomacy. The Ranas knew very well that because of Nepal's geographical juxtaposition, socio-cultural affinity, it was to be considerably influenced by the newly independent immediate neighbour, India (Husain, 1970, pp. 234-245). Nepal decided to exchange ambassador with India with hopes to enhance bilateral relations. Under Tripartite treaty in 1947, Nepal allowed India as well as Britain to recruit Gorkhas for their respective armies. The practice that started by the British long time ago (Muni 2016: 15). With all their efforts to stick in power and compromise that had been made over the years, Ranas could not withstand the mounting domestic pressure. Rana Regime finally came to an end in 1950.

For long period, Nepal played the role of intermediary between the Indian subcontinent and central Asia. The distance between Nepal and the main center of Chinese imperial power was too great and hazardous for the Chinese to claim the authority over the Himalayan kingdom. Besides, the mighty Himalayas in between posed formidable barrier to any serious encroachment from the north. The war of 1789-1792 was the only major confrontation that occurred between the two countries, was largely the result of the Tibetan unwillingness to come to any reasonable peaceful settlement with Nepal. This behaviour on the part of Tibet finally led Nepal to resort non peaceful means. Nepal's military advance was so swift that Chinese were forced to stop the Gorkhas from overrunning the entire Tibetan plateau. The Chinese were successful in ejecting the Gorkhas from Tibet but the last battle in itself may have been in Nepal's favour. For large part, the war was a draw and hence militarily inconclusive. A mutually satisfactory treaty was signed in 1792 as the continuation of war was not in the best interests of either country. The approaching winter had almost closed the entire Chinese supply lines whereas the Nepali themselves were becoming increasing concerned with the impending British threats from the south. Apart from this brief confrontation, Nepal's relations with China for most part remained peaceful and both nations shared congruence of interests in the Himalayan region. Nepal used its relations with China to counter threats from the south where the presence of friendly Nepal on southern flank of Tibet helped Chinese to enforce their authority in the region.

Throughout the eighteenth and nineteenth centuries, China was 'looked upon as too distant to be a real threat but close enough to serve as a source of support' at times of need (Rose, op. cit., p. 419). Thus, meticulous care was given to maintain good relations with China, especially because of the increasing threats from the south. Attempts were made to bring China as a possible balancer against the British. Acceptance of nominal vassalage to the Chinese empire was in itself the result of imminent danger the British posed to Nepal's independence. Not surprisingly, missions bearing gifts to China were maintained and later skilfully used to kill the trade treaty of 1792 with the British. The trade treaty that the British long sought for would eventually bring the British to take control of the trade route in the region. Such treaty would allow the English to play influencing role in the region.

Establishment of British hegemony on the Indian subcontinent coincided with the decline of the Chinese Empire. This was indeed in many aspects unpleasant development for Nepal whose very survival depended upon a favourable balance of power situation in the Himalayas. China as a

balancing mechanism was no longer in position to maintain 'status quo' in the Himalayas and the countries in the region would have to face the British on their own. Nepal in particular was no exception. Indeed, the situation in the south of Nepal was as grim as in the north. Many independent Indian states which had potential to withstand the East India Company had by this time been part of the British. Where Nepal was too much occupied with its own domestic upheavals, British took that chance to deal with those Indian States and had rendered them powerless to the point where they would pose no serious threats to the British ambition in the region. Thus, any prospects of an alliance that existed in the past that could be used to balance the threat against the British was no longer at disposal for Nepal. In its entire history, Nepal rarely had to face the situation where one power dominated the whole region as in the middle of the nineteenth Century. British India was an overwhelming force and there was no conceivable way available for Nepal to circumvent such superior power.

The defeat resulting from the Anglo-Nepal war was more devastating in nature than any other experience Nepal had thus far encountered. The treaty of Sugauli (1816), which among other things incurred territorial losses, had made crippling impact on Nepal and its expansionist ambition. Although, Kathmandu resented the treaty at first, internal feuds, struggle for power within the country and loss on Nepal side during the war was too bitter to permit other Nepali ruler to concentrate their attention on the British.

When the Ranas came to power in 1846 by turning massacre initiated by them in their favour, it became their foremost task to formulate a long term policy towards the British power in India. Since, China was bogged down with its own problems with the West and was in no position to exert any influence outside the empire, the balance of power mechanism that Nepal had banked for so long was not at the disposal of Nepali leadership. The regional political milieu in which rulers of Nepal had to operate provided very little room for manoeuvre. The Ranas could see how British had consolidated their authority on the subcontinent and there was only grim chance (if there was any) they could be dislodged from this seat of power in foreseeable future. It was therefore only prudent to go along with this tide rather than fighting against it. Any idea of confrontation with the British was out of the table. Instead, the Nepali leadership began to explore the possibilities for cooperation with the British (Sharma, 2006, p.7-10).

The Sepoy Mutiny for that matter was a watershed in Anglo-Nepal relations. The mutiny proved doubt the British strength to withstand any adverse events on their way. This had profound impact on Nepali rulers as the outcome of the mutiny simply reinforced their own assessment of British might. The Ranas were finally convinced of the British invincibility and adopted the policy of cooperation with this power. A determined effort was underway to explore areas where Nepal could join hands with the British. The Anglo-Nepal war that had left a good impression on the British regarding the Gorkha valour and Gorkhali resilience, were not in the mood to remain hostile to this courageous nation. The British who were thinking in a similar line were not likely to turn down any positive gesture from Nepal's side.

Eventually, an unwritten alliance was soon to be formed allowing the British to recruit the Gorkha soldiers and all possible assistance to the British Raj in times of need. The British in return would keep their hands off Nepal and respect its independent existence. It was mutually agreed



arrangement. The British found a valuable ally in an otherwise hostile territory whereas Nepal retained its independent status. Additionally, extra measures were taken to ensure that the British would not become too intimately involved in Nepal's internal affairs. The policy of isolation was designed precisely for this purpose.

In interstate relations between India and Nepal the Britishers nevertheless, had upper hand exhibiting the characteristic to fit in the characteristics of sphere of influence. Sphere of influence that is best defined as international formation that contain one nation that posses preponderance of power over the other. For the formation to qualify as an Sphere of influence, the level of control the influencer has over nations subject to its influence must be intermediary: lower than that of an occupying or colonising nation, but higher than that of coalition leader. Importantly, the means of control the influencer employs must be largely ideational and economic rather than coercive (Etzioni, 2015). Anglo-Nepal war in that sense, was decisive in defining the relations between the two nations.

Nepal's sudden debut into international society in 1951, after a successful campaign against the autocratic Rana regime, eventually turning Nepal into a democratic state, caused an immediate crisis in the country's self-identification. This was natural consequence of both of its immediate past, which had been characterised by Nepal's isolationist policy in relation to British-India and acceptance of some degree of subordinate status in interstate relations, and second; of the circumstances under which the 1950-1951 revolutionary movement in Nepal achieved success (Rose and Dial, 1969). Indian support of the revolution was important, for without it, victory would have long delayed. Furthermore, the term of settlement, the so-called Delhi compromise allowed Indian government to have its upper hand. Although, the revolution itself had not been an Indian concoction, its result were, in fact has complicated relations between the two countries ever since.

Because of its part in the revolution, India had come to assume an active and prominent role in Nepali affairs and relation with India now could not be dealt as in the past. The main preoccupation of Nepal's foreign policy was hence to find ways to deal with the colossal neighbour in the south. India had always commanded a good share of Nepali attention, but never more so than during the period between 1951 and 1955 (Sharma, 2006, pp. 53-60). The period largely considered as years of 'special relations' between India and Nepal. A very important factor that sustained the 'intimate' relations between India and Nepal was the absence of any external actor. China's position in Tibet was still unsettled and its claim there was not recognized by the international community. The outbreak of hostilities in Indo-China board that took place simultaneously created new problem in the region. In this situation, China needed India's goodwill and support. Any attempt by China to question India's position in Nepal was likely to invoke reaction that would go contrary to objectives and its claim over Tibetan peninsula (Muni 2016:60-61).

For number of reasons, the situation in 1950-51 was challenging in the area of policy making for Nepal and foreign policy in particular. Since, policies prior to 1950s were discredited as oligarchy interests and were hence discarded. Isolation was no longer the cardinal feature of the Nepalis foreign policy. Expansion of diplomatic relation underway since 1947 came to an abrupt end in 1950s. India, had so far kept in the distance, started to command attention (Sharma, 2006, pp. 53-56) . Although, having played an influential role to effect a political change in Nepal, it was

probable that India would have been content to play a passive role if these developments had not coincided with another dramatic unfolding of the event on the Himalayan frontier- the Communist conquest of Tibet. As Indian prime minister Nehru had stated what became and remains to be the fundamental principle of India's foreign policy. India unilaterally assumes the responsibility of entire Himalayan frontier as far as its defence is concerned. Indian defences concern would go as far as to include territory of independent states, including Nepal. The Indian establishment defined this as a "special relation" between the two countries, which many interpreted this special character as a denigration of Nepal's sovereign status (Rose and Dial, 1969:91-92).

The year following the revolution were hence a period of transition and its impact was felt in the foreign policy making as well. New policies had to be formulated in place of old ones so that the country would be able to cope with the changing scenario in the Himalayas (Sharma, 2006, pp. 54-58). A Herculean task for Nepali leadership was to establish a national identity for Nepal that could only be defined in terms of differentiation from India.

There was no doubt that independent India was far greater challenge to Nepal's integrity and national identity in making than its predecessor- British India. India, in contrast was not an alien power to Nepal because Indian influence at almost every levels- political, economic, cultural and religious was so pervasive that Nepal had to struggle continuously against such hindrance on its way of establishing identity as an independent state.

Massive intrusion of Indian influence immediately after the revolution was vocally hostile, and this was reflected in policy adopted by Nepal. Crystallising national aspiration and setting stage for independent foreign policy was under constant attack during the period of 1951-1955, as New Delhi defined both principle and the conditions under which Nepal participated in international affairs (Rose and Dial, 1969). Provisions of 1950's peace and friendship treaty and accompanying letter of exchange between the two countries referred to their supposed "identity of interests" which in practice, meant Nepal's alignment with India in foreign affairs. In fact, Nepal decision to recognise its northern neighbour-China, was originally designed to underline Nepal's alignment with India, rather than expression of its own sovereignty. Recognition of Communist China by Kathmandu followed the way of New Delhi and only came after Nehru thought he had received Chinese assurances during his visit to China that "Nepal was in India's sphere of influence" (Singh, 2013, pp. 38-42).

#### **4.2.1.Changing Directions of Nepalese Foreign Policy: *Quest for Independent National Identity***

The period of 1955 and 1959 marks the watershed in both internal and external policy of Nepal. The change that occurred within and outside of Nepal in early 1950's had underscored the necessity for readjustment of policies Nepal needs to make. But, the year immediate following the revolution was too chaotic not just on the sphere of domestic politics but also on international arena, for such adjustments to happen. However, by 1955 Nepal was brought back to its substantive course once again; and Nepal went on to establish diplomatic relations with host of countries including China and attempts would be made to define Nepal's relationship with India. The important developments

that contributed to the new state of affairs (Sharma, 2006, pp. 91-92) was King Mahendra's accession of power. In Contrast to his father, King Tribhuvan who was content to follow India's guidance and mostly advised by Indian administrative Officer, the new monarch identified himself with aspirations of those Nepali who insisted that a change in country's foreign policy orientation was absolutely essential if Nepal was to exercise greater measure of real independence (Rose and Dial, 1969). Such aspirations were mostly in response to India's increasing role and interferences in the domestic affairs of Nepal.

The other factors that directly influenced the course of Nepal's foreign policy was certain developments that were occurring in the international political arena. On the forefront of these developments were the signing of the Sino-Indian agreement on Tibet, Soviet-American agreement on the admission of new members into the United Nations and Bandung Conference. The cordial relations between India and China during the early fifties paved the way for establishment of diplomatic relations with China. The admission of Nepal into the United Nations as a bonafide member meant the fulfilment of Nepal's objective of participating on the international politics and being part of United Nations largely enhanced Nepal's claim as an independent nation in international society; while, Nepal's participation on Bandung Conference provided for a greater non-align fervour to it's foreign policy.

The year 1955 marks the beginning of the new chapter in Nepal's foreign policy for mainly two reasons. First, the Himalayan kingdom participated as one of nine countries in Afro-Asian Conference held at Bandung which was first of its kind helped set the stage for a more active participation in the international arena. Second, the same year Nepal was admitted into the United Nations. Nepal's acceptance as an equal member was highly encouraging to those who had long aspired such a treatment at the international level. Nepal attained full membership in the Colombo Plan in 1951, followed by its participation in the Ministerial Conference of the Plan's Consultative Committee held in March of 1952 (Hindustan Times, 19 May 1953). Membership of World Health Organisation had come a year later in 1953. The membership into the United Nation was hence the realisation of several years of efforts and the fulfilment of national aspiration for participating on the international forum as an equal member of the world community. An official statement issued on the occasion characterises the event as a 'great achievement' in Nepal's effort to gain "universal recognition of its sovereignty" (Sharma, 2006, pp. 91-120).

The single most important development in Nepal's foreign policy was, however, the establishment of diplomatic relations with China in August of 1955. Establishment of relations with China was something different from the similar other move on Nepal's part. First, China was an immediate neighbour and by virtue of it had intimate interests in the Himalayan regions. Second, China was perhaps the first country to enter into diplomatic relations which would not follow the Indian lead in matter affecting Nepal. Establishing diplomatic relations with the Soviet Union was another major development in Nepal's foreign relations. Following Nepal's admission into the United Nations both the countries were involved in serious consultation that eventually culminated in establishing diplomatic relations at an ambassadorial level on 20 July 1956. The establishment of diplomatic relations with the Soviet was mainly motivated by Nepal's desire to gain outside recognition of their nationhood. And relations with a super-power such as the Soviet Union would enhance Nepali prestige internationally.

Soon after the establishment of diplomatic relations with the Soviet Union, the local news press reported that the two countries were also entering in a Treaty of Peace and Friendship. The government of Nepal, however, denied any such possibility. This over reaction on the part of the government to such mere report was due to Kathmandu's concern over the possible Indian reaction to such developments, hence, caution was maintained thereby alleviating the New Delhi concern over Nepal's active participation at the international level. Following years saw Nepal establishing its relations with major industrial powerhouse Japan. And the roster of countries having diplomatic relations with Nepal was to further expand in the late 1950s. During 1957 and 1958 relations were established with Sri Lanka , Egypt, Switzerland and West Germany (Sharma, 2006, pp. 91-99).

#### **4.2.2. Diversification of External Relations**

To realize its aspirations, diversification of external relations was a necessary condition for Nepal. Nepal could not remain in shadow of its southern neighbour if it was to make itself visible in world political map as an independent state. Diversification of Nepal's external relations saw a major turn during 1945-1950s, mostly driven by the necessity. As major changes were taking place on the political scene of Indian subcontinent with the withdrawal of British power from the region. Given Nepal's geographical juxtaposition, socio-cultural proximity, economic dependence and similar historical experiences it was bound to be largely influenced by its southern neighbour, India (Muni, 2016, p.14). Equal were the chances that Nepal's southern neighbour would be more assertive in its dealing, more than just filling the shoes of the British power in the subcontinent. It was high time to come out of decades old isolationist policy.

In an effort to enhance political, economic and cultural relations with the rest of the world, nonalignment became a companion feature of Nepal's foreign policy. The diversification policy actually had its origin in the Rana period when, as later, it was directed at the potential threats of Indian intervention. On a political front, it took form of diplomatic relations with the United States, Great Britain and France and application for admission to the United Nations membership and economically, the expression of diversification was expressed in the Point Four Agreement signed with the United States shortly before the fall of the Rana regime (Rose and Dial, 1969).

During the Tribhuvan period (1951-1955), the diversification policy, which was not totally abandoned but was severely handicapped by Nepal's explicit alignment with India and particularly with its foreign policy. There could be different interpretations to this situation; plausible answer to it could be that Tribhuvan himself received support from Indian government during his scape and second, the international scenario was not in favour of Nepal where Nepal could go against the tide ignoring the Indian Indian influence in domestic and external affairs. The goal of establishing independent identity that would require sometimes going beyond the interests of India, could have brought backlash along with it.

The government of India was closely associated with almost every political incident that occurred on the Nepali scene between 1951-1955. However, Indian action was not producing only positive

results. Memories of Indian support in the revolution gradually fading away and questions were raised about existing Indian role in Nepali affairs and hinderance Nepal experience in its attempt to expand its external relations. Consequently, there developed an unmistakable anti-Indian theme in Nepali politics. Such sentiment and reactions towards external interference were bound to have its impact felt on foreign policy of the country. Indian policies towards Nepal were brought under close scrutiny and interpreted from various angles (Sharma, 2006, pp.71-73). This scrutiny was natural outgrowth of the sudden appearance of the overwhelming Indian role in downsizing Nepal's sovereign status.

When Mahendra came to power there were some major changes in internal and external polity. Internally, Nepal was moving towards stability compared to the first half of the post revolution period. Since, Indian interference mostly had its impact on raising anti-Indian sentiment among Nepalis, India was going through reassessment of its adopted policy towards Nepal. Externally, the international system in itself was going through the transition. Decolonisation process that largely started with the end of the Second World war, during this period only got intensified. Growing sympathy towards smaller nations and their rights were starting to get recognition in international institutions. United-Nations, took a bold step to include other members into its framework which largely helped countries like Nepal to diversify its external relations. Being a bonafide member of United Nations, Nepal went on to expand its relations with twenty four countries by 1959 where Nepal had direct diplomatic relations with only five countries before 1951. Later, Kathmandu in which foreigners had once been a rarity, had now become a busy center for diplomatic community (Rose and Dial, 1969).

The establishment of diplomatic relations with Pakistan in March 1960 on part of the Congress Government was described as bold move and important development in Nepal's foreign policy. For one thing, interaction with the country which was India's public enemy number one, would assert the independent nature of Nepal's foreign policy among other foreign relations developments, Klementi E. Voroshilov, the President of the Soviet Union visited Nepal in February 1960. The state visit of the Soviet President was made in response to King Mahendra's visit to Russia in 1958. The arrival of the Soviet leader in Kathmandu boosted the Nepali sentiments as it symbolised an acceptance of Nepal's nationhood by one of the Super powers. And relations with the another Super Power were highlighted by King Mahendra's state visit to that country towards the end of April 1960 (Sharma, 2006, pp. 157-60). While, all of these are important developments, the most significant development was however, the opening of the Chinese Embassy in Kathmandu.

Political diversification was crucial to establish Nepal's independent identity beyond the shadow of India. Equally important was however, to relive the most critical form of Nepali dependence on India and its status as a virtual adjunct of the Indian economy (Rose and Dial, 1969, pp. 95-98). Nepal's consistent effort to diversify its foreign trade also found concrete expression under King Mahendra's rule. A significant development that occurred in Nepal-China relations was the signing of a highway agreement on 1961. The agreement envisioned the construction of a road linking Kathmandu and Lasha. The proposed road link could facilitate trade between Nepal and China and for the first time, the proposed road could link Nepal with country other than India. King Mahendra's visit to Pakistan lay the preliminary groundworks for economic cooperation between the two countries. Following the signing of trade treaty in 1963 agreements on Kathmandu-Dhaka

air-link and the establishment of telecommunications networks were reached. The establishment of trade relations with Pakistan was not because of volume of goods exchanged which still remains rather minimal, but because of the symbolic value attached to it. The growing relations with Pakistan was particularly important as India and Pakistan had unsettled issues between them and Nepal extending its friendly hand to Pakistan was of course against the interests of India. It could be noted that Nepal by this time, had reached a position where it could go sometimes against the will of India. After conclusion of trade agreement with China and Pakistan, economic goal that remained to be achieve was to revise the terms of trade agreement with India. And only after the 1962 Sino-India border war, Delhi agreed on Nepal's demand to revise the trade terms that were not contrary to India's interests and security.

Diversification of the source of foreign aid had been another integral aspect of Nepal's foreign policy. It is important to make world-systems analysis to define the contexts within which Nepal's foreign policy decisions have been made, both historically and contemporarily. Only by defining such contexts can we understand the dynamics of foreign policy and the range of choices, or possibilities, that exist within a set of contexts (Thomson, 2017). While the world was divided into two distinct poles during the Cold War, the global political environment turned out to be conducive to Nepal's foreign policy approaches. Nepal took this opportunity to reach out to both the superpowers. The ideological differences between the United States and the Soviet Union were so intense that either party would not allow free ride for their rival. Each party wanted to have their presence in global scale (Aldred & Smith, 1999), even a small power would draw good amount of attention from those two superpowers. Until 1956, almost all of the foreign aid available to Nepal came from two sources- mostly India and to lesser degree for the United States. Although, the American component in aid was substantial, Nepal was unable to use this to reduce the dependence on India because of the United States government policy to perceive its aid program as supplementary and complementary to New Delhi's (Rose and Dial, 1969). However, such aid could sometimes be used to reduce the dependency in practice, in theory, US aid policy remained in line with Indian policy and never paused the threats to Indian interests. It was not until Nepal signed an aid agreement with China in 1956 that an aura of aid-giving began to permeate the Nepal capital. Nepal aid policy encouraged aid competition between aid-giving powers, both in the quality of aid extended and in the projects selected for supports. And, Nepal wholeheartedly accepted aid that had more symbolic value to its diversification of external relations project. In November of 1960, the Soviet extended economic aid amounted Rs. 260 million (Sharma, 2006, pp. 157-60). The Russian were already engaged in economic aid programme in Nepal by this time. The economic aid programmes of the Soviet Union was by no means match to that of India and United States yet had an important place in Nepal's foreign policy. Politically, Kathmandu attached even greater value to the relations with the Soviet Union such relations not only had symbolic value to the Nepali but also helped Nepal to counterbalance other foreign influence.

It is not that there was fair competition among aid providing nations. Large-scale project, needed justification based on political ground rather than economic grounds. Although, Nepal had achieved considerable success in diversification of aid program, but still Nepali establishment had to adjust their aid policy with the vital interests of its southern neighbour. Large projects or project that required huge sum were first offered to the Indian aid programs and to some extent for Americans. Small scale projects would not draw much attention from the south. Neither responded

enthusiastically nor did they demonstrate any interests when the Soviet Union was offered the scheme and agreed to support on small stretch of the road. Later, China's entry into the picture however was a different matter. Once agreement was reached between China and Nepal on construction of the road adjacent to the Indian boarder, New Delhi finally agreed to underwrite the entire road project. It is noteworthy to mention that approach was first made to India, as Indian was less interested on road building project Nepal shifted its sight to China. Once Chinese surveyors commenced work on the section of the road assigned to them, huge outcry was heard from the Indian side. Later, Peking was suddenly informed that the section of the road would be constructed by the Indians.

India never wanted the northern neighbour on its backyard challenging its vital interests. As the proposed road was going to be built on the terai belt bordering India, it could not tolerate the Chinese presence so close to its boarder. India had expressed its displeasure when Nepal-China reached an agreement to built Arniko Highway on the northern boarder of Nepal, but, cooperation on road construction on terai would pose bigger blow to the Indian sphere of influence claim over the region, which India was not prepared to pay. Until 1962, India was the sole supplier of military equipments to Nepal and had been strongly associated in the reorganisation and retraining of the Nepal army. Heavy loss on Indian side and rapid expansion of the Indian armed service after humiliating defeat in the 1962 boarder war with China severely inhibited Indian capacity to provide arms and ammunition at the time where Nepal felt compelled to expand and reequip its own forces. United States and Britain only agreed to provide small arms and support equipment after extensive consultation with New Delhi. Since, the military supply was not enough, negotiation between Nepal and India had to take place which later led to an Arms Assistance Agreement in January 1965, under which India agreed to provide entire arms and logistics requirement of the Nepal Army. In case where it is not possible, Nepal can seek assistance from United States and Great Britain, but not of other sources of supply without the consent of New Delhi (Rose and Dial 1969, pp. 97-98). Conditions that was interpreted as infringement of rights of sovereign nation state.

Nepal strongly expressed its desire to depart from 1965 agreement by reaching an agreement with China to purchase strategic weapons for defensive purposes without prior consultation with New Delhi 1988-89. As a measures to reduce dependency on India related to defence matters. Trade diversification in global scale was realised with Nepal's accession to the World Trade Organization in 2004 as 147th member of the multilateral trade body and as the first least-developed country to have joined (wto.org).

#### **4.2.3. More towards Independent Foreign Policy**

Discern policies of special friendship was pursued between 1951 and 1955. During this period number of projects were lunched under Indian assistance. Aid was indeed an important consideration on leaders thinking and India was the only source of reliance (or sources beyond leaders never made it to the thinking of leaders). Nepal had just broken out of one-hundred years of isolation and later to be principle donors the United States and Soviet Union were yet entered the scene. For economic assistance Nepal was solely dependent on India.

In the field of foreign policy, Indian led was followed. The adherent to the policy of non-alignment adopted by Nepal was similar as propounded by India. Nepal's position to stay out of power blocs and to follow the principal of neutrality remaining all of the conflicts of the two big powers, would come in same breath. And the professed adherence to the policy of non-alignment did not apply to India. Furthermore, the Nepali establishment was too dependent on Indian assistance to afford the neutralist posture towards its southern neighbour. Not surprisingly, the policy of "special friendship" was maintained in relation to India. Nepal's foreign policy in the initial years of post-revolution was conducted well within the general framework of the Indian objectives and Nepal was looked upon as a state under Indian sphere of influence (Fisher and Bondurant, 1956).

Through the entire period of 1951 and 1955, Nepal would maintain close contact with India. Almost every matters of importance including the ones on domestic spheres were relayed to New Delhi and Kathmandu regime would attach considerable value to the Indian advice. Nepal's relations with China did not move until Indians themselves objected to the idea of Nepal maintaining its traditional relations with Tibet and Nehru personally encouraged the establishment of diplomatic relations with China following the conclusion of the Sino-India agreement in 1954. Prior to this, Nepal had simply operated on the assumption that the relations with Tibet can be continued independently as in the past. Only when the initiative first came from China and New Delhi gave its approval in the spirit of the recently formulated *Panchasheela* did the Nepali position change.

Such a relationship with India ran counter to the Nepali national aspirations, the major goal of which has been to achieve a status of equality in Nepal's interaction with India was not forthcoming. Not surprisingly, the policy of special friendship with India was intensely opposed. On government part, it had to cope with overwhelming Indian role in affairs of Nepal and Indian presence was taken as simply as a fact of life and on most occasions, Nepal accepted its subordinate role vis-a-vis Indian whereas the general public reacted to such imbalance relations and the increased Indian role was resented and there was an instantaneous cry of Indian interference in the domestic affairs of Nepal (Sharma, 2006, pp. 79-87).

An important political development that contributed to the new state of affairs was King Mahendra's coming to power. The king took matter in his own hand and instituted a government under his own command. Prior 1955, there had been no political authority who single handedly could assert itself in any effective fashion. Political parties were factional and were having hard time maintaining their internal political feud which had clear implications on external polity of the country. Thus, the new monarch coming into power, marks the beginning new chapter in Nepal's foreign policy making where Nepal started to line itself towards adopting more independent foreign policy. In another word, Nepal for the first time made rigorous attempt to come out of the shadow of Indian foreign policy.

The appointment of Tanka Prasad Acharya as a prime minister in 1956 marks a notable shift in Nepal's foreign policy. His envisioning of a neutral role for Nepal in the Himalayas was not in line with the existing policy of "special friendship" with India. In his very first press conference after becoming the prime minister, Acharya announced that government under his leadership would pursue a policy of "equal friendship with all" in its foreign policy and would welcome economic aid



from every corner of the world if such aid was unconditional. At the same occasion, he disclosed his intention to develop direct trade relations with other countries notwithstanding the fact that the Indo-Nepal Trade Treaty of 1950 restricted Nepal from pursuing an independent trade policy. Acharya's statement on the occasion: *"We must develop neutrality under which Nepal will be able to serve the cause of peace and afford sympathy for the oppressed"* (The Statesman, 3 September 1956 in Sharma, 2006).

The above statement is particularly relevant in view of the fact that Nepal for the first time would part itself from the Indian foreign policy, when the Hungarian issue was brought before the attention of the United Nations General Assembly two months later. Critical of the Soviet action, Nepal sided with western countries while India maintained its pro-Soviet stand. The difference of views on Hungarian issues is cited as the illustration of the independent existence of Nepal's foreign policy (Khanal, 1964. p.7).

The difference on voting in the General Assembly was only the beginning of a deliberate attempt to disassociate Nepal from Indian foreign policy. Existence of "special friendship with India was incompatible with the policy of neutrality that Nepal was beginning to practice (Sharma, 2006, p.108). Return to the 'special relationship' established by the 1950 treaty, would entail a significant loss of independence and harmful to Nepal's most important economic interests (Singh, 2010). And, under prime ministership of Acharya, Nepal's foreign policy would be geared towards taking the kingdom out of the Indian sphere of influence. The Acharya Government would interact with Beijing at a much more deeper level than that would be acceptable to India and use this relations to assert Nepal's existence as a nation-state totally independent of India (Sharma, 2006, p.108).

Bishweshwar Prasad Koirala, the first elected Prime Minister of Nepal in his first broadcast on his government's foreign policy on 28 May 1959, declared that Nepal would not adhere to any military bloc, nor abandon the policy of neutrality in her international relations. He stood for supporting the United Nations because it was regarded as the custodian of the independence, territorial integrity and sovereign of small nations. He was opposed to a power blocs in world politics, since it was thought to pose a constant threat to the real independence of weak nations. He adopted non-alignment because it was viewed as the only policy which could keep Nepal aloof from the whirlwind of the cold war. When Nehru offered help at the time of the Kor La Pass incident in the Mustang area B. P. Koirala made a statement, saying "Nepal is a fully sovereign independent nation. It decides its external and home policy according to its own judgment and its own liking without ever referring to any outside authorities. It would never be taken as suggesting that India could take unilateral action. Nepal under the leadership of B. P. Koirala thus, sought to define Nepal's foreign policy stance that lay somewhere in between, based on a close relationship with India and friendly but rather formal relations with China (Singh, 2010).

Nepal expressed its American tilt by recognizing newly born state of Israel on 1st June 1960, making Nepal the first South Asian nation to have diplomatic ties with Israel (Israel Ministry of Foreign Affairs, 2015). While, India remained pro-Soviet throughout the Cold War. The then Prime Minister of Nepal BP Koirala paid an Official Visit to Israel in 1960, which was very important in the context where many countries had outlawed Israel. King Mahendra paid a State Visit to Israel in September 1963, which was returned by Late Israeli President Zalman Shazar's Official Visit to

Nepal later (Ministry of Foreign Affairs, Nepal, 2010). However, Nepal is not one of the nations that refrained from allowing Palestine an observer status at the UN. Nepal remains firm supporter the two states solution proposed by the United Nation.

More than ever, establishing independent identity and outward recognition became a necessity for Nepal when Sikkim a small himalayan kingdom became part of India in 1975. India's annexation of the autonomous state of Sikkim into India led to a growing apprehension among the Nepali ruler about a similar Indian intention for Nepal. Consequently, Nepal sought to distance itself from India in defence and security matters by developing close relationship with China and establishing Nepal as a "Zone of Peace" became a foreign policy goal (Kishore C. Dash 70-71). Although, Nepal failed to reach its objective of establishing Nepal as a "Zone of Peace " mostly because of India's refusal to recognise Nepal as a peace zone it nevertheless, had great impact in Nepal's foreign policy making . The overwhelming reactions Nepal received from international community in favour of its "Zone of Peace" proposal transcended Nepal's expectation. The support Nepal received for its proposal from powerful states including United States had definitely boost the Nepali morale which encouraged Nepal to adopt ambitious foreign policy in future. On the other hand, such approval from international community in favour of Nepal's proposal had obvious impact on New Delhi. Although, New Delhi refused to recognise the peace proposal claiming it to be against the spirit of 'defence and security agreement' between the two nations, India had to accept the growing independent identity of Nepal. For that matter, Nepal foreign policy goal was rewarded. The step taken by Nepal alone was sufficient to show that Nepal could not remain silent if its very existence is in threat.

Indian-Nepali relations appeared to be undergoing still more reassessment when Nepal's prime minister Man Mohan Adhikary visited New Delhi in April 1995 and insisted on a major review of the 1950 peace and friendship treaty and expressed Nepal's desire to define Indo-Nepal relations in the new context. This was probably for the first time that the issue of 1950 treaty was discussed at such higher level. Adhikary government sought greater economic independence for his landlocked nation while simultaneously striving to improve ties with China. The revision of 1950 treaty has become a theme of subsequent government of Nepal ever since. The treaty that Nepali political circle often reiterate to revise, was signed by Rana Mohan Shumsher with sole purpose to stay in power. The protocol was also askew, since it was signed on India's behalf by its ambassador in Kathmandu and not by the then Prime Minister Jawaharlal Nehru (Baral, 2019). Although, major breakthrough has not been achieved in the direction of 1950 treaty revision, so far, formation of EPG group that is mandated to review past bilateral treaties between India and Nepal and its report which is yet to be received by the head of state of both countries to make it functional, it nevertheless, has addressed the long sought demand of Nepal to enter into relation with India on equal terms. The demand, that would be a departure from the pre existing 1950 political order between the two nations.

In fact, Nepal's desire to define Indo-Nepal relations on equality principle is not surprising in the background of *de facto* change in Nepal's internal and external polity. Nepal had already served twice as an elected non-permanent member in 1969-70 and in 1988-1989 in the United Nations Security Council that gave Nepal a global role to play. The role that Nepal would only aspire while coming out of its isolationist foreign policy era. On regional level, Nepal is a founding member of

SAARC- a regional multilateral organization having its head office in Kathmandu (Government of Nepal, Ministry of Foreign Affairs, 2018). Nepal is currently the fifth largest troops and police contributing country to the United Nation Peace Keeping Force, deployed in many war-torn areas (United Nations, n.d.). Much to the dislike of Indian establishment, Sino-Nepal relations has seen deepening relations despite some downturn with the internal political change in Nepal.

## Chapter 5

### 5.1. Fear, Vulnerability and Psychological Factors in Sphere of Influence

Psychological factor has its role to play in international relations. Although, realists in particular and other international relations theories may scoff at the very notion that nations as actors have psychological impulses and thus have no psyche and cannot have emotional responses. For realists, nations in themselves are rational actors capable of making their own decisions based on their assumption of world structure, i.e. anarchic structure. Hence, their main goal is to survive under such anarchic world structure. Survival strategy of a nations is affected by the relative size of their economies, militaries and other "hard" power factors. And leaders draw rational conclusions based on these factors. For realist nations interests are predetermined and individuals have no role to play other than to play their part to already given role.

There are ample historical evidences that governments frequently act and react as if they were people, subject to emotions. First and foremost, sphere of influence in itself is a concept having its roots on human psyche. Even though, factors such as geopolitics, culture, geographical proximity, distribution of material power among nations are the main underpinning factors involved in defining the concept of sphere of influence but, its human rational and psychology where the concepts of sphere of influence rests and human rational based on material reality perpetuates the concept (Etzioni, 2015). The response of states are not always based on perfect sounding assumptions but could be otherwise. It only becomes alarming when interests of states are intertwined. Indo-Nepal relations falls under this category (at least history has suggested).

Initial days of independent India's foreign policy had shown some sign of shift from British policy towards Nepal. Nehru stressed in his speech in the parliament that independent India would treat its relations with Nepal in qualitatively different manner from that between Nepal and British.

*Nepal was an independent county when India was under the British rule, but her foreign relations were largely limited to her relations with the Government functioning in India. When we came into the picture, we assured Nepal that we would not only respect her independence but see, as far as we could, that she development in a strong and progressive country. We went further in this respect; Nepal began to develop other foreign relations, and we welcomed this and die not hinder the process. Frankly, we don not like and shall not brook any foreign interference in Nepal. We recognise Nepal as an independent country and wish her well (Singh, 2013, p. 39).*

The speech represents the fact that much larger and relatively more influential Indian state was framing its relation on the basis of equality and mutual respect to sovereignty provides evidence of newly established independent Indian state's urgency to distance itself from its predecessor, British India. Being a victim of British imperialism for long, it became easier for independent India to stand on anti-imperial camp. In early days of independent India, anti-imperial sentiment influenced Indian foreign policy towards Nepal. During this period and statements from Indian leadership would appear in line with the prevailing sentiment following the independence.

Chinese annexation of Tibet in 1950, a move that brought China's territorial boundaries to the edge of Nepal marks the beginning of new era in Indo-Nepal relations (Singh, 2013, pp. 39-40). Given, the immediate threat posed to newly established Indian state by the formation of the People's Republic of China in 1949 and their subsequent occupation of Tibet in 1950, it changed the direction in which Indo-Nepal relations was moving. For centuries, China had been content with its exercise of power over Tibet and no serious attempt as serious as in 1951 was made to actually incorporate the Tibetan plateau into the Chinese mainland. Geopolitical implications of the incident may have therefore alarmed the Indian establishment. As Tibet performed the function of an additional buffer vis-a-vis China, there was little to worry about threats from the north. With Tibet no longer there to act as a buffer between the two powers, India was more threatened and felt vulnerable from the himalayan region by the subsequent development that was taking place. The amalgamation of Tibet into greater China meant that the Chinese were on the other side of the Himalayas. Thus, according to Indian thinking, himalayas were the only natural barrier left to separate the Indian subcontinent from Central Asia and even partial control over mountains would give the Chinese a highly strategic advantage (Sharma, 2006, pp.48-50). Eyes were set on Nepal to fill the void created after Tibet became integral part of China, India tried to limit the Chinese influence on Nepal. Fear and vulnerability on Indian side brought shift in its policy towards Nepal. And Nepal became matter of special concern. Efforts were made to formalise close relationship with the strategically important Nepal through a Treaty of Peace and Friendship. The Treaty provided an obligation of mutual consultation in case of tensions with neighbouring countries, while the letter of exchange accompanying the treaty stipulated the development of 'effective countermeasures' in case of security threat (Rose, 1971, p.186).

Nepal's strategic position between India and China mostly influenced independent India's early effort to include Nepal in its sphere of influence. On Nehru's own words, the Himalayas that lie between Nepal and Tibet became more important and matter of special concern; *From time immemorial, the Himalayas have provided us with a magnificent frontier... We cannot allow that barrier to be penetrated, for it is also the principal barrier to India. Much as we stand for the independence of Nepal, we cannot allow anything to go wrong in Nepal or permit that barrier to be crossed or weakened, because that would be a risk to our own security (Nehru, India's Foreign Policy: Selected Speeches, op. cit., p. 436)*

Creation of Sphere of influence can help mitigate sense of threats and vulnerability by creating separation of zones, or buffer states, between powerful actors, allowing each power a measure of influence over the nations on its borders, limiting the ability of the other powers to exert influence over those nations, and keeping the others powers' forces physically out of the area. That is, how powerful nations tend to practice the theory of separation, which has an objective security benefit, engenders a secondary benefit: psychological assurance, a subjective sense of security. This is particularly the case when Sphere of influence are explicitly defined, which reduces the chance of misunderstandings about the spheres' geographical scope and the limits of commitments to respect them. These psychological considerations provide a non-realist but valid reason to support sphere of influence, assuming that they meet the basic criteria already cited (Etzioni, 2015).

Idea of sphere of influence is also based on mutual recognition of sphere of influence among powerful actors although in tacit form. In a press conference in November 1954, Nehru was asked

after his talks with his Chinese counterpart whether 'China has accepted that Nepal was in the sphere of influence of India's to which Nehru replied; *Its a well known fact and its needless to mention that. It is contained in our treaties and in our other agreements which secures our special position in Nepal- not interfering in their internal affairs and not looking with favour to anyone's interfering with their independence either. India's special position in regard to foreign affairs in Nepal was recognised and that has been admitted.*

This exemplifies India moving from the position of benign reciprocity to on which it insisted upon an asymmetrical position for itself vis-a-vis Nepal. This particular exchange signalled, a distinct shift in Nehru's conception of the nature of Nepal's obligations to India. And the idea of 'special' claim over Nepal's foreign relations (especially in relation to China), without any corresponding reciprocity began to be more strongly asserted over time (Singh, 2013, pp. 28-48).

The power whose sphere of influence is corroded tends to feel that any external relation of nations under its influence as a threat to its security. A realist may well scoff at the very notion that nations as actors have psychological responses, which the phrase "feel threatened" implies. According to the concept of sphere of influence, campaigns by one power to counter the rise of another's sphere of influence have a negative psychological effect, whether or not these campaigns affect core interests and even if the campaign uses mainly noncoercive means (Etzioni, 2015). Thus, any move from northern neighbour of Nepal, although, such move uses mainly non-coercive means is viewed by India as a campaign to counter the Indian security interests. Threat to Indian sphere of influence in the subcontinent from external actor was not primarily China. Having demonstrated India's 'special position' in Nepal vis-a-vis China during his conversation with Chinese premier Zhou En-Lai in 1954, Nehru pointed out that it was American, rather than Chinese intention and actions that could adversely impact India's 'special' position in Nepal. He was therefore agreeable to China establishing diplomatic relations with Nepal but emphasized that he would not want a Chinese embassy in Kathmandu, Nepal's capital (Singh, 2013, p.54). His conclusion regarding American interests in Nepal could have been led by America's global reach and its own pro-soviet inclination during the cold war that could have displeased the United States. But this Indian assumption did not remain for long. With the deepening US-India strategic partnership and growing Sino-Nepal relations, Indian focus shifted to China.

Nepal and China established their formal relations in 1955 and exchanges of high level visits from both sides were taking place much to India's dismay. In response to the growing ties between these two countries, Nehru responded with great stress in August 1956 that any move from Chinese government to sign treaty of friendship with Nepal 'would from India's viewpoint, be inappropriate. From Indian perspective, more worrying was the decision between Nepal and China to sign a non-aggression treaty in near future. Nehru went to great length to explain that such treaty could only be aimed against India.

Establishment of bilateral ties between Nepal and China to collaboration on joint projects, such developments were considered as threats to India's national security and Indian leadership rush to express their displeasure. One such project was collaboration on building road connections, i.e., Arniko Highway. The initial Indian concern was over the possible implications the construction of such a road would have on the security of the subcontinent. It was feared that the proposed road

would felicitate the Chinese if they were to use Nepal as a launching pad for possibly attack on India. Communist subversion of the Himalayan Kingdom was another concern behind the Indian concern. On the issue of subversion, King Mahendra went on to inform that Communism would not travel in taxicabs (Gorkhapatra, 19 November 1961; Sharma, 2006).

India's credibility as a regional power was increased--and Nepal's vulnerability was reinforced by the 1971 Indo-Soviet Treaty of Peace, Friendship, and Cooperation; the 1971 Indo Pakistani War, which led to the emergence of an independent Bangladesh; the absorption of Sikkim into India in 1974; and India's nuclear explosion in 1974. Nepal adopted a cautious policy of appeasement of India, and in his 1975 coronation address King Birendra called for the recognition of Nepal as a zone of peace where military competition would be off-limits. The zone of peace proposal was calculated move against the growing political developments in the South Asian region.

The threat to strategic noncompliance for Nepal vis-a-vis Indian interests has its own risks. Such fears were not unwarranted given a history of Indian interference in Nepal's domestic politics. Moreover, Indian intervention in the region to pursue its interests aggressively, including India's annexation of Sikkim, its domination of Bhutan and its intervention in Sri Lanka in 1987 and in the Maldives in 1988 highlighted concern in Kathmandu that similar thing could happen to it. While such speculation is not backed by substantial evidence (Blanchard and Ripsman, 2013)

A less ominous but still serious consequence of non-compliance would have been the deterioration of Kathmandu's longer term relationship with New Delhi. Although, Nepal today have links with many countries and international organisations, to alienate India is to risk political and economic isolation. Larger section of political elites in Nepal believe that Nepal has no choice but to maintain a good working relationship with India given geography, India's overall economic weight generally and economic importance to Nepal, and extensive religious, cultural and social linkages between the two countries.

The Indo-Nepal relations reflect a typical South Asian structural dilemma. As the major regional player, intervention in Nepal's domestic politics as Indian prerogatives and a necessary act. However, any overt intervention would damage the reputation of India in the region. On one hand such move from Indian perspective would draw China's opposition and providing space for China to extent its presence in the subcontinent, leading to regional instability. At the same time, lack of Indian initiatives and involvement in Nepal has its own risks from Indian standpoint. Nepal's social and economic development could be undermined by continued political instability might provide room for other internal and external actors to play their role that would upset the pre-existing structure. The new structural setting in absence of Indian role might not equally guarantee the Indian interests in its neighbourhood, such assumption on part of Indian establishment has been guiding Indian actions and neighbourhood policies. India strategist worry that a weak, unstable Nepal might provide China with opportunity to intervene in Nepal through economic assistance. Thus, from New Delhi's point of view, a balanced intervention remains as a necessary course of action to maintain Nepal's economic and political stability and most importantly stability of the South Asian region (Dash, 2008, pp.71-73).

Vulnerability on India's part is mostly led by its power disparity with other actors and China in particular. It is the fact that India's economy is only a fifth of China's in size. India's foreign policy establishment is well aware of its weakness in relation to its northern neighbour. For many decades Himalayas were considered as a strong frontier where India security heavily relied on, but today things have changed and India is struggling to catch up with China's burgeoning border structure (The Economist, 2017). The impact can be felt on Indian response towards China led projects, i.e OBOR project in recent years or others project that has followed the Chinese lead. Its growing power gap in terms of relative size of their economies, militaries, and other such "hard" power factors against China is much to blame. Being a defensive power in the subcontinent, Indian policies are oriented towards safeguarding its vital interests. When Nepal decided to purchase anti-aircraft and armoured personnel carrier from China without prior consultation with India which was against the treaty signed between the two states according to India. Some Indian sources claimed that Nepal's arms agreement with China also included surface-to-air missiles and an alleged secret intelligence sharing agreement between Nepal and China (Rose, 1971) and viewed as a serious security threat to India. Such exaggeration of the fact unfortunately had no concrete base other than speculation. And speculation itself mostly had its foundation on fear and vulnerability factors. Although, the imports from the third country without using Indian soil would not necessitate consultation with India as per the treaty, Indian concern was not what the treaty stipulates but was about what happens in the country of its special interests. This and other such instances are well founded on realist assumptions of Zero-sum game; if someone gains in strictly limited space other party has to lose (Waltz, 1981).

## **5.2. Status Quo in Sphere of Influence**

The status quo is a central concept in understanding social interaction, including international relations. It defines the mutually perceptible distribution of rights and privileges among states. At the interstate level, the 'status quo' is mainly defined spatially, in terms of territory and rights thereto; the geographic boundaries of a state, its sphere of control, interests or its rights (Herring, 1995, pp. 53-58). This could be unofficial agreement among powerful actors on interstate level and it may include any mutually agreed or perceived rights and limits of actions (from the online article).

For long, and particularly with the end of British Era in India, modern day India found itself interested in maintaining status quo in South Asia mainly for security reasons. Its own security interests has been used as a justification for defending special interests in the south asian sub-continent. Thus, maintaining sphere of influence as an instrument to preserve status quo in the subcontinent is viewed as exclusive rights and responsibility that falls down to India which in any ways could not be compromised from Indian stand point. Official and unofficial measures were adopted to defend the existing interstate political structure. Treaties mostly bilateral were signed to outline the rights and privileges of the treaty signing parties in the region. Peace and friendship treaty of 1950 between Nepal and India could be seen as one such instrument in this regards.



India being one big powerhouse in the subcontinent, one way to maintain existing order on its favour is to limit the role of external actors that possess capability to alter the political order in the region. Since, China being one such power in the immediate region, any overtures from the northern neighbour China in particular and to lesser degree from elsewhere is seen as an attempt to alter the status quo in the South-Asia region. Nepal, viewed as an integral part of Indian sphere of security interests, any attempts to alter existing patterns of behaviour between the two countries by the presence or influence of external actors would not remain unnoticed. As status quo also includes patterns of behaviour that have become mutually recognised, perhaps not explicitly, but by virtue of past accommodations, implicit acceptance or lack of counteraction from the state involved. These patterns will be predictable and mutually understood as accepted. Therefore, to change them, either one's own pattern or that of the other, can provoke a response and give rise to conflicting behaviour (Herring, 1995, pp. 53-58).

It was long been felt that the status-quo in Indo-Nepal relations was not in-line with Nepal's aspiration to establish itself as an independent state in international political arena. Overwhelming Indian influence over Nepal's internal and external polity was much of an hinderance to Nepal's such aspiration. Peace and Friendship treaty of 1950 between two countries largely outlined patterns of behaviour, distribution of rights and privileges between India and Nepal. Impression of power dynamics is also seen during the formulation of treaty itself. Disproportionate implications of conditions set forth by the treaty has drawn much dislike from Nepalese and are seen more hesitant to take the ownership of the treaty. Moreover, the 1950's treaty is seen mostly from Nepal's side as continuation of British legacy and preservation of status quo in interstate relations between the two countries. Thus, departure from such prevailing status quo in interstate relations between India and Nepal was a necessary condition if Nepal was to exercise its sovereign rights as an independent state.

Years following 1951 revolution saw Nepal locked up in a scenario where Indian influence was unwillingly accepted. As Nepal was coming out of its isolationist policy era, a policy specially adopted by Rana Regime after the Sugauli treaty. The treaty that initiated through territorial dispute between British India and Nepal brought Nepal to its present size. Nepal lost one third of its land mass to British India during 1814-1816 B.S Anglo-Nepal war that ended up with the signing of the Sugauli treaty (Muni, 2016). The land mass that could connect Nepal with Indian princely states and eventually to Afghanistan possibly forming an alliance against the British, the Anglo-Nepal war took manoeuvrability away from Nepal's hand. Such alliance would offer geopolitical advantage over the British of South. Attempts were made in that direction particularly during the premiership of Bhimsen Thapa. Sensing such prudent scenerio the British adopted a policy that would run Nepal and other independent princely states of India to run out of such option. For that matter, Anglo-Nepal war was waged against Nepal.

Results of Anglo-Nepal war brought Nepal's expansionist ambition to a proper check and thereafter, Nepal never reached the position where it could seriously challenge the British political interests in the South Asian subcontinent. Cooperation with British India became the policy of Nepal. With some initial hesitation it became official foreign policy of Nepal. The outcomes on the other end for British-India was not damage-free. Although, huge resources was invested in Anglo-Nepal war British failed to bring Nepal under its control that left it to mounting internal pressure.

British had to reach an agreement with Nepal guaranteeing that its interests are better respected by Nepal and in return would not challenge the vital national interests of Nepal that would drag both countries to a war again.

Given the distribution of power among British India and Nepal it was hard to say that the agreement was reached on equal terms. Cooperation rather than confrontation with the British became Nepal's policy in relation to its southern neighbour. Largely, Nepal had to cooperate with policies adopted by British India unless those policies had challenged the sovereign status of Nepal. Do's and don'ts between two countries started to institutionalise giving rise to new 'status quo' in Anglo-Nepal relations replacing the older one.

Nepal started to downsize its external dimension realising that it would go against the British interests. The damage done by the Anglo-Nepal war was too big to ignore. The northern neighbour China that Nepal had relations was going through its own internal political turmoils and was not there to act as a balancer where Nepal could reach out to, in case of need. Isolationist policy hence became the policy Nepal adhered following the Sugauli treaty largely during Rana regime. The larger extent Sugauli treaty and the following 1923 treaty with the British gave birth to new status-quo between British India and Nepal. The British formally recognise Nepal as an independent and sovereign state under a treaty of 'Peace and Friendship' signed between the two countries in 1923. The treaty enabled Nepal to import goods and arms freely from and through India. Formal recognition of Nepal's independence was further enhanced during Juddha Shamsheer's reign (1931-45), when in 1934, a British Minister with full diplomatic status was appointed at the Nepalese court in place of the British Envoy. Nepal on its part, established a legation in England and Consul General in Delhi during the same period (Muni, 2016, pp. 7-8). The bilateral relation was uplifted to modern status largely guided by Westphalian principles. Rights and privileges, expected patterns of behaviour between two countries were outlined both explicitly and implicitly through treaties. This remained almost unchanged until the British remained in India.

The period following the downfall of Rana regime in Nepal kept Nepali politics in transition. The period could have been used to redefine Nepal's relations with the newly independent India. Given internal political turmoil and instability and external political milieu, India's active role was undesirably accepted. Economics, politics to what not, reliance on India was the crucial factor behind Nepal's compromise with the Indian influence over its internal and external dimension. Further, geopolitical realities were not in Nepal's favour to challenge the prevailing political structure between the two countries. External political scenario where Nepal could pursue its somewhat ambitious (in that period) interests to gain independent status in broader terms was still illusive. The international system in itself had no proper structures in place where interests and rights of small states such as Nepal could be recognised. Hence, structure of relations established during British era particularly after Sugauli treaty remained long after the British left India.

The anti-British movement in India also marks the beginning of downfall of Rana regime in Nepal. Meanwhile, active Indian role in support of democratic movement against the Rana regime had provided space for India to play its role in Nepali politics. On the one hand, the fall of Rana regime had left power vacuum in Nepali politics and new internal political structure was yet to replace the old structure. On the other hand, Nepal lacked resources to rely on its own and had to look south for

almost every possible assistance. It's not the first time that the southern neighbour had its interest in domestic affairs of Nepal. It was also seen during the British days. Whenever the rift in Nepal Durbar would surface, the Britishers had lobbied for their favourable camp (Sharma, 2006). The major difference with the independent India was it coincided with the transition of political structure in Nepal. Result was, enhanced Indian role in domestic affairs more than ever.

The role of maintaining the status quo is mostly undertaken by the dominating power. As interests of dominating power is better served by such structure, India seemed more committed towards preserving such structure in the subcontinent. In another words, India might have wanted to put aside the risks the change in status quo would otherwise bring to its national interests. A prompt and proportional counter response by the other side will communicate the interests and determination to maintain the status quo or to struggle against its alteration. At the interstate level, this often occurs when unfolding of events bear the seed of possible altercation in structure of relationship. A minor incursion, small challenges to the status quo is easy to deny or withdraw from enabling the risk to be gauged. Nepal being part of international postal union (Sharma, 2006) that established Nepal's postal relations previously connected via India may not draw equal attention from India as Nepal being part of United Nation or signing treaty with China or any other major powers which could change the whole course of actions in Indo-Nepal relations.

More assertive Indian foreign policy over Nepal starts with the takeover of Tibet by China in 1951. It took Tibet as a buffer zone between China and India out of the political scene. India found Nepal to fill the void to minimise the security threats from the north and Nepal's northern Himalayas became integral part of Indian security interests. Following the developments in the immediate region, Indo-Nepal relations started to exhibit the patterns of behaviour that would qualify for sphere of influence idea. As Susanna Hast identifies two core features in her definition of sphere of influence: "exclusion of external actors and limitation of the independence or sovereignty of the influenced state" (Hast, 2012). Until then, there were probably no instances where the southern neighbour was too reactive to development in Nepal-China relationship. Thus, Nepal diversifying its external relations beyond India with the north in particular would not go in line with Indian interests over Nepal. Of course, the level of resistance from the controlling state would depend on the possible altercation it could bring to the prevailing status quo.

The territorial status quo between states defines what each is willing and able to defend; between hostile states it defines the threat of violence and war. But, the status quo is not limited to territorial-based rights, however it includes any mutually agreed or perceived rights or limits. Treaties such as treaty of 1950, exchange of letters or agreements outline the nature of relations to be based upon. To openly violate this status quo could cause much tension as well as non-violent conflict behaviour (accusations, warnings, protests, economic pressure, and so on and so forth). Attempts to change the territorial status quo, unilateral violations of treaties, agreements (not involving territory), or changes in patterns of behaviour, may provoke conflict, and raise tension. As described so far, the status quo is unambiguous: there is no doubt as to who is permitted what, who has what rights. But a status quo not only depends on a mutual recognition of the distribution of rights, but on the interest, capability, and will to defend them. If one side seems to show by some action that they will no longer defend the status quo or react strongly to unilateral alterations, this may trigger the will to action by the other side. But moves to unilaterally alter the status quo based on a reading of

another's change in goals, strength, and determination, could be risky (Herring, 1995, pp. 53-58). Mistaken perceptions, distorted expectations, could initiate the chain of events leading to conflict. This has been more relevant in interstate relations between India and Nepal over the years.

### **5.2.1 Push and Pull of the Status-Quo: *Incentives, Pressure and Coercion***

Nepal's subtle attempts to move towards more independent foreign policy began to test the balancing act with Indian foreign policy. With this, the 'reciprocity' principle in Indo-Nepal relations was strained further. In the treaty signed in 1950, both parties agreed to 'consult' each on their respective foreign affairs and this was seen to be the cornerstone of the 'reciprocal' principle that initially governed the relations. India being a more powerful states, this stipulation of treaty is less likely to impact on its independent exercise of power and status compared to its small neighbour Nepal.

India sought increasingly to underline 'India first among equals' position as far as Nepal's external relations with other states were concerned. This stance would become more evident by the time Nepal and China finally established diplomatic relations in 1955 (Singh, 2013, p. 43). King Mahendra, on his part, made it clear that he wanted to follow a policy of 'diversification' of Nepal's international relations to reduce its dependence on India and that he was interested in cultivating relations with both India and China (Singh 1988: 153; Rose 1971: 2009-13). Therefore, in 1961 the Nepalese king reached an agreement with China for the construction of a road from Kathmandu to the Nepal-Tibet boarder, which was immediately perceived by India as a security threat. As a reaction, India hardened its attitude towards the Nepalese government by loosening restrictions on the Anti-Panchayat Nepalese rebels operating from Indian territory (Singh 1988:204; Whelpton 2005:99). To counter China's influence, India also started a policy of massive economic aid to Nepal (Singh, 2013, pp.43-46). The relations between India-Nepal often got sour in the backdrop of growing Sino-Nepal relations. Peaceful settlement became more and more elusive and Kathmandu had given up all hopes for peaceful settlements (Sharma, 2006, pp. 178-179). Attempts were made from Indian side to bring the situation to the pre-existing state where India could exercise preponderance of power over Nepal. One way to do so was to make the strategic connection of Nepal with external world, non existent. Nepal's economic dependence was used as a means to bring Nepal to its senses. Trade and traffic between Nepal and India at Raxaul, the main route came to a standstill. On October 10, an Indian spokesperson of the External Affairs Ministry refuted the allegation of Indian role that amounted to an economic blockade. The Government of India instead took the position that the goods were held up because of local disturbances in the area (Nepal Samachar, 03 October 1962 in Sharma, 2006, pp.180-182). In fact, trade blockade had occurred on the eve of the Dashain, the biggest of all the Nepali festivals. Impact was most noticeable. Although, blockade lasted for few days, there was acute shortage of basic necessities. It was painful demonstration of Nepal's economic dependence on India and over reliance on India for even basic necessities had left Nepal exposed even to such short blockade.

Whatever was seen on the surface, the main reason behind the Indian stand was to check Nepal's attempt to diversify its external relations. Economic blockade was obviously the Indian answer to the 'tough line' Nepal had opted. The blockade at Raxaul appears to have convinced the Chinese

that India meant to intervene openly on Nepal's internal matter. The report that a detachment of the Indian Army had been stationed at Raxaul (Sharma, 2006, pp. 178-182) might have reinforced their assumption. Chen Yi, the Chinese Foreign Minister at official ceremony held to mark the first anniversary of Nepal-China border Treaty declared *on behalf of Chinese government and people of China to stand by Nepal's side in case of foreign power attacks Nepal* (Sharma, 2006, p.179). The declaration which may have been made on Nepal's request was the first of its kind the Chinese had ever made on matter related to Indo-Nepal relations. Nepal took the position to take a stand on its behalf and New Delhi could not therefore afford to continue its overwhelming pressure on Nepal without jeopardising its own interests in the Himalayas. The failure on part of India to force Nepal to accept a political settlement with the insurgents as in 1951 was clear indication of Indian's limitations to exercise full political power over Nepal.

Over the years, Nepal started to exhibit characteristics of a autonomous sovereign state and coming out of Indian shadow was almost always has been priority of Nepali leadership. Many attempts were made in direction to expand Nepal's external relations which was in another word, departure from the structure that Indo-Nepal relations was based on. Efforts were made from Nepal to come out of its isolationist policy. Construction of Kathmandu-Lasha road and establishment of the air-link with Pakistan which had been added to the list of Indian complains were attempts to change such status quo.

*"There was no substantial reason for India to be displeased if Nepal made an attempt to adopt an independent economic policy as Tulsi Giri, then foreign minister said in an interview when he was asked about the displeasure India had shown following initiatives taken by Nepal to diversify its external relations"*(Sharma, 2006, pp.181-184). As an independent nation Nepal had every rights to pursue its national interests. In fact, the view expressed by the Nepali cabinet member nothing short of correct for independent nation like Nepal. But by doing so, Nepal was challenging prevailing structure that Indo-Nepal relation was operating so far. If initiatives adopted by Nepal was likely to impact in prevailing relational dynamics between India and Nepal, as a status-quo defending power the staunch reaction from India was expected.

Subsequent years were to see upheavals in Indo-Nepal relations. Upheavals mostly led by Nepal attempt to reduce heavy-handed Delhi's influence. In accordance with the 1950 treaty between the two countries, Indian nationals could freely and openly compete with the Nepalis practically in every profession. Kathmandu itself was aware of negative impact such can cause on national economy. There was general consensus in the Kingdom on the necessity to put an end to such practice/ provisions. But, the fact of the matter is that the volume of goods smuggling across the Nepal-India was very small for the economy like India. It was therefore rather surprising as to why India chose to make a political uproar over the issue in 1969. A plausible answer lies in the fact that the trade treaty between India and Nepal was to expire within a year or so. Much to the dislike of India, Nepal was leading the campaign for trade and transit rights of the landlocked countries in international forum and conventions. The momentum Nepal's campaign was gaining was therefore needed to be stopped or at least Nepal most not entertain a free ride against the Indian will. Attempt was made to bring Nepal to its senses and light was shed on Nepal's vulnerability through the blockade.

Disputes arose of trade matter, India contended (accusation) that the goods imported by Nepal were smuggled into India which according to New Delhi was fraudulent practice and a violation of the 1968 trade agreement. In the view of five hundred miles of open boarder between the two countries, there were opportunities and some business opportunist were known to have amassed fortune through smuggling. Consequently, scrutiny campaign was lunched on goods imports through the Indian territory and even through scrutiny delay was caused in the release of the goods deliberately. It may be noted at the point that the treaty of Trade and Transit between between Nepal and India was to expire in October of 1970 (Sharma, 2006, p. 204). New Delhi saw this as an opportunity to reverse the course that Nepal was taking in the direction of exercising its sovereign rights as an independent state. Indian establishment saw trade and transit treaty could be used as a trump card in bringing Nepal back to its sphere of influence. Timing of Indian pressures and hardships caused on transit facilities was thus understandable.

This was further evident with the statement made by Dinesh Singh, the then Indian Minister of External relation during his visit to Nepal in early June 1969. At a press conference the Indian visiting Minister of External Affairs raised the issue of "special relations " between the two countries. Sensing Nepal's allergy to the usage of the term, he toned it a bit down and explained that the Indian desire to maintain special relations would not undermine Nepal's non-alignment policy and sovereignty. He however, concluded with the statement that India was concern with the security of Nepal because of long and open boarder between the two countries. The unilateral declaration on the part of India on the existence of special relations on account of defence and security was unlike similar pronouncement made by his predecessors, but it was enough to raise the eyebrows of Nepali establishment. As the statement of the Indian Minister indicated, New Delhi continue to view Nepal as integral part of its security interests (Sharma, 2006, p. 202). Apparently, India had yet to comprehend Nepal's quest for exercising its sovereign rights distinctly independent of India, even on defence matter.

Nepali leaders refrained from making any critical comments on the Indian Foreign Minister's public statement until 25 June 1969. In an unusual interview the Nepali Prime Minister Kriti Nidhi Bista gave to a correspondent of the *Rising Nepal* calling for the withdrawal of the Indian Military personnel and wireless operations being stationed in Nepal's northern check-posts. This was in fact Nepali response to Indian attempt to reassert its responsibility for the defence of Nepal. In the same interview Prime Minister Bista termed the Treaty Peace and Friendship signed between Nepal and India as ineffective. The same term was used to Arms agreement of 1965. And, on the first of January 1970, Nepalese force replaced the Indian personal in their northern check posts. The last remnant of the "special relationship " thus come to an end. Besides, Nepal rejected the Indian unilateral claimed responsibility over the security and defence matter of the Himalayan Kingdom and Kathmandu made it clear that it was the master of its own destiny as all other independent and sovereign nations are.

Growing relations with its northern neighbour had given a sense of confidence to Nepali leadership while dealing with their southern neighbour. Humiliating defeat at the hands of China in Sino-India boarder war, India was more reluctant to confront China and its interests in immediate years following the war. Nepal took this opportunity to its advantage. The period following the Indo-China war also marks the efforts made by Nepal to come out of Indian sphere of influence. As India

was recovering from the shocking defeat in Sino- India war, victory in boarder wars with Pakistan, Indian confidence started to gain momentum. India was more encouraged to recapture its lost ground. Nepal on the other hand would push for 'equal say' in political matters between India and Nepal. Subsequent policy that Nepal pursued would be defiance to prevailing status quo and was bound to ignite reaction from India.

After India's failure to reassert its "special relationship" on common security and defence ground, it made clear that Nepal will not remain unpunished for the political step it had taken. The issue of smuggling across the boarder was repeatedly raised and blame was all upon Nepal once again for 'fraudulent' trade practices that encouraged smuggling. Trade and Transit treaty was not renewed even after its expiry. New Delhi banned the import of synthetic fabrics and stainless steel. Nepal was not allowed to export Jute more than twelve hundred tons per month. Negotiation between the two governments failed to offer any results in favour of Nepal. Instead, New Delhi was reported to have threatened to stop Nepal's trade with third countries by denying required transit facilities (Sharma, 2006, p. 204-206). Nepal was forced to use international forum to raise the issue and hold on to the position that transit and access to the sea were the natural rights of the landlocked countries under the United Nations Convention on Landlocked Countries (Un.org, n.d.). In the mean time Bangladesh emerged as an independent nation. The Indian triumph on the conflict only helped to harden its attitude towards its neighbour including Nepal. With the emergence of Bangladesh, India started to claim itself as the pre-eminent power in the region. As, Pakistan the prominent power in the region was taken out of the power game turning East Pakistan into today's Bangladesh, led India to make such claim.

Almost, all the automobiles in Nepal stopped running because of petrol shortage. General Populace were hit by absence of Keroscene in the market. Ironically, India constantly denied the initiation of economic blockade from its side. In the meantime, Kathmandu went on to reach an agreement with China on cotton cultivation in the Terai region boarding India. New Delhi on its part reacted sharply. Eventually agreement was reached, after series of negotiations the two countries signed the Treaty of Trade and Transit on August 1971. Whereas duration of previous treaty was 10 years, the new treaty would only last for 5 years. Nepal's demand for two separate treaties on trade and transit could not materialise. Moreover, Indian decision to sign the treaty only for a period of five years instead of ten was motivated by Indian intention to engage Kathmandu for more negotiation from a position of strength (Sharma, 2006, pp.207-2010).

Beginning in the late 1980s, relations between India and Nepal soured considerably as a result of several important Nepalese foreign and economic policy changes. In the foreign policy sphere, starting in June 1988, Nepal began to deepen its ties with China, one of India's regional rivals. There is something to notice from growing ties between Nepal and China (Blanchard and Ripsman, 2013). The relation between the two countries was not only limited to trade but much more than that. Rules SOI were broken when Nepal imported anti aircraft ground-to-air missile, medium range SSM and AK-47 rifles among others from China in 1989, India contended that it was clear breach of arms agreement between Nepal and India (Bhattarai, 2019). Frustrated by Delhi's perceived controlling approach, Kathmandu disputed the Indian argument that this was contradictory to their 1950 security treaty, contending that the treaty specified consultation was required only when arms purchases implicated Indian territory. Actually, Nepal was pushed towards China after India refused

to sell anti-aircraft weapons to Nepal (Anderson, 2014, p. 12). It took India by surprise and India started to view China as a spoiler of status quo in Indo-Nepal relations. Interesting things about this incident was that the line was crossed by China in country previously know as India's backward. Indian assumption that China would honour Indian interests over Nepal was shattered.

The year 1989 was tough year in Indo-Nepal relations. An agreement with Beijing to purchase weapons followed a report that Nepal and China had collaboration to conduct road repair surveys and construction studies. While these deals were hardly noteworthy to outsiders, they were however problematic for Indian policy-makers. From Indian vantage point, these developments violate the letter and spirit of the 1950s treaty of Peace treaty and an associated letter, as well as a secret 1965 arms assistance agreement. These agreement created as special relationship which at minimum obligated Nepal to consult coordinate with New Delhi on its arms imports and gave Indian exclusive rights to modernise the Nepalese army (Blanchard and Ripsman, 2013). On the economic front, India was annoyed with the issuance of work permits to the estimated 150,000 Indians residing in Nepal, and the imposition of a 55 percent tariff on Indian goods entering Nepal. In retaliation for these developments, India put Nepal under a virtual trade siege. In March 1989, upon the expiration of the 1978 treaties on trade and transit rights, India insisted on negotiating a single unified treaty in addition to an agreement on unauthorised trade, which Nepal saw as a flagrant attempt to strangle its economy. On March 23, 1989, India declared that both treaties had expired and closed all but two border entry points (Savada, 1991).

In 1978, India and Nepal had signed two separate treaties on trade and transit as desired by Nepal. Later renewed by Indira Gandhi government for another five years. The Indian proposal for one single treaty caught Nepal totally unprepared (Koirala, 1990). Nepal refused to accommodate India's wishes for a single trade and transit treaty stating that 'it violates the principle of freedom to trade'. Thereafter, both India and Nepal took a hard-line position that led to a serious crisis in India–Nepal relations. Nepalese leaders asserted the position that as per the UN charter, transit privileges were "a fundamental and a permanent right of a land-locked country" and thus India's demand for a single treaty was unacceptable.

The economic consequences of the trade and transit deadlock were enormous. Shortages of Indian imports such as fuel, salt, cooking oil, food, and other essential commodities soon occurred. To withstand the renewed Indian pressure, Nepal undertook a major diplomatic initiative to present its case on trade and transit matters to the world community. To punish and bring Nepal back to Indian sphere of influence, New Delhi refused to sign two separate agreements signed in 1978-renewed in 1983 and 1988-that governed trade and transit rights between India and Nepal. In *lieu* of two agreements, Indian decision makers insisted on a single unified treaty covering both trade and transit as was the situation prior to 1978. Nepal's subsequent rejection of the proposal to return to the pre-1978 status quo served as a *casus belli* for New Delhi to terminate the formal and informal understandings governing its economic relationship with Nepal. Consequently, in late March 1989, it closed all but two of the transit routes through India that were critical to landlocked Nepal (Blanchard and Ripsman, 2013).

As time passed, the range of Indian economic pressure against Nepal steadily widened. Preferential customs and transit duties on Nepalese goods entering or passing through India were discontinued.



Thereafter, India let agreement relation to oil processing and warehouse space in Calcutta for goods destined to Nepal expire. Apart from this sanctions, India cancelled several million dollars of trade credits that it had previously extended Nepal on a routine basis.

The relationship with India was further strained in 1989 when Nepal decoupled its rupee from the Indian rupee which previously had circulated freely in Nepal. India retaliated by denying port facilities in Calcutta to Nepal, thereby preventing delivery of oil supplies from Singapore and other sources. In Enayetur Rahim's view, the economic consequence of the ongoing dispute were enormous. Nepal's GDP growth rate plummeted from 9.7 percent in 1988 to 1.5 percent in 1989. This had a lot to do with the decreased availability of goods. Fuel shortages led to the idling of many public buses, taxis and private vehicles in the Nepalese capital. Nepal also suffered economically from higher tariffs, the closure of boarder and transit points and the tense political atmosphere (Blanchard and Ripsman, 2013). Although economic issues were a major factor in the two countries' confrontation, Indian dissatisfaction with Nepal's decision to impose work permits over Indians living in Nepal and Nepal government's attempt to acquire Chinese weaponry in 1988 played an important role.

A swift turn in relations followed the success of the Movement for the Restoration of Democracy in early 1990. The former prime of India himself came to Nepal to express Indian support for democratic movement in Nepal. In June 1990, a joint Kathmandu-New Delhi communiqué was issued pending the finalization of a comprehensive arrangement covering all aspects of bilateral relations, restoring trade relations, reopening transit routes for Nepal's imports, and formalizing respect of each other's security concerns. Essentially, the communiqué announced the restoration of the status quo ante and the reopening of all border points, and Nepal agreed to various concessions regarding India's commercial privileges. Kathmandu also announced that lower cost was the decisive factor in its purchasing arms and personnel carriers from China and that Nepal was advising China to withhold delivery of the last shipment. The communiqué declared that Kathmandu and New Delhi would cooperate in industrial development, in harnessing the waters of their common rivers for mutual benefit, and in protecting and managing the environment (Savada, 1991).

After 1990, the defence collaboration between Nepal and China did not gain much momentum. Although, Nepal and China signed an understanding on military cooperation in 1988, it was not until King Gyanendra's royal takeover in 2005 and particularly after the abolition of monarchy in 2008, bilateral military were widened. China emerged as a major defence partner alongside India. India, US and UK suspended their military aid to Nepal demanding the restoration of democracy during King Gyanendra's rule. China adopted a policy of deepening cooperation in defence and security matters. Observers view these developments from domestic and international perspective. First, Nepal's internal political changes were conducive to enhancing ties with China on almost every fronts, including defence collaboration. Second, China has taken assertive steps to expand its military influence in neighbouring countries (Bhattarai, 2019).

Sign of China rethinking of its Nepal policy was the recently conducted military drills between the Chinese People's Liberation Army (PLA) and Nepal Army, the first ever between the two countries. The drills, which reportedly focused on counterterrorism and disaster management,

is expected to establish a trend of regular military exercises between the two countries. Before this, Nepal Army had conducted such drills only with the U.S. and Indian armies (Baral, 2017). Joint military drill with China came at a point where Nepal had just withdrawn its participation from the India led joint military drill. Kathmandu had initially agreed to take part in the inaugural Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)'s first ever joint military drills alongside its six fellow members (namely Bangladesh, Bhutan, India, Myanmar, Sri Lanka and Thailand) (Lo, 2018).

The government of India as history suggests was closely associated with almost every major political events that occurred on the Nepali scene since India's independence in 1947. It is perhaps inevitable considering crucial part India has been playing in major juncture of Nepali politics. Such Indian role that has to do with Nepali politics could be analysis from different perspectives. One reason could be that India's vital interests are somehow interconnected with Nepali politics that India does not want to risk staying out of Nepali politics. Second, it has international dimension to it. One of the principles is "delimitation of spheres of influence" and "affirmation and recognition of spheres of special interest" of powerful actors. This primary status also requires recognition from others, which makes it in fact the highest form of recognition in international law (Hast, 2012). For, India being a regional power its role in Nepali politics has symbolic value too. Understanding of US and other powers that are said to view their relations with Nepal from Indian eyes could be relevant here to mention (Baral, 2017). To keep this international recognition alive, India wants to involve in Nepali politics putting its own reputation at stake.

Displeased with Nepal's decision to promulgate the new constitution through Constitutional Assembly in 2015 without prior consultation with India, Foreign secretary S. Jaysankar, special envoy of Indian Prime minister Narendra Modi was sent to Nepal to convey India concerns. S. Jaysankar's visit could not bear any fruits although he clearly delivered the message of Indian concerns in his multiple meetings with major political stakeholders of Nepal which was to postpone the date of promulgation as the first condition so that more negotiations could happen. The Indian proposal was refused. Never before, India found itself dissociated from the major political development happening in the country that was said to be under its influence. India in return did not recognise the new constitution demanding political adjustments in constitution to make it more inclusive towards Madhesi Community.

Once again unannounced economic blockade was in place. All the border crossings in Nepal witnessed unusual stoppage of goods and transportation vehicles from India to Nepal, even though much of the border crossings, apart from the ones in Province 2 had not witnessed substantial border obstructions. Contributing to isolating the landlocked nation from the outside world at a time when the country was still reeling from ongoing landslides blocking border trade with China following the devastating 2015 Nepal earthquake. India's Ministry of External Affairs insisted that the border obstructions were a result of "unrest, protests, and demonstrations on the Nepalese side, by sections of their population" (Pokharel, 2015). The Government of Nepal contested India's claim, stating that there were no major security concerns that would prevent the trucks from entering Nepal.

The economic blockade largely turned out to be counterproductive resulting in the growth of anti-Indian sentiment in Nepal. Nepal's economic vulnerability and extreme dependency on India was once again clearly visible but on political front, procession of independent power on Nepal's part was something to notice from this event. Further, Nepal was able to withstand the pressure from Indian side. To reduce the over dependency on India on 28 October 2015, the Nepal Oil Corporation and PetroChina signed an agreement to import fuel from China, first of fuel agreement between the two countries (Sharma, Kiran 31 October 2015). This deal with China ended an Indian monopoly in Nepal" over fuel (Sharma, 2015). Further, agreements with China were reach to connect seaports and land ports. Establishing railway links and opening up new trade routes between the two nations are underway which will bring an end to India's monopoly over the landlocked country's trading routes.

Latest turn of events showed that the Indian strategy to halt economic life could not produce result as it was expected in its favour. To engage Nepali establishment in more negotiations so that India's interests are better heard was not as effective as it use to be. Much has to do with the Nepal's internal political structure and external political environment. Major difference in political structure of Nepal around this period was Monarchy a vital force was no longer a political actor in Nepali politics. Though, minority Madhesi community was agitating force they were not institutionalised force in Nepali politics as the other political stakeholders (revolutionaries) of the past. Nationwide influence of Madhesh/Terai based agitating parties was limited. Although, reports suggested that Madesh/Terai based parties had support from the Indian side, claim that India constantly denied (Iyengar, 2016), they could not bring Kathmandu to terms.

The role of mediator (peace maker) played by India finding middle way between the Ranas, Monarchy and Nepali Congress (then revolutionary force) that ended Rana regime in Nepal and between Monarchy and Multiparty Democracy supporting parties that brought decades old Panchyat system to an end, India was able to restore the previous order in interstate relations with Nepal. Using its influence, India had been successful to make itself relevant in Nepali politics. Historically, Indian support has been in favour of opposition elements in Nepal whenever there is rift in New Delhi's expectations and Nepalese aspirations pursued by Nepali establishment. But, things turned out different for India in 2015.

Not meeting objectives with the 5-month-long blockade against quake-ravaged Nepal, which ultimately failed to force Nepalese leaders to write the new constitution the way India wanted. And not postponing its promulgation despite warnings, Indian establishment took matter to the international community. The step motivated by the dire need to justify blockade against Nepal at home and abroad. Indian Prime Minister Narendra Modi therefore, whichever country he visited, he tried to include issues about Nepal's constitution (Tiwari, 2016). On India's request, India-EU joint statement pointed out "*the need for a lasting and inclusive constitutional settlement in Nepal that will address the remaining Constitutional issues in a time-bound manner and promote political stability and economic growth*" (Ministry of External Affairs, Government of India, 2016). Earlier, in November, such an issue was raised in the joint statement issued during Indian PM Modi's visit to the UK. And in mid-March India again raised the issue at the UN Human Rights Council's meeting in Geneva (Tiwari, 2016)

*Nepal* expressed its serious concerns over the reference to Nepal and its new constitution that European Union and India made in their joint statement issued on the 13th European Union-India Summit in Brussels (The Himalayan Times, 2016). Nepali response to these developments was rather vocal, the statement issued by Nepal's Ministry of Foreign Affairs (MoFA) on March 31st (2016) read, "*The Government of Nepal calls on all to fully respect the sovereign and democratic rights of the people of Nepal and refrain from making uncalled for statements. The Government and people of Nepal are fully capable of resolving their issues themselves within the framework of the constitution*". MoFA made it clear that promulgation of the Constitution formally concluded the nationally-driven peace process initiated in 2006 and institutionalized significant democratic gains including federal and republican system. Against this backdrop, the EU-India Joint Statement not only hurt the sentiments of the people of Nepal but also defied the fundamental principle of non-interference in internal affairs of a country in breach of UN Charter and norms of international law (The Himalayan Times, 2016)

Nepal objected the India-UK joint statement in rather soft words reminding that constitution making is an internal matter of the country, and Nepal is capable of handling its internal affairs on its own (Tiwari, 2016). This is probably the first time that Indian went on taking Nepali political matter to the international community. All these show that the Indian establishment looking for international support for what if failed on its own way to put pressure on Nepal.

## Chapter 6:

### Summary and Conclusion

The concept of sphere of influence is generally associated with the tradition of geopolitics which studies the relationship between territory and politics (Hast, 2012, p. 129). Major turn of event from geopolitical perspective took place when Nepal and the British power in India went to commonly known as Anglo-Nepal war (1814-1816 A.D). The defeat resulting from the Anglo-Nepal war was more devastating in nature than any other experience Nepal had thus far encountered. The treaty of Sugauli (1816), which among other things incurred territorial losses, had made crippling impact on Nepal and to its expansionist ambitions. The outcomes on the other end for British-India was not damage-free. Although, huge resources was invested in Anglo-Nepal war, British failed to bring Nepal under its control that left it to mounting internal pressure. British had to reach an agreement with Nepal guaranteeing that its interests are better respected by Nepal and in return would not challenge the vital national interests of Nepal that would drag both countries to a war again.

Nevertheless, British must be said to have been successful in weakening the himalayan kingdom to a point where it would never be able to constitute a serious threat to the British hegemonic ambitions on the subcontinent (Sharma, 2006, pp.3-7), giving rise to new form of status-quo in inter state relations. A 'sphere of influence' that can be best described as geographic region characterised by the high penetration of one power to the exclusion of other powers (Hast, 2012). Establishment of British hegemony on the Indian subcontinent coincided with the decline of the Chinese Empire. Absence of balancing mechanism, British appeared by far to be a dominant power in the region. This new geopolitical setting in South Asia paved way for the British to establish sphere of influence in the subcontinent. Anglo-Nepal war was that it subsequently determined the international politics of the subcontinent and the attitude the British came to adopt towards Nepal in the years following the war. Nepal entered an era where its whole foreign policy orientation was diverted towards dealing with the power in the South. "Isolationist policy" hence was an outcome of both domestic and external factors. Nepal adopted policy to maintain friendship with the British. The principal determinant of such policy was a belief of invincibility of the British. In return, Nepal would observe non-interference in its internal matter from the British.

Nepal's sudden debut into international society in 1951, after a successful campaign against the autocratic Rana regime, eventually turning Nepal into a democratic state, caused an immediate crisis in the country's self-identification. This was natural consequence of both of its immediate past, which had been characterised by Nepal's isolationist policy and acceptance of some degree of subordinate status in interstate relations with its southern neighbour and second, the circumstances under which the 1950-1951 revolutionary movement in Nepal achieved success (Rose and Dial, 1969). Because of its part in the revolution, India had come to assume an active and prominent role in Nepali affairs and relation with India now could not be dealt as in the past. Isolation was no longer the cardinal feature of the Nepalis foreign policy. Expansion of diplomatic relation that was underway since 1947 came to an abrupt end in 1950s. India, had so far kept in the distance, started to command attention (Sharma, 2006, pp. 53-56)

There was no doubt that independent India was far greater challenge to Nepal's integrity and national identity in making than its predecessor- British India. India, in contrast was not an alien power to Nepal because Indian influence at almost every levels- political, economic, cultural and religious was so pervasive that Nepal had to struggle continuously against such hinderance on its way of establishing identity as an independent state. Crystallising national aspiration and setting stage for independent foreign policy was under constant attack during the period of 1951-1955, as New Delhi defined both principle and the conditions under which Nepal participated in international affairs (Rose and Dial, 1969). In the field of foreign policy, Indian led was followed. The adherent to the policy of non-alignment adopted by Nepal was similar as propounded by India. Nepal's position to stay out of power blocs and to follow the principal of neutrality remaining all of the conflicts of the two big powers, would come in same breath. Nepal's foreign policy in the initial years of post-revolution was conducted well within the general framework of the Indian objectives (Fisher and Bondurant, 1956). The period largely considered as years of 'special relations' between India and Nepal. A very important factor that sustained the 'intimate' relations between India and Nepal was the absence of any external actor. China's position in Tibet was still unsettled and its claim there was not recognized by the international community (Muni 2016:60-61). Hence, China was in no mood to displease Indian interests over Nepal.

But, the Chinese takeover of Tibet had already started to have impacts on the politics of South Asian subcontinent. More assertive Indian foreign policy over Nepal starts with the takeover of Tibet by China in 1951. It took Tibet as a buffer zone between China and India out of the political scene. India found Nepal to fill the void to minimise the security threats from the north. India unilaterally assumed the responsibility of entire himalayan forties as far as its defence is concerned. Hence, Indian sphere of influence in the subcontinent found justification on the 'defensive grounds'.

Because of negative connotation attached to the concept of sphere of influence, states in modern days find the legal basis to justify their actions. Thus, the right to intervention is based on agreements and treaties, making it possible to claim that the actions taken by the controlling state were no longer considered as intervention. Provisions of 1950's peace and friendship treaty and accompanying letter of exchange between the two countries referred to their supposed "identity of interests" which in practice, meant Nepal's alignment with India in foreign affairs. Given the power disparity between the two, the treaty stipulations were more likely to put impacts on independent exercise of power in internal and external polity of Nepal. In the Treaty of Trade and Commerce, ratified in October 1950, India recognized Nepal's right to import and export commodities through Indian territory and ports. Through a secret accord concluded in 1965, India won a monopoly on arms sales to Nepal. India's influence over Nepal increased throughout the 1950s. The Citizenship Act of 1952 allowed Indians to immigrate freely to Nepal and acquire Nepalese citizenship with ease--a source of some resentment in Nepal. This policy remained unchanged until 1962 when several restrictive clauses were added to the Nepalese constitution. In 1952, an Indian military mission was established in Nepal. In 1954 a memorandum provided for the joint coordination of foreign policy, and Indian security posts were established in Nepal's northern frontier. With this India's growing influence dissatisfaction in Nepal began to emerge, and overtures to China were initiated as a counterweight to balance Indian influence (Savada, 1991).

The period of 1955 to 59 marks the watershed in both internal and external policy of Nepal. The change that occurred within and outside of Nepal in early 1950's had underscored the necessity for readjustment of policies Nepal needed to make. But, the year immediate following the revolution was to chaotic not just on the sphere of domestic politics but also on international political arena, for such adjustments to materialise. To realise its aspirations, diversification of external relations beyond India was a necessary condition for Nepal. Nepal could not remain in shadow of its southern neighbour if it was to make itself visible in world political map as an independent state. Between 1955-59 Nepal went on to establish diplomatic relations with host of countries including China and attempts were made to define Nepal's relationship with India. The new states of affairs was mostly underpinned by strong desire in Nepali leadership to depart from the 'special relations' with India that was thought to undermine Nepal's aspiration to exercise greater measure of real independence.

The external factor that directly influenced the course of Nepal's foreign policy was certain developments that were occurring in the international political arena. On the forefront of these developments were the signing of the Sino-Indian agreement on Tibet, Soviet-American agreement on the admission of new members into the United Nations and Bandung Conference. The admission of Nepal into the United Nations as a bonafide member meant the fulfilment of Nepal's objective of participating on the international politics and being part of United Nations largely enhanced Nepal's claim as an independent nation in international society; while, Nepal's participation on Bandung Conference provided for a greater non-alignment fervour which later became companion feature of Nepal's foreign policy (Sharma, 2006).

The establishment of diplomatic relations with Pakistan in March 1960 on part of the Congress Government was described as bold move and important development in Nepal's foreign policy. For one thing, interaction with the country which was India's public enemy number one, would assert the independent nature of Nepal's foreign policy among other. In the late 1950s and 1960s, Nepal voted differently from India in the UN unless India's basic interests were involved. The two countries consistently remained at odds over the rights of landlocked states to transit facilities and access to the sea. While recognising Israel as a new independent state, Nepal became the first South Asian country to do so.

In an attempt to reduce over dependence on Indian economy, Nepal reached an agreement in 1961 with China to construct Kodari highway when neither Kathmandu nor Beijing had cordial relations with New Delhi. Loss at the hand of the Chinese during the 1962 boarder war left India more vulnerable. Subsequent, policy adopted by India towards Nepal were both assertive and reconciliatory following the war. In a bid to rule out the possibility of Nepal's defence agreements with other actors (specifically with China), India took responsibility of arms sales to Nepal through secret 1965 arms assistance agreement (Blanchard and Ripsman, 2013). In 1969 relations again became stressful as Nepal challenged the existing mutual security arrangement and asked that the Indian security check-posts and liaison group be withdrawn. Resentment also was expressed against the Treaty of Peace and Friendship of 1950. India grudgingly withdrew its military check-posts and liaison group, although the treaty was not abrogated.

Further changes in Indo-Nepal relations saw a change in 1970s much in New Delhi's favour. By the 1971 India and Soviet entered a strategic treaty of Peace, Friendship, and Cooperation; the 1971 Indo-Pakistan War, which led to the emergence of an independent Bangladesh; the absorption of Sikkim into India in 1974; increased unofficial support of the Nepali Congress Party leadership in India; and India's nuclear explosion in 1974. India's precarious claim as a regional leader found its ground in renewed form with these developments. Nepal adopted a cautious policy of appeasement vis-a-vis India. Sensing Nepal's vulnerable geopolitical settings, in his 1975 coronation address King Birendra called for the recognition of Nepal as a zone of peace where military competition would be off-limits (Savada, 1991).

After all, maintaining the sphere of influence corresponds with the ability of interested power to defend it. With India's enhanced credibility as a regional power, Nepal vulnerability was reinforced. And India would do every way possible to bring the India-Nepal affairs to a previous state. Nepal had not given up its desire to defy the Indian version influence over Nepal. In an open challenge to India's primacy in Nepal, Nepal reached a deal for the purchase of Chinese weapons in mid-1988. According to India, this deal contravened an earlier agreement that obliged Nepal to secure all defence supplies from India. The agreement between China and Nepal was rather surprising for India among other thing. Indian establishment that had so far had thought that China would recognise the India's vital interests over Nepal, started to view Chinese advances as an attempt to destabilise the political order in the subcontinent. India also was already annoyed with the the issuance of work permits to the estimated 150,000 Indians residing in Nepal, and the imposition of a 55 percent tariff on Indian goods entering Nepal. The relationship with India was further strained in 1989 when Nepal decoupled its rupee from the Indian rupee which previously had circulated freely in Nepal.

In retaliation for these developments, India put Nepal under a virtual trade siege. It was not the first time that the Nepalese economic life was halted. This time, Nepal's economic consequences of the trade and transit deadlock were enormous. India refused to sign two separate treaties for trade and transit as in 1978 and insisted on single unified treaty. Nepal's subsequent rejection of the proposal to return to the pre-1978 status quo served as a *casus belli* for New Delhi to terminate the formal and informal understandings governing its economic relationship with Nepal.

Indian support remained with the opposition forces of Nepal, it even loosen restrictions on Anti-Panchyat Nepali rebels operating from India . Since, external support not forthcoming and internal political affairs running out of grip, the monarch came to terms with the democratic forces bringing 30 years direct rule of King to an end. A swift turn in relations followed the success of the Movement for the Restoration of Democracy in early 1990. In June 1990, a joint Kathmandu-New Delhi communiqué was issued pending the finalization of a comprehensive arrangement covering all aspects of bilateral relations, restoring trade relations, reopening transit routes for Nepal's imports, and re-formalizing respect of each other's security concerns. Essentially, the communiqué announced the restoration of the status quo ante between the two countries.

There could be many dimensions to country's sphere of influence around it. The basic factor is the intertwined national interests towards having a sphere of influence in first place. But, apart from this aspect, there is international dimension to it. Recognition of each others sphere of influence by



power actors. This part of the concept of SOI urges influencing state to be relevant in politics of state under its political sphere. Which explains Indian desire to be relevant in Nepali matters; internal and external rather with influencing role.

Since, its inception India has been part of major political events happening in Nepali soil. Never before as in 2015 during new constitution promulgation process, India found itself disassociated with Nepal politics. Displeased with Nepal's decision to promulgate the new constitution without prior consultation with the Indian establishment, Foreign secretary S. Jaysankar as special envoy of the Indian prime minister was sent to convey Indian concerns. His primary condition for Nepalese was to postpone the promulgation date which Nepali stakeholders strongly rejected. New Constitution 2015 came into effect and Indian establishment in response demanded the new constitution to be more inclusive.

Once again, economic blockade as a last resort was in place in against quake-raved country. Almost all the border crossings in Nepal witnessed unusual stoppage of goods and transportation vehicles from India to Nepal. India's Ministry of External Affairs insisted that the border obstructions were a result of "unrest, protests, and demonstrations on the Nepalese side, by sections of their population" (Pokharel, 2015). The Government of Nepal contested India's claim, stating that there were no major security concerns that would prevent the vehicles from entering Nepal. After failing to impose its will upon Nepal, India went on to rally international support against Nepal and its new constitution, pointing out the need to make new constitution more inclusive in a time bound manner. In response, MoFA expressed serious concern over the reference to Nepal and its new constitution. Nepal called all parties to fully respect the sovereign and democratic rights of the people of Nepal and refrain from making uncalled for statements. This was the first time where India had to seek external help to put pressure on Nepal. To reduce over dependence on Indian economy, Nepal went on to sign strategic agreements with China.

Sphere of influence in other words is well founded on mutual recognition from powerful actors. When Nehru visited China in 1954, he claimed that he had received assurance from Chinese counterpart that China will honour India's special interests in the region (Singh, 2013, pp.44-45). But, during his visit to India in December 2017, the Chinese foreign minister Wang Yi said his country "disapproves" of sphere of influence in international affair. Speaking in New Delhi, India's capital he was uttering what China is making increasingly clear recently- the thing it disapproves of is India's policy of maintaining a sphere of influence in its near abroad (The Economist, 2017).

Separated from the rest of Asia by the world tallest himalayan ranges, India has been an influential power on its subcontinent. Having a preponderance of power over its small neighbours, *it has effortlessly* dominated both internal and external affairs of its neighbours in the name of security concern. Lately, China's increasingly bold advances are challenging India's so-called prerogatives in the subcontinent and has brought the Indian sphere of influence to the proper check. India has faced challenges in its traditional sphere like never before. What is different is the scale and velocity of China's approach in recent decade (The Economist, 2017).

Recent years have seen growing ties between Sino-Nepal relations. Nepal being a member to China led BRI project. Sino-Nepal relations is moving more towards strategic partners from a mere

neighbour sharing a boarder in the past. A *joint communiqué issued after the conclusion of Xi's visit* in 2019, both side decided to elevate Nepal-China Comprehensive Partnership of Cooperation Featuring Ever-lasting Friendship to Strategic Partnership of Cooperation". This is the first time that a joint communiqué issued by Nepal and China has ever mentioned the phrase "strategic partnership" (Giri, 2019). Two countries agreed to advance the construction of a trans-Himalayan connectivity network that will eventually reduce Indian monopoly over Nepal's trading routes.

A 'sphere of influence' that can be best described as geographic region characterised by the high penetration of one power to the exclusion of other powers (Hast, 2012). Considering prudent political change in the region, China is in no position to remain aloof of political development in the country that lies on the other side of Tibet, a underbelly of China. That will make Chinese presence in Nepal and in the South Asian region more obvious than before.

Delhi's traditional "buffer region" perception of the Himalayan region persists, and limiting external influence remains a key objective, particularly of rival neighbours but also of other states and international agencies perceived as Western-biased (Anderson, 2014, pp.13-14). This became evident when Delhi's ambivalent position towards UNMIN and other international actors even though Indian stand drew criticism of a controlling attitude towards the peace process in Nepal (Anderson, 2014, p.16). With the advent of long-range missiles, surveillance satellites, unmanned aerial vehicles, and cyber communications for spying and, potentially, cyber warfare, territorial distances have come to be viewed as less important. Indian sphere of influence has been finding based on defensive and security-ground is challenged by these new waves. Militaries today pay increased attention to what is called the "distant battlefield" where machines controlled from afar conduct the fighting, and to rapid deployment forces that can be positioned with little regard to distance. These developments in warfare technology help explain the decline in interest in SOI, which tend to be "local" (Etzioni, 2015).

The Sphere of influence that primarily rest in the influencing actor's ability to limit the role of external actors in country said to be under its influence. Aside from the fact that India's economy is only a fifth of China's in size. India's foreign policy establishment is well aware of its weakness in relation to its northern neighbour. This has made the Indian establishment more vulnerable towards the Chinese presence and China led projects in the subcontinent (The Economist, 2017). India is still a major trading partner and large share of foreign aid comes to Nepal from India. Whereas, India has counted on its legacy to sustain its influence. Historically, rigorous attempts are made from Nepal to realise its independent status in its internal and external polity. Political influence and commercial exploitation seen as the rights of the interested power over influenced state, China's recently markedly increased economic presence in Nepal is of Indian concern, for instance, including as competition for hydropower exploitation (Hindustan Times 2012 in Anderson, 2014, p.16). And Nepal and China recently inked an agreement to start exploration of petroleum prospect in Nepal (The Himalayan Times, 2019).

Due to changing context in internal politics and geopolitical context, it is becoming increasing hard to limit Nepal's independent exercise of political power as in the past. The concept of SOI that has been well founded on the idea as a determinate region within which a single external power exerts a predominant influence which limits the independence or freedom of action of political entities

within it (Keal 1983, 15), is weakening. Retaining an India "sphere of influence " remains a tricky task. India has struggled to play a fully hegemonic regional role, notably against the presence of external actors, it is undoubtedly the most powerful South Asian actor (Anderson, 2014, p.13). But, it is not the sole power that commands the politics of the region. It is becoming increasingly evident with the turn of events in recent years.

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