# Nepal in Geopolitical Chessboard: Opportunities and

# Challenges

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# LETTER OF RECOMMENDATION

I certify that this dissertation entitled "Nepal in Geopolitical Chessboard: Opportunities and Challenges" has been prepared by Biranchi Poudyal under my supervision. I hereby recommend this dissertation for final examination by the research committee at the Department of International Relations and Diplomacy, Faculty of Humanities and Social Sciences, Tribhuvan University in the fulfillment of the requirements for MIRD 526 Thesis for the Master's Degree in International Relations and Diplomacy.

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Date.....

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# DECLARATION

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# **APPROVAL LETTER**

This dissertation entitled "Nepal in Geopolitical Chessboard: Opportunities and Challenges" was prepared by Mr. Biranchi Poudyal, submitted to the Department of International Relation and Diplomacy, Tribhuvan University, has been approved by the undersigned members of the Research Committee.

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#### ABSTRACT

This study examines the geopolitical position of Nepal amid the participation of international actors, including; China, America, and India's sphere of influence. This study has used the concept of the geopolitical chessboard as a metaphor to analyze the role and importance of Nepal in geopolitics, particularly under the conflicting interest of international actors like the U.S., China and India. The research further aims to identify the new geopolitical paradigm of Nepal and its growing significance in the geopolitical chessboard. Sheltered within the great Himalayas and bridged between two powerful nations, Nepal has now become a land of geostrategic importance that belies its weakness as a small state. Most of the available literatures has emphasized on Nepal-India-China historical relations, the vulnerability of Nepal and the complexities of Nepal on the geopolitical ground. Apprehending the same research gap, this study explores how Nepal is accommodating the geopolitical interest of other nations. The shift of geopolitical perspective has transformed Nepal from a buffer to a bridge nation, making it the game-changing dice in a geopolitical cheeseboard. In the same regard, this study is carried under the qualitative research design using an exploratory approach and coding method to analyze the data acquired from the secondary source. This research found that the external force is taking an interest in Nepal mainly because of its geographical positioning, which gives them the advantage of connectivity potential, the balance of power, sphere of influence, and security outlook.

Keywords: Geopolitics, Strategy, Landlocked, Foreign Policy, Economics, National Interest

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#### **CHAPTER 1**

#### **INTRODUCTION**

# **1.1** Introduction to Geopolitics

Geography is the fundamental factor in international politics because it is the most permanent entity, and geopolitics is about the interaction among states and empires in a particular geographical setting. Throughout history, geography has served as a battleground for countries and empires (Sempa, 2017). The geography of a state or its location within a geographical region and in the globe at large provides possibilities for the state while also imposing constraints. As a result, geography shapes the perceptions of a state's leaders or rulers, and it influences the foreign policy decisionmaking of any state (ibid). American political scientist Nicholas Spykman once wrote that 'ministers come and go, even dictators die, but mountain ranges stand unperturbed' (Spykman, 2017). Such a notion emphasizes the influencing role of geography on geopolitics.

The concept of geopolitics has undergone considerable changes since its origination. It was conceptualized in the first quarter of the twentieth century as a theory to explain the organismic nature of states (Baral, 2012). In the broadest sense, the term Geopolitics today signifies a strategic relationship between geography and politics. Geopolitics remains important in the 21<sup>st</sup> Century and continues to be shaped by new developments. As argued by Chhnman, who viewed countries as an organic entity with temporary borders that are likely to expand over time (Cahnman, 1994) so it can be understood that the geopolitical influence of any country ensures its existence beyond the geographical border it covers. The notion of geopolitics can be used in a variety of ways. As a field of study, this is the approach to conditioning imposed on

politics by geography. The concept can also be used as an adjective to refer to things related to the geographical and political perspective of a region. It can be said that geopolitics analyzes the effects of physical geography and human geography on foreign relations and international politics (Cahnman, 1944).

Geopolitics became more complex after the evolution of the land and sea theories which came to further back the importance of geopolitics over geography (Starr, 2013). The Heartland theory by Alfred Mackinder, a British political geographer who argued for the supremacy of land power over sea power. Mackinder asserted that the world was divided into different camps along with the rise in the Eurasian Heartland and the subordinate maritime lands. He further observed that a large mass of human demography resides in Eurasia and Africa with the possession of vast natural resources (Mackinder, 2004). Heartland is also known as the geopolitical pivot of history on the base of which Mackinder had developed a deductive chain of reasoning that 'if a particular country dominates east Europe, it will dominate all of Eurasia and if it dominates all of Eurasia it will dominate Eurasia and Africa and if it dominates Eurasia and Africa, it will dominate the whole world' (ibid). This helps in understanding how the policy evolves from the geographical features of an area. From the perspective of geopolitics, political events and their consequences maintain a close relationship with the place in which they occur. Political power is, in fact, directly linked to the physical space, which determines the scope of its faculties.

The first step in redefining Nepal's geopolitical situation is to look at the geography of Nepal in a subtle way. Nepal's location is connected to the Tibetan Plateau of China in the north, especially through the Himalayan range from Hindus to Burma to the vast plains of South Asia. In a way, Nepal stands like a ladder (Baral, 2012) between India

and China and this ladder is tilted to the southern neighbour India. That geographical fact has given a special shape to Nepal's geopolitics. If Nepal had been a bridge between two flatlands, it could have equal or balanced relations with both sides (Shakya, 2016). Geographically, about one-third of Nepal's territory is part of the Tibetan Plateau, and demographically the larger chunk of its population is tilted to the South (ibid). Due to such structural scarcity, Nepal's economic, social and cultural relations have shifted further South. Especially due to the autocratic political system conditioned by Sugauli-Treaty, the relation of Nepal became dependent only on the South. Nepal is trying to expand its economic relations to the north, but in practice, it is still leaning toward the South (Pathak, 2018). Due to the fact that Nepal's neighbourly relations have been shifting to the South rather than to the north and south. The complex geographical play fated Nepal to deal with tragic incidents such as blockades, trade deficits and political instability.

Since 2015 China has seen unprecedented economic growth over the past few decades by maintaining the world's largest capital surplus. The massive strategic projects like the Belt and Road Initiative (BRI) in search of markets for their surplus capital found Nepal as the way to execute their plan. Nepal's readiness to increase its relations with China by becoming a part of BRI has given Nepal the opportunity to overcome her dependency on the South (Kumar, 2021). However, in practice, it has not been able to move forward so far. As China gradually emerged as a world power, it automatically attracted the attention of the United States. It is clear that U.S. international policy after 2010 has focused primarily on how to prevent China's expansion (Sayers, et.al 2022). In this context, the United States has been advancing the 'Indo-Pacific Strategy' to new forms. For that, the U.S. has made a strategy to stop China by constructing a quadrilateral of US, India, Australia and Japan by considering the area from the west

coast of the U.S. to the west coast of India as the main area of influence.

Consequently, the Nepali Foreign Minister, Mr Pradeep Kumar Gyawali, visited the United States in 2018, and it was clear that the U.S. was trying to influence Nepal to become a part of the strategy. However, Nepal has not been able to form a clear view on these issues (Poudyal &Khadka, 2020).

# **1.2** Statement of Problem

Most of the literatures produced so far has emphasized on Nepal-India-China historical relation, the vulnerability of Nepal, complexities of Nepal on the geopolitical ground. Furthermore, the literature has not discussed the geopolitical standing of Nepal amid the strategic moves of the powerful nation like the Belt and Road Initiative, Indo-Pacific Strategy, Millennium Challenge Corporation etc. My research takes departure by exploring the important role of Nepal in south Asian geopolitics concerning India and China, geopolitical opportunities for Nepal and analysis of the current geopolitical scenario by considering some of the recent moves of India, China and the United States. This research will mainly address how Nepal is trying to accommodate the geopolitical interest of India and China by thoroughly looking from the period of Jawaharlal Nehru to Narendra Modi and Mao Zedong to Xi Jinping.

# **1.3** Research Question

- Is Nepal an important geostrategic location for powerful countries like the USA, China and India?
- Has the conflicting interest among India, China and USA in Nepal put the country in geopolitical complexity?

#### **1.4 Objective of the Study**

- To study the evidence and find out the amenities that add up to Nepal's geostrategic value for powerful Nations like the USA, China and India
- To identify the geopolitical complexities for Nepal triggered by the conflicting interest of China, the USA and India

# **1.5** Significance of the Study

This study traces out the role of Nepal in south Asian geopolitics within the involvement of superpowers like the USA, China and India. The study will be particularly important for identifying the conflicting interest of international actors in Nepal and how Nepal has been accommodating their interests from the time of Prithvi Narayan Shah to till date. This study can be an asset to the Nepal government for identifying the foreign policy priorities by considering the geographical challenges and opportunities for the country.

# **1.6** Organization of the study

Chapter one presents the introduction of the study that consists of the background of the study, statement of problem, objective of study and limitation of the study. This chapter aims to give an introduction to the study so that a clear understanding can be made further. Chapter two explores the relevant literature; different articles, journals, etc., were reviewed in order to make this research more understandable. Chapter three focuses on the methodology, data collection and conceptual framework of the research. Chapter four discusses about Nepal's geopolitical complexities in relation to China, India and U.S. Finally, chapter five draws the conclusion of the major findings of the research along with some recommendations regarding the researched issue.

#### **CHAPTER 2**

## LITERATURE REVIEW

This section analyses the available literature on the area of geopolitics and the arguments made in previous studies concerning Nepal's geographical positioning between India, China and the power interplay of other international actors. The exploration will provide grounds for reasoning and understanding the importance of this research. The previous researchers have also addressed these issues, but they have analyzed by focusing on the historical relation and showed Nepal as vulnerable between India and China.

While tracing the available literature on the geopolitics of Nepal, we can take into account the statement of King Prithvi Narayan Shah, who laid the basic foundation of Nepalese foreign policy by considering its geostrategic location and geopolitical implications. While highlighting the principal determinants of Nepalese foreign policy, he argued that:

> This Kingdom (Nepal) is like a tarul (a root vegetable) between two stones. Great friendship should be maintained with the Chinese emperor. Friendship should also be maintained with the emperor of the southern seas (the British), but he is very clever. He has kept India suppressed. He is entrenching himself in the plains.... Do not engage in an offensive attack, fighting should be done on a defensive basis.... If it is found difficult to resist in the fight, then even means of persuasion, tact, and deceit should be employed (Yogi, 1953).

Thus, from the time of Prithvi Narayan Shah, Nepal was fully aware of its geopolitical vulnerability and the concept of "yam between two stones" is still prevalent in the

Nepalese political discourse. Following the unification of Nepal in 1768 AD, Prithvi Narayan Shah said that Nepal should not be too close to any neighbour. This policy was concerned with maintaining "regional balance" (Yogi, 1953) and hence did not incorporate the role of a small country in contemporary international politics. Negal was well aware of its vulnerability, and it was cautious of the expanding British authority in India. Prithvi Narayan's hesitation in restarting economic links between India and Nepal reflected his fears. He despised the western way of life by deeming it as social and religious exploitation (Muni, 2016). With this explanation, it is clear that at that time, Nepal was in a position to deter foreign influence, and it was not under the compulsion to accommodate the national interest of other states. The independent status of Nepal didn't last long because of the land-locked status of Nepal, and the absence of other international actors active in South Asian geopolitics made Nepal more vulnerable in front of India. In the 1950s, China was struggling to settle issues with Tibet as it was not recognized by the international community, so it was not in the position to question India's interest in Nepal. Then India remained as the only dominant player in the geopolitical chessboard that heavily influenced Nepal.

While making an analytical review of Nepal's history, administration, politics, and foreign relations, the discussion will cover the 1950 establishment of a special relationship between India and Nepal, as well as India's influence on Nepal's attempt to develop a modern democratic system from 1950 to 1977 (Singh, 2008). Foreign policy and diplomatic demeanour in the pre-unification phase of Nepal were basically categorized into two wide-ranging connections with principalities within what once used to be a unified Nepal and relationship with Tibet, China and principalities of India (Levi, 1998). On the one hand, the connection and diplomatic relations with states within Nepal were conditioned by suspicion and rivalry. On the other side, the

relationship with India, China, and Tibet was based on the strategy for survival, which largely tried to preserve the regional control and safeguard trade, especially with Tibet. Trade with Tibet was the main source of income, and each state always scrambled to control the trade with Tibet. The state that controlled the trade route to Tibet also controlled the revenue. Several wars were, thus, fought with Tibet at different intervals of time basically for trade interests (Kumar, 1963).

Nepal's diplomacy during the unification era was essentially directed by military principles. Nepal, during the unification era, trailed military diplomacy and had little time to spare for other aspects of diplomacy like economics, trade and international relation. The concept of 'yam' and 'equidistance' coined by Prithvi Narayan Shah was diplomacy based on military policy, which was necessary at that time when Nepal was a military state (Mishra, 1998). The notion of "Nepal as yam between two states and need of Equi-distance" has been guiding Nepalese diplomacy even today. The 1950 Indo-Nepal Treaty of Peace and Friendship, as well as accompanying secret letters that defined security relations between the two nations, bilateral trade and transit treaty marked the beginning of Nepal and India's relationship (Khanal, 2008). The exchanged letter between the two governments stated that "neither government shall tolerate any threat to the security of the other by a foreign aggressor" and obligated both sides "to inform each other of any serious resistance or misunderstanding with any neighbouring state likely to cause any breach in the friendly relations subsisting between the two governments" (Shah, 2017). These agreements solidified the "special relationship" between Nepal and India, which gave Nepalese citizens the same economic and educational prospects as Indian residents in India while giving Indian citizens and enterprises preferential status in Nepal over other nations. There were various factors that determined the special relations

between Nepal and India, which include factors like geographical contiguity, strong socio-cultural and ethnic identities between the two countries, and Nepal's excessive economic dependence upon India.

During the Nepali new year broadcast in April 1953, King Tribhuvan stated that "I want to make a particular mention of our very cordial and affectionate relations with our neighbour, India, we are akin to each other in so many spheres: religious, social, geographical, historical and so forth. Even Nepal's democracy is the result of inspiration from India" (Muni, 2016). This resulted in substantial interaction between the two governments in a variety of spheres, including political, administrative, cultural, and economic, and Nepal's reliance on India intensified as a result. The Treaty of Sugauli of 1816, the Treaty of Peace and Friendship of 1950, the 1965 Arms Assistance Agreement, and the 1996 Mahakali Treaty changed the course of the Nepal-India relationship and put Nepal in the geopolitical trap (Pathak, 2018). The accords have given India a significant ability to exercise influence in Nepal. Nepal's relations with India spanning through centuries is determined more by geography and history rather than any other considerations. The two countries not only share an open border and unhindered movement of people, but they also have close bonds through marriages and familial ties, which is unique in Asia. The open border is a symbol of their deep trust and friendship. As a result of this, the bilateral relationship improved by creating a favourable climate for special relations to grow and the closeness with India automatically made Nepal distant from China (Mishra 2011).

However, the change in government and internal politics of Nepal marked a new beginning during the regime of King Mahindra. Mahindra's move of dissolving the elected government in 1960, despite the hostile Indian reaction, demonstrated how Nepal's China card might have benefits (Baral, 1986). Though the royal action sparked debate in Nepal, splitting citizens into pro-and anti-government groups, this relationship between internal and foreign policy would have a long-term impact on Nepali politics. The China factor became active in the early 1960s when China aided the failing royal dynasty in resisting the Indian government's attempts to reach an agreement with the rebellious Nepali Congress. While standing for Nepal, the Chinese foreign minister even warned that "in case any foreign army makes a foolhardy attempt to attack Nepal . . . China will side with the Nepalese people" (Baral, 1986). As a result, China became an intervening variable in Nepal's domestic political balance for the first time, publicly opposing India on behalf of Nepal.

Following this event, King Mahendra convinced the Chinese regime, then led by Chairman Mao Tse-Tung, to the construction of the Kodari route/highway that linked China's Tibet with Kathmandu valley, and the agreement happened in 1961. This agreement gave rise to diplomatic bewilderment in Nepal about how communism might easily migrate here and constitute a security challenge even to India (Upadhyaya, 2022). B. P. Koirala, a senior Nepali Congress politician at the time, flew to Delhi to meet with then-Indian Prime Minister J. N. Nehru, pleading with him to interfere in King Mahendra's and Mao's proposal to build a highway connecting China and Nepal via the Kodari (ibid). In doing so late B. P. Koirala was trying to accommodate the national interest of India. On the contrary, King Mahindra defended his action with the following statement "I've heard that some people say building the Kathmandu-Lhasa highway will be akin to inviting communism. It makes me laugh. I have nothing to tell those who, in their parochial ways, maintain that communism will only travel in a taxi. I can only express sympathy for them. What else can I say?

(Thapa, 2019). This incident is a living example of how Nepalese geopolitics has always been influenced by the dominance of the regime at home.

India's attitude toward its minor neighbours, as well as India's perspectives on China and the influence of India-China ties on its Indian neighbour can be explored. The Indian administration does not want to say anything that can be misunderstood in China or prompt the Chinese to bring up the issue of Kashmir (Crossette, 1993). India's dominance in neighbouring nations such as Nepal, Sri Lanka, Bangladesh, the Maldives, and Bhutan is a strategic move to exercise their power play. Crossette's argument also accurately depicted the situation in Nepal during the years 1989-1990 and 2015 when India imposed harsh economic blocked to Nepal (ibid). The importance of the discussion lies in its critical examination of Indian policy toward Nepal, which attempts to impose terms and circumstances based on India's interests in order to oppose Chinese influence. It explores the King of Nepal's strong ties with China, particularly between 1959 and 1962, and how Nepal's "China card" has remained humiliating for India, causing tensions across the South Asian peninsula (ibid). Nepal's discontent with India's expanding power began to surface at the same time, prompting offers to China as a counterbalance to India. Following the Sino-Indian border conflict in 1962, the relationship between Nepal and India warmed dramatically (Upadhya, 2012). While making the factual description of Nepal's connections with India and China, the discussion can be done covering India's policy response to Nepal's act of improving connections with China in order to offset India's expanding influence, as well as China's search for geopolitical moves to protect its interests and undermine India's supremacy in Nepal. China has always been following a modest policy towards Nepal ever since the two countries established diplomatic relations in 1955. However, after the improvement of bilateral relations, China started

giving an important place to Nepal in its foreign as well as neighbourhood policy. China had been focusing on containing Tibetan refugees and their anti-China activities. Therefore, China had taken every step to persuade Nepal to contain the Tibetan refugees in the South of the Himalayas (Baral, 1986). '

From the time of 1960s to till date, China has been concerned about India's multileverage on social, political, and economic upper hand to dominate Nepal's security and geo-economic interests. Similarly, India is wary of Nepalese officials' repeated calls for China to import petroleum goods, as well as China's development of its railway link from Beijing to Khasa in Nepal (Dahal, 2012). After the rise of Maoist in government, the Chinese government extended its political support to UCPN (Maoist); the government showed strong interest in revising the peace accord of 1950 with India, Mahakali Treaty, regulating open borders and stopping the supply of Nepalese Gurkhas to India and the U.K. Amid the growing proximity on December 2008 the Chinese Foreign Minister, Yang Jiechi, expressed "China's commitment to extend possible assistance to Nepal in protecting its sovereignty, independence and territorial integrity" (ibid). The strategic ambition of China behind the proximal relationship can be looked at from three perspectives; firstly, to expand Nepal's political and economic integration in order to reduce the country's reliance on India and reduce the U.S.' potential to undermine China's security in Tibet. Secondly, it will largely depend on the future development of India-China relations where Nepal can either become a transit point for trade in South Asia or just remain as a buffer zone to give security assurance to China. Thirdly the relationship with Nepal will also help China to expand its influence in South Asia because it will not be able to pursue its goals to become a global hegemon until it has complete control over its perimeter.

There has been discussion regarding the enormous Chinese efforts in Nepal following the political transition that are alarming India. The high-profile Chinese political, military, economic, or cultural mission arrives in Kathmandu every month (Upadhyaya, 2012). It's because Nepal is an essential part of China's South Asia policy. China has obtained guarantees from Nepal that it will stick to the one-China concept, recognize Tibet as an inalienable part of China, and ensure that no anti-China action is permitted on its land (ibid). In February 2018, a high-level political team of the Chinese Communist Party, which was on a visit to Nepal, has analyzed that Nepal's geopolitical importance is increasing in the world, and the world's attention is on it. The statement was made at a high-level political meeting between the Chinese Communist Party's Deputy Foreign Minister and a high-level delegation. Stating that the atmosphere of mutual trust is the main challenge in the current international affairs, the Chinese team is of the view that both sides should be alert in this regard (Republica, 2018). While mentioning that China has been closely monitoring the recent politics of its neighbours, it mentioned that China and Nepal could do a lot together for peace, stability and prosperity in the region. The team has come under the Chinese policy of having relations with the world community at the party level. The visiting political team met the Prime Minister KP Sharma Oli, Nepali Congress President Sher Bahadur Deuba, UCPN (Maoist) Central Committee Chairman Pushpa Kamal Dahal and Federal Socialist Forum Chairman Upendra Yadav separately. Stating that China has a never-ending friendship with Nepal, China is always ready to provide the highest possible assistance for the development and stability of Nepal (Republica, 2018).

Since the time of the first sovereign Prime Minister of India, Jawaharlal Nehru, it has used the same British colonial foreign policy in Nepal, referring to India's security concerns from communist China. In the same regard, Harish Kapoor argued that:

> The Indian attitude towards the Nepalese situation was yet another example of India's concern with national security. Though India had expressed irritation with Nepal's attempts to distance herself from India, and with the King's attempts to introduce authoritarian rule in Nepal, the real factor that drove India to exercise all sorts of pressures on Nepal was apparently the increasing Chinese presence in Nepal (Kapoor, 1994)

In order to preserve security concerns, India has consistently pushed Nepal to maintain a distance not only from China but also from all other foreign nations. Since many influencing Indian politicians have frequently stated their concerns about security, notably with China and others. India has always said that Nepal is an independent country; however, they have never specifically stated that Nepal is a really independent country with the ability to conduct its foreign policy with its neighbours and others (Kapoor, 1994). After the establishment of a diplomatic relationship, as a neighbouring country linked by socio-cultural and geographical contexts, the Indo-Nepal Treaty of Peace and Friendship 1950 further solidified the relationship between the two countries and also breached the distance at the same time. Since then, India has been treating Nepal as an important geostrategic mooring for fulfilling its security concerns (Mazumdar, 2014). China, on the other hand, out of the safety concern, has also been endeavouring to develop a harmonious relationship with Nepal and has always displayed deeper interest and acted as Nepal's card against

Indian influence. While sharing close relations with India, China could not develop direct interactions with Nepal until 1959. However, geopolitical and geostrategic changes taking place in the region encouraged China to cosy up with Nepal (Fernanda, 2012).

The Cold War in world politics ended with the dissolution of the Soviet Union, America's ideological-geopolitical rival. With the end of the Cold War, the resurgence of China, which was expected to take the shape of a liberal system in international politics, intensified the debate over the repetition of geopolitical competition. The geopolitical heights seen in Nepal cannot be understood without exploring these global trends. With the beginning of the 21st Century and the strong presence of Asian nations in the world system, the priorities of Atlantic Ocean-centric US foreign relations also began to change after the Cold War (Nalbo, 2021). At the start of his second term in 2012, United States President Barack Obama signalled a shift in U.S. foreign policy by indicating his focus on the Pacific region. At the same time, the rise of China has fueled global geopolitics.

The economic and strategic importance of international relations lies in the relationship between the superpower, the United States, which has dominated the current post-Cold War global power structure, and China, which seeks to change the status quo (Mahbubani, 2022). There is always a conflict between the status quo superpower and the emerging superpowers in maintaining the status quo and balancing power on the basis of new power configurations (Tyler, 1988). Therefore, it is only natural that the United States and its allies want to maintain the status quo of their power configuration in the Pacific and the Himalayan subcontinent and that China should seek to change that. At the same time, it is natural for India to want to

maintain the status quo of the Himalayan subcontinent. It is a natural aspect of geopolitics for other powers to seek a new balance in the changed power configuration (Maxwell, 1998).

While analyzing the above literatures, books, journals, and articles, it is evidently clear that all of them have emphasized on Nepal-India-China historical relation, the vulnerability of Nepal, and complexities for Nepal on the geopolitical ground. Furthermore, the literature has not discussed the geopolitical standing of Nepal amid the strategic moves of the powerful nation like the Belt and Road Initiative, Indo-Pacific Strategy, Millennium Challenge Corporation etc. My research takes departure by exploring the important role of Nepal in south Asian geopolitics concerning India and China, geopolitical opportunities for Nepal and analysis of the current geopolitical scenario by considering some of the recent moves of India, China and the United States. This research will mainly address how Nepal is trying to accommodate the geopolitical interest of other nations.

# 2.1 Conceptual Framework

The word 'geopolitical chessboard' is often used in academia to explore the position of nation-state in international geopolitics. For example, Zbigniew Brzezinski presents a bold geostrategic vision for American preeminence in the twenty-first Century by exercising power on the Eurasian landmass (Brzezinski, 2016). In the same regard, this study had also accommodated the concept of a geopolitical chessboard to analyze the role and importance of geopolitics, particularly under the conflicting interest of international actors like U.S., China and India.

Similarly, the metaphor of the chessboard is relevant to defining the geostrategic approach of U.S. and China in Nepal. Unlike the western chess game, the Chinese

geopolitical strategy in Nepal is guided by the Chinese game of "wei qi". In Western chess, the emphasis is on finding the fastest way to capture the King but in wei qi, the goal is to slowly and patiently build up assets to tip the balance of the game in one's favor for long term gain (Mahbubani, 2019). From the same perspective, it can be argued that through the projects like BRI, China is slowly acquiring assets that are progressively turning the strategic game in China's favour.

Furthermore, this research has progressed on the ground of realism philosophy that "international politics, like all politics, is a struggle for power" (Morgenthau, 1987) by considering India, China, and U.S. approaches toward Nepal. The bilateral relations between India and Nepal, China and Nepal, are the result of a struggle for power not between India and Nepal or China and Nepal but between India and China and Nepal is being played on the Geopolitical chessboard. The analysis made in this research is also framed under the Heartland theory of Mackinder- whoever controls Eastern Europe controls the Heartland. Mackinder had developed a deductive chain of reasoning that 'if a particular country dominates east Europe, it will dominate all of Eurasia and if it dominates all of Eurasia it will dominate Eurasia and Africa and if it dominates Eurasia and Africa, it will dominate the whole world. The geopolitical tactics of India, the USA and China in Nepal are explored from the same perspective of Heartland Theory- discussed as an act which is done for the struggle for power and dominance in the Asian region.

The Heartland Theory is a component of geopolitics as it transfers from one region to another when the situation changes. Shifts in geopolitics influenced many historical and political events, including World War I, World War II, and the Cold War. Because the fundamental reasons, characters, geography, and geopolitical

circumstances of various historical episodes differed, it is clear that geopolitics is dynamic and evolving in nature, as is the Heartland. As a result, the Heartland has shifted to Asia, particularly the region of China and India, where Nepal is placed in the centre of those nations, forming one of the New Heartlands of the twenty-first Century. Due to the high engagement of the USA and China in this region, particularly Nepal will be emerged as one of the New Heartlands for global power competition in 21st-century power politics.

#### **CHAPTER 3**

## **RESEARCH METHODOLOGY**

#### **3.1** Research Design

This is qualitative research focusing mainly on descriptive and explanatory approach, and as library research is, it largely depends upon document analysis. The researcher has used secondary sources for data collection; books, dissertations, newspapers, bulletins, treatizes, journals, etc. Unpublished documents such as research reports, press statements, working papers, memoranda, declarations and documents kept by various libraries, departments and ministries were also studied and analyzed. With regard to the interpretation of data/information, the coding method was used to extract the relevant information from the secondary source. Exploratory research design has been used in this research to understand and discuss the ideas of various scholars regarding the geopolitical complexities and opportunities for Nepal.

# **3.2 Data Collection Method**

The process of obtaining data required for a study can be classified into two categories i.e. primary sources and secondary sources. Primary data are collected by listening to the archive of speech, going through the written agreement, quoted statement and likes. While the secondary data were collected from books, scholarly journals, dissertations on similar topics, reports of the Government of Nepal, seminar papers etc. The content analysis of documents and texts (printed or visual) is conducted. United Nations Press releases, Newspaper Articles/ Reports, journals, relevant scholarly articles, published books, and online reliable videos and data available from the Ministry of Foreign Affairs (MoFA), Institute of Foreign Affairs (IFA), Nepal, among others, are taken into consideration and analyzed to quantify

content in terms of predetermined categories and in a systematic and replicable manner. In order to maintain the validity of this study, it was checked by the supervisor from time to time. The information that will be collected for the study is reliable because most of the data and statistics are collected directly from authentic government sources, journals and credible websites.

# 3.3 Data Analysis Method

This research follows the mixed method of inductive and deductive analysis to meet the objective of the research. Since there were very few literatures regarding how Nepal will accommodate the interest of other nations, the researcher finds no testable framework to explore the issue, so the finding is backed by an inductive approach where a specific observation of the Nepalese geopolitical scenario is generalized. In this process, the researcher first looked for finding relevant data, found a pattern in data and developed a framework to generalize it in the finding part. Similarly, when discussing the geopolitical opportunity and threat, the researcher followed deductive approach analysis by studying the available literature about the geopolitical scenario of Nepal and gradually collected the information to show whether it is an opportunity or threat for Nepal.

# 3.4 Limitation of the Study

This study has primarily depended on secondary sources, including various reports and newspaper articles and journals; books are also used for the necessary information, and very few primary sources are used to fulfil the objectives of the research. Due to time limitations, selected scenarios are critically analyzed, and the research has given much focus on the historical relationship between Nepal-China and Nepal-India, and it dominantly centres on the scenario after 2010.

# **3.5** Ethical consideration

To complete research with, appropriate research guidelines and research ethics are followed. Considering the ethical aspect of research, enough has been given to study and analyse the geopolitics of Nepal in relation with India, China and the USA without any prejudice. The findings are purely based on literatures, evidences and study materials used during the research, and it's not the reflections of personal viewpoint. Beyond that consideration, usage of any other secondary data from any source is acknowledged with appropriate reference. Hence, the ethical aspect of research is followed very strictly in this research.

### **CHAPTER 4**

# DATA ANALYSIS AND FINDINGS

The geopolitical timeline of Nepal reveals a lot about its struggle to accommodate the national interest of other countries by ensuring its own sovereignty. From the period of King Prithivi Narayan Shan in the 17<sup>th</sup> Century to the current government of Sher Bahadur Deuba in 2022, Nepal has always faced geopolitical complexities in the face of events inside and outside its home border. So the data presentation will begin by testing the geopolitical variables and their impact on Nepal to explore further about the issues to be discussed in the finding.

| Geopolitical Variables  | Impact on Nepal  |
|-------------------------|--|
|                         |  |
| Gurkha ruler Prithvi    | The beginning of Yam discourse - Prithvi   |
| Narayan Shah conquers   | Narayan Shah, called Nepal 'yam between two  |
| Kathmandu and lays      | boulders' and the British in India considered it   |
| foundations for unified | a buffer zone between China and India (Muni,   |
| kingdom                 | 2016)  |
| Anglo-Nepalese War-     | The treaty established Nepal's current   |
| culminates in Sugauli   | boundaries which caused Nepal to lose about  |
| Treaty                  | 176,000 km2 (according to greater Nepal map)   |
|                         | of territory and left Nepal with its present-day   |
|                         | borders, with 147,181 km2 total area   |
| Nepal Adopted Policy    | The foreign policy of Rana was clearly the   |
| of isolation under Rana | British India-centric as Jung Bahadur was the  |
| rule                    | first Prime Minster of Nepal who visited U.K.  |
|                         | on 1850. He was aware that that time British   |
|                         | power had dominated the whole region and   |
|                         | China's power was declining. So, he was  |
|                         | indebted to the British and adopted British-   |
|                         | India centric policy which continued   |
|                         | throughout the Rana rule (Shah, 2017)  |
|                         | Gurkha ruler Prithvi<br>Narayan Shah conquers<br>Kathmandu and lays<br>foundations for unified<br>kingdom<br>Anglo-Nepalese War-<br>culminates in Sugauli<br>Treaty<br>Nepal Adopted Policy<br>of isolation under Rana |

| 1923 | Treaty with Britain     | The Great Britain recognized Nepal as an        |
|------|-------------------------|---|
|      | affirms Nepal's         | independent and sovereign state which           |
|      | sovereignty             | redressed some of the humiliation that the      |
|      |                         | Gorkha Empire suffered after its defeat in war  |
|      |                         | and the Sugauli Treaty of 1816 (Khanal,         |
|      |                         | 2008).  |
| 1950 | Nepal-India Treaty of   | Nepal's monarchy desired friendship with        |
|      | Peace and friendship    | India in order to dissuade them from backing    |
|      |                         | the democratic movement inside Nepal.           |
|      |                         | Though the treaty established the foundation    |
|      |                         | for decades of amicable India-Nepal relations,  |
|      |                         | the regional and geopolitical landscape has     |
|      |                         | evolved considerably, and both nations'         |
|      |                         | interests have shifted. The treaty bottlenecked |
|      |                         | Nepal from extending relation with China and    |
|      |                         | it became the main cause of unwelcomed          |
|      |                         | Indian influence in Nepal (Khanal, 2008).       |
|      | -Establishment of       | King Mahindra extended Nepal's foreign          |
| 1955 | Nepal-China             | relations and initiated substantive relations   |
|      | Diplomatic              | with China. During his tenure (1955-1972),      |
|      | Relationship            | Nepal maintained diplomatic relations with      |
|      | Nepal Joined the United | many countries and got the membership of        |
|      | Nation                  | United Nations. The diversification of foreign  |
|      |                         | policy and priorities of Nepal minimized its    |
|      |                         | geopolitical dependency with India (Muni,       |
|      |                         | 2016)   |
| 1960 | Sino-Nepal boundary     | Relations between Nepal and China got new       |
|      | agreement               | height when both countries solved all border    |
|      |                         | disputes along the China–Nepal border           |
|      |                         | making Nepal the first neighboring country of   |
|      |                         | China to agree to and ratify a border treaty    |
|      |                         | with China (Baral, 1986)                        |

| 1963 | Construction of         | The beginning of a consistent policy to         |
|------|-------------------------|---|
|      | Kathmandu-Kodari        | undermine Indian control by leveraging China    |
|      | Highway                 | and minimizing dependency with India            |
|      |                         | (Upadhyaya, 2022).                              |
| 1973 | India took control over | The military supremacy displayed by India in    |
| 1775 | Sikkim                  | 1971 and the emergence of Bangladesh, made      |
|      | SIKKIII                 | Nepal reconsider its policy with China and      |
|      |                         | India. Moreover, the Indian nuclear explosion   |
|      |                         | in 1974 and the events leading to the           |
|      |                         | annexation of Sikkim fueled geopolitical fear   |
|      |                         |   |
|      |                         | in Nepal which resulted the proposal of Nepal   |
| 1075 |                         | as zone of peace (Rose, 1971).                  |
| 1975 | NEPAL-Zone of Peace     | The slogan of non-alignment which had been      |
|      | proposal made by King   | adopted in 1956 "equal friendship for all" was  |
|      | Birendra                | gradually reinterpreted to mean equal           |
|      |                         | friendship with India and China. This led       |
|      |                         | eventually to a declaration of non-alignment in |
|      |                         | the Sino-Indian dispute which can be deemed     |
|      |                         | as a formal neutralization of Nepal (Khanal,    |
|      |                         | 2019) The thrust of King Birendra's foreign     |
|      |                         | policy was - "Friendship with all, enmity with  |
|      |                         | none". The proposal was directed to maintain    |
|      |                         | neutrality in external and regional conflicts   |
|      |                         | and ensure domestic political stability.        |
| 1989 | India's economic        | China's then premier Li Peng made a visit to    |
|      | blocked in Nepal        | Kathmandu where he told a press conference      |
|      |                         | that China would provide moral and other        |
|      |                         | supports. China offered modest assistance,      |
|      |                         | including petroleum products and salt. It       |
|      |                         | fueled Nepal to cultivate relation with China   |
|      |                         | (Rose, 1971).                                   |
|      |                         |   |

| 1990 | End to absolute                                     | Every time the change of regime in Nepal has   |
|------|---|--|
|      | monarchy and the                                    | invited some geopolitical consequence and the  |
|      | beginning of  | end of absolute monarchy resulted the rise of  |
|      | constitutional                                      | democracy in Nepal and made the government   |
|      | monarchy. Also, the                                 | more tilted to democratic India and maintain   |
|      | elimination of the                                  | distant with communist China.  |
|      | Panchayat system.                                   |  |
| 1996 | Civil war between the                               | During the civil was Nepal was too busy  |
|      | communist Party of                                  | settling its internal politics which kept it   |
|      | Nepal (Maoist) and the                              | isolated from any geopolitical involvement in  |
|      | Government of Nepal                                 | the region.  |
|      | from 1996 to 2006.                                  |  |
| 2001 | Royal Massacre at the                               | King Birendra had guaranteed Nepalese  |
|      | Narayanhiti Palace                                  | stability in spite of the Maoist rebellion   |
|      |   | (Khanal, 2019) that started in the mid-1990s   |
|      |   | but after his death the international politics   |
|      |   | changed and the foreign policy of Nepal was  |
|      |   | directed to find new regional balance.   |
| 2011 | Nepal as vibrant bridge                             | Baburam Bhattarai, the then Prime Minister   |
|      |   | expressed the idea of making Nepal as a  |
|      |   | bridge between the two emerging economies  |
|      |   | of India and China (Sigdel, 2018). The 17 <sup>th</sup>  |
|      |   | century discourse of 'yam between two  |
|      |   | boulders' found new adaptation in changed  |
|      |   | geopolitical scenario  |
| 2014 |   | 8° ° ponte en section 10   |
| -    | Indian Prime Minister                               | The bilateral relation between Nepal and India   |
| -    | Indian Prime Minister<br>Narendra Modi visit to     |  |
|      |   | The bilateral relation between Nepal and India   |
|      | Narendra Modi visit to                              | The bilateral relation between Nepal and India<br>improved as the Indian government promised   |
| 2015 | Narendra Modi visit to                              | The bilateral relation between Nepal and India<br>improved as the Indian government promised<br>to support Nepal in achieving its national   |
|      | Narendra Modi visit to<br>Nepal                     | The bilateral relation between Nepal and India<br>improved as the Indian government promised<br>to support Nepal in achieving its national<br>interest (Sigdel, 2018).   |
|      | Narendra Modi visit to<br>Nepal<br>Unofficial India | The bilateral relation between Nepal and India<br>improved as the Indian government promised<br>to support Nepal in achieving its national<br>interest (Sigdel, 2018).<br>Rise of anti-Indian sentiment in Nepal and |

|      |                         | find ways to diversify its trade and transit        |
|------|-------------------------|---|
|      |                         | options with China (Baral, 2019).                   |
| 2016 | Prime Minister K.P. Oli | Marked the ending of Nepal's economic               |
| 2010 | signed Transit and      | dependency with India by allowing Nepal to          |
|      | Transport Agreement in  | use four Chinese sea ports in Tianjin,              |
|      | his official visit to   | Shenzhen, Lianyungang and Zhanjiang, and            |
|      | China                   | three land ports in Lanzhou, Lhasa and              |
|      | Cillia                  | -   |
|      |                         | Shigatse for third-country imports (Dhakal,         |
| 2017 |                         | 2019)   |
| 2017 | Nepal signed the Belt   | The Belt and Road agreement marked as the           |
|      | and Road                | greatest opportunities for Nepal to shift from      |
|      | (BRI)Framework          | land-locked to land-linked as it will assist        |
|      | Agreement               | Nepal to improve the trade and market               |
|      |                         | connectivity (Bhusal, 2019).                        |
| 2019 | Xi Jinping visit to     | Xi becomes 1 <sup>st</sup> Chinese President in two |
|      | Nepal                   | decades to Visit Nepal. The 20 agreements           |
|      |                         | signed between Nepal and China during Xi's          |
|      |                         | visit to Kathmandu, including Nepal's support       |
|      |                         | for the Belt and Road Initiative (BRI), railway     |
|      |                         | and road connectivity between China and             |
|      |                         | Nepal, and Nepal's reiteration of the "One          |
|      |                         | China Policy" at a time when China is dealing       |
|      |                         | with problems in Hong Kong and other parts          |
|      |                         | of the country, are critical to China's security    |
|      |                         | and strategic considerations (Jha, 2019).           |
| 2020 | India-Nepal territorial | In response to this, Nepal officially launches a    |
|      | dispute over Lipulek    | new map incorporating Kalapani-                     |
|      |                         | Limpiyadhura region. The new political map          |
|      |                         | of the country issued by the government of          |
|      |                         | Nepal.  |
| 2022 | Nepali ratified         | After signing BRI Nepal was on the pressure         |
|      | Millennium Challenge    | to accommodate the interest of USA which it         |
|      | Corporation (MCC)       | did by ratifying the MCC                            |
|      | · · · /                 | •••   |

Looking from a historical perspective, Nepal has always been trying to strike a balance between India and China, but the multidimensional geopolitical competition and strategic interests seem to have been steadily growing in Nepal for decades. As a result, Nepal's geopolitical importance and strategic sensitivities are increasing qualitatively. The growing interest of the United States in Asia triggers India's and China's ambition to become a powerhouse, and it will automatically increase Nepal's geopolitical, strategic, and diplomatic significance (Abbhi, 2015). A closer look at the foreign policy, security policy, and Asia and Nepal-centric policies of India, China, and the United States shows that geopolitical competition and strategic interests are likely to become more complex in the future.

# 4.1 Geopolitical Problems and Prospects for Nepal

Given the strategic importance of Nepal's geography in history, the British colonies tried their best to turn Nepal into a friendly 'buffer state' between China and British India to protect themselves from Chinese aggression (Fernande, 2012). As a result, soon after the end of British rule, the new ruler of India, realizing the geopolitical importance of Nepal, immediately started writing letters in 1950 mentioning peace and friendship treaties as well as security issues. On the other hand, despite some flexibility in the border dispute, China signed a peace and friendship treaty with Nepal in 1960, which was driven by its geopolitical interests (Koirala,2016).

The geopolitical situation of Nepal, which is located between two big neighbours, is becoming more and more complicated in the changing global environment. Theoretically, the ultimate form of geopolitical competition is war. Therefore, the process of exploiting complex geopolitical positions is not always profitable (Kaplan,2009). Nepal has come to the present situation by undergoing various

political tests after enduring many political blows and setbacks. Due to the political developments of the last two decades, Nepal has become a matter of concern in international relations (Chalise, 2017). China, a northern neighbour eager to become a world power, has been steadily progressing since 1949 through a one-party communist system. Similarly, India, a southern neighbour, has been moving forward on the path of development since 1947, freeing itself from British rule, through parliamentary democracy, like China (ibid). Nepal, which is between these two neighbors, is trying to remain neutral, upholding the non-alignment policy. Nepal's recent political developments are being monitored in their own way by the United Nations, European countries, and neighboring China and India. Being groomed under different political systems of governance, both neighbours- Indian and China, are in the race for world power. Both these neighbors are competing to make their presence felt by considering Nepal as an area of geo-strategic importance in line with their neighbourhood policy. Nepal is surrounded on three sides by India with a border share of 1900 km- occupying 3,500 miles of coastline and 8,200 miles of land; Nepal is facing its landlocked situation with difficulty (Shakya, 2016). Since the Sino-Indian war of 1962, both countries have been taking diplomatic steps by considering Nepal's strategic importance to normalize relations with each. For the same purpose, the representatives of China and India are visiting Nepal alternately to protect their interests and are emphasizing on visiting diplomacy.

After the British left South Asia in 1947, the balance of power in favour of India gradually changed over some years. China, which was dormant at the time, has now made a strong presence (Frank, 2010). It has strengthened its presence in the Indian Ocean by building multi-purpose infrastructure in Pakistan, Sri Lanka, Bangladesh and the Maldives. In the world strategic arena, China's encircling of India is

understood as a 'string of pearls'. The string of Pearls refers to a geopolitical theory of the network of Chinese intentions in the India Ocean Region (IOR). Precisely, it refers to the network of Chinese military and commercial facilities developed by China in countries falling on the Indian Ocean between the Chinese mainland and Port Sudan (Abbhi, 2015).

Likewise, China's ambitious infrastructure project entitled Belt and Road Initiative (BRI) is not only for economic purposes but also of strategic importance. Currently, both the Asia-Pacific and the Himalayan subcontinent are going through a transition period of disintegration of the geopolitical status quo of the past and the creation of a balance of power based on a new configuration of power. In order to maintain the status quo or to prevent the spread of China in this transition phase, the immediate neighbours of China became valuable for the containment of China (Chan, 2018). And this is the reason why Nepal, which is in a sensitive geopolitical position, has also felt the movement of increasing geopolitical competition. In this situation, Nepali geography is a potential 'front' for the US-led anti-China front, including India and Japan (Pal, 2021). The tensions in the region should be understood as a confluence of both India's attempt to maintain its monopoly power in Nepal and the U.S. alliance's strategy of encircling China. However, the failure to maintain it as its sole sphere of influence is the result of India's conservative attitude towards Nepal. Due to this depressing mentality, India resorted to direct intervention like a blockade, which yielded counterproductive results. Otherwise, India, which has the status of micromanagement in Nepal's internal affairs, would not have had to seek international help to encircle Nepal (Sigdel, 2018).

India, which has always been sceptical of its neighbours on security issues, has been enjoying its own direct and indirect presence in the neighbourhood (Ojha, 2015). It is a remnant of the British colonial mentality in Indian foreign policy. In other words, India has always believed that strong monitoring of neighbors' internal affairs helps her to ensure a strong grip in the region. India is still stuck in the half a century ago Nehru-era doctrine of 'Himalayan Frontiers Policy', which considers the Himalayas as its shield (Kirk, 1992). Annual Sino-Indian trade has now reached 125 billion in 2021, but the 1960s wartime mentality toward China is still dominant in Indian foreign policy thinking, because of which it's not happy to see Nepal's proximity with China (ibid).

Since the beginning of 2010, the trade relations between China and India have been growing, and China is trying to get as close as possible to India. However, the United States, which does not like China's growing power, is trying to put India in competition with China, and India also seems to be greedy for this desire of the United States. This dimension of US-India relations has not kept pace with India's growing political and strategic friendship with China (Ghimire, 2017). Therefore, Nepal, which is at the strategic centre of Sino-Indian-US relations, trying to develop in a new way, now stands at the edge of new challenges and opportunities. Similarly, the problems of Tibet, the growing Indo-US relations and the anti-China activities in the Chinese territory bordering India are of Chinese interest (Gokhale, 2021). Considering the far-reaching impact of India-US relations on China, Chinese activism in Nepali politics is also increasing. The confrontation between the U.S. and China could be inevitable in the near future, as China seeks to make up for the U.S. weakness in the balance of power in South Asia as a whole. As the US-India seeks to build stronger ties with countries dissatisfied with China, a long-term confrontation

between China and India is inevitable. In such a global strategic and strategic area, there is an urgent need for Nepal to formulate a balanced and strategic foreign policy that can reach a national consensus.

#### 4.1.1 Nepal's Geopolitics amid the Contestation between India and China

After the 1940s, both India and the People's Republic of China were established as newly independent nations. Against the backdrop of China's and India's victories in the war against imperialism and colonialism, both felt close to each other as natural partners. The term 'Chindia' or 'Hindi-Chinese brotherhood' was very popular in the 1954 Panchasheel Agreement between India and China (Kant, 1976). However, this kind of cordial relationship did not last long. As per Indian discourse, the occupation of the Tibet Autonomous Region by the Chinese People's Liberation Army (PLA) brought about a sudden change in the so-called problem-free Indo-China relations. As a result, the border dispute escalated, and in 1962, the border war broke out, which forbade both competition and cooperation (Kant, 1976). That is, even after the end of the war, the conflict has not ended. India has been taking China as a major security challenge since it lost the war it started. This geopolitical confrontation between China and India posed a challenge to the defence of the sovereignty of South Asian countries, including Nepal.

Whether the two countries move forward by convergence or by divergence, Nepal is experiencing the effects of their geopolitical confrontation. Nepal's national security policy can also be deeply reflected in the security challenges posed by its geographical location and the geopolitical turmoil of the two major countries. Well, neither side has made the slightest effort to address the crucial question of Nepal's security concerns. During a visit to China in 2018-year, Indian Prime Minister

Narendra Modi and his Chinese counterpart Li Keqiang agreed to develop Lipulek in the Darchula district, which also includes Nepal, as a trade route was immediately made public in a joint statement. Knowing that Lipulek falls under Nepal's territory, China and India did not consider Nepal's consent or participation necessary (Dixit, 2020). Not only that, but both neighbours became indifferent to Nepal's claims, protests and dissatisfaction with the agreement. This trend was guided by the convergence policies of China and India. It reminds us of the quote from the American scholar Robert D. Kaplan that geography has new meaning in the globalized world. At the same time, looking at recent events, the effects of geopolitical relations in a new form are beginning to be seen in world politics. And geography and geographical proximity are becoming predominant in it (Dixit, 2020). The Lipulek case also highlights how small countries are affected by this type of relationship. Nepal currently is living the metaphor of "When elephants fight, it is the grass that suffers" where India and China are elephants, between them lies Nepal as grass.

In the changed context, China and India are essentially competing to become the first political power on the Asian continent. Indians understand that China's noncooperation is depriving it of membership in the Nuclear Suppliers Group (NSG) some time ago as an act of enmity (Saran, 2020). In response, India too sided with the United States in supporting the ruling of the International Court of Justice in The Hague against China in the South China Sea issue (Keith, 2017). India is stepping up its naval activities in the Indian Ocean and the Persian Gulf. She has been conducting joint military exercises in the South China Sea with Vietnam and the Philippines, and other Asian countries, including Japan, Sri Lanka and Australia. Meanwhile, China is strengthening ties with countries that do not have good relations with India, including

Pakistan, Myanmar and after an unofficial Indian blocked with Nepal too. Over the past decade, China's new economic prosperity, and its efforts to find alternative maritime routes for the natural raw materials needed for its conservation and development have significantly changed the geopolitical dimension of South Asia. Related to this is the concept of the Sea Silk Road under the Belt and Road initiative put forward by China.

The development and expansion of the BCIM Economic Corridor, a major partnership between China and India, which China later described as the Southern Silk Road, has been hampered. Tensions between China-India-Pakistan have started due to the strengthening ties between China and Pakistan and the economic corridor within the OBOR (Baruah, 2018). Similarly, another sub-regional organization Bangladesh, Bhutan, India and Nepal (BBIN) has been formed under the leadership of India in line with the concept of trilateral cooperation proposed by Nepal and supported by China (ibid).

Geopolitics has come to the forefront in terms of economic assistance provided by India and China, humanitarian relief, and the use of multilateral diplomacy. The significant grant of foreign aid in the aftermath of last year's devastating earthquake was not only due to Nepal's immediate needs and the humane sentiments of its allies. There was a geopolitical reason for that. Mainly in the last decade, the similarities and differences in the policies of these two giant Asian countries in Nepal's politics and their impact have been discussed. While analyzing the historical evidence, it is found that Nepal has benefited from the healthy competition or cooperation between China and India, but the 'convergence' or 'divergence' between them is fatal for Nepal. Therefore, it is necessary for Nepal to pursue a foreign policy that attaches high

importance to its neighbourly relations with both China and India. And Nepal should be able to demonstrate its presence, necessity and importance even in their mutual relations.

## 4.3 Accommodating the interest of China and the USA

Owing to Nepal's geostrategic location and the neutral foreign policy that Nepal has been pursuing historically, Nepal's ambiguity towards the Indo-Pacific strategy is not inexplicable. However, the display of such ambiguity has been perceived by Nepal's southern neighbour and the U.S. as Nepal's proximity to China through Belt and Road Initiatives (Baral, 2019). Nepal's failure lies in its diplomatic inability to convince India and the United States that Nepal's entry into BRI is only economic. Even Nepal has not been able to convince China, from whom Nepal is aspired to attain economic benefits, about Nepal's participation in joint military exercise under the Indo-Pacific design. Nepal could have convinced China that the joint military exercise was meant only for disaster preparedness. If the Indo-Pacific strategy is helpful for Nepal in mitigating natural disasters and crises, BRI too is useful for getting connected with the global value chain. Therefore, Nepal needs to be loud and clear about its preferences. But Nepal has failed to compartmentalize economic aspirations against strategic interests. Why can Nepal not articulate a clear-cut foreign policy against such ambiguities? Blames are often laid on Nepal's geo-strategic location, in whose vicinity there is the presence of an immensely powerful neighbourhood. Nepal should make an endeavour to resolve such ambiguities by essentially exercising "meticulous diplomacy," which is usually practised to avoid predicaments. But, "meticulous diplomacy" should not be misunderstood as passive diplomacy. Rather, it is a balanced approach.

Amidst the wake of the changed world order resulting from the rise of China and India, the geopolitics of Nepal suddenly gained higher importance in the international arena. Given the geopolitical context of Nepal, the small country has remained prone to diplomatic pressure from various other countries (Chalise, 2017). Apart from the pressure from India and U.S., In 2018, Japan had also made failed attempt to convince Nepal to sustain its position in Indo-Pacific Strategy.

The beginning of 2019 marked vivid diplomatic bewilderment for Nepal; there were many visits to and from Nepal, including Japanese Foreign Minister Taro Kano to Nepal and Nepali Foreign Minister Pradeep Gyawali to India as well as Admiral Phil Davidson, head of the U.S. Indo-Pacific Command, visit to Nepal and General Purna Chandra Thapa, Chief of Nepal's Army Staff, visit to India. In February 2918 Visit, U.S. Deputy Assistant Secretary of Defense for South and Southeast Asia Joseph H Felter expressed the desire to further deepen military cooperation with Nepal. "While calling Nepal an "important security partner" of the U.S. in South Asia (Sen, 2019). Deputy Assistant Secretary Felter expressed the willingness of the U.S. government to further enhance military to military cooperation in various areas such as capacity enhancement, military professionalization, civil-military relations and modernization of the army" (ibid). The January 2019 visit of Japanese Foreign Minister Taro Kano to Nepal was not free of political implications. During his visit, the signing of an air services agreement and accepting migrant workers from Nepal was the major highlight as well the support for infrastructure development, agriculture, education and healthcare were discussed. However, "In his meeting with Nepal's Foreign Minister, Kano is said to have urged Nepal to participate in the Indo-Pacific Strategy in line with what the U.S. had advised it to do". (Poudyal & Khadka, 2020).

These diplomatic visits contributed to triggering international suspension regarding Nepal's growing military proximity with the U.S. and particularly it's footing on Indo-Pacific Strategy. Amid such context, the geopolitics of Nepal remains at stake as its strategic location puts the country in maximum focus in front of other international actors. There are two circumstantial nodes that connect the dots of suspension over Nepal's non-aligned principle. On one side, Nepal's joint anti-terrorism military drills with China troubled the U.S., which was expecting Nepal's role in Indo-Pacific and was on the verge to make easy strategic ventilation in Nepal to monitor China. But after witnessing Nepal slowly falling into the lap of China land and its participation in BRI, the United States began to suspect Nepal's step. On the other side, after participating in Chinese military exercises, when Nepal pulled out from India-led BIMSTEC military anti-terrorism drills in Pune, the Indian side too cultivated a kind of doubt towards Nepal's stand on diplomatic ground (Jha, 2016). Thus, the ambiguity regarding Nepal's position in Indo-pacific is highly conditioned by Kathmandu's diplomatic inability to pitch its stand in front of the U.S. and convince other nations who are suspecting the step of Nepal.

The strategic challenges exposed after China's rise have forced powerful nations to pursue a solid counter model to ensure neutral order in the Indo-pacific region. The birth of the Indo-Pacific strategy is actually a concert strategic response to China's Belt and Road initiative (BRI), which is a massive blueprint envisioned to create a cross-continental geo-economic and geostrategic space, both on land and sea, through infrastructure investments and connectivity. Amid such context, some the nations like U.S., Japan, Indian and Australia seem interested to venture in the common endeavour to counterbalance China's influence by creating new geostrategic space under Indo pacific strategy (Chan, 2018). The primary reason China's initiative remains subjected

to repulsion by other world power is because of the fact that the country has framed its investment model very differently than the conventional one adopted by the financial institution of the U.S. after World War II. Under the BRI Project, the Chinese banks have been investing in many massive infrastructure projects around Asia, Africa and Latin America, which challenges the primacy of other actors in host countries (ibid). Therefore, the United States is making a strategic response by offering an alternative model of investment to counterbalance potential Chinese economic supremacy. "The renaming of the US Pacific Command into Indo-Pacific Command last year, designating India as a Major Defence Partner, the joint Malabar 2017 exercise in the Indian Ocean involving the navies of India, Japan and the U.S., the revival of the Quad Alliance of Japan, Australia, the U.S. and India as an effort to 'contain' China, are all indications that Sino-US competition is heating up in the region" (Nepali Times, 2020).

# 4.3.1 Accommodating the interest of China through BRI

The foreign policy stakeholders of Nepal have already understood that the Indo-Pacific Strategy is a counter move against Belt and Road Initiatives (BRI) of which Nepal is a signatory. Nepal's participation in BRI is a bilateral collaboration with China to achieve infrastructural support and for other economic prospects in the upcoming future. Looking at the framework of BRI, it seems more tilted to cooperative initiative than any kind of strategic alliance. However, unlike BRI, the Indo-Pacific Strategy can be explicitly seen as a constructive approach to bringing small nations under the influence zone of four 'QUAD' nations comprising U.S., Japan, India and Australia (Chen, 2021).

Nepal remains as one of the eighty or so countries that are members of the Chinese initiative and has already witnessed growing Chinese investment and diplomatic engagements. China has introduced BRI as a dream project which aims to construct a massive global platform for economic collaboration, including policy coordination, free trade, commercial and financial cooperation, along with socio-cultural partnership within the region (Kumar, 2021). With six main economic corridors spreading over Eurasia, this initiative would redesign the region's substructure network, increase connectivity across the continent, and mend some of the underdeveloped grounds along the way. Till now, BRI has not mentioned any security or strategic promises that the recipient nation may be required to fulfil as reciprocal economic and humanitarian perks of the project. So far, it is believed to be an attempt to recreate the glorious history of trans-border trade, network of connectivity and collaboration of civilizations.

Today Nepal seeks to rise from the level of a least developed country to being a middle-income country before 2030 (Dixit, 2020). In this crucial time, an economic partnership under the BRI would lessen Nepal's geographical and economic over dependency with its southern neighbour, ultimately minimizing its future vulnerability. The revival of the Silk Route will boost connectivity, increase trade and investments, increase the mobility of the people and most significantly open up new economic opportunities, mainly integrating trade and investment in Nepal. Nepal used thrives as one of the important root-link historic silk roads, and its revival is expected to benefit the contemporary economy of Nepal.

The essence of connectivity remains inevitable in the case of Nepal, as the country is fragmented within itself because of poor infrastructure. According to a World Bank

study, Nepal needs infrastructure investment equivalent to 12 per cent of GDP, which amounts to nearly US\$13–18 billion over a decade, to maintain the current pace of economic growth (Chalise, 2017). It needs to spend 2.3 to 3.5% of its annual GDP to improve its connectivity, including strategic and local roads. The transportation sector alone needs anywhere between US\$3.7–5.5 billion in investment for new projects (ibid). Amid such context, the Belt and Road initiative project, which exclusively centres on mitigating the infrastructural gap, can help achieve both the physical and financial objectives of Nepal. It will have a revolutionary impact on the overall development of the Nepalese economy and take bilateral relations to a new height.

Similarly, Nepal's prospects in terms of Hydropower, tourism and agriculture can also be further enriched under the BRI project. Nepal needs large investment and global connectivity to best utilize these potentials. Firstly, there is a high possibility and technical viability to produce 42,000 MW of electricity from numerous rivers in Nepal. And easy access with many countries through BRI, the produced electricity can find a wide range of global markets for selling. Secondly, even if a small fraction of people from the two densely populated neighborhoods inroads Nepal as tourists, it would be a breakthrough achievement for Nepal to lift up the tourism industry. Thirdly, the prospect of agriculture can be achieved only after improvement in irrigation facilities. The total cultivated land in Nepal is 2.64 million hectares, out of which only about 1.76 million hectares are irrigable, and to this also only about 20 percent of lands have year-round irrigation facility. In short, Nepal's agriculture highly depends on monsoon rain. If China finds ways to fund the construction of a permanent irrigation system in Nepal under BRI project, the small country can transform itself as huge agricultural market and can send loads of organic Agro products to the whistling train back to China (Poudyal, 2019)

Apart from this, the BRI project will bring changes beyond our dreams and expectation. There will be credible ground for Foreign Direct Investment (FDI) wherein the assurance of international investors surges along with access to a broad global market (Poudyal, 2019). The Chinese government is constantly encouraging their domestic firms and interested groups to invest in Silk Route countries. Trading firms and investment boards are mushrooming in many BRI countries to ease interested parties for investment. And those investors are exploring prospects in various areas like Hydropower, tourism, agro-economics and other sectors. Nepal can take benefit of FDI as well as enjoy global products inside its territory. Thus, owing to all these perks and possibilities after joining BRI, Nepal's proximity towards the Chinese initiative can be deemed as a pure strategic step for the sake of its economic interest.

#### 4.3.2 Accommodating the interest of USA through Indo-Pacific Strategy

On June 1 2019, the United States Department of defence unveiled the Indo-Pacific strategy report in which Nepal, along with Sri Lanka, has been added to the U.S.'s 'State Partnership Programme in the Indo-Pacific'. This revelation triggers various controversies in Nepal as such engagement is against non-alignment foreign policy. The document entitled 'Indo-Pacific Strategy Report: Preparedness, Partnership, and Promoting a Networked Region' suggests that all countries included in the document are counted as a fundamental part of the strategy. The report has further fueled the long going controversy of U.S. defense relation with Nepal. Some of the senior level visits from U.S. to Nepal and U.S. Army pacific-led Land Forces talks in June 2018 have been regarded as growing defense partnership between United States and Nepal. The United States, in the Indo-Pacific Strategy Report, has stated that it seeks to

expand defense relationship with Nepal under the Indo-Pacific Strategy. "The United States seeks to expand our defence relationship with Nepal, focused on HA/DR, peacekeeping operations, defence professionalization, ground force capacity, and counter-terrorism," reads the report published by U.S. Department of Defense (Ghimire, S. 2019).

That small line is all about Nepal mentioned in this sixty-four-page report, which precisely talks of cooperation in various areas. However, the confusion began when the U.S. began to interpret this cooperation as part of the Indo-Pacific Strategy, and the rest of the world including China too started suspecting the involvement of Nepal in US-led initiative. Moreover, Nepal found itself trapped in a diplomatic conundrum when Robert J. Palladino, the Deputy Spokesperson of the U.S. State Department announced at the end of Nepal's Foreign Minister Pradip Gyawali's Washington visit that Nepal has a central role to play in US-led alliance called Indo-Pacific Strategy.

Responding to this revelation, in one press conference, Nepal's foreign minister Pradeep Gyawali rejected the mentions in the report regarding Nepal's inclusion and support in Indo-Pacific Strategy. "Since Nepal is the chair nation of SAARC and a member state of BIMSTEC, the US reckons that Nepal can play a crucial role in the Indo-Pacific region. But the reports about the US including Nepal in its Indo-Pacific strategy are false," Gyawali responds to the report by emphasizing on the point that 'region' and 'strategy' are two different things. (Giri, 2019).

Similarly, some of the integral values embedded in Nepalese foreign, particularly the principle of non-alignment policy, forbid Nepal to line up with any strategic alliance like Indo-Pacific Strategy. Given the fact that Nepal's first priority is to maintain friendly relations with its neighbour India and China, thus Nepal will never

embrace US at the stake of its relation with an immediate neighbour. After when Nepal chaired SAARC and also became member state of Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), the US began to see Nepal as a perfect tool to contain China by encouraging Nepal to play a key role in Indo-Pacific Strategy. However, instead of gullibly accepting United States' implicit pitch, Nepal seems well aware of its potential diplomatic hurdles and tactfully rejected the proposal.

On an international ground, any states are free to initiate any of their strategy and sometimes the powerful states tries to put pressure on small states like US did to Nepal. Yet as a sovereign state Nepal has all right to remain firm in its foreign policy and that's what Nepal did. (Khanal, 2019) Till now Nepal has not made any official commitment regarding its participation in Indo-Pacific Strategy. In same regard minister for Foreign Affairs Pradeep Kumar Gyawali said "Global powers have their own ambitions, and regional powers have their own agenda. Nepal engages with all based on its domestic priority and necessity. We won't be involved in any activity that is against our basic foreign policy principles or that impinge on genuine concerns of our neighbors. Perhaps due to the long transition, there is a tendency in Nepal to be overly suspicious." (Annapurna Express, 2019)

The major actors – US, India and China, who appears in the frontline while analyzing Nepal's position in Indo-Pacific Strategy, have organized some successful joint military exercise with Nepal. However, Nepal didn't partake in the BIMSTEK military exercise organized from September 10 to 16, 2018 because it was unilaterally sponsored by India (Poudyal, 2022). The United States is implicitly trying to start cold war by disguising its pacific command as Indo-Pacific to tackle Chinese

influence in the region. Then Nepal was forced to participate in the military exercise, which was likely to invite diplomatic consequences against China and Pakistan. Thus, with such diplomatic consciousness, Nepal didn't take part in BIMSTEK military exercises to avoid biased strategic manoeuvres. Though not declared from the official level, such steps of Nepal should be seen as its reluctance to get involved in Indo-Pacific Strategy.

Likewise, the proposal of the US to Nepal for playing the dominant role in the Indo-Pacific Strategy has become a hard choice because of its possible multiple consequences. On the one hand, the proposal has put forward some opportunities of economic gains for Nepal, but on other hand, it's also disposed to result in some questionable diplomatic circumstances that would put Nepal against the interest of its immediate neighbour China (Poudyal, 2022). In this context, when Nepal is going through economic turmoil, it's a relevant choice for Nepal to ponder over accepting international proposals like BRI and IPS if such engagements are likely to yield economic perks for Nepal. But when such proposals come with obscure strategic codes that could force Nepal to take uncertain steps in future, then the country should put its national interest over international pressure.

### 4.4 Geopolitical Benefits for Nepal

In around 114 BCE, China's imperial envoy Zhang Qian assisted the initiation of Silk Road, a network of trade routes that connected China with Central Asia and the Arab world (Zhang, 2013). The name gets derived from China's most important exports silk and same route fostered the progress of the entire region for centuries. Again in 2013, China's current president, Xi Jinping, envisioned re-establishing a modern version of Silk Road that would mitigate the borders between China and Central Asia,

West Asia, and parts of South Asia. Belt and Road initiative plan includes physical connection, strategies, global economic prospects, and open new avenue for exercising soft power. The old Silk Road was a chain of trader who used to exchange goods along a corridor of trade as many of the high-value trade goods were transported over vast distances – by pack animals and river craft. Those merchants never travelled long on this "silk road" but functioned as a connecting node in the vast supply chain of ancient Silk Road. Today instead of merchants and caravan we have upgraded business firms and eager partner groups to make modern supply chain connecting cross-continental borders. It will speed up the development of an integrated Eurasian market with its progressive influence on Africa and other neighboring regions. Belt and Road initiative aims to construct a massive global platform for economic collaboration, including policy coordination, free trade, commercial and financial cooperation, along with socio-cultural partnership within the region (Simelane & Managa). With six main economic corridors spreading over Eurasia, this initiative would redesign the region's substructure network, increase connectivity across the continent, and mend some of the underdeveloped grounds along the way. More than 60 nations, with a combined GDP (Gross Domestic Product) of \$21 trillion are standing on edge to the BRI action plan (Callahan, 2016). Though initiated by China, it's a global plan—actually inclusive—comprising about one-third of the world's GDP, 63 percent of the world's population, three-quarters of energy resources, and trades almost half of the goods that move around the world (Sigdel, 2018).

After a couple of years of headway, the BRI project has progressed several win-win developments between China and other countries. Evidently, the projects in Sri Lanka, Pakistan, and the rail route from China to Iran have already proven its global

worth. The Mombasa-Nairobi Standard Gauge Railway built by a Chinese company in Kenya has contributed 1.5% of GDP growth in Kenya and created 46,000 jobs locally by reducing the transport cost and travel time from Mombasa to Nairobi by half (Cao, 2017). Similarly, the construction of Nehru Tim Jielu Mu Hydropower Station was done by the joint engineering team of China Gezhouba Group (CGGC) and China Machinery Engineering Corporation (CMEC) with an investment of around \$4.3 billion. BRI plan has also connected Kazakhstan and the north-western Chinese Xinjiang Uygur Independent Region. The overall trade between Xinjiang and Kazakhstan is more than \$11 billion annually, the digit that comprises 40% of China-Kazakhstan trade in total. Since the U.S.' Marshall Plan to rebuild post-WWII Europe, it's considered the largest overseas spending project by any single country (Hu & Yan, 2017).

After ascending up to the position of the second-largest economy in 2012, China has amplified the amount of foreign investment in Nepal. According to economic studies, by the end of 2016, China had spent 160 billion US dollars as foreign investment. It is much higher compared to past investments. Such investment indicates their broader objective to extend this ambitious project all over the globe. In such case it is common for Nepal to expect multiple benefits. The Chinese win-win initiative not only increases Nepal's opportunity to benefit from the economic development taking place in China but also accumulates the future overflow of China's prosperity. Crucially, Belt and road plan offers a vast network of interconnectedness, which will be a strong foundation for developing countries to move ahead. Besides, the connectivity in every possible way - physical, cultural, people to people and technological- will be sufficient to reap benefit from the economic giant. Similarly, Chinese government is constantly encouraging their domestic firms and interested groups to invest in Silk

Route countries. Trading firm and investment boards are mushrooming in many BRI countries to ease interested parties for investment. And those investors are exploring prospects in various areas like hydropower, tourism, Agro-economics, and many other sectors (Sharma, 2021). However, BRI itself neither leads to automatic development nor improves the economic condition if Nepal, it just provides the opportunity and rests depend on how the nation and its policy response to this prospect.

Till the beginning of 2000 the development dream of the trans-Himalayan railway linking Kerung-Kathmandu was like magic realism to Nepal. Now after the project is listed as one under China's BRI during the second Belt and Road Forum in China in April, there seems some glimpse of hope. Preliminary estimates put the cost of just the 170km Kerung to Kathmandu section of the railway at 38 billion Yuan (\$5.5 billion). Even though only 30% of the length from Menbu to Kathmandu is in Nepal, it will account for almost half the cost of the project because of the required tunneling (Bhushal, 2019).

The government is hopeful that China will provide the necessary support for making possible this ambitious project. However, the two countries are yet to finalize who will fund the cost of the project. In this confusing phase, we can try different funding modality like the Railway construction under the BRI project can be done with help from the AIIB, Silk Road Fund and other international financial institutions. Likewise, Nepal and China can also go for a cooperative project financing model as adopted by Japan-India while constructing Ahmedabad-Mumbai high-speed railway. Of the total estimated budget, China can provide 85 percent of the cost at.1 percent interest rate with repayment period of 25 years. Till then the flow of trade and people's movement through train would give enough earning for Nepal to pay back

the debt. Or else China has a history of providing grants to Nepal in different projects including the construction of Kodari highway during 1960s when China was comparatively poorer than now and was under the doom of great famine. Owing to this fact and analyzing Nepal's relation with China, there remain many grounds for the expectation that today's largest economy mounting at 6.6% growth rate a year would complete this railway project in grants.

Apart from issues of funding, there is also ongoing national debate whether this mega project is day-dream or future reality. Of course, the railway construction from Kathmandu to Kerung is very challenging but not impossible if both governments work in consensus with full determination. Owing to complex geographical structure, as evident in a primary report submitted by China Railway First Survey and Design institute, 98.55 percent of the railway should pass through either tunnel or bridge. Tunnel ways are usually considered to be one of the most challenging construction projects in the world. Requiring bespoken high-tech machinery and a large quantity of the skilled human resource to penetrate virgin hills, tunneling projects often demand an abundance of investment as well as time. Engineers usually encounter plenty of geotechnical challenges that call for innovative solutions entailed with practical executions. According to a confidential feasibility study by a Chinese firm, complex geographical topography and laborious engineering workload will become major obstacles in building a cross-border railway. The railway track which has to inroad through Rocky Mountains would demand excellent construction plan and high-tech engineering (Bhusal, 2019). With an objective to join the tracks to the Kathmandu section, the engineers would construct ramps along the northern and southern slopes leading to Lake Paiku, near Kerung. Those ramps are expected to mitigate the huge difference in elevation between the northern and southern hoof of the mountains.

After ascending up to the position of the second largest economy in 2012, China has amplified the amount of foreign investment in Nepal. According to economic studies, by the end of 2016, China had spent 161 billion US dollars as foreign investment (Sharma, 2021). It is much higher compared to past investments. In such case it's not a big deal for China to invest in Nepal's railway, which is also part of its Grand BRI project. Yet the possibility of investment highly relies on how diplomatically Nepalese leaders can negotiate with the Chinese government.

## 4.5 Nepal's Act of Balancing

The developed nations have gone far beyond the tradition of understanding geopolitical relations only in geography and politics. It is now evolving to a different paradigm of foreign investment and share resources which put resourceful nation like Nepal in the eye of international powers. Nepal-India or Nepal-China relations cannot be seen in isolation when it comes to overall geopolitics (Dahal, 2012). Since Nepal's relations with both countries affect each other, Nepal-China-India relations should be viewed holistically in terms of geopolitics. In other words, whatever relationship Nepal share with China or India, it will affect the other country. And, due to its geographical location, Nepal cannot stay away from the influence of 'systematic' geopolitics. That is why Nepal's relations with China and India cannot be seen in isolation. It needs to be seen as Nepal-China-India relations, both in theory and in practical policy-making (Baral, 2012). Otherwise, there is the risk of finding the wrong conclusion. If India's relations with the smaller South Asian nations are not cordial, they will automatically get tilted towards China. It is not uncommon for the eyes of small South Asian countries to be so focused on China's growing global

influence. However, such a situation has been accused by Indian diplomats of playing the China card.

Post 1950s, the world has witnessed a new face of colonialism (neo-colonialism) in which powerful states systematically used other countries at their expense for their own benefits. During Nepal Investment Summit 2017, Chinese partnerships had assured to finance \$8.3 billion in different sectors, greater than the Indian pledge of \$317 million (Pandey, 2020). Both India and China are strategically trying to influence Kathmandu in their unique ways. Constant diplomatic pressure by either side will only encourage Kathmandu to align with one Asian giant. Besides, the likelihood that Nepal may entirely side towards the one country remains a great security threat that both giants will not be ready to stake. Nepal has always been frightened of both India and China strategies towards it. Despite its immense s geographical, historical and cultural links, Nepal has remained quite anxious about the Indian role in Nepal. Although there has never been a war between the two countries, Nepal constantly suspects India's intervention in Nepal for securing its security interests with China. It also remains vulnerable to Indian encroachment in its domestic affairs (Jha, 2016). Similarly, China has been trying hard to exploit the vulnerable situation of Nepal for securing geopolitical and geostrategic objectives, which include the objective of preventing the Tibetan refugee's Anti-China activities and friendly and cooperative relations between the two Hindu states- India and Nepal. China wants to increase its influence over Nepal to maintain its security. However, India tried to counter the Chinese expanding strategic foray in Nepal through diplomatic efforts and by asserting close historical and cultivating relations with Nepal as a means for safeguarding its security and other interests. India has perceived a potential threat from growing engagement of China in the region specific in Nepal

which can challenger her 'big brother syndrome'. India also has some concerns regarding China's presence in the region, which probably will keep South Asia as part of its region. However, in recent days Delhi and China are coming closer on various projects which can build trust and contribute for the development. So, Nepal has to understand the involvement of China with Pakistan, India and Nepal in the triangular policy very carefully.

Since the beginning of the 1990s, the setting for international relations between states has transformed considerably at the regional and global levels. There has been a paradigm shift from one of the geo-political safety concerns to more economic and social security concerns. The magnitude of economic inter-dependence between nations and associations based on a win-win position are becoming the new sustainable value in world politics. Nepal has already been touched by the drastic surge of right-wing nationalism across Europe and America. In 2018, China endorsed "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era" as one of its guiding principle and India's orientation to restructure its neighbourhood first policy has appeared as a challenge for Nepal. In accordance with changing milieu Kathmandu needs to carefully reevaluate its bilateral, sub-regional and multilateral relations and review its current foreign policy and Equi-distance strategy with its neighbour. Looking back at the history of immediate neighbor's strategy, India has implemented the neighbourhood first policy and China proclaimed its own neighbourhood policy. Nepal needs to recognize its big neighbours' policies and their implied strategies because the policy doesn't come out of the vacuum. Hidden mechanisms and interests are always present there. If Nepal fails to exercise diplomatic caution on analyzing their policy and remain playing China card or India

card against both neighbours, Nepal is sure to encounter a doomed fate which could stake the entire nation.

After 2000 context the emphasis on economic rather than conventional diplomacy has became more vital (Hussain, 2006). Nepal seems to perusing Equi-proximity towards its both neighbors, but geography, as well as culture, puts India closer than China. Nepal crammed between Northern and southern neighbor has been sharing very reliant relations with India since the beginning of 1950s after signing Treaty of Peace and Friendship (Bhattarai, 2017). Lately, some political circumstances like India induced blocked in 2015 and Trade and transit treaty with China in 2016 forced Nepal into historical realization that India has been interfering in its domestic matters and Nepal slowly began to nurture relation with China. Alongside such circumstance, in order to preserve sovereign identity, the Nepalese ruling government were constantly duty-bound to balance the South against North. Equidistance approach became primary groundwork of its foreign policy between both giant neighbors. Despite sharing geographical and socio-cultural relations with India, the geoeconomic and political conversion in the region stimulated Nepal to turn towards China.

As the picture itself speaks, the facts prove that Nepal is in a geopolitical complexity. Therefore, it is necessary to have a national consensus on how to maximize the benefits by turning this important geography of Nepal into an opportunity. Accusations, rebuttals and apprehensions cannot lead to a balanced foreign policy formulation and implementation. There are indications that Nepal's participation in the Belt and Road Initiative project led and conducted by China in the last phase, India's non-participation and India's participation in the US Indo-Pacific Strategy and

Nepal's inability to make concrete decisions on MCC so far could complicate Nepal's geopolitical situation. Given the neighboring relation with India and China, the proximity, trilateral geopolitics and semantics have crossed stages of unity, struggle, cooperation and competition in different historical periods in the political, diplomatic and trade dimensions. But at present, strategically important projects such as BRI and IPS and the question of participation and partnership in them seem to be further complicating the relationship. One of the reasons for this may be the trust deficit seen in the Nepali leadership. On the other hand, Nepal's political stability and economic development will only balance the relations with India and China. Therefore, China and India should always support Nepal's economic development and political stability. In particular, the emergence of BRI and IPS in the changed form of NATO and SEATO is different from the political system of China and India and US political system. In the past both Russia and China were poles but now India is participating in IPS, trade, transit, security and military rivalry. Conflicts between them do not seem to be resolved easily which put Nepal in the diplomatic problem. In a complex geopolitical situation, such as the US's keen interest in China's unimpeded movement, and the US adopting a policy of containment by engagement with India on a number of issues, there was extensive discussion on how Nepal can maximize its benefits from China, India and the US and BRI and IPS. Reaching a logical conclusion should be the main objective of geopolitics.

The tact of diplomatic balance has been a historical strategy excelled by every ruling government in Nepal, whether royal power, democrats or communist. To extract benefits from India, Nepal usually took the privilege of playing "China card" – tilting to China, was the shrewd way to reap favor from India (Gangadharan, 2021). While such ultra-smart move has frequently worked in the past, it's likely to confront new

trials as balance of power witnesses gradual shifts resulting high possibility of a Sino-Indian clash. It can be concluded that the geographical relation should be balanced accordingly with context and balanced doesn't mean absolute 'equal'. Ideologically, equidistance as Cold War strategy implemented by small countries in the then bipolar world. But in today's multipolar world, equidistance seems an outdate idea. Still, Nepal continues to express its commitment to the equidistance policy, through different mediums, including the proposal of Trilaterialism. To further open new bilateral avenues both nations will have redress the past blunders. On top, Nepal needs to avoid playing 'India-Card, China-Card' game and, conversely, India should also stop micromanaging Nepal's domestic politics.

#### **CHAPTER 5**

### CONCLUSION

The geopolitical priorities of Nepal are characterized by the continuity and changes in its foreign policy behaviour. Similarly, the foreign policy behaviour of Nepal is sometimes determined by its struggle to accommodate the interest of powerful nations like India, China and the USA. The issue of national unity, geographical integrity, sovereign independence, national interest, United Nations Charter, Panchsheel, nonalignment and world peace and coexistence are the guiding principles of Nepal's international relations and foreign policy. Since its inception, Nepal has been giving top priority to political, geopolitical, diplomatic, economic, socio-cultural and trade relations with its neighbours India and China. In the changed geopolitical context now, India and China are not only the eminent neighbours of Nepal but also emerging powers and major development partners of Nepal. Therefore, maintaining the diplomatic balance between India and China by giving high priority to relations with neighbors is a basic principle of Nepal's foreign policy. In fact, the priority given to relations with the neighbours and the diplomatic balance between India and China is also a geopolitical reality in Nepal.

When looking at India, China and the United States' interests and national security policies, it's clear that they all have direct geopolitical, strategic, and security interests in Nepal. As a result, they have a strategic rivalry in order to expand their influence. For India and United States, the factors of geopolitics are more important than geoeconomics, whereas geo-economics seems to be the central focus of China. As their rivalry intensifies, the triangular conflict may jeopardize Nepal's national interests in the future. The rumbling geopolitical power struggle between them will have

enormous immediate and long-term consequences for Nepal, which is very sensitive and a concern for the country. For a sound national security policy in Nepal, it requires to keep up with important geopolitical events, balancing the nation as contained in the old sensitive yam theory of the country, strengthening foreign relations, and establishing a self-sufficient state capable of nurturing human security. However, Nepal is traditionally in India's geopolitical orbit, although China is increasing its economic presence in the region. In spite of the tremendous potential for development, the land-locked country remains one of the poorest in the world, and it's heavily dependent on its powerful neighbours. Nepal is apparently working on a number of projects, including nine big power plants, as well as potential exploration locations. Because Nepal's river systems provide enormous potential for hydroelectric development, it is predicted that Indian, Chinese, Russian, and other energy firms would strive to get engaged and reap benefits from energy collaboration with Nepal. Nepal is deemed to have the world's cheapest electricity in the near future because of its hydropower potential. In the same regard, this paper concludes that Nepal's geopolitical status is a confluence of two geopolitical power configurations- India and China, where other relative actors like the US and Russia also come in play. It is a natural conflict that the status quo of Nepal-China and Nepal-India relations will be maintained or changed in this period when the status quo in the China-West nation and China-India power configuration is changing. Both China and India are trying their strategies to bring Nepal under their control. Nepal is also trying to restore the cold relations with India and make the relations with China more reliable and efficient. Nepal's importance to its strategic rivals China and India is the same as it was two decades ago, but in the meantime, the two heads of state did not consider it necessary to visit Nepal. In May 2018, the prime minister of India, Narendra Modi,

visited Nepal for improving bilateral ties and similarly the presidential visit from China which had not been possible since last two decade suddenly happened in October 2019. The Indian government is also showing interest in doing course correction in its relations with Nepal. China had also called on to implement the agreements made during Prime Minister Oli's visit, which is expected to help improve relations with both neighbours on an equal footing. In light of this, Nepal should carefully research and objectively assess the policies, strategies, and diplomacy of the world's major countries, as well as their repercussions. Nepal must safeguard and promote its national interests while also taking into account the country's underlying strategic issues. As a result, Nepal must maintain a crucial diplomatic and strategic balance among them.

The importance of a country is determined by its mapping, not by the number of weapons and economy it possesses. Nepal is an important country for a powerful nation based on the same mapping. The strategic importance of Nepal has increased even more in the context of the current complex geopolitics of extreme power struggle between the big nations. Being a geographical bridge, Nepal automatically plays the role of a critical security ground for both China and India. In turn, it also remains under the threat of its sovereignty being buffered among two South Asian giants. In regard to the growing concern of whether Nepal will join Indi-pacific or not? What would be the stand of Nepal? Why BRI? Why joint military exercise? All of these questions have a single practical answer - Meticulous Diplomacy. Here I would like to push the concept of meticulous diplomacy, which involves the strategic use of foreign policy and diplomatic manoeuvres as per the changing context. Neutrality is not a foreign policy that Nepal needs in the present context rather, the country should endeavour to exercise the prototypes of meticulous diplomacy by

attempting to maintain equidistance and non-alignment with both American and Chinese initiation. Precisely Nepal should practice meticulous diplomacy by undertaking the hedging strategy- which implies shifting the policy approaches in accordance with changing geopolitical circumstances.

It is a prudent and beneficial option for Nepal to strike a balance, especially between China and India, which have emerged as important powers in the world, and to win the trust of both by accommodating their national interest. Meticulous diplomacy is when the government responds to both BRI and IPS by upholding its policy of nonalignment. It's when Nepal manages to break the ambivalence by putting forward its precise intention of being involved with either BRI or IPS. There have been a lot of talks about Nepal's relations with India, China and the US, its foreign policy, equidistance strategy, neutrality, nonalignment, BRI, Indo-pacific and so on. In regard to the Indo-pacific strategy, except for some discussion in media, nothing has progressed on the ground, and the political echo chamber ongoing on media has contributed to Nepal's ambiguity in Indo-pacific. In the middle of this ambiguity, the country may have to face some unexpected consequences. So, before footing any steps forward, Nepal needs to identify the context causing this ambiguity and seek a strategic ground to exercise meticulous diplomacy.

Nepal's geographical standing as a landlocked country has turned itself into a hostage land, ruthlessly off-putting its international opportunities in economic, political and diplomatic relations. Physical constrictions imposed by topography have not only limited its access to the outer world beyond its neighbours but also have architected the complex structure of dependency in which Nepal exist as 'client state' to its providing bystanders. The transformation from landlock to land-linked is a burning

issue in Nepal, but instead of showing serious interest in this issue, the country is more engaged in its own internal politics. So, if Nepal seeks to uphold its geopolitical value, the country needs to take serious steps in determining its priorities. History has taught Nepal that as long as our internal unity in national affairs has been maintained, the external interference has decreased, and the interference has also increased as the internal conflict has increased. Therefore, if there is a minimum awareness among leaders regarding what is the national interest of Nepal in international affairs and how to fulfil it, the internal unity will automatically get strengthened, and the outside world will have some faith in Nepal. On the basis of this belief, Nepal may or may not be able to become a dynamic bridge between neighbours, but we will be able to move forward on the path of success with their support and goodwill. Abbhi, A. (2015, July 31). String of pearls: India and the geopolitics of Chinese foreign policy. E. Retrieved March 18, 2022, from <u>https://www.e-</u> <u>ir.info/2015/07/26/string-of-pearls-india-and-the-geopolitics-of-chinese-</u> <u>foreign-policy/</u>

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