



CENTRE FOR A NEW SOUTH ASIA

MULTIPLE LAYERS OF DIPLOMACY IN SOUTH ASIA

TURBULENCE IN INDIA-NEPAL RELATIONS: SCOPE OF PUBLIC DIPLOMACY

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Turbulence in India-Nepal Relations: Scope of Public Diplomacy

-Sanchaly Bhattacharya

INTRODUCTION

For over 75 years, India and Nepal have had bilateral relations. India has one of the warmest relations with Nepal among its neighbours, but the relations are also marked by chaos and contradictions. India played a crucial role in Nepal's democratic movement. While Nepal is one of India's most significant neighbours for its enriched historical and cultural aspects and high level of people-to-people exchanges, territorial disputes have often hampered the flow of upward trajectory in relations between the two countries. This article will delve deeper into the historical course of India-Nepal relations, including India's aid and developmental assistance to Nepal and the turbulence in the relations due to territorial disputes. Finally, this article will evaluate the scope of public diplomacy in reviving relations between India and Nepal.

HISTORICAL AND CULTURAL CONVERGENCE

Historically, India and Nepal have had a warm relationship, as Lord Buddha's birthplace is in Lumbini, located in present-day Nepal. At the same time, Hinduism is a widely spread religion in Nepal. India and Nepal established their political relations through the Treaty of Peace and Friendship in 1950, further intensifying this relationship. From a strategic point of view, Nepal is India's northern buffer state against any potential aggression from China. At the same time, Nepal, being a landlocked country, perceives India as a fruitful partner to access the ports for trade and commerce. Recent years have also shown an upward movement in recognising cultural similarities. During the visit of PM Modi, he performed 'shilanyas,' the ceremony for the construction of the India International Centre for Buddhist Culture and Heritage in Lumbini.

AREAS OF COOPERATION

Trade and Economy

Being Nepal's largest trading partner, India is reasonably well positioned. Besides providing transit to access the ports, India is also one of Nepal's largest sources of foreign investment. The bilateral trade stood at USD 11,005.10 million in 2021-22, among which Nepal's exports to India were USD 1,371.04 million and India's exports were USD 9,634.06 million (MEA, 2024). Indian companies have been actively involved in the services sector, like banking, insurance, the power sector, and the tourism industry, for the last few decades.

Connectivity and other projects

India and Nepal have open transit agreements through the inland waterways under the framework of trade and transit arrangements providing additional access to the sea for Nepal, known as 'Sagarmatha' (Sagar-Indian Ocean and Matha referred to Mt. Everest). The railway line from Kathmandu in Nepal to Raxual in Bihar, India, is a visionary connectivity project between the two countries. In 2018, when the PM of Nepal visited India, the two countries jointly inaugurated an Integrated Check Post (ICP) at Birgunj, and later on in 2020, the two Prime Ministers remotely launched the ICP at Biratnagar (The Annapurna Express, 2020).

Developmental and Humanitarian assistance

The Indian government has a specific development assistance programme for Nepal. The broad-based programme focuses on the creation of infrastructure at the grass-roots level. The sector-specific approach centres around health, water resources, education, rural community development, and so on. Under the 'Aid to Nepal' budget in 2022-23, the Indian total economic assistance was Rs 6.8 billion (Kathmandu Post, 2023). Apart from the grant, the Indian government also extended the Lines of Credit (LoC). As per MEA, under LoC, India is involved in forty-six road and four power transmission line projects.

Energy cooperation

Since 1971, India and Nepal have had a power exchange agreement to fulfil their power needs, especially in the border areas. The cross-border grid transmission infrastructure of each country has facilitated the electricity supply to the remote border regions in both countries. In this regard, in 2014, India and Nepal signed an 'Electric Power Trade, Cross-border Transmission Interconnection, and Grid Connectivity' agreement to further the transmission and prepare a framework for the power trade between the two countries (World Bank, 2023). In 2019, South Asia's first cross-border petroleum products pipeline was constructed and funded by IOCL (Indian Oil Corporation Ltd.), linking Motihari in India to Amlekhgunj in Nepal.

People-to-People ties

Over 6 lakh Indians are domiciled in Nepal, including businessmen and traders who have been living there for a long time. In 1990, the Indian Citizens' Association of Nepal was formed to discuss matters pertaining to the interests of resident Indians in Nepal.

BARRIERS IN THE RELATIONS

Territorial disputes

Although India and Nepal have warm, long-standing relations, the Kalapani border issues have been a continuing irritant. In 2019, Nepal released a new political map showing Kalapani, Limpiyadhura, and Lipulekh of Uttarakhand and the Susta area in West Champaran district, Bihar, as part of Nepal's territory.

Ethnic differences

Nepal has different ethnic minorities, including the Chhetris, which are Indo-Aryans who belong to the Kshatriya varha, while the Bahun are the ethnic group of the local Nepalese who follow Vedic or Brahmin traditions. Magar is the oldest ethnic group in Nepal, and Tharu, Madhesi, and Pahari are among the influential ethnic groups in the country. Due to recent border disputes and other internal factors, the trust deficit has widened between India and Nepal. Moreover, delaying the implementation of various projects has fueled anti-Indian sentiments.

China's Red Hand

In recent years, Nepal has drifted away from India's influence, and China has gradually fulfilled its commitments for investments, aid, and loans. Nepal is a crucial country in China's BRI projects, and China is now investing in Nepal's grand infrastructure projects such as airports, cross-border railway links, and others.

Increasing threats from the border

The India-Nepal border is a significant concern as it is virtually an open border, which is often exploited by terrorist outfits, insurgent groups, and fake currency issues. Several reports indicated that China, through Tibet, might use the Nepal-Indo border to transact illegal elements in India.

Public Diplomacy: A Way Forward

India-Nepal relations are often quoted as the 'Roti-Beti ka Rishta'. A significant number of Nepali people in India came to India for livelihoods and stayed here. There has been a Gorkha regiment in the Indian Army as well since the British period. Under India's 'Neighbourhood First Policy,' India should avoid rhetoric on territorial nationalism and switch to 'public diplomacy' as the key to resolving the matter. While the border issue needs a deliberative and collaborative approach to arrive at a consensus, India's eroding stature should be revived by the 3 Ps: Power, People, and Protection. Hydropower is the key to Nepal's economy.

The import of Nepal's power and cross-border transmission network needs more attention. People from both sides should be encouraged to visit the countries regarding education, professionals, or tourists, strengthening the relations between India and Nepal. India, being a large country, should consider Nepal's strategic and economic interests while making decisions. While the internal politics of Nepal play a role in shaping the approach towards India, India can still gain the confidence of Nepalese political parties through more deliberation and public exchanges.

Endnotes

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