

The Great Himalayan Game: Geo-Strategic Rivalry between India and China in Nepal

By Shabir Rehman Sheikh

Research Scholar, Department of Political science, Aligarh Muslim University,

Nepal is a landlocked country, bordering with India to the east, south, and west, and the Tibet Autonomous Region (TAR) of the People's Republic of China (PRC) to the north. Nepal holds a significant geopolitical position in the Himalayan region of the South Asia due to its geostrategic location acting as a buffer state between the two Asian giants- India and the China. Nepal used to be a safe and competition-free zone between India and China. Traditionally, Nepal has been a natural ally of India due to their close geographical proximity, economic and civilizational links. Until the 1950s, China was least interested in Nepal. But, with the takeover of Tibet in 1951, Nepal shared physical boundaries with China and thus became strategically important for China. However, over the last years, South Asia has become an arena of competition between India and China; both are competing to increase their influence throughout the region, particularly in Nepal as it has a unique geo-strategical position significant to both China and India. China is rapidly extending its reach to the Himalayan state of Nepal and has tried through its long strategy to erase Nepalese dependency on India. This paper tries to examine the strategic importance of Nepal and the growing geostrategic rivalry between India and China in the Himalayan region. This paper also tries to analyze the strategic interest and stake of India and China in Nepal. This paper concludes that there is an increasing geostrategic competition and rivalry between India and China in the Himalayan region. Nepal once used to be under India's sphere of influence has now become an arena of competition between China and India. Therefore, Nepal, which once used to be a 'safe zone' then 'buffer zone', has been now turned into a 'competition zone' between the two powerful players of Asia.

Introduction

India and China are the world's largest fastest growing economies of the world. But importantly, they are also the regional powers of Asia with global power ambitions. In the twenty-first century, the incredible growth and rise of India and China are changing the international political scenario, both politically as well as economically. Some political pundits have predicted that the twenty-first century is going to be the Asian Century, with China and India as the main two main pillars. South Asia is one of the most volatile and least developed but now the fastest growing economic region in the world. It is dominated by two Asian Giants- India and China. Although India has enjoyed substantial regional influence and dominance across the South Asia due to its big size, economic might, and political power. However, over the last years, South Asia has become an arena of competition between India and China; both are competing to increase their influence throughout the region (Anderson 2015). In the recent years, China has increased its footprint in South Asia by forging particularly strong ties with the small states, like, Nepal and Sri Lanka, through economic packages, investment, infrastructure, diplomacy, and increasing cultural and people-to-people contacts. It is also connecting itself with the South Asia through a web of connectivity by constructing new roads and bridges, railways and highways and most importantly building new maritime ports and strong influential relations with the Indian Ocean littoral states. Therefore, there is an intense competition between China and India in the South Asian region, particularly in Nepal. Both India and China are competing to increase their influence in Nepal, as it has a unique geo-strategical position significant to both China and India. Both China and India need Nepal and they cannot afford to lose their grip of influence over Nepal to each other.

Nepal between India and China

Nepal is a landlocked country, bordering with India in the east, south, and west, and the Tibet Autonomous Region (TAR) of the People's Republic of China (PRC) to the north. It shares an open border of 1,751 km with India running through 20 districts of five northeast Indian states and 1,415 km long border with China. India and Nepal are inseparable parts of a single geographical region. Both share the same civilization and have deep age-old socio-cultural and religious links. Both are well connected due to close geographical proximity and plain borders making communication smooth and possible. Under the 1950 Indo-Nepal Treaty of Peace and Friendship, India and Nepal have an open border system that allows free movement of people between the two countries without any restriction or the need for a passport or a visa. Nepali citizens enjoy several rights in India, similar to Indians, and unhindered business with rights of trade, border transit and movement of goods. Both countries have 22 agreed routes for mutual trade and 15 for land traffic. Nepal's economy is largely dependent on India, as Nepal receives a large portion of their remittances from migrant Nepalese workers in India. On the contrary, Nepal and China have a closed border. It runs mainly through high altitude snowy mountains and glaciers, not connected well due to geographical distance and natural barriers, making people-to-people connectivity and trade difficult. Unlike India, China cannot serve as a natural transit country to Nepal due to the presence of tall and snowy Himalayas separating the two territories and also the distance between Nepal and the Chinese mainland and seaports makes it too difficult and costly.

The India-Nepal open border system has not only influenced each other's culture and tradition but also had an impact on political, economic and strategic relations between the two neighbours. While India has an edge over China due to the geographical contiguity, historical and civilizational links with Nepal, China has been successful in projecting itself as a benign economic power rapidly penetrating in every sector of Nepal through aid and heavy investment.

Geo-Strategic Position of Nepal

The International political scenario is changing very fast and the new world order has emerged. There is a strong strategic shift towards Asia and some predict that the twenty-first century is going to be the Asian century, with India and China as the main players. Geopolitically, South Asia is one of the most important regions of the Asia. Nepal holds a significant position in the Himalayan region of the South Asian due to its strategic geopolitical location acting as a buffer state between the two Asian giants- India and the China. The strategic competition between China and India in South Asia is increasing and Nepal constitutes an important part.

According to Madhu Raman, "The regional and international interest in Nepal is on the rise. This owes to Nepal's strategic location between India and China, the potential of Nepal's being a transit economy between them, and the abundance of natural resources especially the hydropower invoking the interests of foreign investors two of the world's important economies. In Nepal, there is an unseen strategic competition among neighbours and big powers in the country. There is a certain degree of overlap and competition over strategic space in Nepal between India, China and the United States." (Madhu Raman, 2017).

Nepal used to be a safe and competition-free zone between India and China. Until the 1950s, China was least interested in Nepal. However, with the takeover of Tibet in 1951, Nepal shared physical boundaries with China. Thus, Nepal became strategically important in China's foreign policy due to it being the gateway to its restive Tibetan region, which has become a national priority in the last decades. Nepal also hosts a large number of strong Tibetan exile community and, therefore, a key ally in China's crackdown on the Tibetan independence movement. Tibetan region and Nepal are economically interdependent, as 22 of the 30 counties in the TAR shares borders with Nepal. Hence, stability in Nepal remains a priority for China as it is related to the Tibetan stability (Lema 2017).

Nepal also plays an important strategic role in the Chinese South Asian policy, as it is the most viable bridge connecting China with the South Asian region and an important part of the “New Silk Road” project that aims to connect China with Central Asia, Middle East, Europe, and Africa. India and China have border disputes, which is not going to be resolved at least in the near future, and Bhutan and China have no diplomatic relations yet and after the Dokhlam dispute, it has become worse. Practically, only Nepal can provide China physical connectivity to South Asian.

Growing Rivalry between China and India

China and India are competing for their influence in South Asia. Nepal surrounded by the two Asian giants-China and India have become an important part of this battlefield. Historically, Nepal has been always within the sphere of Indian dominance and influence. India has always considered Nepal as a natural ally, as they share historical, geographical and cultural ties. They enjoyed excellent bilateral relations in political, economic, cultural and close people-to-people contacts. The India-Nepal Treaty of Peace and Friendship signed in 1950 provides a framework for the unique bilateral relationship between the two. Since the 1950s, India used to provide financial and technical support to Nepal. India has also contributed tremendously towards the Nepal’s socio-economic and infrastructural development covering not only the basic infrastructure such as airports, agriculture, irrigation, power projects, roads and bridges, communication, etc., but also some vital social sector areas like health, human resource development, education, etc. (Abhishek, Shastri and Yadav 2016).

However, in the recent years, China has gained a foothold in Nepal increasing its influence very rapidly. For years India’s influence over Nepal has declined while as the China has increased its sphere of influence. Despite being historically close to Nepal, successive Indian governments failed to engage with the Nepali government and thus lagged before China in Nepal.

With the formation of China’s diplomatic relations with the Himalayan state of Nepal and, subsequently, the signing of Sino-Nepal Treaty of Peace and Friendship in 1960, the rivalry between the China and India have started as both are vying for influence in Nepal. India has since long considered Nepal as their natural ally and wants to uphold its traditional influence in Nepal. On the contrary, China wants to puncture the long traditional Indo-Nepal relationship, seek its own sphere of influence and space in different layers of policy-making, administration, army, security agencies and the public opinion. India tries to keep China away from the South Asian region, which it has long considered its backyard, and also does not want China to increase its footprints in the Nepal. Due to the sensitivity and volatile nature of Tibetan region, China, too, does not want India’s presence in Nepal’s northern region (Hari B 2012). Therefore, Nepal has become a strategically important playground where the China and the India are competing to increase their influence. Chinese Prime Minister LI Keqiang while meeting Nepal’s Deputy Minister and Foreign Minister Krishna Bahadur Mahara in Sep 2017 in Beijing underlined China’s three priorities in Nepal, i.e. connectivity, trade and investment. China also agreed to cooperate in energy, infrastructure and post-disaster reconstruction and tourism. China and Nepal have also agreed to work and cooperate in these areas under Belt and Road Initiatives. Li ‘s statement clearly showed China’s key concerns in Nepal where India and China are competing for influence. China and Nepal also agreed to work together to make Free Trade Agreement and development of cross-border economic zones a practicality. Interestingly, during Prime Minister Deuba’s visit to India, growing influence of China in Nepal, challenging India’s sole dominance, were discussed There is a growing concern in Delhi about growing Chinese influence in the Himalayan state (Bhatchari 2009).

India and China competition in Nepal is clearly evident in several areas. One of the major areas of competition is connectivity, as Nepal is a landlocked country. During the Nepal’s Prime Minister KP Sharma Oli visit to China in March 2016, Nepal and China signed 10 agreements in various sectors like energy, trade and transit and connectivity sector. The strategic agreement related to the transit sector will give the Nepal right to access

to the Chinese seaport. This is game-changing in the China-Nepal strategic relations, as it will end India's monopoly by providing an alternative route to Kolkata port of India. China has also agreed to supply oil to Nepal. China's plans to extend its railway is another area where China is challenging India's dominance. China has agreed to provide more connectivity to Nepal by extending Chinese railway through Tibet-Nepal border to Kathmandu, Pokhara and further to Lumbini lying just 25 kilometres from the Nepal-India border (Jha 2016). This is going to be tough competition for India in Nepal, as it will provide China more space over India and has a negative impact on the Indian security and strategic interests in the Himalayan region.

India-Nepal armies enjoy a long special relationship. India is the largest arms exporter to Nepal. But, in the recent years, China is extending more hardware and budgetary support to Nepal army. Nepal and China also held first joint military drill, which is unconventional between the two armies. China also pledged to provide assistance to Nepal Army and Nepal Police (ibid).

Both Chinese and Indian leaders, government officials and military officials are visiting Nepal very frequently. The frequent visits from India and China clearly demonstrate the competition between two giant neighbours to increase their influence in Nepal. While India seems worried about its losing influence in Nepal, China, on the other hand, has been successful in growing its footholds in Nepal through its economic and trade links (ibid).

The intention of Chinese interaction and interest in Nepal can be viewed from three different phases. In the first phase, the Chinese interest in Nepal began with the takeover of Tibet. The objective of the China's policy of Nepal was the security of Tibet, as the region is volatile and backward dependent on the Nepal for its border trade and stability. The second phase of Chinese policy focused on ending Nepal's overdependence on India. China's trade with the Nepal was meagre and limited to 0.7 percent of the total trade. India used to be the largest trading partner of Nepal due to its geographical proximity and smooth connectivity. China conscious of its weakness started building new routes of connectivity. China knows that India's influence in Nepal can be weakened by creating alternative connectivity routes to Nepal. At the same time, it encouraged Nepal to adopt an equidistance policy between the China and India. China also started providing Nepal financial assistance and funded various developmental and infrastructure projects. In the third phase, China adopted a proactive and aggressive policy to weaken India's sphere of dominance on Nepal. This phase continues the agenda of the first and the second phase but the focus is more on encircling India and increase its own dominance (Kumar 2011). Thus, Nepal has become the proxy battleground where China and India are struggling for their dominance. As China is growing strongly its footprints in Nepal, India has become much worried about its impact on the northeastern Indian security and stability.

As Kanti Bajpai points out that, "India lives in fear of its neighbours reaching out to outsiders to balance against Indian power. Unlike India, which has often borne the consequences of misjudging the political mood in Nepal and has been regularly maligned as a 'hegemon', China's Nepal policy has been largely successful. China has managed to project itself as a disinterested neighbour and a remarkably attractive alternative to 'Big Brother' India" (Kanti 2010).

According to Singh and Shah, "With the signing of Indo-Nepal Peace and Friendship Treaty 1950, the first step in solidifying the multifaceted bilateral relations was taken. Soon, some anti-Indianness started growing and was further strengthened because of South Asian geopolitics. India's South Asia in general and diplomatic manoeuvres towards Nepal, in particular, drifted Nepal away from its geostrategic and geopolitical calculus, which led to a vacuum in Indo-Nepal relations. Meanwhile, China and India both have been competing for expanding their influence in South Asian countries. In order to find its geostrategic space, China has re-oriented its policy vis-à-vis Nepal in particular and for South Asia in general. Consequently, China has remained successful making it a strong partner, unlike India. It has convinced Nepal to support, China's One

Policy. In order to achieve its vested interests in Nepal, China has been making strong strategic foray” (Singh and Shah 2016).

The strengthening of bilateral relations between the China and Nepal is obviously normal owing to the changing international arena and China-Nepal growing strategic relationship for mutual economic benefit. However, China’s increasingly exceeding dominance in Nepal has an undesirable impact on India’s northeastern security, as five of India’s states share physical borders. Nepal has been most of the time unstable and in transition. China has tried to take advantage of the unstable Nepal for its own interests. Deb Mukherjee, India's former ambassador in Kathmandu, said, “India should watch out for Chinese activities in Nepal and if China starts spreading its influence southwards to the Terai region, then it's worrying for India,”.

China has also funded the establishment of 35 Chinese Study Centers in Southern Nepal, especially near the borders with India. These Centers used as a soft power means are to popularize Chinese narrative and language and to build up anti-India public opinion in Nepal. Apart from these Chinese Study Centers, a large number of local level organizations like the Nepal-China Mutual Cooperation Society and the Nepal-China Youth Friendship Association have been established to foster cooperation at all levels (Bhatchari 2009). China is also reaching out to the political parties of Nepal to influence the policy makers to enhance its own strategic interests. Hence, Nepal has become a battleground where both India and China are fighting to increase their influence.

China is rapidly increasing its reach into the South Asian region. It is using its economic power to attract and achieve its strategic influence in the region. The South Asian region is becoming increasingly important to the China, as it has become more critical to the security and economic development of China in many ways. The South Asian region provides both new markets as well as new alternate sea routes for China’s ambitious “One Belt, One Road” project (Bajaj 2010).

China’s relation with Nepal is multi-dimensional and strategically designed for the long-term. Though China’s involvement seems to be benign, it is going to shape the Nepali attitude towards India and China in the future time. This policy of China is part of the larger big plans that will have negative impacts on India’s interests as this aims to erode India’s influence in South Asia in general and Nepal in particular (Singh 2010).

Conclusion

South Asia is one of the most volatile and least developed but strategically very significant which no major power can afford to ignore. China and India, the two regional powers of South Asia, are competing for their influence and dominance throughout the South Asian region, with the Himalayan state of Nepal becoming the latest battlefield due to its geostrategic importance for both powers. India considers Nepal a traditional and natural ally and needs it for the economic and security interests of the northeastern region. For the China, Nepal is the guarantor of the security and stability of Tibetan region and geostrategically important for the ambitious Belt and Road Initiative. Both are trying to lure Nepal by providing economic packages in the form of aid and loans, infrastructure development, developing hydro projects, building roads and railways, providing education, health, and other assistance.

For a long time, India has enjoyed substantial influence and dominance in the Himalayan state of Nepal, due to its big size, economic and trade links, militarily cooperation, cultural and historical links. Also due the geographical proximity and connectivity, no other country could easily replace the India in Nepal. Nepal being the landlocked country is highly over-dependent on India for its trade and transit routes.

However, in the last years, particularly after the end of monarchy system in 2008, other international players, especially China, have increased their influence in Nepal. China has emerged as a major power in South Asia competing for its influence with India throughout the South Asian region, particularly in Nepal. China has become Nepal’s top foreign investment partner breaking into Nepal’s market with its export-led growth strategy. China has agreed to provide transit route and make other connectivity links to Nepal, ending India’s

monopoly over Nepal as the only the only gateway to the outside world. China is also helping and providing financial assistance, loans, trade, building railways and highways for greater connectivity, development of hydro-projects, trade, tourism, joint border management, and bringing in the overall socio-economic growth of Nepal. There has been a long history of Nepal playing China card to bargain and maximize its interests. However, in the recent years, China has involved itself more aggressively than before. Chinese diplomacy has also shifted from 'quiet diplomacy' to 'vocal diplomacy'. China has also started intervening in the internal politics and government change in Nepal. Given the long history of mutual mistrust, an armed conflict in 1962 and the unresolved border dispute between the two countries, India is watching China's increasing interest in Nepal with a certain degree of suspicion and threat to its security and strategic interests.

Therefore, Nepal, once used to be 'safe zone' then 'buffer zone', has been now turned into a 'competition zone' between the two powerful and influential neighbours. Indeed, recent interaction and policies offer a clear indication that there is increasing competition between India and China in Nepal. India wants to maintain its influence and dominance in Nepal, as it has been traditional, while China wants to increase its influence and space to make its foothold stronger. India perceives the growing influence of China in South Asia, particularly Nepal, not only related to economic development and trade but a part of Chinese larger strategy to encircle India in South Asia.

References

- Abhishek, R.K Shastri, and Nikhil Yadav. 2016. "Cross-Border Cooperation between India and Nepal in Context to SAARC." *International Journal of Humanities and Social Science Research* 2 (3): 51-54.
- Anderson, A. 2015. "Expert Brief: Economics of Influence: China and India in South Asia." *Council on Foreign Relations* 14-17.
- Bajaj, V. 2010. *India Worries as China Builds Ports in South Asia*. February 15. Accessed May 17, 2017.
- Bhattarai, Abanti. 2009. *China's Inroads into Nepal: India's Concerns*. May 18. Accessed July 11, 2017. <http://www.idsa.in/node/756/801>.
- Bhattarai, K.D. 2017. *India Uneasy as China Makes Further Inroads in Nepal*. September 30. Accessed October 1, 2017. <http://southasiajournal.net/india-uneasy-as-china-makes-further-inroads-in-nepal/>.
- Jha, H.B. 2016. *Chinese Strategic Deal with Nepal*. April 5. Accessed September 16, 2017. <http://www.vifindia.org/article/2016/april/05/chinese-strategic-deal-with-nepal>.
- Kanti, Bajpai. 2010. *The Chinese are Coming*. December 11. Accessed March 31, 2017.
- Lema, Jigme Y. 2017. "China and its Peripheries: Securing Nepal in South Asia." *Institute of Peace and Conflict Studies*. Accessed 10 5, 2017. <http://www.ipcs.org/issue-brief/china/china-and-its-peripheries-securing-Nepal-in-south-Asia-232.html>.
- Singh, Rahul. 2010. *India should keep eye on China military*. November 29. Accessed March 15, 2017.
- Upreti, C.B. 2016. "Debate: India - Nepal Relations: A Reality Check." *Indian Foreign affairs Journal* 11 (2): 113.