



Mains Practice Question

Q. “With its immense strategic relevance as an Indian security concern, a stable, secure and friendly Nepal is one requisite which India can’t afford to overlook”. Discuss. (150 words)

12 Apr, 2022 GS Paper 2 International Relations

Approach

- Begin the answer by explaining about the India-Nepal relations.
- Explain how Nepal is important for India from a security and strategic point of view.
- Also describe the problems inherent in Indo-Nepal relations.
- Suggest a way forward/ steps that can be taken.

Introduction

Nepal is an important neighbour of India and occupies special significance in its foreign policy because of the geographic, historical, cultural and economic linkages/ties that span centuries. The India-Nepal Treaty of Peace and Friendship of 1950 forms the bedrock of the special relations that exist between India and Nepal.

Importance of Nepal

- Nepal shares a border with 5 Indian states- Uttarakhand, Uttar Pradesh, West Bengal, Sikkim and Bihar. Hence an important point of cultural and economic exchange.
- Nepal is right in the middle of India’s ‘Himalayan frontiers’, and along with Bhutan it acts as northern ‘borderland’ flanks and acts as buffer states against any possible aggression from China.
- Rivers originating in Nepal feed the perennial river systems of India in terms of ecology and hydropower potential.
- Many Hindu and Buddhist religious sites are in Nepal making it an important pilgrimage site for a large number of Indians.
- India-Nepal has undertaken various connectivity programs to enhance people-to-people linkages and promote economic growth and development.
- The Gorkha Regiments of the Indian Army are raised partly by recruitment from hill districts of Nepal. Huge number of Indians live in Nepal, these include businessmen, traders, doctors, engineers and labourers (including seasonal/migratory in the construction sector).
- India and Nepal share multiple multilateral forums such as BBIN (Bangladesh, Bhutan, India, and Nepal), BIMSTEC (Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation) NAM, and SAARC (South Asian Association for Regional Cooperation) etc.

What are the Irritants in India-Nepal Ties?

- **Issues with Peace and Friendship Treaty:** The 1950 Treaty of Peace and Friendship was sought by the Nepali authorities in 1949 to continue the special links they had with British India and to provide them an open border and the right to work in India.
 - But today, it is viewed as a sign of an unequal relationship, and an Indian imposition.
- **The Demonetisation Irritant:** In November 2016, India withdrew ₹15.44 trillion of high value (₹1,000 and ₹500) currency notes. Today, over ₹15.3 trillion has been returned in the form of fresh

currency.

- Yet, many Nepali nationals who were legally entitled to hold ₹25,000 of Indian currency (given that the Nepali rupee is pegged to the Indian rupee) were left high and dry.

▪ **Territorial Disputes:** In 2019, Nepal released a new political map claiming Kalapani, Limpiyadhura and Lipulekh of Uttarakhand and the area of Susta (West Champaran district, Bihar) as part of Nepal's territory.

How Can India Resolve its Differences with Nepal?

- **Dialogues for Territorial Disputes:** The need today is to avoid rhetoric on territorial nationalism and lay the groundwork for quiet dialogue where both sides display sensitivity as they explore what is feasible. India needs to be a sensitive and generous partner for the neighbourhood first policy to take root.
 - The dispute shall be negotiated diplomatically under the aegis of International law on Trans-boundary Water Disputes.
- **Sensitising Towards Nepal:** India should engage more proactively with Nepal in terms of people to people engagement, bureaucratic engagement as well as political interactions.
- **Strengthening Economic Ties:** The power trade agreement needs to be such that India can build trust in Nepal. Despite more renewable energy projects (solar) coming up in India, hydropower is the only source that can manage peak demand in India.
- **Investments from India:** The Bilateral Investment Promotion and Protection Agreement (BIPPA) signed between India and Nepal needs more attention from Nepal's side.
 - The private sector in Nepal, especially the cartels in the garb of trade associations, are fighting tooth and nail against foreign investments.

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