



China-Nepal Bilateral Cooperation

Why in News

Recently, China and Nepal have discussed **various issues of bilateral interest**, including bolstering **military cooperation** between the countries, issues pertaining to resumption of training and **student exchange programs** and follow up on **defence assistance** that have been impacted due to the [Covid-19 pandemic](#).

Key Points

▪ Historical Background:

- In **1955**, Nepal established diplomatic relations with China.
- It **recognised Tibet as part of China in 1956** and signed the **Treaty of Peace and Friendship in 1960**.
- **In the 1970s**, when **King Birendra of Nepal proposed Nepal as a “zone of peace” between India and China**, India did not show keen interest, while China was quite supportive. These and many such issues created a **rift in Nepal-India ties**; while at the same time China has been proactive to **support and aid Nepal**.
- Indo-Nepalese relations took a turn in **2015**, when **India imposed an informal yet effective blockade on Nepal**, thus **causing acute fuel and medicine shortages in Nepal**.
 - Nepal imports **almost all of its oil through India**, as road links to China through the Himalayas had been blocked since the earthquakes of April and May 2015.
- As tensions with India mounted, **China reopened its border with Nepal**, in Tibet.
- After the recent visit of Chinese President, Nepal has reiterated its commitment to **‘One-China policy’**, promising **not to allow** any forces to **use its territory against China**.

▪ China’s Interest:

- Although Nepal and India have an **open border and free mobility** of people across borders; it is China that is increasingly working to take over India’s position of the **largest trading partner of Nepal**.
 - India is the **largest economy of south Asia and has been emerging as a leader of south Asian countries**.
 - China wants to **contain India's growing power and status** which may become a threat to Chinese dream of becoming the superpower.
- The **growing influence of India in Tibet** had grave security considerations for China.
- Thus, **preserving the balance of power in southern Asia in its favour** and **securing Nepal’s active cooperation to prevent its rivals** use of the country for **anti-Chinese activities became principal strategic objectives of Beijing’s Nepal policy**.
- Nepal’s northern border with China lies entirely with Tibet and China sees security cooperation with Nepal as critical in controlling the [Tibetan matters](#).
 - In this pursuit, [China is following security diplomacy vis-à-vis Nepal](#).

▪ Nepal’s Benefit:

- For Nepal, China serves as a **potential supplier of goods and assistance** that it needs in order to recover its economy.
 - Almost half the population of Nepal is unemployed and more than half is illiterate. At the same time, more than **30 per cent of the people in Nepal live in poverty.**
 - To **deal with its internal problems**, Nepal needs to engage with China to overcome its **poverty & unemployment.**
- Nepal with China will gain the mileage in negotiations and **counter India's Big Brother approach.**
- Through **China Nepal Economic Corridor**, Nepal seeks to end Indian dominance over its trade routes by increasing connectivity with China.
- **India's Concern:**
 - Given the difference in the strategic weight of China and Nepal, **security diplomacy** can be used as a tool by China to **interfere in the internal affairs of Nepal.**
 - Since Nepal acts as a buffer state for India, seeing it slip into China's sphere of influence, will **not be in India's strategic interest.**
 - Also, China's interest in "**security diplomacy**" is not limited to Nepal.
 - **China's deep pockets** make it difficult for India to control the expansion of China's influence in India's neighbourhood.
 - **China Nepal Economic Corridor** can lead to China dumping consumer goods through Nepal which will worsen India's trade balance with China further.

Way Forward

- India must **not deny** every Chinese investment in infrastructure because of the **China Pakistan Economic Corridor** (CPEC).
 - The corridor provides a likelihood of **greater tourism and people to people contact** which is important for bridging the trust deficit that exists today between India and China.
 - It will also lead to the **rapid development** of one of **the poorest regions in the world** which lie in Nepal and parts of northern and northeastern India.
- Nepal has sought to **increase connectivity** with China since a blockade along its border with India resulted in several months of acute shortage of fuel and medicine in 2015 and 2016.
 - Though India has all the rights of such blockades, however, **India must refrain from such blockades** as it affects India's credibility in the eyes of Nepali citizens.
 - India should **act as a bridge** rather than **a blockade** in realizing Nepal's dream of becoming a land-linked country from a land-locked one.
- Given the importance of ties with Nepal, often romanticised as one of "**roti-beti**" (**food and marriage**), India must not delay dealing with the matter, and at a time when it already has a **faceoff with China in Ladakh and Sikkim.**
- Since the free movement of people is permitted across the border, Nepal enjoys immense **strategic relevance from India's national security point of view**, India should work towards **ensuring stable and friendly relations with Nepal.**

Source:TH