

theirview

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India and Nepal are scaling up their ties

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Prime Minister Narendra Modi will be visiting Nepal from 11-12 May. This visit is taking place approximately a month after Nepalese Prime Minister K.P. Sharma Oli visited New Delhi. These back-and-forth visits indicate that India and Nepal are working towards scaling up their bilateral relationship.

What explains the frequent meetings between the premiers of the two countries? The left alliance government in Nepal, headed by Oli, enjoys a strong presence in the national parliament as well as in provincial governments. Given the current domestic political stability, there is greater confidence in Nepal's external engagements. Further, there seems to be a growing recognition in India as well as in Nepal that deterioration in relations between the two countries, with close socio-economic-cultural relations, is not desirable.

There is a strong opinion that India is reaching out to Kathmandu because of China's growing presence in Nepal. While there is an element of truth in such an assertion, it fails to capture the depth and history of India-Nepal engagement. Nepal was the first country to receive India's development assistance, way back in 1951. In

1954, the Indian Aid Mission was initiated, and approximately 75 developmental projects were initiated. In 1966, it was rechristened the India Cooperation Mission. Further, India played an important role in building road networks, including the East-West Highway (Mahendra Rajmarg), as well as airports.

Given its location, it is natural that Nepal would play one major power against the other to maintain its autonomy. Even during the Cold War, Nepal received assistance from the US and its allies, as well as from the erstwhile Soviet Union. Declassified US intelligence documents pertaining to the 1960s suggest that the then Nepalese prime minister, B.P. Koirala, was seeking aid from the US on the pretext that the king, Mahendra Bir Bikram Shah Dev, would lean towards the Soviet Union in case Washington failed to step up assistance. Like India, which sought to use its non-alignment policy to benefit economically from both camps during the Cold War, Nepal also deployed its foreign policy for economic gain from all powers.

Given Nepal's power asymmetry with India and China, it should be no surprise that it seeks to swing between the two nations to maintain autonomy. However, from an Indian perspective, it appears that New Delhi has been at the receiving end of considerable animosity. On the other hand, there is a strong opinion in some segments in Nepal on cultivating a robust relationship with China in response to alleged Indian interference in domestic politics.

While China does not have people-to-people interactions on a par with India, it has a long history of deploying overseas assistance to Nepal. In

the 1960s and 1970s, it was involved in developing the Kodari-Kathmandu road and Kathmandu-Pokhara road. Unlike the earlier projects, recent proposed Chinese projects, such as the proposal to build a railway line connecting Tibet with Kathmandu, will have significant geopolitical as well as geo-economic implications for India. However, the Chinese connectivity projects need to overcome two significant limitations. First, their economic viability is contingent on their ability to access the Indian market. Second, they will have to traverse the Terai region, which enjoys a close socio-cultural relationship with India.

To reaffirm the shared cultural heritage between the two countries, Modi will be the first Indian prime minister to visit the Sita temple in Janakpur, in the Terai region. He will also visit Muktinath (Mustang district) in the northern part of Nepal. The Muktinath temple is revered by both Hindus and Buddhists. Incidentally, the Mustang district is an important exit route for Tibetan refugees, and last year a former Indian foreign secretary noted that the Chinese have encroached upon parts of it. By visiting cultural

destinations in Nepal's south as well as north, Modi will be emphasizing the depth of cultural linkages between the two nations. There is anticipation that he may announce development aid with a focus on connectivity, health and agriculture. This will be in addition to numerous small development projects (SDPs) and large infrastructure projects funded by India.

During Modi's recent visit to China, for an informal summit with President Xi Jinping, both leaders agreed that they should collaborate in third countries such as Afghanistan. Will India and China also collaborate to build connectivity projects in Nepal? It is doubtful at the moment. In addition to traversing the Himalayas, such collaboration would also have to overcome a mountain of distrust.

Nonetheless, it should be noted that during Oli's visit to India, a railway line to Kathmandu from India was announced. Once operationalized, it will significantly enhance the already rich people-to-people interactions. Now, if the Chinese build a railway line to Kathmandu and Indians deliver on their own promise, then it would become a de facto trilateral project. Given the growing trade deficit, the prospect of granting direct and greater market access to China without any reciprocal gestures will raise concerns in India. It is also for Nepal to consider as to whether its economy has the wherewithal to engage both Indian and Chinese businesses traversing its territory.

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