

"Academic Discourse on foreign policy and international relation is intensifying in Nepal over the last some year. Nepalese Academia have been incorporating the pragmatic and realist approaches in more progressive way. In the past some years, research, articles and books have flourished in the market. The publication of Nepalese writers in the market have somehow shown that Nepal is able to produce required knowledge in the arena. In this creative, informative and impassioned book, the editors successfully have explains about the foreign policy, international relations and the neighborhood policies. Many congratulations to the contributors of this book."

*Prof. Yubaraj Sangroula, PhD  
Executive Director/Principal, Kathmandu School of Law*

"The next decade, for Nepal, it will be a decade of full of opportunities and challenges. How to adapt to the rapidly changing geopolitical environment is one of the arduous challenges that the country needs to face. This marvelous work, Nepal and its Neighbors in the Changing World, which was brought by three young scholars who gathered different perspectives, is a meaningful discussion on these issues. It gives us inspirations to seize the opportunities, cope with the challenges and achieve common development. It is worth mentioning that all there scholars are deeply connected with the Institute of South Asian Studies (ISAS) of Sichuan University. Mr. Hari P. Chand and Ms. Injina Panthi had visited and studied in ISAS in 2016, and Mr. Gao Liang is a post graduate from the Institute. Their close cooperation also indicates the bright future of China-Nepal relations."

*Prof. Li Tao, PhD  
Executive Director, Institute of South Asian Studies (ISAS),  
Sichuan University, China.*

"This is useful book to understand the contemporary engagement of Nepal with India and China. The India- Nepal relations has a history; likewise Sino-Nepal relations is growing in the recent past. Over the last few years, there have been debate and deliberations in the academic and policymaking circles, on the kind of engagement that Nepal has with India and China. The editors succeeded in collecting papers on relevant themes that presently define Nepal's relationship with her two neighbours. This book also gives us an insight into the shifting geopolitics of South Asia. The books discuss relevant issues like security dilemma of Nepal, implications of BRI on Nepal and India-Nepal energy relations. Chapters are carefully selected and provide pertinent knowledge on the subject. The best part is that the book has collections from young scholars of Nepal, India and China. Thus, the book offers fresh ideas and perspectives from Nepal, India and China. Highly recommended."

*Dhananjay Tripathi, PhD  
Senior Assistant Professor, Department of International  
Relations, South Asian University, New Delhi.*

#### Publishers



## Nepal and Its Neighbours In the Changing World

**Editors**  
Hari P. Chand  
Gao Liang  
Injina Panthi



# Nepal and Its Neighbours In the Changing World



**Editors**  
Hari P. Chand  
Gao Liang  
Injina Panthi

# **Nepal and Its Neighbours in the Changing World**

## **Editors**

Hari P. Chand

Gao Liang

Injina Panthi

## **Copy Editor**

Durga Prasad Siwakoti



**Nepal Institute of Foreign Affairs  
and Prosperity (NIFAP)**



**Lex & Juris Publication Pvt. Ltd.  
Suryabinayak, Bhaktapur, Nepal**

Published by  
Lex & Juris Publication Pvt. Ltd.  
Dadhikot, Bhaktapur  
&  
Nepal Institute of Foreign Affairs and Prosperity  
Kirtipur, Kathmandu  
Email: info.nifap@gmail.com

Copyright  
© Lex & Juris Publication Pvt. Ltd.  
© Nepal Institute of Foreign Affairs and Prosperity and

First published: November, 2019

Copies: 1000

ISBN 978-9937-0-6166-7

All Rights Reserved

No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or any other information storage and retrieval system, without prior permission in writing from the publishers.

Cover Design & Layout  
Name of designer : Binod Shivabhakti

Printed at: Nebula Printers  
Price: NRs 500/- US\$ 10

Note: The authors themselves are responsible for their views, ideas, accuracy, and academic ethical issues.

## DEDICATION

*To those scholars, researchers,  
academics, and students who are  
truly dedicated for knowledge  
generation*



## **ACKNOWLEDGMENT**

This is the first book which is jointly published by Lex & Juris Publication Pvt. Ltd. and Nepal Institute of Foreign Affairs and Prosperity (NIFAP).

In the course of collecting the chapters, doing the research, searching the cooperation trilaterally, editing the volume, and designing the contents of this book, there are many individuals who have supported, motivated, and encouraged us implicitly and explicitly. It is our great pleasure to thank you all due to whose significant supports this book has been materialized now. For primary influences, we could not have completed the book without the intellectual sparkle of all the authors including well renowned intellectual and academic Professor Yubaraj Sangroula (PhD), senior international migration expert Keshav Bashyal (PhD), and all other academics, researchers, and scholars from Nepal, China, and India who have contributed their chapters for this book.

For many entries, we are grateful to Professor Khadga KC (PhD), Program Coordinator of the Department of International Relations and Diplomacy (DIRD), TU, for writing the motivational foreword and his persistent mentoring throughout our academic journey, Professor Yubaraj Sangroula (PhD), Executive Director and Principal of Kathmandu School of Law, Professor Li Tao (PhD), Executive Director, Institute of South Asian Studies (ISAS), Sichuan University, China, and Senior Assistant Professor Dhananjay Tripathi (PhD), Department of International Relations, South Asian University, New Delhi for their precious comments for the book. Similarly, we are overwhelmingly thankful to both of publishers Lex & Juris Publication, and NIFAP. We cannot forget also the continuous discussion made with Sitaram Bhattarai (Chairperson, Center for Policy Research), and Arun Baral

(Editor, Onlinekhabar.com) and suggestions received from them from the very beginning of collecting the chapters. We thank to both of them for their supports.

Meanwhile, we would like to thank to Durga Prasad Siwakoti, a doctoral student in International Relations and Diplomacy, TU, for contributing as a Copy Editor. Melsam Ojha, president, Nepal-China Academy, is another person who is with us since the initial phase of this book. We would like to express our gratitude to Bharat Dahal, political analyst and activist, and Ratan Bhandari, Border Expert, for their regular encouragement. We equally remember to Bikash Dhakal, Rekha Budhathoki, and Pradeep Bashyal for their continuous supports provided to us many times.

Moreover, the role of Ravi Prakash Vyas, Assistant Professor of Kathmandu School of Law (KSL), and Laxmi Sapkota, Assistant Professor of KSL, is also highly appreciated to bring out this book. The sincere contribution of Binod Shibabhakti with his patience to design the whole book is indeed remarkable. Dozens of other persons have suggested on the cover design of this book. Because of their precious suggestion, the cover design was finalized in the principal concept of the editors. Last but not the least, we are also thankful to the whole family members of the editors, and all other persons who have helped us indirectly at critical situation. We are really thankful to all of you who were with our journey of this book from beginning to the end phase of the publication.

Hari P. Chand

Gao Liang

Injina Panthi

November, 2019, Kathmandu

## INTRODUCTION OF THE AUTHORS

**Yubaraj Sangroula** is Professor of International Law and Philosophy of Law at Kathmandu School of Law (KSL) having doctoral degree in 'Criminal Justice System of Nepal with Special Reference to Legal Framework and Practices of Interrogation, Extrajudicial Confession and State of Fair Trial' from Delhi University. He is also Executive Director and Principal of KSL. His dozens of research based books and hundreds of journal articles have been published from different publication houses and renowned international journals. In addition to this, he has served as Attorney General of Nepal, Chairman of Nepal Bar Council, Advisor to the Ministry of Home Affairs Nepal, and many prestigious roles and responsibilities he has accomplished. Furthermore, he is a visiting Professor in several universities in Asia and the USA.

**Keshav Bashyal** is Senior Foreign Policy Expert of Nepal having doctoral degree from Jawaharlal Nehru University. He is also senior expert in International Migration. A number of journal articles have been published in renowned international journals. He is also known as senior researcher in the field of international relations, diplomacy, foreign policy, and migration.

**Hari Prakash Chand** is PhD scholar in International Relations and Diplomacy, Tribhuvan University. He often writes for national and international renowned news papers like Global Times, Annapurna Post, Gorkhapatra etc. He has presented number of conference papers in national and international conferences. His journal articles have been published from renowned international journals.

**Sarashree Dhungana** has Master's Degree in International Relations and Diplomacy from Tribhuvan University in 2018. She has meanwhile been working the field of academics and research, and is a Faculty Member at the Master's Program in International Relations and Diplomacy.

**Shweta Karki** is a graduate of International Relations and Diplomacy and has been a faculty member of the Department since February 2019. Securing the Gold Medal, she has since been engaged within the fields of research and academia within various capacities.

**Bikash Dhakal** is first batch graduate in International Relations and Diplomacy from Tribhuvan University. He is associated with various research based institutions. His areas of study are geopolitics, policy of great powers, foreign policy, diplomacy, and small states etc.

**Gao Liang** is PhD candidate at Sichuan University, China. Now, he is doing research in China's frontier politics, and Sino-Nepal relations. He has been writing for the op-ed column of Nepali newspapers including Republica and the Kathmandu Post.

**Sneha Patel** is a PhD candidate in Nepal-India relations from the Department of Political Science, Faculty of Social Sciences, Banaras Hindu University. Her research topic is “India Nepal Relations in the Context of 1950 Treaty”. She has attended several seminars related to her topic as well as different areas. She has also published several papers in the reputed journals.

**Lila Nyaichyai** is an Assistant Professor, Central Department of Library and Information Science, Tribhuvan University. She has doctoral degree in International Relations on Chinese Public Diplomacy in Nepal from Yunnan University, China.

**Injina Panthi** is first batch graduate in International Relations and Diplomacy from Tribhuvan university of Nepal. She has served as faculty member of Master’s Program in International Relations and Diplomacy, Tribhuvan university. Recently, she is researcher at Panas South Asia.

**Gargi Adhikari** is a scholar having doctoral degree from the School of International Studies, Jawaharlal Nehru University, New Delhi, India. Her area of studies are Nepal-India relations, energy cooperation between Nepal and India etc. Her journal articles have been published in international renowned Journals.

**Durga Prasad Siwakoti (Copy Editor)** is a PhD Scholar in International Relations and Diplomacy at Tribhuvan University, Nepal. He has M. A. degree in English literature and teaching faculty in various colleges in the capital city of Nepal.

## FOREWORD

I would like to share with you an immense pleasure of writing this “Foreword” for *Nepal and its Neighbours in the Changing World*, a joint undertaking of Nepal Institute of Foreign Affairs and Prosperity (NIFAP) and Lex & Juris Publication Pvt. Ltd. A significant accomplishment of the promising graduates of the Department of International Relations and Diplomacy (DIRD) of Tribhuvan University, this book explores current issues and genuine challenges of Nepal’s “foreign policy”, “international relations” and “neighborhood policies”, among others. This publication could only be materialized with the DIRD graduates’ rigor in academics and passion in research. Besides, co–editor Mr. GAO Liang, a doctoral student from the Institute of South Asian Studies of Sichuan University, has equally contributed to this publication with his in–depth knowledge in the field and sincere engagement in research. All of these contributors have accomplished such an ideal mission to bring out this incredible resource for knowledge and research in Nepal’s diplomacy and foreign affairs.

I am writing this message not only for my former students’ serious engagements in research on neighboring countries but also the book’s gravity to open up new avenues of cooperation among China and South Asia, placing Nepal at the center. Since Asia is evolving into a vital axis of global economic and technological power, scholarships on the ‘Rise of the Rest’ have become fundamental at this juncture. Such a multi-state collaboration in academics promotes young social scientists while accelerating a process of knowledge production and experience sharing.

Divided into three parts, *Nepal and its Neighbours in the Changing World* primarily focuses on trilateral cooperation among South Asian countries and China. In the initial three chapters, Keshav Basyal and Hari Prakash Chand, Sarashree Dhungana and Sweta Karki, and Bikash Dhakal address Nepal with a special focus on her multi-dimensional issues around foreign policy, security and diplomacy. In a similar approach, Gao Liang, Sneha Patel, and Gargi Adhikari critically examine Nepal-India relations, an important part of Nepal's foreign affairs in the subsequent three chapters. Likewise, Yubaraj Sangroula, Lila Nyaichyai, and Injina Panthi spare substantial space on Nepal-China relations, equally significant part of Nepal's foreign policy dynamics in the last three chapters in the third part of the book. This publication, therefore, reflects Nepal's external affairs in the current situations, prioritizing its Neighbours since the incumbent government has principally emphasized on Nepal's neighborhood policy.

In addition, I believe this book brought to avid readers by NIFAP and Lex & Juris Publication offers avenues to understand Nepal's external affairs as a whole, focusing on its neighborhood policies. Ever since the promulgation of federal democratic constitution in 2015, Nepal successfully held three-tier elections and formed a majority government in 2017. The political stability of the country has now encouraged everyone to proceed to an era of economic transformation for which proactive, balanced and diversified international relations have become indispensable. Eventually, research and publication related to the foreign policy have become crucial to Nepal's progress and prosperity along with social transformations. At this juncture, young scholars' initiatives in research and knowledge production have largely contributed to nation-building with balanced foreign relations, especially with neighboring countries.

I firmly believe that this book disseminates the idea of existentialism and principle of coexistence, recognizing and accepting each other's aspirations through mutual cooperation. I wish this publication can be a point of departure in Trans-Himalayan and Trilateral Cooperation

in the academic domain that has been envisioned and initiated by the Tribhuvan University DIRD graduates.

I have a strong conviction that *Nepal and its Neighbours in the Changing World* will be useful for Nepalese, Chinese, and Indian policy makers, university students, researchers and scholars in foreign policy, and International Relations. It critically analyzes the current experience and recent past of states in the region and their foreign policy approaches. I wish the team all the best for your outstanding accomplishments in the future in knowledge production and dissemination through such an academic endeavor.

Khadga K. C., PhD

Professor/Program Coordinator

Department of International Relations and Diplomacy

Faculty of Humanities and Social Sciences, Tribhuvan University

## INTRODUCTION

The world is changing. The rise and fall of the powers is regular phenomenon in world affairs. A thousand year ago, India was the top most world economy. China was in second position. Five hundred years back, China and India both were almost in equal status. In 1820, China was number one and India was second economic power in the world. In that era, the center of gravity of world economy was in Asia due to the economy of China and India. Since 1900 to till date, the USA is number one economic power. Politically, the Europe was the colonial power even till the Second World War. After World War-II, the USA emerged as the super power and the former USSR was rival of the USA. After cold war to till date, the USA is the sole super power in the world including the background of emerging other great powers. Now, China and India are rising and the USA is declining in economic domain. Nepal is located between two rising economies. This development indicates that the world keeps on changing. In this changing world and in the context of emerging Neighbours, this book is written by the Chinese, Indian, and Nepali scholars focusing on Nepal-China-India affairs.

This book entitled **“Nepal and its Neighbours in the Changing World”** is the brainchild of young scholars of Nepal, China, and India. Primarily, the book has delved around the theme of South Asian geopolitics and Nepal’s foreign policy, Nepal’s new geopolitics, Nepal as small state, Nepal-India relations in the post new constitution era of Nepal. Soft power cooperation between Nepal and India, China’s commercial diplomacy in Nepal, BRI-India-Nepal, and Energy relations between Nepal and India are also the focus area of this book. The book

is readable for those students, scholars, researchers, and academicians who want to know the multiple aspects of Nepal-China-India affairs in the changing world.

The book is divided into three parts. Part-I is 'Contemporary Nepal' which includes three chapters focused in Nepal. Part-II is 'Nepal-China Affairs' which covers next three chapters focused on Nepal-China relations from the perspective of Belt and Road Initiatives (BRI) and China's commercial diplomacy. Part-III is 'Nepal-India Affairs' which deals on last three chapters focused in Nepal-India Affairs from different perspectives.

The chapter one is on **“New Direction in Nepal’s Foreign Policy: Changing Geopolitics in South Asia”**. The authors have focused briefly on Nepal and South Asian geopolitics with major highlights of foreign policy of Nepal in the past, contemporary challenges of foreign policy of Nepal, and presented new model for Nepal’s foreign policy in the changing world. Moreover, the authors have dealt briefly on determinants of Nepal’s foreign policy and national interest. The major argument of this chapter is the foreign policy shifts in shifting geopolitics. If it remains same even in changing world, it simply becomes unable to address the new issues emerged and ultimately the national interest of the country cannot be defended efficiently.

Chapter two belongs to **“Nepal as a Small State and its National Security”**. In world affairs, sovereignty and national security of small states is always in threat. Nepal as a small state in the area of military and economic capability, has been struggling since her unification for her survival. The chapter has provided a general discussion on the varying characteristics of being small in the international arena and has moved on to describe how small states like Nepal are affected not only by their physical size but also by the surrounding geopolitics of their respective regions. Due to this, national security has become a concern for such states in a much profound manner than simply delegating it within a military definition. The chapter has also outlined the challenges and insecurities that Nepal has faced because of the diverse interests of the

bigger powers in its neighborhood.

Chapter three is related to the title of “**Nepal’s New Geopolitics: Geo-Strategic Grappling of Big Powers**”. Nepal’s geo-politics and geo-strategic location is quite sensitive as two giants are located in all the border side. Simply, geography remains same but the geo-politics keep changing based on the level of engagement of other external actors. Nepal's strategic importance can be fathomed by its positioning. Due to its geo-strategic location, Nepal has been common ground for competitions and strategically "heartland" for its Neighbours and other big powers to achieve their interests. The author mainly argues in this chapter that due to certain degree of overlap and strategic competition among its immediate Neighbours and big powers, Nepal has been facing critical challenges to conduct the foreign policy. The author intends to examine the rise of geo-strategic interest and concern of big powers in Nepal through the eye of geopolitical lens with reference to their regional and global strategic move.

Chapter four is "**China-South Asia Connectivity: Reflections on Benefit of BRI in Nepal**". The Belt and Road Initiatives has opened the avenues on the connectivity in global, regional, and peripheral countries of China. It can be also said that BRI has begun a new era in connectivity in hardware and software part. The chapter focuses on explaining the various dimensions of China's BRI. Furthermore, it assesses the historical relations between Nepal and China. Likewise, the chapter discusses on China's economic capability and its impact on global political economy as well. In addition, it explores the trilateral relations among Nepal, China, and India from the perspective of BRI. Lastly, the chapter concentrates on prospects and challenges of BRI and the benefits for Nepal.

Chapter five is on “**Describing China's Commercial Diplomacy in Nepal**”. As China has aimed to rejuvenate herself as world’s super power by 2049, she has been developing her trade with world community. The Chinese business people have been searching the market around the world. In this context, the author has tried to answer

two questions by reviewing the economic activities between Nepal and China, in this chapter. First, how does large array of economic activities promote public relations between Nepal and China? And the second, why does China needs public diplomacy in economic field in Nepal? The study first makes a comparative evaluates of public diplomacy in economic sector between Nepal and China from past to present and evaluated the impact in development, trade and investment due to the changes in political systems in Nepal and China. The author argues that the Chinese goods are being connecting reasons between Nepalese and Chinese perceptions; economic exchanges are the main source and basis of social and personnel exchanges between countries. Secondly, the study moves on to discuss the modern commercial engagements and broadening sector of commerce between Nepal and China. It also reviews the contribution of business organizations in promoting commercial engagements. Lastly, it sheds lights on Chinese tourists' enhancement in Nepal's tourism sector and how they are contributing in bridging two societies.

Chapter six is on **“China's Belt and Road Initiative and Nepal”**. The BRI is not only the signature project of the Chinese president Xi Jinping but also many scholars believe that it causes the ideological shift of world affairs. Globalization of Chinese trade, commerce, economy, culture, education, and technology can be the base of ideological shift from corporate led globalization to the state led globalization. Or in other words, the West led globalization is shifting towards China led globalization. The BRI is the central global project for the shift. The author in this chapter has written about China's BRI and the Indian concerns. How the Sino-Indian relations in terms of BRI will implicate in Nepal, the author has analyzed. The author attempts to analyze the 'connectivity' initiatives in region in light of 'Belt and Road Initiatives' (BRI) proposed by China; it generates actions, reactions. BRI, comprising economical, political, strategic and cultural aspects, is inclusive in nature. The author has examined the India's overall response on BRI as India has strong reservation on both first project under BRI— China Pakistan Economic Corridor (CPEC) and Maritime

Silk Road (MSR) project in Indian Ocean Region (IOR) and increasing engagement of China in its South Asian Neighbours through BRI. This paper discusses India's reaction on BRI, counter action and its impact on Nepal which has asymmetric dependency on India and sees BRI as opportunity to break Indo-centric arrangement and grasp economic boom.

Chapter seven is related to the title of “**Evolving Nepal-India Relations in the Post Nepal Constitution-2015 Era**”. The Nepal-India relations is analyzed from Chinese perspective in this chapter. The author mainly focuses on the Nepal-India relations to experience deterioration, adjustment and the current gradual recovery. The driving force behind the evolution of the Nepal-India relations is the result of the combination of domestic and international factors. Among them, the political situation in Nepal, the adjustment of Indian government's policy, the strengthening of Sino-Nepalese relations is the most crucial factor, the author argued in this chapter.

Chapter eight is on “**Role of Soft Power and Public Diplomacy between India and Nepal**”. Not only for great and big powers but also for small powers like Nepal, the soft power is the key instrument for effective implementation of foreign policy for defending the national interest. In this chapter, the author has attempted to discover the significant role of soft power and public diplomacy in the bilateral relationship of India and Nepal. By comparing the definition and meanings of hard power and soft power, the author believes that India has a unique identity which makes it different and unique in the South Asian region. By reviewing the soft power diplomacy between India and Nepal, Sneha Patel classified it into six fields, namely Culture and Traditions, Buddhism, Democracy & Political Values, Yoga and Ayurveda, Food & Cuisine, Bollywood, and Indian Television. Based on the previous analyses, the author argues that the relationship between India-Nepal is very unique and unprecedented in South Asia. The study then sheds light on public diplomacy. It discusses the role and contribution of a series of major organizations and institutions that are dedicated in public diplomacy

between the two countries. It also points out the obstacles that lies behind, including some misdeeds that spoiled Indian image and also the competition imposed by China. The author then concludes that if India wants to become a regional power, the only alternative for India is to build its positive image among the Neighbours through the efforts towards soft power and public diplomacy.

The chapter nine is on “**Nepal's Energy Relations with India: Implications on Energy Poverty**”. One of the key factors of Nepal-India relation is also energy specially hydro-power and water resources. Despite being the second largest country in the world in water resource, Nepal has been purchasing electricity from India to address Nepal's energy deficit. Nepal could export the electricity if Nepal utilized all potential water resource. In this scenario, the author has attempted to make understand the nuances of energy gap in Nepal. In the same token, the impetus has been to create a study of energy lapses, as a crucial part of the prevalent energy security discourse beyond the capacity of the military model of security. Right at the outset of the discussion, it must be mentioned that by ‘energy’ the chapter seeks to limit its study to the electricity sector of Nepal only and its energy relation with India.