



EDITORIAL ANALYSIS

Time: 10 min

Date: 28-09-2023

China-Nepal Co-operation & Role of India

Syllabus: GS2/ India & Foreign Relations, International Organisations & Groupings

In News

- China and Nepal recently signed 12 agreements, including seven MoUs, to enhance bilateral cooperation.

About

- Nepal & China exchanged views on the ways to further strengthen and consolidate **mutual understanding and cooperation** and give a new impetus in the front of **economy, trade and people-to-people contacts**.
- MoUs are signed between the two to enhance bilateral cooperation in sectors including trade, road connectivity, and information technology.
- **Global Development Initiative (GDI):** According to the statement, the Nepali side supports the Global Development Initiative (GDI) proposed by China.
- **Global Security Initiative (GSI):** Nepal appeared to reject calls from China to join President Xi Jinping's Global Security Initiative (GSI),
- **Connectivity Projects:** China & Nepal agreed to take forward ambitious **cross-border connectivity projects**.
 - Joint statement released by the two sides also outlined a number of **border infrastructure projects**.

Significance of Nepal-China Relations

- **Development without security cooperation:**
 - The joint statement reflects a careful balancing act from Nepal which has made clear it will work with China on development projects but take a cautious approach on matters relating to security cooperation.
- **Engagements in other areas of security cooperation:**

- While Nepal refrained from endorsing the GSI in the statement, it did agree to some elements of the kind of security cooperation envisaged by the initiative.
- **For example**, both will “undertake **joint inspection of the China-Nepal boundary**” and agreed to further strengthen **information exchange, capacity building** and cooperation on training between their law enforcement institutions.
- **Commitment to “One China Policy”:**
 - Nepal is committed to the “One China Policy” and not to allow the territory to be used for any inimical activities against China.
- **Trade and connectivity:**
 - Nepal has been making efforts to increase trade and connectivity with China which is the largest source of Foreign Direct Investment.

Global Security Initiative (GSI)

- China's Global Security Initiative (GSI) aims to build a **diplomatic and security architecture to rival the US-led system** of multilateral treaties, alliances, and institutions.
- Even as the concept remains ill-defined, Similar to the BRI, GSI **will serve as an umbrella** under which Beijing can promote a range of diplomatic initiatives involving various multilateral or plurilateral coalitions.
 - The ultimate objective is to build a global security architecture countering the US-led system.
- GSI refers to a **variety of security issues:** terrorism, transnational crime, drug trafficking, public health, natural disaster, nuclear proliferation, climate change, cybersecurity, artificial intelligence, and biosecurity.

Global Development Initiative (GDI)

- The stated purpose of GDI is to
 - Galvanise worldwide attention to development,
 - Strengthen global development partnership,
 - Promote international development cooperation, and
 - Give a fresh impetus to the realisation of the 2030 sustainable development goals (SDGs).
- China’s President Xi Jinping had proposed the Global Development Initiative (GDI) as a **global public good**.
- There are **eight priority areas for cooperation:**
 - (i) poverty alleviation, (ii) food security, (iii) COVID-19 and vaccines, (iv) financing for development, (v) climate change and green development, (vi) industrialisation, (vii) digital economy, and (viii) connectivity.

India-Nepal Relations

- India & Nepal share close and friendly relations characterised by age-old historical and cultural linkages, open borders and deep-rooted people-to-people contacts.
 - Nepal is important for India in the context of its overall strategic interests in the region, and the leaders of the two countries have often noted the **age-old “Roti Beti” relationship**.
- **Sharing borders:**
 - The country shares a border of over 1,850 km with five Indian states -- Sikkim, West Bengal, Bihar, Uttar Pradesh and Uttarakhand.
 - Land-locked Nepal relies heavily on India for the transportation of goods and services.
- **Trade and economic ties:**
 - India remains Nepal’s largest trade partner, with bilateral trade crossing US\$ 7 billion in FY 2019-20. India provides transit for almost the entire third-country trade of Nepal.
 - India’s export to Nepal has grown over 8 times in the past 10 years while exports from Nepal have almost doubled. Despite the difficulties due to the pandemic, India ensured the uninterrupted flow of trade and supplies to Nepal.
 - Nepal is India’s 11th largest export destination, up from 28th position in 2014.
 - In FY 2021-22, it constituted 2.34% of India’s exports. In fact exports from India constitute almost 22% of Nepal’s GDP.
- **Operation Maitri & post-earthquake reconstruction assistance:**
 - In the wake of the 2015 earthquake in Nepal, GoI was the first responder and carried out its largest disaster relief operation abroad (Operation Maitri).
 - India extended US\$ 1 billion to Nepal as part of its long-term assistance for post-earthquake reconstruction in housing, education, health and culture heritage sectors.

Challenges for India

- **Role of India in Nepal China relations:**
 - China’s active outreach to Nepal in recent years has been partly prompted by India’s increasing force posturing along its border.
 - Some argue that the evolving Indo-US relationship also played its part.
 - Nepal’s eagerness to engage with China has been of interest to observers and largely misinterpreted as Nepal’s strategy to acquire more from India.
- **Points of contention between India & Nepal:**

- Ties between India & Nepal had deteriorated after India carried out an economic blockade that lasted for about four and a half months in 2015-16.
- Due to this, Nepal had suffered a loss of about \$1.96 billion.
- Then there was a row over India's updated map released in 2019, showing Kalapani its territory.
- As the resolution of these issues remain under diplomatic dialogue, public opinion towards India has soured in Nepal.
- **China's strategic investment in Nepal:**
 - The shift in geopolitics with China's interest in Nepal has brought in strategic communication infrastructure network from north to south that will bear strategic regional linkages, variety of transportation systems and linkages from air, land, waterways to railways which will put up with security, economic and political significance and challenges.

Way ahead

- Any change in perception towards India will hamper India's geostrategic and security concerns in the Himalayas, especially with China because Nepal shares a long border with Tibet.
- Nepal's location and a large and porous border with India mandates that security concerns are interlinked and step up security management and defence ties would be in both countries interests.

Daily Mains Question

[Q] Nepal's deepening Security Initiatives with China may hamper India's geostrategic and security concerns in the Himalayas. Examine.