China’s Expanding Footprint in Nepal: Threats to India

Satish Kumar*

Nepal used to be a safe zone for India. China was least interested in Nepal till 1950s. But strategic design changed once China forcefully occupied Tibet. Nehru tried to strengthen the Indian positioning in Himalayan sphere vis-à-vis China. Things became more complicated once China started intruding in Nepal. This article tries to see the emerging Chinese threats from Nepal. Since 1,751 km India-Nepal border runs through 20 districts of five Indian states. The India-Nepal border is open. China has tried through its long strategy to erase Nepalese dependency on India. The Maoist forces in Nepal have played the China card to balance India. Rails and roads infrastructures have created a route through which China can move to Indian heartland. The economic and other Chinese packages are designed to weaken India’s strategic gain in Nepal. If Chinese wave continues unabated in Nepal, India might face multiple security threats in future.

Introduction

Recently a high level defence delegation from China visited Nepal. The visiting Chinese army chief Gen. Chen Bingde stressed the need for cooperation between the political forces in Nepal. The Chinese army chief said that “The friendly cooperation between the two countries and two armies is not only conducive to people of both the countries, but also to world peace and Asia-Pacific in particular”1 He also called on Defence Minister Bishnu Poudel and reiterated China’s commitment to enhancement of defence cooperation with the Nepal army. Nepal regards China as a reliable friend, is grateful for support given by the Chinese government, the Chinese people and the Chinese People’s Liberation Army (PLA) to the social transformation in Nepal. The strengthening of bilateral ties between the two countries is quite natural. But China’s overstepping in Nepal has a real and concrete strategic impact on India’s Himalayan security. India’s stakes in Nepal became stickier after the Maoist rise in Nepal. Instability in Nepal

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is likely to have an adverse impact on India’s political, economic and security interests. China has tried to use an unstable to its own advantage. The densely populated Terai area is mushrooming Chinese study centres. Fundamentally these Chinese agencies are building up anti India sentiments in Nepal. China is also reaching out to the political parties of Nepal. Last year’s phone tape episode has exposed Chinese intentions. India is also taking the Chinese expansion as security threat. Therefore, Nepal has become a battleground between India and China.

The Himalayan kingdoms of Nepal and Bhutan have an important place in India’s foreign policy scheme. Their importance for India can be studied from two different angles: a) their strategic importance for India’s national security; and b) their place in India’s role perception in international politics. The Himalayas have become the southern border of the People’s Republic of China, but they do have as much significance for the Chinese as they have in Indian culture. The Himalayan kingdoms of Nepal, Bhutan and the erstwhile kingdom (now Indian state) of Sikkim were considered an integral part of the Indian regional system. And they are right in the middle of India’s ‘Himalayan frontiers’, and are its northern ‘borderland’ flanks.

The Himalayas were the arena where British India and China competed for influence in imperial times, because of important buffer considerations. The ‘ring fence’ system operated by Britain resulted in an independent but friendly and co-operative Nepal, with Sikkim and Bhutan as Indian protectorates, and with Tibet as an autonomous buffer state guaranteeing India’s commercial and strategic interests. One hundred years later and similar dynamics and similar concerns were in play for India. Jawaharlal Nehru, the chief architect of India’s foreign policy, wanted to continue the British policy towards the Himalayan states, but he failed to do so. This might have been due to the lack of a long-term strategic vision or the excessively idealistic structures of Indian foreign policy.

The fault lines in the Indian policy on Tibet became apparent after 1951. Between 1946 to 1951 India followed the policy laid down by the British and treated Tibet as an autonomous buffer state between India and China, accepting the vague Chinese suzerainty but not sovereignty over Tibet. Thus, in March 1947 a Tibetan delegation was invited to the Asian Relations Conference in Delhi, despite protests from Chinese (Kuomintang) delegates. When the Chinese People’s Liberation Army (PLA) marched into Tibet in 1950, Indians (including Nehru), vociferously
protested against the invasion. Nehru wanted to protect India’s security interests in the Himalayan regions. As the Chinese communists neared their revolutionary victory, Nehru rushed through a series of defence treaties with Bhutan (August 1949), Nepal (July 1950) and Sikkim (December 1950). These countries constituted Nehru’s redrawn security zone. Throughout the 1950s Nehru demonstrated his serious commitment to this Himalayan doctrine. In February 1951, he established the North and North-Eastern Defence Committee, and visited the North-East Frontier Agency (NEFA), Sikkim and Bhutan.4

**Strategic Location of Nepal**

Of the three Himalayan units, Nepal is the largest, covering an area of 140,797 sq km (54,362 sq miles). Bounded on the north by China (the Tibetan region) and on the south, east and west by India, Nepal is a landlocked state, smaller in size than several states of the Indian union. Nepal is separated from the Tibet region of China by the great Himalayan range. Except for 8,000 sq miles of the southern plain strip, 80 per cent of the total area of Nepal is mountainous. The three principal river systems of Nepal (the Karnali, the Gandak and the Kosi) all have their sources in Tibet, and enter Nepal through three gorges that cut across the Himalayas. Nepal’s strategic importance can be fathomed not only from its geo-political location - being sandwiched between the two rising Asian giants - but also from its transformation into a new buffer zone between India and China in the 1950s. This buffer has assumed even more importance in the current times with a royal Nepal being transformed into a people’s Nepal in the aftermath of the Maoist victory in the elections to the constituent assembly on April 10, 2008. The victory of the Communist Party of Nepal (Maoist) CPN (M) a one-time rebel group, has significant geopolitical repercussions for the region. If one stands back, then ‘Indian-Chinese rivalry in Nepal’ indeed continues to be the main strategic feature of Nepal.

**China’s Long Term Game Plan in Nepal**

China’s security and foreign policy objectives in Nepal are several. In fact, they could be divided into three parts. Nepal constituted one of the five fingers policy in Mao Zedong’s five finger policy. Nepal and China share a long border, spanning about 1,414 kilometres. China has been playing significant role in determining the future shape of Nepali politics.
The First Phase

The Chinese interest in Nepal began with the Tibet factor. At a minimum, these objectives are the security of Chinese interests in Tibet as that region is dependent on the neighbouring countries for border trade. Additionally, given the regular flow of thousands of Tibetan refugees into Nepal and India every year, the Chinese objective is to nullify any negative fallout from Tibetan refugees in these countries to impact Nepal as a buffer zone. Thus, Chinese objectives in Nepal have been influencing by the Tibetan factor, including whether more than an estimated 10,000 Tibetan refugees play a destabilizing role from Nepal, to secure Nepal as a buffer zone.\(^6\)

In the beginning diplomatic ties between China and Nepal moved with great speed. The prime motive of China in the first phase (1955 to 1989)\(^7\) was to create infrastructure in Nepal. China also promised Nepal to protect its territory from any third country. Speaking in Kathmandu on the first anniversary of the signing of the Kathmandu-Lhasa road agreement, in October 1962, Chinese foreign minister Chen Yi lauded Nepal’s history of resistance to foreign invasion and said: “I assure His Majesty, King Mahendra, His Majesty government and the Nepalese people, that in any case any foreign forces attack Nepal, we Chinese people will stand on your side”\(^8\). China openly exhorted Nepali assertions of independence vis-à-vis India throughout the period up to 1978. Intense anti-Indian propaganda was directed by China into Nepal.\(^9\)

In the mid 1980s China resumed its highway construction activities in Nepal, and in June 1984 it agreed to build a second trans-Himalayan highway, linking the city of Pokhara with the Xinjiang-Tibet highway. In 1987, Beijing decided to construct a road from Lhasa to Dazhu on the border with Nepal, further strengthening Tibet-Nepal transportation links. In 1988, a series of Chinese–Nepali moves ignored India’s security interests.\(^10\) China no longer felt compelled to respect Indian sensibilities and began to compete openly with India for influence in Nepal. Chinese propaganda became openly critical of Indian policies toward Nepal, condemning them as manifestations of Indian expansionism.\(^11\) Nepal responded positively to China’s overtures. The new wave brought many fundamental changes in triangle
relationships. The pro Chinese approach of King Mahendra continued to provide new space for the Chinese expansion.

**Second Phase**

The second phase of Chinese policy focused on ending Nepal’s overdependence on India. Till 1995 trade between China and Nepal was limited to 0.7 per cent. The rest 99.03\(^{12}\) per cent trade was with India. China was conscious of the geographical proximity between India and Nepal. Therefore, new routes to trade in Nepal were planned. On the other hand, China encouraged Nepal to adopt the equidistance policy between India and China. In the early years, Chinese assistance was pledged in terms of projects and a number of financial involvements were initiated. From mid-90s, the Chinese government has been pledging grant assistance to Nepal under the economic and technical cooperation programme in order to implement mutually acceptable development projects. The volume of such assistance is to the tune of 80 million yuan every year and the details are as follows:

**Financial and Technical Assistance to Nepal by China**

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Date of Agreement</th>
<th>Amount Committed (in million RMB)</th>
<th>Equivalent (In million NRs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>July 20, 1994</td>
<td>60</td>
<td>340</td>
</tr>
<tr>
<td>2.</td>
<td>April 18, 1995</td>
<td>80</td>
<td>475</td>
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<td>3.</td>
<td>April 18, 1996</td>
<td>80</td>
<td>475</td>
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<tr>
<td>4.</td>
<td>December 4, 1996</td>
<td>80</td>
<td>560</td>
</tr>
<tr>
<td>5.</td>
<td>April 17, 1998</td>
<td>30</td>
<td>240</td>
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<tr>
<td>6.</td>
<td>October 16, 1998</td>
<td>50</td>
<td>425</td>
</tr>
<tr>
<td>7.</td>
<td>December 30, 1999</td>
<td>80</td>
<td>679</td>
</tr>
<tr>
<td>8.</td>
<td>February 16, 2000</td>
<td>30</td>
<td>254.6</td>
</tr>
<tr>
<td>9.</td>
<td>August 24, 2000</td>
<td>50</td>
<td>436</td>
</tr>
<tr>
<td>10.</td>
<td>May 12, 2001</td>
<td>80</td>
<td>750</td>
</tr>
</tbody>
</table>
China Aided Projects in Nepal (Completed):

A. Road and Transport

I. Arniko Highway (104 Km)
II. Arniko Highway (Rehabilitation)
III. Kathmandu Bhaktapur Road (13 Km)
IV. Prithvi Highway and Surface Pitch Paving (174 Km)
V. Narayanghat-Mugling Road (36 Km)
VI. Gorkha Narayanghat Road
VII. Kajhuwa-Gorkha-Road (24 Km)
VIII. Kathmandu-Bhaktapur Trolly Bus (14 Km)
IX. Kathmandu Ring Road (27.2 Km)
X. Pokhara-Baglung Road (65 Km)


Defence Ties between China and Nepal

In 2005, China supplied more arms to King Gyanendra; in the same year Nepal supported the inclusion of China into SAARC irrespective of the fact that India had expressed its reservations; in September 2008, China invited the Nepalese defence minister Ram Bahadur Thapa as an observer to the military exercise ‘Warrior 2008’, and during his meeting with China’s defence minister Liang Guanglie, China announced a military aid package of $1.3 million to Nepal. In December 2008, Lieutenant General Ma Xiaotan of the PLA pledged $2.6 million in non-lethal military aid to Nepal during a visit. China is currently working on the reconstruction of the China-Nepal highway which is expected to be completed by the end of the year 2011. Built at a cost of over $100 million, there are only two sections of the highway on the Chinese side – from Tingri to Nyalam and Nyalam to Zhangmu – that are pending completion. Once complete, the highway is expected to become a “golden gateway” connecting Lhasa to Kathmandu and will be China’s...
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gateway to South Asia. Along with the Qinghai-Tibet railroad, this highway has been touted as having the potential to boost Nepal's economic growth through greater trade with China. The basic aim of China is to reduce the Indian influence in Nepal. China knows that this can be achieved by creating alternative trade routes for Nepal.16

Third Phase

In the third phase China has adopted an aggressive posture to weaken India's hold on Nepal. This phase continues the agenda of the first and second phase but the focus is more on encircling India. There are people who argue that China is not only courting the Nepalese Maoists, but also rendering political as well material support to the Indian Maoists whose ultimate aim is to overthrow the parliamentary democracy through an armed struggle. The sheer political capital of the Maoists, and the anti-China protests of March 2008 in various parts of Tibet including Sichuan, underscored the importance of Nepal for China, because Nepal has a sizeable Tibetan community, 20,000 according to one of the representatives of the Dalai Lama.17

Kathmandu has become the latest proxy battleground between the regional powers, India and China, to demonstrate their influence. New Delhi is increasingly getting worried about China's creeping influence in the still-new Himalayan republic. As Kanti Bajpai wrote in the Nepali newspaper, Republica:

India lives in fear of its neighbours reaching out to outsiders to balance against Indian power. Unlike India, which has often borne the consequences of misjudging the political mood in Nepal and has been regularly maligned as a ‘hegemon’, China's Nepal policy has been largely successful. China has managed to project itself as a disinterested neighbour and a remarkably attractive alternative to 'Big Brother' India.18

Even as Prachanda spoke of the need to review the Indo-Nepal Friendship Treaty of 1950, Nepal accepted the draft of a ‘Peace and Friendship Treaty' submitted by China. China has invested extensively in improving the Chinese profile within Nepal. The establishment of China Study Centres is just one such move. There are at present over two dozen China Study Centres across Nepal. These provide Chinese language and culture classes and are often manned by volunteers from China. While enabling greater access to information about Chinese social and economic development, these centres also provide a convenient platform for the dissemination of Chinese policy towards South Asia and India's role therein.19
Aimed at providing training to students and teachers, the Confucius Institute at Kathmandu University which celebrated its second anniversary in June 2009, runs numerous programmes from business management to tour guide training across Nepal. Nepalese students even those in primary school now have access to Chinese language lessons and exposure to Chinese culture. Apart from these numerous local level organisations have been established including the Nepal-China Youth Friendship Association and the Nepal-China Mutual Cooperation Society to foster cooperation at all levels.20

Nepal’s ex-prime minister, Madhav Kumar Nepal, inaugurated the China-Nepal Boda Hospital in Kathmandu last year. This hospital which is the largest in the private sector has been hailed as “a new step to enhance Nepal-China friendship relations in the private sector.” It is the second largest medical facility inaugurated by the Nepalese prime minister. The first was the Civil Servants Hospital in Kathmandu that caters to gazetted-officers, and it was also built with aid from the Chinese government.

Chinese involvement in Nepal is not limited to roads and hospitals. In August 2008 China handed over the Zhangmu-Kathmandu optical fibre cable project to Nepal. This 100 km of optical fibre cable is a new information superhighway, between China and Nepal. Moreover, Chinese contractors are now involved in the construction of the Melamchi Water Supply Project in Central Nepal to alleviate the water shortages in the capital, Kathmandu. The first phase of this three-phase project is budgeted at $317.3 million and is expected to be completed by 2013. The government of Nepal has invited Chinese support and participation in the development of Nepal’s hydroelectric potential and China has already invested almost $200 million in various such projects.21

It is, thus, evident that China’s engagement with Nepal has been multi-dimensional and designed for the long-term. This is enabling Chinese involvement in everyday life in a manner which is seemingly benign but very much capable of shaping attitudes towards China and India in years to come. It must also be recognised that this is policy will have great repercussions for India. China’s proactive policy vis-à-vis Nepal is very much part of its larger aim to erode India’s influence in South Asia.22
Nepal’s Pro China Policy

Nepal’s pro China policy began with King Mahendra and was continued in successive regimes. But the Maoist regime in Nepal openly invited China to balance India’s excessive role in Nepal. The first country that Pushpa Kamal Dahel Prachanda visited after being sworn in as Prime Minister was China. He was ‘invited’ to attend the closing ceremony of the Olympic Games in 2008. Prachanda’s visit lasted for five days and the special bonding between the Maoists and China became evident. There are people who argue that China is not only courting the Nepalese Maoists, but also rendering political as well material support to the Indian Maoist whose ultimate aim is to overthrow the parliamentary democracy through an armed struggle. It is very important to note that 38 official Chinese delegations visited Nepal during Prime Minister Pushpa Kamal Dahel Prachanda’s term, while the numbers of delegations from India were about one-fourth the above numbers. It is also well known that the Maoist government and China were preparing to extend the Tibet Railway to Nepal.

In a sensational claim, Pushpa Kamal Dahel has said that the India-US axis was indulging in anti-China activities, and even a possible attack on China, from Nepali territory. “I had to quit as prime minister as my party was opposed to letting our territory used against China”, Prachanda said while addressing a training programme of the Maoist cadres, according to the Rajdhani daily. It quoted Prachanda as having said: “The US-India plan had to face challenge from our party and that triggered the conspiracy against my government.” Nepal’s use of the “China card” in its dealings with India is nothing new. It may be recalled that in 2005 it was China that supplied arms and ammunition to King Gyanendra despite urgings to the contrary from the US and India. In September 2008 during a meeting between China’s defence minister Liang Guanglie and his Nepali counterpart, Ram Bahadur Thapa, the Chinese announced a military aid package of USD 1.3 million to Nepal. In December 2008, senior military officials from China visited Nepal. During this visit, Lieutenant General Ma Xiaotan of the Chinese People Liberation Army pledged USD 2.6 million in non-lethal military aid to be used for the consolidation of Nepal’s security forces and peace process.

Emerging Threats from Nepal due to China Factor

Most of the terrorism and insurgency related problems in India have cross-border linkages. Consequently, border management has become an integral component of India’s internal security management. The India-Nepal border has assumed significance only in the recent years due to continuing instability in Nepal and increasing Chinese proximity to Nepal. The 1,751 km India-Nepal border runs through 20 districts of five Indian states. Unlike Nepal-China border, which runs mainly through high altitude mountains, most of India-Nepal border runs through
plains and rivers. The India-Nepal border is open and there is no visa regime for persons of both the countries. There are 22 agreed routes for mutual trade and 15 for land traffic. Most of the border areas run through underdeveloped and populous areas where a high crime rate, poor governance, inadequate infrastructure, and an ill-equipped police force make conditions conducive for various forces inimical to Indian and Nepalese interests to operate. Moreover, there is a high volume of illicit trade in forest products and wildlife. The open border and absence of effective law and enforcement in Nepal have also contributed to drug smuggling. A number of recent reports have indicated that Nepal’s Maoist insurgents are involved in smuggling drugs to India to raise money to buy arms.  

What has caused considerable concern, of late, within the Indian security establishment is the fact that the Nepalese have been taking advantage of the open borders and forging alliances with extremist groups within India. According to government of India, they have been working towards their larger objective, together with the Communist Party of India (Maoist), to carve out a Compact Revolutionary Zone (CRZ), a revolutionary corridor extending from Nepal through Bihar and Dandkaranya region of Andhra Pradesh. As much as an 821-km stretch of the 1,664-km Indo-Nepalese border adjoins Uttar Pradesh. Of this, around 391 km is across Poorvanchal’s five sensitive districts: Maharajganj, Sidharthanagar, Balrampur, Shravasti and Bahraich.

Drugs and mafia on the India–Nepal border pose a serious challenge to the Indian security apparatus, and most criminals find safe passage to Nepal and a safe refuge too. The Nepalese border has been the passage to a haven for smugglers, who have been able to smuggle drugs and arms to India without hindrance.

Expressing apprehension over China’s involvement in activities in Nepal, the Uttarakhand chief minister Ramesh Pokhriyal said:

There is an increase in the activities of China in Nepal, Tibet and also Pakistan. We apprehend that there will be increase in anti-India activities on the Indo-Nepal border via Nepal, which will pose a danger to our country in the near future. Uttarakhand shares its border with China and Nepal and shares 350 km of the LoC and 250 km of the international border with the two countries. There is a growing threat to security due to increase in the activities of China in areas bordering the state.
According to Indian officials and strategic affairs analysts, apart from strategic implications, China’s move to extend the rail link to its border with Nepal can reduce Kathmandu’s dependence on India as it will enable it to import petroleum products from Beijing. India’s rapidly declining influence in Nepal, not least because of the Maoists, is making things worse for New Delhi. A Pro-China Nepal would be catastrophic for Delhi. A Nepal which is friendlier to China eliminates Delhi’s access to Tibet, and puts pressure on Sikkim and Bhutan. A hostile Nepal places the Indian union in jeopardy because it is like a Damocles sword over Delhi. At the drop of a hat Nepal could choke Indian access to the seven Indian states in the Northeast which are already up in arms against Delhi.

**The Chinese presence in Nepal is getting larger.** It is working systematically to remove the Nepalese over dependence on India. So, in formulation of anti-wave against India, China has been very instrumental.

**A Pro-China Nepal would be catastrophic for Delhi.** A Nepal which is friendlier to China eliminates Delhi’s access to Tibet, and puts pressure on Sikkim and Bhutan.

In 1950, summing up India’s security concerns vis-à-vis Nepal, Pandit Nehru had said in Parliament:

> From time immemorial the Himalayas have provided us with magnificent frontiers. We cannot allow that barrier to be penetrated because it is also the principal barrier to India. Therefore, as much as we appreciate the independence of Nepal, we cannot allow anything to go wrong in Nepal or permit that barrier to be crossed or weakened, because that would be a risk to our own country.\(^{28}\)

India has subsequently maintained that any attack on Nepal would be regarded as an aggression against India.
It is evident that China is trying to make Nepal one of a series of “Little Dragons” spewing fire at India. The Maoists-led Nepal will not only assert itself vis-à-vis India, it is also likely to be influenced by China in its foreign policy decision-making. This means that Nepal may toe the Chinese line in its international relations. This would mean more space for infiltration of Chinese agents and their clandestine activities against India. Traditionally Chinese leadership leans on teachings of Master Sun Tzu. Mao in particular was highly influenced by Sun Tzu, who said, “To fight and conquer in all your battles is not supreme excellence; supreme excellence consists in breaking the enemy’s resistance without fighting.”

Conclusion

China’s interest in Nepal is primarily geo-strategic. “While Beijing has cemented its ties with Pakistan, it is now gaining footholds in India’s neighbourhoods, Burma, Sri Lanka and Bangladesh,” said Dhruba Kumar, a political-science professor with Kathmandu’s Centre of Nepal and Asian Studies. “Their foray into Nepal shows that it has become a launch pad for their broader strategic alliance.” That, of course, makes India wary. Professor S.D. Muni, a visiting fellow at the National University of Singapore, attributes China’s upper hand in Nepal to its pragmatism. “Beijing does not have any serious emotional or cultural bonds with Nepal like India does. It can therefore relate itself with any political force in control of Nepal, be it Maoists or the army,” he says. China’s presence in Nepal will definitely challenge Indian security. In the long term Nepal is going to be a battleground between India and China.

Notes:

4 Ibid.
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21 Singh, RSN, available at www.indiadefensereview.com/2010/05

22 Singh, Rahul “India should keep eye on China military”, *The Indian Express*, November 29, 2010.


28 Dawa, Norbu, see note. 3, pp. 233-245.

29 ibid
