

India- Nepal Relations: Notes for UPSC

As close neighbours, India and Nepal share a unique relationship of friendship and cooperation characterized by open borders and deep-rooted people-to-people contacts of kinship and culture.

India US relations is an important topic from the GS Paper II, International Relations perspective of the UPSC Exam.

Background of India-Nepal relations

There has been a long tradition of free movement of people across the borders. Nepal has an area of 147,181 Sq. Kms. and a population of 29 million. It shares a border of over 1850 Kms to the south with five Indian States - Sikkim, West Bengal, Bihar, Uttar Pradesh and Uttarakhand and in the north with the Tibet autonomous region of the People's Republic of China. India-Nepal Treaty of Peace and Friendship of 1950 is the bedrock of the special relations that exist between India and Nepal. Both the nations are also members of the South Asian Association for Regional Cooperation (SAARC).

Indo-Nepal Friendship Treaty

Under the provisions of the treaty, Nepalese citizens have enjoyed unparalleled advantages in India, availing the facilities and opportunities at par with Indian citizens. The Treaty has enabled Nepal to overcome the disadvantages of being a land-locked country. Overtime, many regimes in Nepal have raised the issue of revision of the treaty. India has maintained that it is willing to examine all bilateral arrangements with a view to further strengthening our relations. Specific suggestions from the Nepalese side have not been forthcoming. Beginning with the 12-Point Understanding reached between the Seven Party Alliance (SPA) and the Maoists in Delhi in November 2005.

Government of India welcomed the roadmap laid down by the historic Comprehensive Peace Agreement of November 2006 towards political stabilization in Nepal through peaceful reconciliation and inclusive democratic processes, India has consistently responded with a sense of urgency to the needs of the people and Government of Nepal in ensuring the success of the peace process and institutionalization of multi-party democracy through the framing of a new Constitution by a duly elected Constituent Assembly. India contributes to the development efforts of the Government of Nepal (GoN) by undertaking various development projects in the areas of infrastructure, health, rural and community development, education, etc.

India-Nepal Trade Relations

The grant assistance extended to Nepal during 2009-10 under 'Aid to Nepal' budget was 161 crores. In addition, GOI has extended considerable economic assistance to the ongoing peace process in Nepal. The overall quantum of India's assistance to Nepal is approx.3600 crores which includes the Small Development Projects scheme offered by the Embassy of India delivers development assistance at grass-roots level in sectors identified with the local population. It now covers over 370 projects with an outlay of approx.402 crores. As part of India's effort to assist with capacity building and development of Human Resources in Nepal, over 1500 scholarships are offered annually for Nepalese students to pursue various courses in India and Nepal.

India continues to be Nepal's largest trade partner, source of foreign investment and tourist arrivals. Bilateral trade between India and Nepal has increased substantially since the signing of the Trade Treaty in 1996 and received further impetus after the signing of the revised Trade treaty in 2009 which has provisions that allow Nepal greater access to the Indian market. According to figures for the Nepalese fiscal year 2066 (July 2010), bilateral trade with India stood at 16129.7 crores which accounted for 58.7% of Nepalese total external trade.

India-Nepal Military Relations

India had played a leading role in helping the Nepal Army (NA) in its modernization through provision of equipment and training. More than 180 training slots are provided every year for training of NA personnel in various Indian Army training institutions. The Chief of Army Staff of the Indian Army is given the honorary rank of a General in the Nepal Army and a reciprocal honour is conferred on the Chief of the Nepal Army. India has always been proud to have Nepalese as soldiers in her Forces and has made every effort to ensure that they are looked after and cared for in their twilight years. As of now, we have over 1.23 Lakh ex-servicemen residing in Nepal. In 2010-11 the payments of pensions to the Indian ex-service men in Nepal amounted to ` 1100 crores.

Latest Developments in India-Nepal Relations.

PM Narendra Modi's Visit To Nepal (2014) Prime Minister Narendra Modi made every effort to be seen as Nepal's best friend — a commoner, a pilgrim, the guardian of a Nepali in need, and less of a prime minister of a big country. By the time he left Nepal, he had won the hearts and minds of the Nepalese, imprinting deeply the idea that he alone has the will and ability to transform Nepal into a prosperous country. His repeated emphasis on India's respect for Nepal's sovereignty, and the message that missed opportunities of the past and failed promises should not act as speed-breakers in "our future journey to prosperity together", were perhaps aimed at looking ahead at the future, not harping on the past.

By all accounts, many across the border were enthused by the PM's promise of befriending neighbours. Modi did not disappoint. With a speech to Kathmandu's parliament and constituent assembly, widely described in Nepal as "magical", and by wading into welcoming crowds in

Kathmandu, Modi may have taken away much of the recently accumulated poison in an old relationship. By emphasising the absolute sovereignty of Kathmandu and affirming that Delhi will not interfere in its internal affairs, Modi tried to address one of the main concerns that animates Nepal's elites — the deep fear of India. While not uncommon among small countries that live next to a large nation, Delhi had found it hard all these decades to overcome the entrenched suspicion of India in Kathmandu. Modi confronted this central problem head-on by offering to revise the 1950 India-Nepal Friendship Treaty — for many in Kathmandu, the very symbol of an unequal relationship. Modi complemented the new political emphasis on sovereign equality with a persuasive vision for shared economic prosperity through the development of transborder connectivity, agriculture, tourism and hydroelectric power.

Relevant Questions for India-Nepal Relations

Why did Nepal not become a part of the Indian union after India gained independence in 1947?

Upon India's independence in 1947, it was decided by the Government of Nepal not to join the Indian union as it had a cultural identity of its own and sought to continue its tradition of independence since ancient times. Moreover, the Indian respected Nepal's sovereignty in the spirit of mutual cooperation and that criticism from the international community for what would be seen as an annexation of Nepal, would be disastrous to the newly-independent nation.

What assistance does India provide for Nepal?

India on Monday extended a financial aid of 1.6 billion Nepalese rupees to Nepal to help 50,000 people in Nuwakot and Gorkha districts rebuild their houses damaged in the devastating earthquake in 2015. India has so far granted Nepal a total of Rs 4.5 billion Nepalese rupees under the housing reconstruction projects.

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