



### INDIA-NEPAL: GROWING LINKAGES

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*(Views expressed in the brief are those of the author, and do not represent those of ISSI)*



**Indian Prime Minister Narendra Modi embarked on a two-day visit to Nepal on May 11-12, 2018. The visit gains significance and generates interest considering the fact that the Nepali Prime Minister had visited India just a month before (April 6-8, 2018). Before proceeding with the details of the visit, a brief look at some of the past events would help in understanding the Indo-Nepal relations in its current context.**

This was the third visit by Modi to Nepal since 2014 when he took power as Prime Minister of India following the 16th Lok Sabha elections. Keeping in line with his proclaimed "neighborhood first" policy, Modi's very first foreign destination was Bhutan in June 2014. Two months later, Modi landed in Nepal in August 2014. It is worth mentioning here that Modi was the first Prime Minister to visit Nepal in 17 years. The last such official visit to Nepal was by Indian Prime Minister I. K. Gujral in June 1997.<sup>1</sup> On the contrary, every Nepali Prime Minister on assuming power made sure that their first foreign destination was India. It was only during the Maoist government under Pushpa Kamal Dahal in 2008 that this tradition was broken and he chose China as his first destination for a bilateral visit in an effort to reduce Nepal's dependence on India. The move, of course, was not viewed favorably in India. Modi's second visit was in connection with South Asian Association for regional Cooperation (SAARC) summit. These two visits certainly generated a lot of goodwill for Modi in Nepal.

<sup>1</sup> Memories of 2015 blockade will haunt Modi's Nepal visit, *Asia Times*, May 8, 2018 at <http://www.atimes.com/memories-of-2015-blockade-will-haunt-modis-nepal-visit/>

However, this bonhomie soon gave way to a deterioration in relationship between the two countries. With the promulgation of Constitution in Nepal in September 2015, the Terai region erupted in protests alleging discrimination. This Terai region is ethnically and socially closer to India as it houses a large number of people who had migrated from India and are called Madheshis. Thus, Indian advise of addressing Madhesi concerns was seen as interference in Nepal's affairs and encouragement of Madhesi agitation. This was followed by an economic blockade by India which resulted in severe shortage of food, fuel, medical supplies and other essential goods in Nepal. Consequently, a constitutional amendment was adopted and movement of goods across the border was resumed. This entire episode resulted in deep resentment against India in Nepal.

It was in this backdrop coupled with growing Chinese influence in the region and formation of a strong government under Mr. Sharma Oli in February 2018 that India felt the need for a course correction. Thus, Modi began his trip from Janakpur where he offered special prayers at the Ram Janaki Mandir - birth place of Hindu Goddess Sita and wife of Hindu God Ram. A direct bus service between Janakpur and Ayodhya was also jointly inaugurated by Modi and K.P. Sharma Oli as part of the Ramayan Circuit to promote religious tourism in Nepal and India.<sup>2</sup> The foundation stone for the 900 MW Arun-III hydro-electric project in Nepal was also laid by the two Prime Ministers.<sup>3</sup> This is considered to be the largest hydropower project to be developed in Nepal. Mr. Modi also announced a Rs. 100 crore package for the development of Janakpur and its surrounding areas. The amount will be spent on different development projects.<sup>4</sup>

The joint statement at the conclusion of the visit highlighted the need for regular convening of bilateral mechanisms, including Nepal-India Joint Commission at Foreign/External Affairs Ministers level, to review the overall state of bilateral relations, and for the early implementation of the economic and development cooperation projects. The joint statement also highlighted Nepal's growing trade deficit with India. The role of connectivity in stimulating economic growth and promoting movement of people was also highlighted. It was decided to take further steps to enhance the economic and physical connectivity by air, land, and water. The two Prime Ministers directed their respective officials to address outstanding matters by September 2018, with the view of advancing cooperation in all areas. The two Prime Ministers also emphasized the importance of regional and sub-regional cooperation under the Bay of Bengal Initiative for Multi-Sectoral Technical

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<sup>2</sup> Modi. Oli inaugurate direct bus service between Janakpur and Ayodhya, *The Hindu*, May 11, 2018 at

<sup>3</sup> Modi visits Nepal in bid to counter China influence, *Dhaka Tribune*, May 12, 2018 at <https://www.dhakatribune.com/world/south-asia/2018/05/12/modi-visits-nepal-in-bid-to-counter-china-influence>

<sup>4</sup> Nepal tops in India's 'neighbourhood first' policy: Modi, *The Hindu*, May 11, 2018 at <http://www.thehindu.com/news/national/modi-arrives-in-nepal-on-two-day-visit/article23846834.ece>

and Economic Cooperation (BIMSTEC), South Asian Association for Regional Cooperation (SAARC), and Bangladesh, Bhutan, India, Nepal (BBIN) initiative for forging meaningful cooperation in identified sectors.<sup>5</sup>

Modi also visited Mukhtinath temple in Mustang and Pashupatinath temple in Kathmandu. In fact, the visit to Pashupatinath, which is seen as one of the forms of Lord Shiva, was on the day of the Karnataka polls which has a significant population of Shiva devotees. This led number of analysts to believe that his visit to this temple was actually aimed at voters in Karnataka.<sup>6</sup> Thus, the visit was more about finding religious commonalities between the two countries than anything substantial. It was an effort by Modi to restore his image in Nepal which was at its lowest ebb following the 2015 economic blockade. Hashtags like #BlockadeWasCrimeMrModi and #ModiNotWelcome kept trending even before Modi landed in Nepal with many actually demanding public apology from Modi.<sup>7</sup>

Modi's visit also came following criticism of his foreign policy by opposition parties. In its 84th plenary session held in March, Indian National Congress observed that never before in history, India has been so diminished in its immediate periphery creating space which has allowed other powers, particularly China, to entrench themselves.<sup>8</sup>

With Lok Sabha elections approaching in 2019, Modi certainly would not like to give his opponents a point to take advantage. Hence, rapprochement with Nepal was important. Further, with China making huge inroads in countries like Maldives, Sri Lanka and Nepal - countries that India considers as its backyard, improving relations with Nepal was imperative, particularly keeping in mind the fact that Nepal has formally joined China's Belt and Road Initiative (BRI) much to the disappointment of India. Interestingly, the day after Modi departed for India, Prime Minister Oli announced that he would soon be visiting China.<sup>9</sup> Hence, in order to win the hearts and minds of the people of South Asia, there is lot more that India needs to do. Mere lip service would certainly not serve India's purpose.

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<sup>5</sup> Nepal, India issue joint statement during Modi's visit, *Kathmandu Oost*, May 12, 2018 at <http://kathmandupost.ekantipur.com/news/2018-05-12/nepal-india-issue-joint-statement-during-modis-visit.html>

<sup>6</sup> Pramod Jaiswal, "Modi's Nepal visit: More drama than substance", *Institute of Peace and Conflict Studies (IPCS)*, May 17, 2018 at [http://www.ipcs.org/comm\\_select.php?articleNo=5472](http://www.ipcs.org/comm_select.php?articleNo=5472)

<sup>7</sup> Memories of 2015 blockade will haunt Modi's Nepal visit, op.cit.

<sup>8</sup> Kamal Dev Bhattarai, "Modi's desperate move to rebuild his image in Nepal", *The Diplomat*, May 15, 2018 at <https://thediplomat.com/2018/05/modis-desperate-move-to-rebuild-his-image-in-nepal/>

<sup>9</sup> Ibid.