Chapter 5

Prospects Under a Democratic Nepal and Post Cold War Regional Situation

The Multi Party elections were held after 30 years in Nepal in 1991, the last being in 1959. In the elections conducted in accordance with the terms of the newly promulgated constitution (1990) the Nepali Congress secured 110 seats in a 205 member Parliament and formed the Government with G.P.Koirala as the Prime Minister. The Communist Party of Nepal (United Marxist Leninist) secured 69 seats and took the role of the main opposition party.¹

Prime Minister G.P.Koirala stressed on strengthening the democratic institutions through "multi-party democracy and Parliamentary system within the framework of the Constitutional Monarchy".² He considered the domestic policy to be the premises on which the foreign policy of Nepal would be set. Thus, there was no dichotomy in the internal and external policies of the government. Adherence to the principles and Charter of the United Nations, Non-alignment, promotion of Human Rights and Non-interference

² Prime Minister in the House of Representative. See Rising Nepal (Kathmandu), 19 October 1992.
in internal affairs were considered as the tenets of Foreign Policy.\(^3\) Recognizing the strategic importance and geographical reality of Nepal, the democratic government stressed on maintaining cordial relations with both India and China on the basis of respecting each other’s sovereignty, territorial integrity and national interest.\(^4\)

The democratic government was not left untouched by the influence of the end of cold war which brought the values of ‘democracy, pluralism and human rights’ to the forefront.\(^5\)

The democratic movement in Nepal was preceded by the end of Cold War with the disintegration of Soviet Union in 1989 and reunification of Germany, thus, bringing an end to the ideologically raven world and a disappearance of military threat to the U.S. and West Europe from the Soviet Union.\(^6\) Indeed this has left U.S. as the only super power in the world with definite leadership in economic and strategic arena. However, the Regional Economic powers pose a challenge to the U.S. dominance. Japan and United Germany have emerged as powerful economic powers. China in South East

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\(^3\) Refer Koirala’s Speech on "Nepal’s Foreign Policy: An Outline" at the Nepal Council of world Affairs on 3 August 1991 provided by the Indian Embassy, Kathmandu.

\(^4\) Ibid.

\(^5\) Refer Speech of Koirala on "Nepal’s Foreign Policy: An Outline" at the Nepal Council of World Affairs on 10 April 1992 made available by the Indian Embassy, Kathmandu.

Asia is growing militarily and economically strong and stable. In the present day focus of international actors has shifted from Geo-politics to Geo-economics in which no one particular nation claims supremacy.

In fact the present trend is towards regional groupings vying with each other for economic dominance. Europe through common economic market is trying to emerge strong collectively. The U.S. is also trying to ensure its economic interests through North Atlantic Free Trade Agreement (NAFTA) between U.S., Canada and Mexico. The seventh South Asian Association of Regional Cooperation Summit held in Bangladesh has signed South Asian Preferential Trade Agreement (SAPTA) to liberalise intra-region trade.

The impact of the end of Cold War is not confined to the developed world but has its repercussions in the Third World also. The disintegration of Soviet Union frightened China and it tried to create its own 'Socialist Market Economy' whereby it opened its door to foreign investors and globalised its economy but kept the political power with the Communist Party.\(^7\) China also responded favourably to the Indian desire to improve their relationship.

The Indian Prime Minister Rajiv Gandhi discussed bilateral negotiations with China during his visit in 1988 followed by the Indian

\(^7\) V.A.Pai Panandiker, "Transitional Trauma", *Hindustan Times* (New Delhi), 13 October 1993.
President R.Venkataraman in 1992 which was reciprocated by the Chinese Premier Li Peng in 1991.

During Prime Minister Narasimha Rao's visit in 1993, India and China signed four agreements ranging from the agreement on Line of Actual Control to Environmental Cooperation, Radio and Television cooperation and a protocol on the Extension of border trade. Their concern on human rights, environment and liberalisation and globalisation of economy brought a commonality of approach in their interaction.

India and China agreed to build Army to Army contact as a step towards settling the border dispute. It was agreed to reduce the forces posted along the border and exchange information regarding troop movements. Speaking in a function organised by the India-China Journalists Friendship Association the Chinese Ambassador to India, Cheng Ruisheng said that "China is prepared to provide Launch facilities for Indian satellites from its soil given the sophistication of its space

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8 The Hindu (Madras) 8 September 1993. For the full text of the India-China Agreement on the maintenance of Peace and Tranquility along the Line of Actual Control see Times of India (New Delhi), 9 September 1993. T.V.Rajeswar, "India-China Accord", Hindustan Times, 6 October 1993.


Considering the changing international politics and a thaw in Sino-India relations, Nepal tried to redefine its security. Commenting on Nepal's security concerns Prime Minister Koirala said: "The very concept of security is undergoing a radical change. It is no longer limited to the traditional security system. It is and will be equally determined by economic, socio-humanitarian, scientific and technological and environmental factors." 

For economic advancement of Nepal Koirala emphasised on mobilizing greater economic resources, increasing trade, foreign investment and developing tourism and further integration with the international economy.

**Economic Relations**

To consolidate Indo-Nepal economic relations, a High Level Task Force was set up during Prime Minister Chandra Shekhar's visit to Nepal in 1991. The Task Force met thrice in August, September, October 1991 and recommended Indo-Nepal bilateral cooperation on the establishment of B.P.Koirala Medical College, Telephone Exchange at Rangeli,

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12 Koirala's Speech, n. 5.

Biratnagar-Rangeli-Jhapa road construction, Chatara-Chaka ghatti-Birpur road, Greater Janakpur development project, repair and strengthening of Jayanagar-Janakpur-Bizalpur railway line. It was agreed that the recommendations would be proposed for consideration of the two Prime Ministers.14

The Nepalese Prime Minister Girija Prasad Koirala paid an official visit to India from 5 to 10 December 1991. The visit was fruitful in concluding two separate treaties on Trade and Transit on 6 December 1991 for a period of five years and seven years respectively. The new Treaty of Trade reduced the requirement of domestic content and labour on Nepalese goods from 65% to 50% to provide duty free access into India. The Agreement to control unauthorised trade was also extended for five years. Each of the sides committed themselves to ensure that the interests of the other party would not be affected by the entry of illegal trade, narcotic and psychotropic substances and acquiesced to exchange information on such matters.15

Koirala showed sensitivity in dealing with the Indian security concerns. On Nepal’s import of arms from China in 1988, Koirala assured India that "such things would not be allowed to vitiate the atmosphere in

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14 Brief on "Indian Aided Projects, Indo-Nepal Cooperation", First Secretary (EC&A), Indian Embassy, Kathmandu, 16 April 1993.

future", and on the involvement of the Chinese Contractors in the road construction projects in the Terai, Koirala commented "Let us bury the past and start with a new vision."\(^{16}\)

India reciprocated to Nepal's gesture of friendship and Prime Minister Rao paid a good will visit to Kathmandu on 19-21 October 1992 which paved way for closer relations between India and Nepal. Emphasis was placed on bilateral cooperation in economic interests. In the Joint Communique signed at the end of Rao's visit the two Governments agreed to improve and simplify the regime for export of Nepalese goods to India. On water resources both the signatories agreed "on a time frame for investigation and preparation of project reports etc on the Karnali, Pancheshwar, Sapta-Koshi, Budhi-Gandaki, Kamala and Bagmati Projects as also on the flood forecasting and warning system".\(^{17}\) Further discussions were held on Tanakpur barrage and both the countries agreed to install missing pillars on the India-Nepal border in the barrage area.

The natural disasters like flood, draught, water logging, salinity, pollution in the Himalayan rivers cause an adverse impact on the

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\(^{17}\) See the Text of the Joint Communique signed between J.N.Dixit, Foreign Secretary, India and Narendra Bikram Shah, Foreign Secretary, Nepal, on 21 October 1992, Kathmandu. Source: Indian Embassy, Kathmandu.
environment, economy and the people of Indian plains at large. "The material damage and loss of life is so prohibitive in social and economic terms, that environmental insecurity is now a critical concern, acquiring a degree of political urgency the regional governments can no longer ignore."\(^{18}\) For instance, in the Indian state of Bihar, bordering Nepal, an area of 4.5 lakhs hectares and a population of 2.10 crores (approx) is affected by floods every year. In 1987 the floods affected 33 out of 39 districts in Bihar damaging property worth Rs.1200 crores.\(^{19}\)

The Government of India and Nepal are making efforts for water resource development to combat the problem of floods, sedimentation and maintainence of Himalayan ecology, (Refer Table IV for Indian aid in water resource sector). In December 1991 the Indian Minister of water resources V.C.Shukla visited Nepal and discussed projects for Pancheshwar, Sapta-koshi, Karnali, Tanakpur and the dangers arising from flood and inundation.\(^{20}\) An Agreement was signed on an action plan for cooperation


in the development of water resources. Speaking on the occasion Shukla said "The action plan agreed upon during the talks will promote economic prosperity and friendship between Nepal and India."21

To review the Indian aided projects already completed or nearing completion and to consider new projects, the High Level Task Force met in April 1994 in New Delhi.22 Through economic aid and joint ventures India and Nepal resolved to normalize their relations. Economic backwardness can lead to instability in the society as the small states like Nepal have uneven distribution of wealth between the rural and urban areas and their dependency on Foreign aid makes them vulnerable. Describing the consequences of economic backwardness Rahman and Haider say that the economic instability of a small state can lead to political instability because of the dissatisfaction among the people at large.23 P.C. Lohani suggests that "India's security is best served by allowing economic benefits to Nepal and gain the goodwill and support of the people".24


24 These views were expressed by Prakash Chandra Lohani, member Rashtriya Prajatantra Party, in an interview on 23 May 1994 in Kathmandu.
India has emphasised on developing infrastructure of Nepal in road construction, railway linkage etc which is the basic pre-requisite for economic development. It is reflective of the Indian support to Nepal's economic development and well being of its people.

The Military Assistance

The major help by India for the well being of the Nepalese was by way of pension disbursement to not only the Ex-servicemen of the Army but also to the personnel of Assam Rifles and Central and State government pensioners which was an inevitable consequence of the recruitment of Gurkhas in the Indian Army and other Para-military services. The Government of India distributed pension to 68679 Indian military pensioners in 17 pension paying camps. The military wing of the Indian Embassy took added responsibility of disbursing pension to 13571 Assam Rifles pensioners and 10264 central and state government pensioners. (Refer Table V for pension payment in Nepal). For the welfare for the Pensioners a Bhartiya Gurkha Sainik Niwas was set up in Kathmandu in 1991 in which a typing-cum-photocopying school, knitting and stitching centre for the sons and daughters of ex-servicemen, serving soldiers and war widows was set up.

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25 Pension Payment in Nepal as on 30 April 1994 by the official sources, Kathmandu.
inaugurated by Prime Minister G.P. Koirala in January 1993. 26

A Pension Paying Depot is being opened at Butwal to look into the interests of about 4000 ex-servicemen and their dependents at the cost of Rs.1,600,000 by the Government of India. 27 India spends around Rs.30 lakhs per annum towards providing drinking water facilities to ex-servicemen in Nepal and for their medical facilities Rs.20 lakhs are spent. Every pensioner is given a medicine packet for common ailments while coming to collect his pension. Also medical teams from India with specialists for eye, dental and other ailments visit Kathmandu frequently with an idea of benefiting the pensioners settled all over Nepal. 28

The expenditure incurred in respect of pension distribution is met by the Ministry of Defence, India, whereas the expenditure on other benefits like drinking water facility etc is incurred by the Military Wing in the Indian Embassy. 29

India also agreed to assist Kathmandu in modernising or expanding the Royal Nepal Army. The Palace had asked for Indian assistance to raise two mountain divisions in 1988. Subsequently, with the advent of democracy

29 Ibid.
Nepal withdrew its demand to raise additional divisions and assured India that there would be no appropriate increase in manpower from the existing strength of 44,000 including all ranks. India resumed Army to Army contact with Nepal after seven years, with the visit of the Chief of Army Staff General Rodrigues in 1992. Consequently, the RNA spelled out its plan to modernise 6 infantry brigades, that is, 18 battalions with 3 battalions grouped under each brigade, with artillery, engineer and signal complements grouped under Brigade Headquarter. RNA stated that the ‘urgently needed’ stores worth Rs 17 crores (IC) could be supplied under phase I.

The next year in November 1993 during the visit of Chief of Royal Nepal Army to India it was decided to deliver the defence stores on grant basis. Arms worth Rs 1.32 crores on cash payment were delivered to Nepal.

With the advent of democracy in Nepal and its pursuit to normalise relations with India, both the countries were sensitive to one another’s needs. Nepal had extended cooperation in meeting India’s security requirements to tackle terrorism or not to buy arms from China and the Indian counterpart reciprocated by meeting the Nepalese defence requirements and cooperating in trade, transit and developmental projects.

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32 Ibid.

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Anti-Indianism to Counter Koirala

The Nepalese government, however, faced opposition at home from inter and intra-party conflicts which were unsupportive towards government's policies and programmes. Differences arose amongst the Nepali Congress leaders, the supreme leader Ganesh Man Singh, the Party President K.P.Bhattarai and the Prime Minister G.P.Koirala over the sharing of 'power' and 'influence' in the cabinet.\textsuperscript{33}

The desire of the troika in the Nepali Congress to appoint their supporters in the post of ambassadors and civil servants led to infighting between them.\textsuperscript{34} The supreme leader of the Nepali Congress charged the Prime Minister with nepotism and corruption.\textsuperscript{35} The Prime Minister faced dual threat to be in power from within its own party and from the opposition parties in parliament. This weakened the position of the Prime Minister to implement the policies and programmes of the government effectively.

The opposition in unison was against Koirala for his friendly attitude towards India. Baburam Bhattarai, the leader of the United People's Front


\textsuperscript{34} The Telegraph (Calcutta), 12 July 1993.

\textsuperscript{35} The Patriot (Chandigarh), 6 October 1993.
considered him as "a stooge of India." The United Marxist-Leninist party wanted the ruling Nepali Congress to follow the policy of equi-proximity in developing relations with both its neighbours, India and China. The CPN (UML) had submitted a memorandum to Prime Minister Koirala on the eve of Narasimha Rao's visit to Nepal from 19 October 1992 asking him to follow policy of equi-proximity guided by Panchasheel and not to tilt on one particular side in the name of special relationship. The left opposition had made an obvious reference towards India and its desire not to have any special relationship with it.

The CPN (UML) had urged Prime Minister not to accept any accord, understanding or agreement for harnessing of water resources and "no necessary preference be given to the interests of others as compared to one's own". The memorandum was referring towards the agreement on Tanakpur barrage which was signed between India and Nepal. The left opposition did not lend support to Koirala Government on the agreement on Tanakpur barrage and considered it as a sell out of the dignity and

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36 Baburam Bhattarai, the former President of United People's Front, blamed the inefficiency of the Government due to its pro-India policy, in an interview on 23 May 1994.

37 See the Memorandum on CPN (UML)'s Position on Nepal- India Relations submitted by a delegation led by Madan Kumar Bhandari to the Prime Minister on 18 October 1992. The source is given by the CPN (UML), Kathmandu. Also Refer Sunday Mail (New Delhi), 12 December 1992.
prestige of Nepal as a compromise to Indian security interests.\textsuperscript{38}

The left opposition considered the Tanakpur issue as a violation of article 126 of the Constitution which requires ratification by 2/3rd members present at a joint sitting of both the houses of parliament for all the agreements with foreign government on peace and friendship, defence and strategic alliance, boundaries and natural resources of the Kingdom.\textsuperscript{39}

The Agreement was taken to the Supreme Court of Nepal contending it to be against the constitutional provisions.\textsuperscript{40} The Judgement given favoured the petitioner without, however, specifying whether the matter required a simple or two-third majority. The matter is still unsettled in the Parliament.

The Supreme Court verdict was welcomed by the political parties but they reacted differently. The left asked for Prime Minister's resignation on moral grounds whereas the Sadbhavana party demanded an apology from the Prime Minister for withholding information from the people.\textsuperscript{41} The faction supporting Bhattarai and Ganesh Man Singh in the ruling party which had earlier demanded Prime Minister's resignation, changed their

\begin{itemize}
  \item \textsuperscript{38} Ibid.
  \item \textsuperscript{39} Refer \textit{The Constitution of The Kingdom of Nepal} (1990), Ministry of Law, Justice and Parliamentary Affairs, HMG, (Kathmandu, 1992).
  \item \textsuperscript{40} \textit{Times of India}, 8 January 1992.
  \item \textsuperscript{41} Brief on Indo-Nepal Relations, n.30. Also refer \textit{Rising Nepal}, 23 December 1992.
\end{itemize}
stance after the meeting of the central committee in December 1992 and the General Council in February 1993. They welcomed the decision of the Supreme Court and said the demand of resignation tantamounted to contempt of court and only the Prime Minister could effectively present the Tanakpur issue in the Parliament.  

Koirala defended the Government's position by blaming the opposition responsible for insitigating anti-India feeling in Nepal in order to strain Indo-Nepal relations. On Tanakpur issue he said "we have not compromised our sovereignty with India".

The opposition parties had used anti-Indianism as a front to criticise the government in power. The issue of water resources can be utilised for motivated political use. The agreement reached on water resources with the neighbouring countries can have political utility for the ruling and opposition parties. The party in power can gain public sympathy to strengthen its position by blaming the signatory for delay in completion of the project if the agreement on water resource appears to be less favourable to the country. On the contrary, if the Agreement is signed by the

44 Koirala expressed his views on Indo-Nepal relations on the eve of P.V.Narasimha Rao's visit to Kathmandu. see. The Hindu, 19 October 1992.
45 Hassan., n. 18.
ruling party then the opposition can decry it as a compromise on nation's sovereignty as is the case in Tanakpur agreement.

The Tanakpur issue has been politicised by the political parties in Nepal for their own gains. The sensitivity of the issue on water resource and its linkage with the sovereignty of the state cannot be denied since it impinges on the improvement of India's relations with democratic Nepal. Also the new dimensions of national insecurity can affect the relationship, which makes India-Nepal cooperation in dealing with their security concerns essential.

**Emergence of New Threat Perceptions**

The emergence of Nepal as a sanctuary for the terrorists and criminals from India and the possibility of a third country exploiting the situation, for instance Pakistan Embassy is reported to extend active help to separatist and terrorist activities in India, has provided a new dimension of threat to Indian security. The Sikh terrorists are reported to be taking shelter in far western Nepal taking advantage of the open border. With the growing pressure of State machinery, like Police and Army, the Kashmiri militants are taking refuge in Nepal. The Pakistan Embassy renders regular financial assistance and provides transit facilities and fake passports to the
Kashmiri and Sikh militants.\textsuperscript{46} ISI has purchased benami land in the Terai from where anti-India activities are carried out.\textsuperscript{47}

Pakistan is also indulging in taking up joint projects in Hotel Industry in Kathmandu. For instance, the management of Hotel Karnali in Kathmandu has been taken over by a Hotel group of Pakistan. On 9 January 1994 the Managing Director and General Manager of Hotel Karnali were arrested on charges of espionage and anti-India activities, who were, however, released by the Pakistan Embassy, the next day.\textsuperscript{48}

The Islamic nexus comprising Pakistan as the lead player has started focusing on Nepal as a ground for anti-India activities inimical to its security concerns. The muslim organisations in Nepal, Milliat-e-Islamia, Muslim Seva Samiti, Nepal Muslim Yuva Society, Anjuman-e-Islam, Jamea-Sera Jululoom Salafia, are funded from Saudi Arabia, Egypt, Gulf countries, Pakistan, Bangladesh and Jamaat-e-Islamia of India to safeguard the interests of Muslims in Nepal and spread the cause of Pan-Islamism. The Nepal Islamic Yuva Sangh is involved in imparting training and religious education to youth. The foreign aid to muslim organisations is not a recent phenomenon as in 1983 Saudi Arabia had given Rs 10 lakhs (NC) to

\begin{itemize}
\item \textsuperscript{46} Report on Militant Activity in Nepal against India, Monthly Military Digest Report no.5/92.
\item \textsuperscript{47} Hindustan Times, 14 December 1994.
\item \textsuperscript{48} A brief on Indo-Nepal Relations-Current Concerns and Future Prospects, Paper no.01/94, Joint Intelligence Committee, Cabinet Secretariat, Government of India, New Delhi, January 1994.
\end{itemize}
Milliat-e-Islamia and Zia-Ul-Haq had personally handed over a sum of Rs 25,000 (NC) to Imam of Jama Masjid in Kathmandu in May 1993.\textsuperscript{49}

The muslim population of Nepal are concentrated in the Terai region contiguous to the Indian border where three districts of U.P., Baharaich, Gonda and Sidharth nagar are vulnerable to ISI activities.\textsuperscript{50} (Refer Map showing concentration of muslims in Nepal).

Terrorism is interconnected with acquisition of arms and ammunition and the training for their use.\textsuperscript{51} The arms and ammunition have been sent from Nepal to India by concealing them in vehicles crossing the border. Finance required for procuring arms and ammunition are generally generated through drug trafficking.\textsuperscript{52}

The drugs, money and arms nexus can be a menace to the security of India as through the open border arms can be transported to the insurgents, militants or the underworld. Also, there is a growing trend in the usage of Brown Sugar and synthetic drugs in Nepal imported via Air or Land route. Nepal can become a probable international transit point for drug trafficking.

\textsuperscript{49} A Report on muslim activities in Nepal, from the "Basic Hand Book on Nepal", Director General of Military Intelligence, New Delhi, 27 August 1984.

\textsuperscript{50} Hindustan Times, 25 January 1994.

\textsuperscript{51} K.R. Singh, "International Terrorism and South Asia" Strategic Analysis (New Delhi), vol 12, no.12, March 1989, p.1179.

trafficking because of its geographical location between the Golden triangle in south-east Asia and the Golden crescent in Central Asia. Yogesh Upadhyaya, the editor of Kathmandu Post confirms this view and opines "Raxaul is becoming a drug-den in the border with full knowledge of the local police". This poses a new threat to the security and stability of India.

The long border of India contiguous to almost all the countries of the region except Maldives, is threatened by the entry of drugs or arms. The powers inimical to India would like to divert the government's attention by keeping the problems in the border states of India active, for example, the Kashmir problem in order to continue drugs or arms trade. The north-eastern border of India, especially Mizoram, Nagaland are fraught with insurgency and drug trafficking. Though India has taken efforts to fence the border with Pakistan and Bangladesh with barbed wire and tighten the security but the porous border from the north opens new vistas for using anti-India activities by the third countries.

India and Nepal have recognised the emergence of terrorism, drug trafficking as a new dimension of threat and discussed it at various levels.


54 Views expressed by Yogesh Upadhyaya, Editor, Kathmandu Post, in an interview on 31 May 1994 in Kathmandu.

The Nepalese Prime Minister G.P Koirala assured full cooperation to desist terrorism and attempt to use Nepal by the terrorists as a Transit Camp.\textsuperscript{56} The Foreign Secretary of Nepal, Kedar Bhakta Shreshtha, confirmed that Nepal is alert to the increase in political activities in its soil and will not allow anti-India activities to flourish.\textsuperscript{57}

The focal point of the illegal trade in arms and drugs, is due to the open border between India and Nepal. The Treaty of Peace and Friendship grants unrestricted movement to people from both the sides of the border. And the Kashmir militants or the criminals taking shelter in Nepal take advantage of the open border and free flow of traffic across the border in accordance with the 1950 Treaty provisions, as they cannot be stopped to cross the border. Former Home Minister of Nepal Sher Bahadur Deupa suggests the border to be controlled or regulated in order to maintain a record of people crossing over the border. Also, Identity cards can solve the problem as one would know the nationality of a person as that can be disguised because of ethnic resemblance of the South Asians.\textsuperscript{58}

\textsuperscript{56} Keshav Pradhan "Terrorists rest to get shelter in Nepal, says Koirala". \textit{The Telegraph}, 20 October 1992. Also refer \textit{The Patriot} (Chandigarh) 22 October 1992.

\textsuperscript{57} Interview with the Foreign Secretary of Nepal, Kedar Bhakta Shreshtha on 16 May 1994. "He feels that through exchange of information between India and Nepal the danger of narco-terrorism, fundamentalism can be solved."

\textsuperscript{58} Views expressed by Sher Bahadur Deupa, the Home Minister in Nepali Congress Government, in an interview on 6 May 1994. Talking about the emergence of new security threats in Nepal Deupa
Similar sentiments were echoed by a Committee under the chairmanship of Harka Bahadur Gurung in 1983 which studied internal and international migration of population in Nepal. The Committee recommended limited number of points of entry and exit in the Indo-Nepal border and movement of goods and people other than from the specified points were suggested as illegal. For regulation of movement of the people across the terai border the Committee recommended registration of names at the border check points, entry permit system and regular passports between India and Nepal.

A controlled border would cause inconvenience to the people in the Terai as their freedom of movement would get restricted. The traditional socio-cultural linkages amongst the people of the two countries makes the boundary distinctions blurred. The Sadbhavana Party President is firm that in case of a regulated border the party would revolt against it.

However, the Government of Nepal has never initiated a move to discuss with India about the termination of the 1950 Treaty. The Treaty encompassing the entire gamut of relationship, if abrogated, would alter

opined that Nepal has only one international airport and the authorities are capable to check arms, drugs trafficking at the airport.


An interview with the Sadbhavana Party President Gajendra Narayan Singh on 11 June 1994, Kathmandu.
the Indo-Nepal relations. The impact would be felt in the movement of people crossing over the border and availing employment, educational, economic and other facilities that would be abrogated and the border closed. This would result in India increasing defence preparedness on the border by four to six additional divisions amounting to increased financial burden.61 Any effort from Nepal to abrogate the Treaty would be resisted by India because "this would deny India the advantage of excercising unilateral option (implied though not stated under the Treaty) of meeting unforeseen security contingency in Nepal".62

Though India's relations with China have improved, the contentious border issue is still unresolved. In Khanduri's opinion India's relations with China have normalised but judgement should not be passed on the basis of such a short duration.63 Also the increasing Chinese military presence in Tibet makes the consolidation of India's security interests with Nepal essential due to open border. And it cannot allow any third country, with interests inimical to India, gain a foothold in Nepal.

62 Ibid., p.59.
63 An interview with Brigadier C.B.Khanduri(Rtd.) on 18 September 1993 in India.
Military Linkage in Perspective

A consensual approach is required by both India and Nepal to meet any divergencies in their relationship. The recruitment of the Gurkhas is a valuable linkage between the two countries. It not only ties the security concerns of Nepal with India but also helps as a safety valve for Nepalese to gain employment in Indian Army and enjoy welfare facilities, thus, covering up the deficiencies of the Nepalese government in these areas.

However, UPLF demands for abrogation of the Tripartite Agreement on Gurkha Recruitment which is a black spot in Nepal's pride and nationalism. The CPN(UML) was, also, against the export of human resources from Nepal but has given up its opposition against the Gurkha recruitment after assuming power as under developed Nepal cannot forego a constant source of employment and foreign exchange. Manmohan Adhikari opines that Gurkhas can continue to function in the Indian Army as long as alternative arrangements for their employment is not provided at home. It should be noted that not all the political parties are against the recruitment in the Indian Army. In fact Sadbhavana Party would like the Terains to be recruited in the Indian Army as they are also Nepalese.

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64 The views were expressed by Baburam Bhattarai, refer, n.36.
65 Interview on 6 May 1994 with Man Mohan Adhikari, the President of CPN (UML) and presently the Prime Minister of Nepal.
66 Views expressed by the Sadbhavana Party Spokesman Rajendra Mahto on 10 June 1994. To meet the increasing demands of employment the party asks for recruitment of terrains in the RNA and
Contrary to the perception of the politicians who regard the Gurkha re-recruitment as against their national pride, the Gurkhas themselves prefer continuance of recruitment in the British and Indian army because in the absence of job opportunities in Nepal it is a source of employment to them.\textsuperscript{67}

However, Britain is reducing the number of Gurkhas from the British Army in a phased manner as a part of overall reduction of their forces by 44000 from 116,000.\textsuperscript{68} With the transfer of Hong Kong to China in 1997, the British Gurkha regiments would be reduced from eight to five or would retain 2500 soldiers out of the present 8000 soldiers. From the salaries, pensions and gratuities of the Gurkha soldiers in the British Army, Nepal receives £20 mn annual and $17mn in the form of grants.\textsuperscript{69} The cut down of the British Gurkha will affect not only the foreign exchange and economy of Nepal but also leave the soldiers out of jobs. Surya Bahadur Thapa expressed that "The trained unemployed population can cause a law

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\textsuperscript{67} Views expressed by various British and Indian Gurkha soldiers, Nepal.


and order problem in the country.”

The British tried to dismay the fear amongst the ex-servicemen, of reduction in recruitment, by providing various aid projects funded by British Overseas Development authority. The British Gurkha Training centre at Kathmandu is undertaking resettlement training programme to provide employment to the retrenched Gurkha Soldiers from the British Army. The Gurkhas show uneasiness that India might follow Britain and reduce the number of Gurkhas in the Indian Army. India has also tried to allay these fears and apprehensions amongst its ex-servicemen through the ex-servicemen organisation.

The Nepalese allege that India is recruiting the Nepalese settled in India and reducing the intake of the Nepalese citizens in the Army. However, the Agreement on Gurkha recruitment is silent on the number of Gurkhas to be recruited. It states the upper limit of 12 battalions only. The Nepali citizens can avail recruitment in the Gurkha Regiment of infantry and one unit in the Artillery 64 Mountain Regiment where as the Indian

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70 An interview on 21 May 1994 with Surya Bahadur Thapa, the President of Rashtriya Prajantantra Party (T) and former Prime Minister of Nepal from 1981-83.

71 Ibid.

72 Ibid.

73 An interview with Rishikesh Shaha on 8 May 1994 in Nepal.
Gurkhas can be employed in other regional and para-military organisations.\textsuperscript{74}

With the growing demand for job opportunities in India, the question arises whether it is feasible to employ Gurkhas. As stated earlier the inevitable consequence of the Gurkha recruitment is the presence of India in Nepal's soil through pension payment and welfare measures to ex-servicemen. Also, the recruitment of Gurkhas is favourable to India as General Sharma puts in a nutshell that "Indian Army's relations with Nepal are of the highest order. The Gurkhas are far superior infantry men away from political influence. And in India where insurgency or terrorist activities are prevalent, for example in Punjab and North-East, the Gurkhas are excellent, neutral, effective force".\textsuperscript{75}

The Indian Military assistance to modernise and recognise Nepalese Army in accordance with the 1950 Treaty and Arms Assistance Agreement 1965, provides an important military link between the two countries. India provides military training to all ranks of the RNA on a no cost basis and medical treatment facilities to maximum 8 cases or upto Rs.10,000 per annum in Military Hospitals in India.\textsuperscript{76}

\textsuperscript{74} Brief on 'Indo-Nepal Military Cooperation', Report no.7, Director General of Military Intelligence, New Delhi, n.d.

\textsuperscript{75} Views expressed by General V.N.Sharma, (Retd.) Chief of Army Staff, in an interview on 22 March 1994.

\textsuperscript{76} Brief on Indo-Nepal Relations, n.30. In 1992-93, 67 officers and 99 other ranks were provided Training courses in Indian military institutions and 7 cases at no-cost basis were treated in military hospitals.
A militarily stronger Nepal would reduce Chinese threat to India through Nepal becoming a more effective buffer. The RNA looks after not only the probable external aggression to Nepal but also internal security, national construction and peace keeping operation at the international plane.\textsuperscript{77} The Government of Nepal has decided to utilise the RNA as a reliable and cooperative force of the People by making it efficient and capable and involving its participation in various development and relief works in the country.\textsuperscript{78} Ramesh Jung Thapa, the defence secretary of Nepal, seeks to develop a positive understanding between Army and the people, the former should be utilised in nation-building such as road building projects, nature conserving projects etc.\textsuperscript{79} Thus a politically stable, economically developed and progressive Nepal is beneficial to India's security interests.

**Political Crisis in Nepal**

However, democracy in Nepal at its nascent stage could not provide a stable government due to internecine conflicts amongst political parties for power and influence. The democrats and the communists had together

\textsuperscript{77} Brief on Indo-Nepal Military Cooperation, n. 74.

\textsuperscript{78} Refer, Royal Address by His Majesty the King to the joint sitting of the two houses of parliament at its third session, 1 July 1992.p.9.

\textsuperscript{79} An interview with the Defence Secretary of Nepal, Ramesh Jung Thapa on 29 May 1994.
fought for the democracy in Nepal and in the interim government both the factions had enjoyed power. With the coming of democrats in power the other political parties started vying with each other to encash their contribution in the popular movement and enjoy power and influence.

The democratically elected government of G.P. Koirala faced non-cooperation from the left parties, the palace and the Nepali Congressmen supporting K.P. Bhattarai. The UML introduced a no-confidence motion against the Prime Minister in the hope of getting support from the other political parties and the dissenters from Nepali Congress who were dissatisfied with the Prime Minister and had demanded a disciplinary action against him for his alleged involvement in Bhattarai's defeat in the bye-election in 1994.80

The no-confidence motion failed but 36 supporters of Bhattarai proclaimed their non-support to the Prime Minister. On 10 July because of the absence of the dissenter from the Parliament the treasury benches could not pass a vote of thanks on His Majesty's address to Parliament. Koirala tendered his resignation and advised for mid-term poll which was accepted by the king.81

In the General election held in November 1994 the Communist Party of Nepal led by Man Mohan Adhikari secured 89 seats. Adhikari formed the

government with the support from other left parties, the Nepal Mazdoor Kisan Party with four members and two independents supported by the Communist Party of Nepal (Mashal).  

After assuming power, Prime Minister Man Mohan Adhikari expressed to have a friendly relations with both India and China and update all the existing bilateral treaties with India including Tanakpur agreement. He proclaimed that "no anti-India activity would be allowed from the Nepalese soil".

On his visit to India, the first ever visit to any foreign country since assuming Prime Ministership, Man Mohan Adhikari again reiterated his government's stand to update the friendship Treaty of 1950. Though, he said his government was "prepared to commit totally for strengthening India's security and from Nepal there can be no harm on India but the concept of security umbrella is outdated". The obvious reference was to article II and V of the 1950 Treaty and the letters exchanged along with it, which deal with the strategic concerns between India and Nepal. (dealt in chapter II).

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83 In an interview with Askari H.Zaidi, Man Mohan Adhikari gave primacy to regulate the open Indo-Nepal border, initiate a system of work permits for India and review some bilateral treaties and agreements Refer, Times of India, 12 December 1994.

Prime Minister Adhikari also desired updating of article VII of the 1950 Treaty which allows unhampered demographic flow of people from one country to another. (refer chapter II for details). Explaining the reason for updating the Treaty he said India can take a few thousand Nepalese but "Nepal will be swamped if so many Indians came to Nepal."\(^\text{85}\) As far as other aspects of the Treaty, Adhikari described them as ‘valid’.\(^\text{86}\)

It is too early to predict what course the Indo-Nepal relations will take under the Communist Government in Nepal. However, the geographical compulsions on Nepal are too overwhelming for any government to ignore. China’s inability to economically help Nepal due to geographical hurdles during the Indo-Nepal trade impasse makes certain the landlockedness of Nepal that needs India’s cooperation for survival. The trade, transit, socio-economic, political activity are interlinked with India. The political linkage exists amongst the democratic and communist parties of both the countries. On the eve of the dissolution of the Parliamentary Government of B.P. Koirala in 1960, the communists and democrats had taken refuge in India. During the popular movement for democracy in 1990, the Indian political leaders were present in Nepal extending their support and cooperation. Thus, people to people contact is so extensive and

\(^{85}\) Ibid.

\(^{86}\) Ibid.
strong that the Communist Party would continue the friendly relationship with India.

**Conclusion**

The aspirations of the Nepalese people to achieve parliamentary democracy came true in 1990 when the elections were held after 1959. However, instead of strengthening democracy the political leaders tried to cash on their contribution in the movement and battled with each other for sharing of power. The political faction within Nepali Congress supported the Party President Bhattarai at the cost of weakening their own party. The left opposition, taking advantage of the party factionalism, tried to weaken the position of the Prime Minister by countering his policies and programmes. For instance, Nepal's effort to privatise economy and its sale of state enterprises such as paper, shoe and brick factories to India was decried by the left. On the Tanakpur Barrage agreement, the left opposition asked for Koirala's resignation. Anti-Indianism came as a handy tool by the left parties to criticize Prime Minister Koirala. However, any government which comes to power is obliged to follow the Treaties on Security, Trade, Transit etc with India, unless abrogated by either Party with a prior notice.

The security arrangements with India signed to look after the adversarial activities on the sovereignty and integrity of the signatories are still valid to face new emerging threats. In the fifties, the security
arrangements were signed to contain the expansionist communist China further southwards of Tibet. However, in the eighties, both India and China have adopted a consensual approach to normalise relations and are concentrating on reconstruction of their economies. But the Chinese threat cannot be ignored in the long run as the presently subsided, border dispute still exists.

The rise of narco-terrorism, muslim fundamentalism and anti-India activities in Nepal are a security threat to India. The danger becomes grave with the involvement of powers inimical to India's security interests. There are evidences to show Pakistan's involvement in abetting Kashmiri terrorists who take refuge in Nepal. With the growing patrolling on the Indo-Pak border, Nepal has opened a new vista for Pakistan from where anti-India activities can be operated.

Pakistan's islamic propaganda through aid to various muslim organisations helps it in maintaining contact with the local population and to spread Islamism. The involvement of other aid donors, namely Saudi Arabia, Bangladesh and donors from the Middle East, to muslim organisations brings them near India's border as the concentration of Nepalese muslims is in the Terai region. The presence of muslim organisations in Nepal and their cause to spread Pan-Islamism concerns India as they are in contact with the muslim organisations in India such as Jamaat-e-Islamia.
The open border between India and Nepal and absence of any restriction on Indians and Nepalese to cross the border gives an opportunity to the transborder movement of militants and criminals. Thus to counter them, a friendly neighbour in the north sensitive to India’s security concerns is needed. The Government of Nepal has extended cooperation to India to curtail anti-India activities in its soil. It is imperative for India’s interests to ensure that a cooperative attitude of the Nepalese authorities on security interests is further strengthened.