ABSTRACT

The present study on "Indo-Nepalese economic relations: 1950 - 78" is an attempt at analyzing various factors affecting the pattern of Indo-Nepalese economic relations over time and the prospective course thereof. An attempt has been made to bring into focus the extent of success in preserving and advancing the mutual national interests of India and Nepal.

The topography of Nepal makes Indo-Nepalese relations much closer than they would otherwise have been. She is our next door neighbour and has been closely linked geographically, economically and culturally. While traditional Nepal has preserved the cultural heritage and the natural beauty of its land, a marked change to modernity is taking place steadily. Rapid industrial and agricultural development has started giving new dimensions to the economy of this land locked country.
Chapter I describes the problem and presents the hypothesis that the vast potential of Indo-Nepalese economic cooperation has not yet been realized. In this chapter there are three sections. The first section reviews briefly the history of Nepal as it imprints on her relations with India; second section presents data source; and the third section describes the scope, plan and limitations of the study.

Chapter II is an analysis of the special features of Nepalese economy. In this chapter there are seven sections. The first and second sections give a brief introduction of ancient Nepalese economy; third section deals with economic changes in Nepal after 1950-61. The fourth and fifth sections describe the economic and social infrastructure and different sources of income; sixth is an examination of the efforts at planned development of the Nepalese economy and the last section makes some concluding remarks.

Chapter III which together with the next chapter forms the core of the dissertation, reviews
Indo - Nepalese economic relations. In this chapter there are three broad sections. The first deals with various factors affecting Indo - Nepalese relations; the second describes the history of Indo - Nepalese economic relations from British rule to post independent era; and the third makes some concluding observations on the nature and importance of the Indo - Nepalese economic relations.

Chapter IV examines in detail the Trade relations between India and Nepal. In this chapter there are four sections. The first section describes Indo - Nepalese trade relations after independence of India; the second is concerned with recent trends in these relations. The third section is an analysis of commoditywise exports and imports of Nepal and the fourth makes some concluding remarks.

Chapter V examines economic aid and cooperation given to Nepal by India; it also deals with the foreign exchange relations between them. Indian capital and technology have played an important role in assisting, strengthening and diversifying Nepalese
industrial base and structure. In this chapter there are seven sections. The first and second sections describe the Indian aid policy and the volume of India’s aid to Nepal. Third section is an analysis of economic cooperation given to Nepal in various fields of development like agriculture, transport, communication, irrigation, power, horticulture, education, health etc. The fourth and fifth sections discuss some mutual benefit schemes and a few private ventures of industrial and business collaboration between India and Nepal. Sixth section is concerned with foreign exchange relations between India and Nepal.

Chapter VI attempts to explore unauthorised trade between India and Nepal. Indo - Nepalese relations have been affected adversely due to this illegal trade along the long Indo Nepal border. It is a problem of National importance for India. In this chapter there are six sections. First section discusses factors responsible for this unauthorised trade i.e. smuggling; second is concerned with the
mode of such trade; third deals with the list of some smuggled items; fourth and fifth sections comment on socio-economic effects of smuggling and its prospective pattern; sixth makes some concluding remarks about the finding of the chapter.

The study is brought to a close by summarising the findings and inferring some conclusions from it (chapter VII).

The main conclusions are:

(1) The geographical setting of the two countries is the most significant factor for Indo-Nepalese relations. India is helping Nepal on the basis of equality and respect for her sovereignty. But after the Chinese aggression in 1962 consideration of strategic factors has become an important element.

(2) Their commercial ties have been very close. Nepal has been largely dependent on India for the supplies of essential consumers goods.
Nepal has the only easy outlet to the outside world through Indian territory and this has had an enormous impact on Indo - Nepalese relations.

(3) The assessment of economic aid and cooperation rendered by India shows that she has helped Nepal in the various crucial fields with significant success in her attempts at economic development.

(4) The study also shows that Indo - Nepalese economic relations have been economically useful to India also, although non-economic factors have been the main motivating factors governing these relations so far as India is concerned.