Border disputes between China and India may lead several South Asian countries to take a side. But, Nepal has always expressed a belief in neutrality and non-alignment (Ghimire 2020). Even though New Delhi has suspected Nepal’s neutrality citing China’s growing footprints in Nepal (Gupta 2020), Kathmandu reckons such suspicion as the result of a new map row between two countries connected by open borders (The Times of India, 2020). In addition, Nepal’s repeated calls to diplomatically resolve India-Nepal border problems (Republica, 2020) are unheeded by New Delhi, leaving room for the ruling communist party in Nepal to reap geopolitical benefits out of the Sino-Indian dispute (Giri, 2020a). But, interestingly, such geopolitical benefits are only targeted in tempering Indian influence in Nepal, by getting closer with China. Nepal’s recent initiatives to diversify its trade, along with new rail projects, are also the result of increasing discomfort with India (Sangraula, 2019).

Veteran Nepali diplomat Yadu Nath Khanal, in his book, “Nepal’s Non-Isolationist Foreign Policy” has mentioned that while the mounting tensions between India and China resulted in a war in 1962, there were comments in the Nepali press arguing that the war was to Nepal’s advantage. Although Nepal remained uninvolved, Nepal’s neutrality was disparaged in the Indian media as anti-Indian and pro-Chinese (Khanal, 2000). In today’s times, although Indian perception hasn’t much changed, the incumbent government in Nepal has failed to apprehend public perception while dealing with the disputing neighbors.

On June 19, 2020, when a virtual meeting between the communist parties of Nepal and China was organized by Nepal Communist Party’s (NCP) School Department, Indian media went on cynically portraying Nepal’s relations with China as anti-Indian. The meeting had taken place, when relations between India and China had worsened because of border skirmishes, scuffles and a violent clash along the disputed border in Ladakh, and at the time while Nepal’s own border dispute was underway with India. It not only made India cast doubt over Nepal’s neutrality, but also provided an opportunity for Indian media to endorse the Indian army chief’s remarks: “Nepal is acting on the behest of someone” (The Wire, 2020). Although the meeting was scheduled long before the clash between Indian and Chinese troops on June 15, 2020, the timing was not appropriate, thus drawing widespread criticism for its preventable geopolitical ambitions.

But, does the Sino-Indian dispute only boost Nepal’s geopolitical drive, or does it mean something more for Nepal, as such lethal disputes also have disastrous impacts on the economic aspirations of the Himalayan country to bridge the two economic giants. India’s spectacular economic performance and China’s unrivalled development has always given a hope of spillover effects to Nepal. Nepal’s search for prosperity itself is dependent on its transit diplomacy (K.C. & Bhattarai, 2018). But, whenever the geopolitical enmity between India and China triggers the geopolitical ambition in the leaderships of small states in South Asia, they take no less time to prioritize the interest of one nuclear-armed country against that of the other. Historically, the leaders of the small states have been doing this with an aim to defend their regime, or to protect their government back home, or at least to prolong their stay in power (Rose, 1971).

Both India and China are competent enough to bilaterally resolve their disputes. But, having adopted the Westphalian model, the two states have been reduced to geopolitical rivals. The communist system in China is depicted as a
perpetual threat to India – the world’s largest democracy – and thus a rivalry is constituted. However, the implications of such rivalry on their neighborhood, and also beyond, generates both prospects and implications. Sino-Indian rivalry is a constant menace to the small neighboring countries like Nepal, who have been aspiring to draw benefits from the spillover effects of the economic development in India and China, particularly by exercising transit diplomacy (Bhattarai, 2016). Beyond the neighborhood, however, the Sino-Indian rivalry is strategically advantageous to the United States. It proliferates U.S assertiveness in the region as India and China lose their image as responsible powers.

Although India is perceived as a rising power, concomitantly, it has missed numerous opportunities to take its neighbors, including Nepal into confidence, and has failed to lead the South Asian region (Ganguly, 2020). Even for China, which has left no stone unturned to lure the South Asian countries towards its Belt and Road Initiative projects, U.S. assertiveness in South Asia will be perilous. To the small states like Nepal, their competition for influence in South Asia, remains a major source of insecurity. Thus, fueling any thoughts in quest of geopolitical ambitions, may prove more hazardous.

Even though India is lured to the US-led Indo Pacific Strategy, New Delhi is not comfortable with U.S. assertiveness in its backyard (Hindustan Times, 2020a). China, too, has never been comfortable with the U.S engagement in the South Asian region. Small states like Nepal, too, are fearful of being trapped in the great power rivalry. In the early 70s, China was largely provoked when the Tibetan Khampa fighters in Nepal had received financial support from the United States (Adhikari, 2012). When U.S. President Trump tweeted, "United States is willing and able to mediate or arbitrate their raging border dispute," (Chiacu & Miglani, 2020), both the disputing parties rejected the offer. Zhao Lijian, the director of the Chinese Foreign Ministry spokesman responded that no third party ‘intervention’ is required (The Hindu, 2020). The Indian external affairs ministry also stated that India is directly communicating with China through established mechanisms (Laskar & Patranobis, 2020).

India and China claim that they can resolve the dispute on their own (Laskar & Patranobis, 2020), pointing to the Doklam crisis in 2017 which was resolved bilaterally. But, Nepal has constantly feared a security threat emanating from their infrequent conflicts. Following the death of 20 Indian soldiers in the most recent skirmish, Nepal’s security threat has burgeoned (Giri, 2020b), which was clearly visible in the press statement issued by Nepal on 20 June stating that the two neighboring countries need to resolve in their dispute through “peaceful means in favor of bilateral, regional and world peace and stability”( MoFA, 2020). Although China’s Foreign Minister Wang Yi and Indian national security adviser Ajit Doval have expressed their commitments to disengage their troops along the Line of Actual Control (Hindustan Times, 2020b), a future escalation cannot be ruled out. Indeed, just before the Galwan crisis, China and India had decided to strengthen the spirit of ‘positive consensus’ through effective military and diplomatic communications (Aljazeera, 2020) – still the tragedy befell.

Gurkha recruitment has further complicated the Sino-Indian dispute for Nepal. At present, over 30,000 Nepali Gurkha soldiers are serving in Indian army (Nepali Times, 2020), and most of them are deployed along the Sino-Indian borders. If India alludes to growing Chinese presence in Nepal, while doubting Nepal’s neutrality, China surely finds Gurkha recruitment going against Nepal’s refusal to take sides.

While the Sino-Indian rivalry has the elements of conflict, cooperation and competition, exploiting Machiavellian benefits out of the rivalry might not favor Nepal’s equidistant foreign policy. Upon this realization, Nepal has proposed a trilateral partnership (Giri, 2016). Thus, Nepal awaits New Delhi and Beijing to renegotiate their perceptions about each other. Although the Xi-Modi Wuhan meeting of 2018 aimed to stabilize relations between India and China, their relations today are clearly stirred by border problems and competition for regional supremacy and global influence. Nepal itself views Sino-Indian ties in three different ways. Firstly, as geopolitical rivals. Secondly, as economic giants. Thirdly, as two distinct civilizational entities. Thus, the Sino-Indian dispute for Nepal shouldn’t just mean an opportunity to boost its geopolitical ambitions as, owing to Nepal’s geostrategic location, cultivating relations with one country at the expense of the other may be counterproductive.

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