Relations with Nepal have a vitally important domestic as well as a foreign policy dimension for India. Many factors make India’s relationship with Nepal critical. These include the extensive people-to-people, religious, cultural and economic links between the two countries, the open border and the resultant security problems for India, free Indian currency convertibility in Nepal, the presence of Gorkhas in the Indian army, the millions of Nepalese living and working in India, and the flow of major rivers from Nepal to India. It shares a border of over 1850 Kms in the east, south and west 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. Nepal relation towards India is known as roti-beti ka rishta (ties of food and family)

INDIA–NEPAL TREATY OF PEACE AND FRIENDSHIP OF 1950

The India–Nepal Treaty of Peace and Friendship of 1950 forms the bedrock of the special relations that exist between India and Nepal. The Treaty has allowed Nepal to overcome the disadvantages of being a land-locked country.

The treaty granted Nepalese the same economic and educational opportunities as Indian citizens in India and preferential treatment to Indians compared to other nationalities in Nepal. The Indo-Nepal border is open; Nepalese and Indian nationals may move freely across the border without passports or visas and may live and work in either country. However, Indians aren’t allowed to own land-properties or work in government institutions in Nepal, while Nepalese nationals in India are allowed to work in Indian government institutions (except in some states) and some civil services (the IFS, IAS, and IPS). Also in 1952, an Indian military mission was established in Nepal. In 1954 a memorandum provided for the joint coordination of foreign policy, and Indian security posts were established in Nepal’s northern frontier.

REVISION OF THE TREATY

Nepal’s dissatisfaction to India in 1954 due to the establishment of Indian Security posts in Northern frontier led to its overtures to china. The Himalayas have been replaced by the open border as India’s main defence perimeter. Pakistani activities in and through Nepal, migration, smuggling of narcotics and arms, terrorism, human trafficking, traditional cross-border trade and investment, regulation of the open border, development of border infrastructure and, above all, human insecurity have emerged as the urgent priorities. Management of water resources, environment and climate change, also have serious long-term implications for the security of both countries.

The treaty is already respected more in the breach than observance. Indian nationals in Nepal had long ago lost any entitlement under the “national treatment” clause; they can still travel to Nepal without a visa, and the Indian rupee is legal in Nepal, but permission to work, purchase property, and engage in activities on a par with the Nepalese is usually not available. The “national treatment” promised to Nepalese nationals in the matter of employment, business and property acquisition in India is becoming progressively more difficult to obtain. Gurkha recruitment to the Indian Army continues but there is already a demand to phase this out and increase the intake of Indian Gurkhas.

Nepal has also from time to time projected its concerns about elements from India misusing the open border. Pro-democracy activists in Panchayat times, Maoists in recent years, armed Madhesi groups still more recently, have freely utilised the facility to challenge the government of the day, with Indian intelligence and security being either unable or unwilling to stop them. Over the years, 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. Prime Minister in his visits in 2014 has agreed to open negotiations and reviewing the treaty.

**NEPAL’S NEW CONSTITUTION**

On September 20, 2015, Nepal’s President Ram Baran Yadav announced that his country had a **new constitution.** The promulgation of the constitution is significant because it paves the way for the establishment of a democratic political system in the country. The constitution itself is the result of eight years of deliberation, including the failure of the first **Constituent Assembly in 2012.** It is the seventh constitution to have been adopted by Nepal in the last 67 years and the first by democratically elected representatives.

As a result of this new constitution, Nepal underwent one of the largest crises it has ever faced. The chief problem with Nepal’s new constitution is the fact that it leaves almost forty percent to half of the country’s population unhappy, the people of the **Terai or Madhesh.** Terai means “plains,” and the Nepalese Terai is a low-lying belt parallel to Nepal’s southern border with the Indian states of Bihar and Uttar Pradesh, home to about half of its population.

Nepal’s centre of power and the home of its elite are the central, rugged region parallel to and north of Madesh, the **pahad or hills.** This area is home to Kathmandu, and the Gurkha or Nepali people who form about 45 percent of the country’s population. This region was divided into many small kingdoms until the king of one state, Prithvi Narayan Shah, carved out a domain in the Himalayas that became modern Nepal in 1768. In this process, the Terai also became part of Nepal whereas it had previously been part of or tributary to the various kingdoms and empires of the Ganges Valley in northern India, including the Mughal Empire until its disintegration.

Both the people of the hills and the plains are mostly Hindu and part of the overall historic **Indus civilization of South Asia,** but their divergent political and cultural histories had caused a wide gap to open up between the Nepalese and the Madhesis, with the Nepalese being dominant and the Madhesi often being seen as not true Nepali citizens but as “naturalized citizens,” with many thought of as **immigrants from India.**

It is thus no surprise that Madhesis feel marginalized. The new constitution merely reinforces this. Nepal’s new constitution is discriminatory towards Madhesis because of its **provisions for office and citizenship** excludes **naturalized citizens.** Furthermore, **women who marry non-Nepali men cannot pass on their citizenship automatically.** This effectively disqualifies their children from top posts in Nepal even if they acquire citizenship, because they will only be naturalized citizens. To make matters worse, the new constitution concedes federalism, long a demand of the people of Madhesh, but not of the type they wished for. Nepal is now to be divided into seven states with boundaries that cut often across ethnic groups, angering many. Many in Madhesh wanted their entire region to be a separate, autonomous entity. The newly proposed 7 provinces would divide these communities, making them even smaller minorities in separate states. Unrest in the Terai has negative implications for India’s border security increasing the likelihood of spill overs of instability and terrorist attacks.

While the intention was to keep Nepal from becoming too decentralized, the opposite seems to now be occurring, as the inability of Nepal’s hill elites to share power has led to mass protests in the Terai, threatening the country’s future. Nepal is thus in the throes of a crisis where two groups of roughly equal size cannot agree on an **equitable distribution of power;** rather one dominates the other. This situation is not too dissimilar from that of Pakistan in 1971, where the militarily and politically dominant elites in West Pakistan dominated the slightly more populous East Pakistan (today’s Bangladesh). As in 1971, the elite group, instead of making concessions, is cracking down, violently on half of its nation.
India, traditionally an influential power in Nepal and a “big brother” of sorts to previous governments in Kathmandu, most prominently the former kings when the country was a monarchy, reacted by expressing its disapproval of the new constitution. Nepali disapproval of India’s reaction intensified when New Delhi imposed an unofficial blockade of critical goods and supplies across its border with Nepal. India maintains the blockade was unofficial and truck drivers were simply hesitant to cross the border into the unstable and turbulent Nepali plains. The Nepali Congress (NC), Communist Party of Nepal-Unified Marxist Leninist (CPN-UML) and Unified Communist Party of Nepal-Maoist (UCPN-M), who together represent a majority in Nepal’s constituent assembly, came together to oppose New Delhi’s approach. Thus India’s move to support Nepal’s disenfranchised Madhesis cost it goodwill and political capital with the country’s traditional elites and power-brokers.

China, Nepal’s other major neighbour, were relatively muted as the constitutional crisis played out, taking more of a “wait-and-see” approach to the whole affair. Its foreign policy remained predicated on non-interference. India’s unofficial blockade of Nepal did present an immense strategic opportunity for China, which used the vacuum of critical supplies to airlift fuel, medical supplies, and other goods to Nepal.

**INDIA’S REACTION**

The NDA government has shown support and warmth towards Nepal as it sought to renew ties that had frayed during the previous UPA government. Yet despite this fact, Nepal ended up hastily implementing a constitution unfavourable to almost half of its population—one that is deeply problematic for India and its security. India could face a major refugee crisis if things get worse. The truth is that Nepal is very important to India because of its location along its sensitive northern border. It cannot be allowed to remain aflame for too long, given its proximity to both China and New Delhi. India can, and has leaned on Nepal to try to find a solution. Moreover, instability in Nepal heightens India’s vulnerability to non-state actor attacks. The porous Nepal-India border has well-served the purposes of those who would do India harm in the past, particularly terrorists coming from Pakistan or Kashmir.

After 10 years of post-conflict transition and two constituent assembly elections, Nepal finally adopted a constitution. India’s displeasure with this development has both symbolic and strategic dimensions. For one thing, India felt that it was not given due respect when Nepal finally reached its momentous decision. On the day Nepal celebrated the new constitution, India merely took note of it and expressed concerns over tensions in the border regions. India was specifically indicating the ongoing protests by some Madhesi who felt that their concerns were not addressed in the constitution. The stated reason for India’s unhappiness is that Nepal’s constitution denies the rights of the Nepalese Madhesi living on India’s border, many of whom have close familial ties with Indians. A discontented Madhesh is of course an issue for India – after all, unrest in southern Nepal bordering India has the potential to destabilize the Indian side of the border.

According to the government, there are three major problems with the Constitution which prevents India from warmly welcoming the document. To begin with the federal-provincial demarcation is perceived to be unfair to the people of the Terai region; secondly, the constituency delimitation is skewed against the Madhesi population as half the population, that is the Pahadi (Hill) community gets 100 seats but the other half consisting of the Madhesi and the Janjatis get only 65 seats. Finally the ‘proportional inclusion’ clause, for reservation includes many forward castes of the Pahadi region, which negates the principle of affirmative action. India expressed its displeasure about the content by asking Nepal to make as many as seven amendments (MEA has denied it) to address the concerns of the Madhesis and Janjatis (minority groups in Nepal).
India has been following a ‘hands-off’ policy, i.e., not interfering in the Constitution drafting process and encouraging a ‘Nepali grown model’ to generate consensus. However, in the immediate aftermath of the finalisation of Nepal’s Constitution and especially with the increase in violence and political asylum seekers entering Indian Territory, India found itself embroiled in Nepal’s domestic issues. Nepal’s political leadership ignored India’s concerns and suggestions which have been periodically shared ever since Prime Minister Modi visited Nepal in August 2014. In this backdrop, the Indian reaction appears quite natural because prolonged conflict in Nepal is certainly not in India’s interest.

Second, India has felt that it has been let down by Nepal’s leadership. Apparently, top Nepalese leaders had, during private meetings with PM and other senior Indian officials, assured them that the Constitution would be promulgated on the basis of consensus. In fact, India had all along hoped that Nepalese leaders would keep their promise. When that did not happen, it was but natural for the Indian government to feel betrayed.

Thirdly, although many Nepalese commentators linked India’s reactions to its traditional support to the Madhesi cause over the years, the aversion of the present government to the word secularism in Nepal's constitution and its apprehensions about the spill-over effect of the Terai violence on the Bihar elections, the fact of the matter is that the Indian foreign office has been particularly worried about the growing 'united front' among the left political parties of Nepal — especially between the Maoists and the Communists —against India, backed by external powers opposed to Indian influence in Nepal.

India had reflexively interpreted this development as a major strategic challenge for it in its Himalayan backyard. Its suspicions were further confirmed when the three-party alliance ignored India’s suggestions about preparing a broad-based document by accommodating the demands of the marginalised groups. Even India’s suggestions during Foreign Secretary Jaishankar’s visit to Nepal on September 18, to delay the Constitution making process by 10 to 15 days and initiate dialogue with the agitating groups, was rejected by the top leaders.

The new constitution does not really promise to end the longstanding political and cultural hegemony over the Madhesi people. It is also true that Nepal’s political leaders have failed to engage Madhesi communities and broaden ownership of the new constitution. Still, these are all internal issues for Nepal, and a process of constitutional amendment has already begun. As a friendly neighbour, it is certainly not unreasonable for India to suggest concerns. However, asking the country to make amendments to its constitution the day after it was promulgated goes well beyond suggestion.

India was initially hesitant to openly speak for the Madhesi due to unsubstantiated allegations levelled by Kathmandu elites that it has had an invisible hand in influencing the politics of Madhes. However, the fact remains that most Madhesi leaders criticise India for not doing enough for them despite the cross border linguistic and cultural linkages. And they accuse India of always trying to please the Kathmandu elite to serve its own national interest and ignoring the interests of the Madhes. India’s expression of displeasure at the promulgation of the Constitution is being interpreted differently by the Madhes. They argue that India was forced to behave like this for fear of the spill-over effect of the ongoing instability on the bordering provinces of India. There was also the feeling of betrayal or having been taken for a ride by the Kathmandu leadership who promised India a consensus-based constitution but ended up producing a majoritarian document ignoring the aspirations of a substantial number of the people of Nepal.

**POST CONSTITUTIONAL CRISIS IN NEPAL**

The agitating Madhes-based parties have been protesting for over five months against the seven-province model proposed in the new Constitution that divides their ancestral land as a way to politically marginalise them. They have blockaded Nepal’s border trade points with India,
causing a shortage of essential goods and medicines in the landlocked country. At least 50 people have been killed in protests by Madhesis since August.

The agitating Madhesi Morcha, an alliance of four regional parties of southern Nepal led the agitations demanding Amendment to the Country’s statute. The top leaders of Nepal’s three major political parties, including Prime Minister K P Sharma Oli, met with agitating Madhesi front in a bid to end the political crisis in the country over the new Constitution. The meeting was expected to find a way out of the current political stalemate in the Country and put forward three point package including citizenship inclusive proportion, demarcation of provinces.

However, the SLMM (Samyukth Lokatantrik Mukti Morcha) rejected the Oli government’s three-point package as “inadequate” and declared that it fell far short of their 11-point charter of demands. It includes democratisation of the army and other security agencies; restructuring of the judiciary; declaring Nepal a multi-national state; equal status to other languages like Hindi and Bhojpuri; a reference to the principle of “proportional representation” in the section on Fundamental Rights and the establishment of a constitutionally empowered Inclusion Commission to monitor implementation of the proportional representation principle. The SLMM thought that this would make Delhi tighten the screws and push the Nepali government towards a comprehensive settlement; instead, worried about greater violence in the Terai with a 1,800-km-long open border, Delhi reacted differently, and as a result, differences have now emerged within the SLMM.

The SLMM Leader Mr. Mahato decided to do a dharna at the Jogbani-Biratnagar crossing where truck movement had picked up and was badly beaten up by the Nepal police. Prime Minister KP Oli called for an urgent meeting of all major stakeholders to reach an early solution of the nearly five-month-old crisis that has had a crippling effect on Nepal’s economy. Peace talks between the agitating Madhesi Forum and three major parties ended in a stalemate. In response, the angry Madhesi youth resorted to violence. Subsequently, Madhesi leaders started preparing for the aar-paar ki ladhai (decisive fight). The dialogue committee – formed to create a common ground with agitating Madhesis failed to solve the riddle after nearly 28 meetings.

Mr Mahoto sought India’s involvement as a guarantor to end this constitutional crisis especially demarcation of states. So that Nepal government could not backtrack on the political agreement underlying the Amendment process. The Government of Nepal agreed on two of four demands for the Amendment process. But for the main demand of re-drawing of State boundaries, they have asked for three months period. There is no certainty that the Nepal government will stick to the third promise. That is why Madhesis demanding India’s inclusion into the process as a guarantor.”

As a result of Amendments and promises made by Nepali government. The United Madhesi Democratic Front (UMDF) declared an end to the five-month old blockade which was started as a protest against the new Constitution of Nepal promulgated on September 20, 2015. Madhesis have decided to stop the blockade for now but they never stopped their struggle for justice and representation within the constitutional limits of Nepal.” The hectic parleys between Indian and Nepali interlocutors have convinced the Madhesi rebels to stop the blockade which has created a major domestic disturbance in Nepal and hurt India-Nepal ties.

The Madhesi, however, have threatened to re-launch the blockade in case the key demand for creating two states for the Madhesi region is not met by the Kathmandu leadership. The government of Mr. Oli has promised to implement a series of amendments in the Nepali Constitution to increase Madhesi representation in the government, politics and society. Normal trade has resumed over the last few days through Birgunj trade post which is the largest trading post on India-Nepal border. The resumption of trade is surely good news for India, since its refusal to intervene in the issue had been seen by the non-Madhesi leadership in Nepal as a virtual sanction of the blockade. The blockade was an attempt to arm-twist Kathmandu into taking a quick call on the complex issue of demarcation. Kathmandu startled them by going ahead with the
amendments and taking credit for burying at least some of the outstanding issues. Though officially the Morcha still exists and is talking about widening the scope of the alliance, not many trust the ability and intent of the current leadership to reach this goal. And that leaves a major political void in Terai that may prove dangerous, more so because the aspirations of the Madhesis have not yet been fulfilled.

Most non-Madhesi Nepalese blame India for the blockade and their resultant miseries. There are few takers in Nepal for India’s protestations that it has nothing to do with the blockade, which is essentially the handiwork of angry Madhesi. Assertions by India’s Foreign Minister Sushma Swaraj and Commerce Minister Nirmala Sitharaman that India had not imposed any embargo on the movement of trucks carrying goods into Nepal from India has not cut any ice with Nepalese.

The widespread feeling among Nepalese is that the blockades by the Madhesis could not have happened without India’s tacit nod. Nepalese have sound reason to harbour the perception that India has a hand in the blockade. India has been seen by Nepalese as playing partisan by taking up the cause of the Madhesi during the Constitution-framing process. This they view as yet another instance of India’s interference in Nepal’s internal affairs. Foreign Secretary Jaishankar’s visit on the eve of the promulgation of the new Constitution strengthened this perception.

Nepalese also hold that even if India has not encouraged the Madhesi to block movement of trucks carrying goods into Nepal, India could have exercised its considerable influence among the Madhesi to make them lift the blockade. It is no secret that New Delhi has a lot of influence over Madhesi leaders. As soon as the blockade was imposed, India’s foreign office and politicians in power ought to have foreseen the consequences—the crippling shortage of food, petroleum products and other goods in that country and the resultant anger against India—and moved quickly to pre-empt the unfortunate events that unfolded subsequently. Their failure on this count has cost India dear in Nepal.

New Delhi also need not have acted overtly by publicly urging Nepal’s Constitution-makers to accommodate Madhesi concerns. If India wanted to voice its concerns, it could have done so quietly. Non-Madhesi Nepalese hold that by being vocal and public, India has aligned itself with the Madhesi and against the rest of Nepal. This has had unfortunate consequences for India. After all, promulgation of its Constitution, or arriving at a consensus before doing so, is strictly Nepal’s internal matter and India should not have openly and so solicitously offered advice to Nepal’s politicians.

True, the Madhesi are of Indian origin and have close ties and affinities with people living on the Indian side of the border. But at the end of the day, they are Nepal’s citizens and India should have refrained from acting as their advocate with Kathmandu. The Madhesis are strong and intelligent enough to fight for their own cause without India’s help. Ultimately, India would have not only gained nothing by advocating the cause of the Madhesis, but also lost all the goodwill that was generated by The Prime Minister’s successive visits to Nepal in 2014. India, by its ham-handed dealing of developments in Nepal, has also ceded ground to China. China had a hands-off policy on Nepal’s Constitution-making process and welcomed the promulgation of the new Constitution.

**PRO - CHINA TILT**

The Indian government’s handling of the Madhesi’s agitation, and its fallout in the form of the long blockade, can be directly linked to China grabbing the opportunity enhance its relationship with Nepal. China is building a regional international airport in Pokhara. This is the second biggest infrastructure project undertaken by China in Nepal. Moreover, The Chinese language is also getting more popular in Nepal. Chinese universities are increasingly becoming the preferred destination for Nepalese students.
Other than soft power, China has used its economic diplomacy to project itself as a non-interfering neighbour by welcoming the new Constitution of Nepal. It was perceived as a saviour when it agreed to supply 1.3 million litres of petrol to Nepal as grant-in-aid assistance during acute fuel shortages in Nepal due to irregular supplies from the Indian side. China has also agreed to reconstruct the damaged Nepal-China trade routes and open new trading points for easy supply of goods. China has allowed resumption of Kathmandu-Lasha bus services after 11 years. Moreover, China has been the second largest donor to the ongoing earthquake reconstruction programmes in Nepal. In March 2015, China increased its annual aid assistance from RMB 150 million to RMB 900 million. Nepal reciprocated the gesture by waiving visa fees for Chinese tourists.

Recently, Oli in his maiden visit to china in March, 2016 signed 10 agreements, including a landmark transit treaty to end the land-locked country’s total dependence on India while Beijing agreed to extend the strategic Tibet rail link to Nepal to boost connectivity. The much-publicised transit trade treaty will end Nepal’s total dependency on Indian sea ports for third-country trade. This underlines the growing role of China in South Asia but the impact of the agreements depends on the issue of “economic viability” of the transit facilities and train connectivity projects.

There could be three major reasons for the revision of China’s stance vis-à-vis Nepal. First, over a period of time, China has improved its capacity in terms of its technological prowess and economic growth to feel confident to extend support to Nepal across the Himalayas. Second, China wants to use its flexi power as a vision of President Xi Jinping, to disseminate Chinese values and re-establish China’s image at an international level. Third, China did not want to lose this opportunity when it perceived that India’s influence was in decline.

RESTORING THE GOODWILL

Nepal Prime Minister K.P Sharma Oli’s first official visit to India in Feb, 2016 signalled an uptick in bilateral relations after months of disappointment. Ties between the neighbours had sourced over Nepal’s new constitution, which India refused to welcome over the statute’s failure to provide adequate representation to the minority Madhesi community. Historically Madhesis have had cultural and family links across the border in India. The constitution failed to address Madhesi aspirations in terms of federalism, electoral representation and citizenship, leading to the community enforcing a five-month-long blockade along the India-Nepal border. India had tacitly backed the agitations, which resulted in a virtual blockade and a shortage of essential supplies in Nepal.

After a prolonged period of vacillation, Mr. Oli committed to amendments in the Constitution that would satisfy some of the demands made by the Madhesis. The backchannel talks between Kathmandu, New Delhi and various Nepali stakeholders appear to be yielding results. Nepal’s parliament passed the first round of constitution amendments that will enhance Madhesi representation in government bodies on the basis of proportional inclusion and make population the main criteria for drawing up electoral constituencies. Although the Madhesis have described the amendments as incomplete, just days before Oli’s visit they lifted the crippling blockade that saw essential supplies to Nepal dwindle. That New Delhi accorded Oli a state visit shows things are moving in the right direction.

It’s in this spirit that seven MoUs have been signed between the two sides during Oli’s visit, spanning areas such as Nepal’s post-earthquake reconstruction and enhancing connectivity and transit facilities. The latter will further the Bangladesh, Bhutan, Indian, Nepal (BBIN) project of sub-regional connectivity. The emphasis by both sides was on taking forward the reconstruction assistance that India has promised. A memorandum of understanding in this regard was signed. Other MoUs covered economic aid for road projects, enhancing power transmission, and easing travel and transit of goods. As regards the question of the
Constitution, the Indian government had not budged much from its earlier position on the need for a consensus through dialogue with the dissenting Madhesis to take their concern on federalism on board. But India did acknowledge that the conclusion of the constitution-writing process is an ‘important achievement’ in itself.

The onus is now on Oli, his cabinet and his party, the Communist Party of Nepal (Unified Marxist-Leninist). They could still project the halt in the economic embargo and return to normalcy in the Madhes as a sign of victory and resist any further concessions towards a truly federal Nepal. But that would only amount to further brinkmanship, which could prove detrimental again in the longer run. New Delhi too should dwell on the lessons from the recent deterioration in ties and on the need for a calibrated position that supports inclusive democracy in Nepal yet does not amount to interference. Mr. Oli’s visit has demonstrated the importance of high-level; ownership of bilateral engagement to return relations to a mutually beneficial equilibrium.

A constitution can be a living document; India should have desisted from taking a strong position prematurely. Given the deep historical, cultural and religious links the two countries share, careful employment of soft power diplomacy would very likely be a better way for India to express its concerns. Rather than taking sides of particular groups in Nepal, the Indian government should stand for a stable government at Kathmandu in lines of its elected Constituent Assembly. Point out to Nepal’s leaders that we’re concerned solely because instability in Nepal directly affects us across an open border. We should strengthen voices in Nepal who stand for a truly inclusive constitution than raising our own voice.

India should see her opportunities in Nepal than making more problems to their present state. Indian voices should work for power generation from untapped resources in Nepal. India can help to rebuilt quake-ravaged nation into working democracy. Being the largest democracy India can exchange her experience as a democratic country and also in exchange gain Nepal’s young constitution’s progressive ideas and values in it (LGBT rights, rights for women for equal ancestral right, abolished death penalty, right to clean environment as a fundamental right, etc.). Nepal has a constitution now, but the road for development and welfare of people through new constitution need time and guidance. India can provide guidance for Nepal for its future.

A representative, stable, and progressive Nepal is in India’s best interest. India’s recent policies only strengthened and increased anti-India voices in Nepal. If unrest starts again and the constitutional process stalls, collapses, or passes without first resolving widespread opposition, tensions may increase. India would find the task of guarding its borders against broad security challenges and specifically terror threats much more difficult in such a scenario. A critical method for staving off instability and bolstering border security is for India to champion a democratic, secular constitutional process in Nepal.

**PRACHANDA IS THE NEW NEPAL PM**

- K.P. Sharma Oli of the Communist Party of Nepal (Unified Marxist-Leninist), had come to power last October with Maoist support.
- Mr. Oli was unable to deliver on the political and economic challenges facing the country.
- Prachanda realised that continuing the coalition would not help his party. In April, he had begun talks with Nepali Congress (NC) about creating a new coalition, and on May 4 announced that the Maoists were withdrawing support from the Oli government.
- Nepal Prime Minister K P Oli resigned ahead of a no-confidence motion against his government, the Himalayan republic will yet again go through a leadership change. In fact, the next PM of Nepal will be the 24th in 26 years.
Their inability to forge consensus on key issues first saw the process of **drafting a new Constitution** miss several deadlines. When the parties finally fast tracked the process, they adopted a statute that did not incorporate the aspirations of Nepal’s Madhesis.

**Madhesis** launched a **protest movement** demanding fair representation in state bodies and re-drawing of Nepal's proposed federal structure.

Instead of seriously addressing these issues politicians in Kathmandu **chose to blame India**. Over the last nine months Oli had been a key proponent of this strategy, blaming New Delhi for the **five-month-long blockade** by agitating Madhesis in the Terai region.

KP Oli played the **China card to put pressure on the Indian leadership** and adopted a hardline nationalistic stance.

In the end, it was Oli’s unwillingness to seriously consider the Madhesi demands and internal **rivalry with his Maoist partners** that saw the latter withdraw support to his government.

**CPN (Maoist Centre)** chairman Pushpa Kamal Dahal Prachanda is appointed as Nepal’s new PM with **Nepali Congress** support, the new leadership would do well to focus on the key issues.

It must genuinely **address Madhesi grievances** and make appropriate constitutional arrangements.

It must get down to governance and fast track the pending **reconstruction** and rehabilitation work necessitated by the giant **earthquake of April 2015**.

It must **repair the relationship with India** that had plummeted during Oli’s tenure. On its part, New Delhi too should unconditionally support Kathmandu and help remove the perception that it's meddling in Nepal's internal affairs.

Prachanda’s **CPN-Maoist (Centre)** and **Nepali Congress** signed a **three-point agreement** with the **Madhesi Front** to secure support from the Madhesi parties.

Indian Government has assured India’s full support and also invited the new Nepal PM to India.

**CHINA SCRAPS XI JINPING’S VISIT TO NEPAL**

As a **setback to bilateral relations** between the two countries, Chinese President Xi Jinping, who was **expected to visit Nepal in October**, has cancelled the trip. This was conveyed to Nepalese Foreign Secretary by the Chinese ambassador to Nepal. The decision, incidentally, comes at a time when Nepalese Prime Minister Pushpa Kamal Dahal, also known as **Prachanda**, is **preparing to visit India** for a **three-day trip starting September 15**. Prime Minister Narendra Modi had **extended an invitation** to Prachanda to visit India at the earliest.

China is displeased with Nepal’s apparent lack of preparedness and commitment to joining its **One Belt, One Road project** — a framework that proposes connectivity and cooperation between China and the rest of Eurasia. The Chinese are also learnt to be unhappy over the Nepalese side “**not implementing the agreements and understandings**” reached between the two countries during former Nepal prime minister K P Oli’s visit to Beijing in March.
PREVIOUS YEARS’ QUESTIONS (MAINS)

1. Discuss the contentious issues that have caused the prolonged constitutional logjam in Nepal. (2012)
3. In what sense is Indo-Nepal cooperation important for both countries national security? (2003)

MODEL QUESTION

1. Discuss the role played by India in Nepal's efforts to draft and adopt its new Constitution. Also examine challenges being faced by lawmakers in Nepal to draft new Constitution.