**The Great Himalayan Game: India and China Rivalry in Nepal[[1]](#footnote-1)**

Johannes Dragsbaek Schmidt[[2]](#footnote-2) and Manish Thapa[[3]](#footnote-3)

**Introduction**

It is interesting to note that in a whole variety of areas India and China are increasingly approaching a level of peaceful interaction and a mutual dialogue about important issues related to security, the border, trade and civil society exchanges. After years with hardline deterrence and unresolved strategic problems a new era may be emerging where partnership and end their historical animosity against each other.

The improved relation between India and China can best be characterized as one of global cooperation on transnational issues especially vis-à-vis the “West”, geostrategic rivalry at the regional level in the form of growing commercial exchange and in some cases bilateral trade, investment and competition (Schmidt forthcoming). These contradictory processes are complicated by some degree of asymmetry between the two Asian giants as China’s political establishment does not appear to feel threatened by India while the Indian political class seems to project a sense of insecurity in coming to grip with China’s rise in the world system (Bajaj 2011).

Important aspects of the India-China rivalry are illuminated in the Himalayan region and in particular in Nepal. A relatively small and mountainous country - long viewed by Western and Asian policymakers as a strategic backwater - has attained significance as renewed competition between India and China plays out within Nepal’s borders. Nepal has always been historically, culturally, economically and politically close to India. The country is also very important for China as it borders Tibet[[4]](#footnote-4). Beijing’s attempt to influence political power in Kathmandu may be viewed as a diplomatic move to establish a buffer zone and thereby checking perceived Western and Indian infiltration to destabilize the region and China itself.[[5]](#footnote-5) The Chinese government is cording and enticing Kathmandu in an attempt to impact policy-making by announcing diplomatic and security offers, huge economic packages and development projects. This is causing alarm in New Delhi as Nepal’s traditional and historical Indo-centric foreign policy dependence is gradually shifting on maintaining an equidistance relationship on both fronts.

In traditional neo-realist thinking Dabhade and Pant note, “If we take South Asia as a regional subsystem, then the two major powers whose behavior substantially impacts the foreign policies of smaller states in the area are China and India” (2004: 157-169). In their analysis of Sino-Indian rivalry and penetration of Nepal, they conclude: “Chinese and Indian strategies reflect their respective desires to expand their relative influence over Nepal at each other’s expense. Both powers display a lack of satisfaction with the current status quo and have pursued strategies that are aimed at maximizing their share of regional power” (Dabhade and Pant 2004: 167). However this is not necessarily a zero-sum game where Nepal and other small countries are passive receivers.

On the contrary with a newly installed left-wing government serious attempts are being made to escape this conundrum and re-iterate a more independent line. It is noteworthy that Nepal can be viewed as a country located between two emerging or “would-be” global powers where such normative concepts like democracy, human rights, development and social change entail very different meanings. In China social rights take precedence over political rights. So far it seems that this development model has been able to promote stability and rapid economic growth. While in India, the opposite is the case as democracy in many respects seems to paralyze the political system and in some specific cases promotes an unstable political and social order and a worse human rights record than in authoritarian one-party China (US State Department 2010a and 2010b). However, the debate regarding which regime is best for development seems without end. The authoritarianism versus democracy problematique is not easily solved neither academically nor politically and this has caught Nepal’s young democracy in a catch twenty-two.

.

Theoretically speaking China remains a challenge to the mainstream linear view, which sees democracy, rights and stability as pearls on a string and as the end station of all human evolution on “the end of history”. The regime competition between India and China is also a challenge to the political elite in Nepal because of the democratic stalemate and no clear defined political agenda which make it very hard to deliver growth and services and creates a situation where more and more people are longing for an absolutist solution.

The aim of this paper is to explore the rivalry between India and China and how it impacts Nepal in geo-strategic and geo-political terms both theoretically, conceptually and empirically. The foreign policy rivalry between India and China appears not only to influence investment and trade decisions but also to penetrate issues related to stability, governance and political institutions.

What kind of rivalry is taking place? Naturally the focus includes security and geopolitics where Nepal is portrayed as a buffer and there may be direct links with key-players – i.e. political parties and other important domestic actors and entities. However this view will be complemented with an analysis of geo-economic competition over access to hydropower, water and other natural resources. There seems to be some coordination between US and India – but also the World Bank and some other multilateral agencies to implement austerity programmes. Seen from China’s point of view Nepal is the key in the Himalayan region to provide security and peace in Tibet but also as provider of access to natural resources. The most imperative motive of Chinese foreign policy towards Nepal is *stability* and the ability to cooperate with any type of government so that it doesn’t turn against China’s national interests and to curb any impact on the Tibet issue as well.

The main question then is how Nepal is responding to the rise of China and India and the strategies these states are pursuing to preserve their national interests? Was and is it possible for the government(s) in Nepal to take advantage of this situation where the so-called Great powers increasingly seek to influence policy-making and what is the foreign policy response of Nepal? Is it possible to identify the most important social actors and institutions trying to influence the government’s position towards the attempts to intrude and persuade and influence the interplay between foreign policy and its impact on stability, democracy and rights in the domestic context? In short Nepal’s security perceptions cannot be put into singular but rather reflects a number of political and ideological interests and views of social change and power relations in the region. Nepal is also different from other nations in the South Asian region where for instance Pakistan’s security perceptions center on India as a mortal threat, the United States as an unreliable friend, and China as a steady ally. Nepal is more similar to also landlocked Bhutan in the sense that it has a historical close relationship with India and cultural, political close security ties with India while the China link is more recent and pragmatically based. Nepal has attempted to expand its margin for maneuver vis-à-vis India without contesting its regional dominance. Although the domestic politics are so far marred by fragility and instability, this situation leaves the government with increasing autonomy; leverage and bargaining it can also potentially backfire in the sense that India for instance may sabotage a real rapprochement and appeasement between Nepal and China. Nepal is also dependent on India as the source of access to the sea through the major port of Calcutta – a situation creating a certain degree of vulnerability although Nepal exports are modest and the economy has gone from bad to worse (Shrestha 2011).

**Theoretical Implications**

It seems obvious that traditional and mainstream IPE theory is unable to provide the conceptual tools to investigate and elaborate on a full-scale thorough empirical analysis of the issues at stake in the Himalayan power game.

The aim here is not so much to describe Nepal as an objective node or as a passive entity geo-strategically squeezed in between India and China but rather to provide an understanding of what is socially constructed are the meaning of things and their social effects, not the physical existence. Utilizing a critical IPE perspective means an objection towards accepting the actual state of affairs – accepting dependency, inferiority, inequality and unevenness – in Nepal’s foreign policy with its immediate neighborhood in South Asia and the Himalayan region. This implies that change is possible for better or worse. Whereas mainstream IP theory takes a foreign policy problem as a given and tries to analyze the policy behavior of those who try and solve it critical theories are more interested in the construction of foreign policy issues as ‘problems’ that need to be solved.

Mainstream IPE theories tend to look at foreign policy problems as framed by policy-makers and seldom question whether this is a real problem or not and thus they seldom question the purpose behind why policy-makers frame the issue the way they do. Critical theories of foreign policy attempts to uncover the processes through which a foreign policy issue is represented as a problem or a crisis.

Mainstream IPE theory tends to view foreign policy as a practice used to solve problems between countries while critical theory view foreign policy as constitutive of those problems the others take for granted. Hence critical theory wants to understand how specific problems are ‘constructed’ and studies the process through which ‘national interests’ are constructed. This also implies that deciding whether a situation faced by the state is a threat to ‘national interest’ or not, requires interpretation by policy-makers. In contrast to realism, threats are not self-evident. States’ national interests in the face of threats are matters of interpretation by policy-makers and social actors and cannot be understand without some historical knowledge.

**Critical Political Economy and the study of foreign policy[[6]](#footnote-6)**

Critical political economy (CPE) is a dynamic perspective on the interplay between geo-political and geo-economic priorities in foreign policy. This approach recognizes a certain degree of nation state diversity, but equally insists that the focus of mainstream neo-realist and neo-liberal theories on national distinctiveness is ultimately misleading in that these established theories lose sight of essential similarities in national models of regulation that are substantially shaped by the external structural imperatives of capitalist accumulation (Radice 1999, 2000).

CPE goes beyond the perspective of the orthodoxies of neo-realism, neo-liberalism and some structural theories like world-system theory in which “historical change is assumed to follow a predetermined path regardless of historical context and human agency; with the result that theoretical argument dominates and displaces the complexity of history” (Amoore et al. 2000: 61). CPE rests on historical dialectics trying to discern not only the past but with a continual process of historical change and with exploring the potential for alternative forms of state and world order (Cox 1981).

The dissolution of the Soviet Union in 1989 spelled the end of the Cold War and thereby the dominance of politics in command turned into economics in command. An important post-1989 effect was the shift from the primacy of military power to a greater role for economic power in shaping global geopolitics. Economic structural change has become the epitomization of globalization and it challenges “deeply embedded socio-cultural and political structures in critical ways that cannot be ignored, provoking dynamic responses of promotion, accommodation, and resistance” (Cerny 1999: 190). The classical interplay and dynamics between exercise of ‘political authority’, security issues and ‘the distribution of wealth and production’ cannot be analyzed as exclusive domains but at the present stage of history it is manifested that geo-economics has a dominant position in international relations.

The concept of geo-economics thus came into prominence after the end of the Cold War and it suggests interconnectivity but also unevenness of the economic and commercial opportunities, broader political and international relations, and a blurring of the boundaries of the state to pursue its strategic interests, including through military capabilities. This concept is rooted in the growing importance of economic factors in international relations and in a wish to dig deeper than neo-realism in order to provide an understanding of the nature and sources of power.

The CPE approach does not essentialize the state as a pre-constituted entity or a ‘black box’ of “national interests” interacting within anarchical international relations. Rather, CPE seeks to understand ‘forms of states’ as ‘state/society complex’ and asks how the prevailing order has come about and how it is changing. It is the interplay of particular configurations of contending social forces and alliances, including attempts at integration of a variety of class interests that defines “national interests” and characterizes inherent contradictions in the historical structure. We have to explore the boundaries of the state in its current conjunctures, its historical dynamic and the process of social change (Cox 1981; Cox 1987: Strange 1996). In this way, we seek an understanding of the underlying and prevailing tensions between geo-politics and geo-economics in foreign policy. It is important to ask “who defines national interest” and who has the power to change it?

It is power itself which is becoming more diffuse, diffracted through an increasingly complex, prismatic structure of socio-economic forces and levels of governance. The result is a hollowing out of the state even if it maintains the monopoly over the means of violence over a given territory (Cerny 1999) and this gives space to a plethora of actors and institutions – not least financial capital - capable of influencing foreign policy and social change in Asia and the world. Transnational issues including climate change, terrorism, cyber-warfare, pandemics, rush to secure energy and resource supplies, and difficulties in sustaining multilateral focus in trade and on economic issues through the completion of the Doha Round. All open up the foreign policy field and would, ideally speaking, denote a myriad of actors and influences from formal organizations such as transnational corporations to advocacy networks and think tanks ‘epistemic communities’ (networks of individuals and/or organizations based on authoritative claims to consensual knowledge). In the end, this blurring of the levels of ‘sovereignty’ and ‘non-intervention’ sanctioned by socio-political conflicts – internal and external to the state – concerns the classic problem in international political economy: ‘Who gets what, when, where, and how’.

When it comes to the question about foreign policy in India and China these considerations lead to a number of inter-linked issues of strategic importance. For instance, what are the links between energy security (oil, gas and water), trade, FDI and ODA flows in relation to more traditional issues of military security, encirclement and containment? What explains the fact that both countries share mutual interests in a number of global policy areas? While they in the same areas retain a degree of rivalry and competition at the regional level in the Himalayas and more specifically in Nepal?

**The impact of India–China Rivalry to the Himalayan Republic**

Chinese interest in Nepal can be said to make a U-turn in 2008, when bloody protests erupted on the Tibetan plateau. One of China's core interests in Nepal has been to minimize the political activities of Tibetan refugees, which China views as potential threats to its own security. The extended anti-Chinese protests in the streets of Kathmandu in April and May 2008—immediately preceding the Beijing Olympics—seem to have worried the Chinese authorities. Beijing has consistently linked economic and military aid to Kathmandu's adherence to a "One China" policy, a thinly veiled reference to Nepal's ban on political demonstrations by Tibetan exiles.

Over the years, China has increased its aid to Nepal. China has pledged US$ 140 million assistance to Nepal during Prime Minister Wen Jiabao’s visit to Kathmandu on January 14, 2012. During discussions with Nepali counterpart Dr Babu Ram Bhattarai, the Chinese leader was also positive to extend support for infrastructure development of the impoverished landlocked country, which may run into more than US$ 5 billion. China also pledged to construct an international airport in the second largest city, Pokhara, three large hydropower stations in the west and improvements of roads and creating rail networks. This shows the level of importance China has attached to its close door neighbor on the south. On a similar light, India recently also pledges approximately US$ 220 million grants to Nepal for the year 2012-13. Previous year figures show that Nepal received grants worth approximately US$ 130 million in 2010-11 and US$ 117 million in 2011-12. These increasing ODA grants clearly illustrate that India is competing China on all fronts. Actually Indian ODA figures show that it is only Afghanistan and Bhutan who received more grant aid than Nepal who comes in third on the list from fifth in the region.

Similarly, as a sign of growing rivalry between both nations, China last year committed to provide Nepal with US $ 19.8 million in “non-lethal” military aid. This is the biggest amount doled out by Nepal's northern neighbor as military assistance. China had earlier provided US $ 2.6 million in non-lethal military aid and communication logistics worth US $ 3 million.  This is a strategic move by Beijing as New Delhi was the biggest provider of military assistance to Nepal, but it stopped supplying lethal military aid since former king Gyanendra Shah's royal takeover[[7]](#footnote-7) in 2005 even though both Indian and Nepalese military has historical ties.[[8]](#footnote-8) These new intrusions into the security and defense sectors of Nepal’s - structurally speaking – most stable political institution sparked a response from the Indian side as New Delhi also gave the nod to resume the assistance during a bilateral talk held between Deputy Prime Minster and Defense Minister of Nepal Bijaya Kumar Gachhadar and his Indian counterpart AK Antony in early 2012. It is noteworthy that “Beijing would rather deal direct with the Nepalese Army than with the government, and this reflects the perceived status and stability of Nepal’s army relative to the government” (Campbell, 2012).

In another layer of competition over Nepal’s security situation was the Indian suspicion around 2009 that the Maoists were collaborating with China to establish a one-party dominated People’s Republic by its attempt to influence Nepalese Military. The Maoists’ government’s move to sack the chief of the Nepalese Army and to replace him with a ‘sympathetic general’ was perceived as the last straw for India, which saw it as an indirect move by Beijing to extend its influence on Nepal’s military. In a late-night decision, President Ram Baran Yadav used his prerogative as the ceremonial supreme army commander to reinstate the army chief. The other political parties in the coalition withdrew their support and Prime Minister Prachanda resigned on May 4, 2009. In Kathmandu this was seen as India directly interfering in the reinstatement of the army chief by lobbying the parties for its interests – a move with huge ramifications for the rivalry between India and China and for the domestic polity in Nepal.

Recently, the power play between China and India for influence in Nepal has turned electric, as China has signed a US$1.8 billion agreement to develop the 760-megawatt (MW) West Seti Project hydropower plant in Nepal. The deal marks the Asian giant's entry into a lucrative sector in the Himalayan nation — water and power — that has been dominated by India for years. It comes in a time when several other major hydropower projects, mainly developed with Indian investment, have stalled for various reasons, including protests by Maoists against the awarding of deals to foreign companies labeling it as “unfair share” of hydropower projects in Nepal. In the beginning of 2012, the Maoists burned the project office of the Upper Karnali Project (900MW), which was awarded to GMR of India.

China's renewed interest in its southern neighbor is not entirely a quid pro quo. In Kathmandu, Chinese tour groups visit the tourist enclave of Thamel and Pokhara, where they frequent Chinese-run restaurants, bookstores, and hospitals. According to the Chinese embassy in Nepal, projects such as the Birendra International Convention Center (now used as Parliament Building) and the capital city's main highway are evidence that "China treats Nepal as its closest neighbor and best friend." Although these initiatives aim to signify the softer side of Chinese-Nepali ties, China ultimately appears most interested in stifling "anti-Chinese" activities on Nepal's soil. Beijing seems less concerned with Kathmandu's political jockeying than with ensuring that the next government is as pliant as the current one. The Chinese strategy has been to focus fewer resources on national politics and more on localized economic aid, such as building schools in politically sensitive border areas. China main concern appears to be stability not who is governing Kathmandu. For China, the ideological difference doesn't make any difference. They had a very good relation with the king. They had a very good relationship with the Nepali Congress party. Beijing also appears to have a good working relation with the present Maoist led government and party and they will have relation with whoever emerges as a stabilizing force in Nepal.

Besides deepening political and military ties, the proliferation of China Study Centers (CSC) across Nepal has also generated a lot of interest and apprehensions in India. According to various news sources in India (Samata 2008; Parashar 2009) ‘the CSC which started as a benign China-supported informal civil society group in 2000 to promote cultural interaction is growing in membership and has become an effective tool to promote the Chinese perspective on key issues concerning Nepal.’ Media Sources has identified more than 33 such centres, most of which are located in close proximity to Nepal's border with India. These provide Chinese language and culture classes and are often manned by volunteers from China. While enabling greater access to information about Chinese social and economic development, these centers also provide a convenient platform for the dissemination of Chinese policy towards South Asia and India’s role therein. Similarly China Radio International has launched a local FM radio station in Kathmandu with the purpose of bringing China closer to Nepal. China is providing “volunteer” teachers to various schools in Nepal who give Chinese language lessons to Nepali students and exposure to Chinese culture. These are evidences of Chinese so-called “cultural exchange” initiatives and are part of the soft power component of China’s foreign policy (Jha 2010; Schmidt 2008).

On the political front, the competition between the two Asian giants is also impacting the political development of Nepal. Even though China has good relations with all political sectors it is unsure about the polity due to the current political stalemate. So unlike India, which has a direct influence in Nepalese polity due to its long-due historical, cultural, economic and political engagement with the monarchy and Congress party, the Chinese strategy seems to establish equidistance relations with the most important political parties and cordially and mutually reinforce its policy direction with economic incentives.

These are testimony that India and China are now in fierce competition in Nepal both in-terms of geo-political and geo-strategic terms. Even though, Nepal’s relation with India is a very special relationship, there is negligible Chinese influence on the political front of Nepal as India has always been a traditional ally and force for change in the Himalayan region. But obviously we can see that Chinese influence has been growing in geo-strategic terms. The Indian political and bureaucratic class has over the years neglected to establish broader ties with all political entities and appears to have created a situation of negligence and high-handedness – what critics would call arrogance and supremacy.

**Nepal’s Prospects and Challenges amidst Great Rivalry**

These instances of interference and rivalry bring both opportunities and challenges to Nepal. The biggest challenge so far is to balance the relationship between both India and China. Since for Nepal, both neighbors are equally important. India has been historically and culturally the most important neighbor for Nepal whereas recent posture of China as an emerging economic superpower is equally important for Nepal to boast its economic performance and investments. Thus, for Nepal, maintaining equidistant relationship between these two big neighbors is one of the most challenging foreign policy imperatives and interestingly there are signs of optimism and potential benefits as well.

There is consensus on both sides in India and China that stability of Nepal is in their best interest. Tibet is of vital importance to China, which is why Beijing wants peace and stability in Nepal whereas, due to the historical, socio-economic and cultural relationship between Nepal and India, political stability and economic development is major concern for India as Nepal and India shares open and porous borders. Thus de-stable Nepal is direct security imperative to India.

India has recently redefined its strategy towards Nepal. The current Indian Ambassador to Nepal Shri Jayant Prasad opined on a recent program that “India and Nepal are equal and sovereign states, and in keeping with the spirit of non-intervention in each other’s domestic affairs, India does not have preferred electoral outcomes, preferred ruling arrangements or favourites among political parties” (Himalayan News Services, 2012).

Chinese Prime Minister Wen Jiabao, paid a visit to Nepal in January this year. During his short official visit to Nepal, interestingly encouraged the continuation of Nepal’s traditional and cordial relations with India. At the luncheon that Prime Minister Baburam Bhattarai had hosted in Premier Wen’s honor at Singha Durbar quoted the Chinese leader as saying that Beijing wishes to see the “continuation of Nepal’s warm and friendly ties with India” (Raja Mohan, 2012), pointing that relations between China and India are also deepening. Later Indian Prime Minister Manmohan Singh in his meeting with Nepal’s Deputy Prime Minister Bijaya Kumar Gachhadar in New Delhi later that month indicated that it is comfortable with Nepal’s close relationship with its northern neighbor China, India has said it is positive about recent developments in the Sino-Nepali relationship (Giri & Acharya, 2012).

Prime Minister of Nepal Dr. Babu Ram Bhattarai on his first address to parliament as Prime Minister on August 28, 2011, “We should abandon a ‘Buffer State Policy’ between two giant neighbors China and India” and added “Instead, Nepal should act as a ‘friendship bridge’ between the two countries” (Jagaran Post, 2011). Since Nepal is strategically placed between the two largest growing economies and China has become India’s largest foreign trade partner with US$ 60 billion dollars worth of transactions. The bilateral trade is expected to reach US$100 billion. Transportation cost, on average, amount to 10% of the total trade. In other words, in a trade of 100 billion, transportation cost will be to the tune of US$ 10 billion. If Nepal can tap only 10% of the transportation moving from Nepal, the country can generate about US$ 1 billion worth of business annually, a substantial amount for a country like Nepal. As not all goods can be economically moved from one country to another by air or sea route alone, surface route can provide an attractive alternative for movements of goods. However, Nepal needs to develop its infrastructure (road and railways) to handle this traffic in trade. Nepal can seek the assistance from both countries in this respect. Also, development of such an infrastructure will help boost Nepal’s bilateral trade with each of these neighbors.

**Concluding remarks**

Given the perceived competitive and in some cases even adversarial potential of Sino-Indian relations, China expects to find itself pitted against India’s national interests, possibly even in concert with the US. For India on the other hand, it is critically important to balance China’s rising power.  By not doing so, India’s own increasing role as a regional power would be reduced. This would also have serious ramifications for India’s interests in South Asia but also other parts of world like Southeast Asia where there is increasing rivalry and competition between Delhi and Beijing. Reinforcing India's contradictory engagement with the region is the fact that while India has got a seat at the table, it has yet to shape the rules of the regional architecture of which it is a member. Underlying New Delhi's inability to be a proactive shaper of regional security is the fact that it lacks a strategic vision of its regional role. On the other hand, the very diverse set of challenges confronting India in South Asia make it very difficult to adopt overall consistent, universal strategies.

This leads to our observation that Nepal should clearly prioritize its national interests and adopt a policy in managing its relationships with India and China, that best preserves and promotes her national interests. As the country has recently undergone political transformation, such national interests could be: security, internal stability, economic development, and establishing a sound democratic mechanism. In order to preserve its long term security, it is necessary for Nepal to understand the sensitivity of India and China in terms of their security related issues and adopt policies wisely, following a middle path, that respects the interests of both neighbors without endangering its own sovereign and independent position.

Given the historic role of India in the political transformation of Nepal, India being the largest democratic system, may potentially serve as an example for Nepal to establish democratic mechanisms. Furthermore, given the historic ties of Nepal’s major political parties and the military with India, the diplomatic and non-diplomatic involvement of India in establishing conditions in order to institutionalize democratic values, and to bring political stability, has been observed as an asset to mature the democratic practices and political institutions of Nepal whether the example mentioned in this paper of New Delhi’s intervention into the military reshuffle can be viewed in this manner remains an open question.

In contrast, China has always expressed that Nepal is capable of solving its own internal problems, and has largely kept itself out of the Nepalese political affairs. The findings of this paper also show a clear preference for stability and order on the Chinese side and cordial working relations with all political parties in Nepal. Implicitly Chinese ODA and its ‘One-China’ policy with regard to the Tibetan question may be regarded as pressure and a clear attempt to influence the polity in Kathmandu.

Another vital national interest of Nepal has been the economic development, which ultimately helps to promote stability. Nepal has benefitted from the economic assistance of both India and China, and considering the economic rise of both countries such assistance could provide substantial benefits in the future. It would be highly beneficial for India too, if she conducts her external affairs, positively and matures the “standard of diplomatic dealing,” towards her smaller neighbors. This could contribute to extracting goodwill and considerable willing respect by pulling surrounding neighbors towards India, which would substantially, facilitates to establish its desire as a regional power and assist in lessening China’s influence, “perceived and potential.

**REFERENCES:**

Amoore, Louise, Richard Dodgson, Randall D. Germain, Barry K. Gills, Paul Langley and Iain Watson (2000) ‘Paths to a historicized international political economy’, in *Review of International Political Economy*, Vol. 7, No. 1, pp. 53-71.

Bajaj, Vikas (2011) India Measures Itself Against a China That Doesn’t Notice, New York Times, 31 August.

Campbell, Ivan (2012) *China and Conflict –affected states: Between Principle and Pragmatism*, London, Saferworld.

Cerny, Philip G. (1999) ‘Globalization, governance and complexity’, in Aseem Prakash and Jeffrey A. Hart (eds) *Globalization and Governance*, London, Routledge.

Cox, Robert W. (1981) ‘Social Forces, States and World Orders: Beyond International Relations Theory’, in *Millennium: Journal of International Studies*, Vol. 10, No. 2, pp. 126-155.

Cox, Robert W. (1987) *Production, Power and World Order: Social Forces in the Making of History*, New York: Columbia University Press.

Dabhade, Manish and Pant, Harsh V. (2004) “Coping with Challenges to Sovereignty: Sino-Indian Rivalry and Nepal’s Foreign Policy,” Contemporary South Asia, 13(2)

Duquesne, Isabelle (2011) Nepal Zone of Peace, Bhrikuti Academic Publications, Kathmandu

Giri, Anil and Acharya, Mahesh (2012) “India ok with Nepal-China relations, says Gachhadar”, *The Kathmandu Post,* January 19, 2012 (accessed April 12, 2012).

Jagaran Post (2011) “Nepal to act as 'friendship bridge' for India, China: PM”, *Jagaran Post,* September 16, 2011 (accessed April 12, 2012).

Jha, Prem Shankar (2010) India and China: The Battle between Soft and Hard Power, Penguin Books, New Delhi.

Himalayan News Service (2012) ‘India doesn’t interfere in Nepal affairs’, *The Himalayan Times,* April 3, 2012 (accessed April 12, 2012).

Parashar, Sachin (2009), “China using Nepal Study Centers for Spying?”, *The Economic Times,* October 1, 2009 (accessed November 30, 2011).

Radice, Hugo (1999) ‘Taking Globalisation Seriously’, in Leo Panitch and Colin Leys (eds) *The Socialist Register 1999: Global Capitalism versus Democracy*, London: Merlin Press, pp. 1-28.

Radice, Hugo (2000) ‘Responses to Globalisation: A Critique of Progressive Nationalism’, in *New Political Economy*, Vol. 5, No. 1, pp. 5-19.

Raja Mohan, C. (2012) “American Option”, *The Indian Express,* January 18, 2012 (accessed April 12, 2012).

Samata, Pranab Dahal (2008), “Pro-China Centeres, calling for reduced ties with Delhi, sprout along Nepal border with India”, *Indian Express,* February 11, 2008 (accessed November 30, 2011)

Schmidt, Johannes Dragsbaek (forthcoming) India China Encroachment and Positioning in Southeast Asia, in ?????

[Schmidt, Johannes D](http://vbn.aau.dk/en/persons/johannes-dragsbaek-schmidt%286b5a9a55-a5d7-4d0d-ac2c-896a774b708d%29.html)ragsbaek (2008) ‘China's Soft Power Diplomacy in Southeast Asia’, in *Copenhagen Journal of Asian Studies*, Vol. 26, No. 1, pp. 22-49.

Shrestha, Prakash Kumar (2010) Structural Changes and Economic Growth in Nepal, New School, New York, <http://www.peri.umass.edu/fileadmin/pdf/conference_papers/newschool/prakash.pdf>

Strange, Susan (1996) *The Retreat of the State*: *The Diffusion of Power in the World Economy*, Cambridge: Cambridge University Press.

US State Department (2010a) Human Rights Report, <http://www.state.gov/g/drl/rls/hrrpt/2010/eap/154382.htm>

US State Department (2010b) Human Rights Report,

<http://www.state.gov/j/drl/rls/hrrpt/2010/sca/154480.htm>

1. Paper for the international seminar Unpacking the Concepts of Stability, Democracy & Rights, Tribhuvan University, 11-13 April 2012 and you may add the presentation in Calcutta? [↑](#footnote-ref-1)
2. Associate Professor, Aalborg University, Department of Political Science, Fibigerstraede 3, 9220 Aalborg, Denmark, Tel. +45 9940 8404; Email [jds@dps.aau.dk](https://mail.aau.dk/owa/redir.aspx?C=4c66155322504c9d92e177aa77e389e5&URL=mailto%3ajds%40dps.aau.dk) [↑](#footnote-ref-2)
3. Tribhuvan University, Nepal [↑](#footnote-ref-3)
4. Or what the Chinese government terms the Autonomous Tibetan region - part of Sichuan province [↑](#footnote-ref-4)
5. Historically speaking this is sometimes referred to as the “China card”. India has attempted twice to establish economic blockades of Nepal as a punitive measure. In 1962 and again in 1989 but China stepped in and not only provided goods and products across the border from Tibet but also claimed to side with the people of Nepal (Duquesne 2011). [↑](#footnote-ref-5)
6. This section partly builds on Schmidt forthcoming. [↑](#footnote-ref-6)
7. King Gyanendra on Feburary 1, 2005 sacked the interim government, suspended civil liberties and imposed emergency rule and took over the government under his leadership and put the major political party leaders under house arrest. The International community including India was against this move and referred it as a serious blow to the democracy in Nepal. [↑](#footnote-ref-7)
8. There is a long tradition of exchange of high-level goodwill visits between the two armies. It began in 1950 with the visit of former Indian army chief Gen K M Cariappa. On such goodwill visits, both Army Chiefs of Nepal and India would be conferred with honorary title of Chief of each other’s military due to the historic connection between Nepal and India. [↑](#footnote-ref-8)