

## Nepal, India, and China: the Two plus One Discourse

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### Abstract

*China, India, and Nepal all have distinct and long-standing bilateral relationships. The time has now come to foster tripartite ties and enhance cooperation through joint efforts for shared benefits. In this regard China has proposed a 'two plus one' cooperation model between China, India and Nepal. This study has been conducted to depict the impact of the model to the relations between three countries. Using the desk work method for obtaining data and descriptive as well as the analytical method for interpreting the information, the study found that Nepal suspects that the role of China and India will be bigger than Nepal and thus strongly opposes the proposal. On the other hand, though China defines that the concept promotes the trilateral relations between the nations, India is uninterested on it. India does not want to lose its big brotherly grip over Nepal and let China enhance the presence in Nepal. This study concluded that the trilateral cooperation model is the only way that Nepal should foster to balance the role of two giant neighbors.*

**Keywords:** China-India-Nepal relations, two plus one cooperation, bilateral relation, trilateral relation, sovereignty

### Introduction

The Wuhan informal summit echoed strongly emphasized on new dialogue mechanism that would also involve India. During the Beijing visit of Nepalese Prime Minister K.P. Oli, Chinese side proposed "two plus one" format for dialogue. This is different from a trilateral mechanism. As per the proposal, China and India can jointly conduct a dialogue with a third regional country. The Chinese initiative is not Nepal – Specific but the two plus one formula is flexible and can be applied to any other country in South Asia. This Chinese version clearly shows that China and India want to look at South Asian small nations through the same eyes.

Chinese President Xi Jinping viewed that it intends to engage deeply with Nepal, and develops specialties with its Himalayan neighbors. Beijing also made its plan that China-Nepal ties would be looked at with India's shaved interests as well. The Chinese made it clear that they were not interested in pursuing a zero-sum approach with Nepal. The scenario clearly shows that it had become evident that china was inclined to fulfill its

ambitious agenda with Nepal gradually, after ensuring that such steps were in sync with India's interests. China is keen to build bridges with India, as Beijing's friction with the U.S under the Trump administration begins to mount (Aneja, 2018). With the end of tumultuous political transition and promulgation of the constitution in 2015, the expectations of Nepalese have enlarged abundantly but it requires huge capital that Nepal itself cannot manage. On the other hand, rivalry between India and China has been a stumbling block to Nepal's successful development of late, as competition between the two Asian giants has stalled or prevented large infrastructure project from coming into fruition. However, Chinese President Xi Jinping suggested to prime minister that India and China should hold trilateral take with smaller South Asian countries like Nepal in a "two plus one" dialogue mechanism.

India and China are the closest neighbors of Nepal. They are world's burgeoning economic powerhouses and natural partners for investment. Both India and China have long maintained a footprint in Nepal. However, with its flagship itself and Belt and Road Initiative (BRI), Beijing has recently sought to deepen its presence in the country, to the dismay of New Delhi. The need for a 2+1 dialogue mechanism between India, China, and Nepal thus becomes clear when one considers how geostrategic competition between the two giants in the country has played out to the detriment of Kathmandu. The 750 megawatts West Seti hydropower project in Nepal has been a victim of this rivalry. Another constraint is India's unwillingness to buy electricity produced by Chinese companies. As a result, Chinese companies are reluctant to invest in hydropower projects in Nepal. BRI is another issue on which India has expressed its reluctance. Unofficially, Indian leaders are trying to convince Nepali leaders that BRI projects are not good for Nepal as they are likely to invite debt problems. Nepal, however, signed a framework agreement on BRI in May 2017. Nevertheless, these megaprojects might continue more smoothly if there is further consultation and understanding between India and China.

Leader Puspa Kamal Dahal (Prachanda) had raised the point of trilateral cooperation with Indian Prime Minister Narendra Modi and Chinese President Xi Jinping during the BRICS summit held in Goa in October 2016. Leaders responded very positively to the prospects of trilateral cooperation. India, however, was quick to say that meeting among top leaders was not trilateral.

Prachanda said that Nepal should not agree on the 'China – India Plus' cooperation model forwarded by the two immediate neighbors but should focus on trilateral cooperation. He further said that the China-India Plus or 2+1 concept does not talk about equal shares between China, Nepal, and India, rather it suggests that the first two countries will have bigger roles and the third one will have fewer roles when it comes to

forging such partnership. Nepal cannot become merely transit point between the two immediate neighboring countries. Rather, Nepal should also have its equal share when we forge such a partnership. He emphasized on strategic trilateral partnership between China, Nepal and India on the principle of equality (Ghimire, 2019).

During Xi Jinping Nepal's visit (October 13-14, 2019) the two countries agreed to elevate their comprehensive economic partnership to a 'Strategic partnership'. China is clear about the strategic partnership with Nepal. It is not an alliance. In Chinese policy, it never seeks alliance with other countries, but China has put Nepal on its foreign policy priority. It is also about long-term relationships for broader economic cooperation. Prof. As cited by Bhattarai (2019), Prof. Lin Minwang viewed that China-India plus concept means having a consensus between China and India to jointly promote economic development in this region. He further adds that this is not limiting, like the idea of trilateral cooperation, which is about three countries. There could be four-side or five-side cooperation. The plus formula is multi-lateral cooperation and is not limited to China, India, and Nepal. China India plus is not only about trilateral cooperation. It could also be multilateral. It can also have China-Nepal Plus or China, India US plus Nepal.

### **What Nepal should do?**

The two leaders Xi Jinping and Modi agreed to expand 'China-India Plus' cooperation, push forward the facilitation of regional inter-connectivity, and work with other related parties to strike the Regional Comprehensive Economic Partnership (RCEP) agreement as early as possible. But what is China-India plus concept? No publicly available official document explains it in detail. It came to the fore after the first Xi-Modi informal summit in April 2018 in Wuhan. The summit had taken place against the backdrop of a 73-days long standoff between India and China over Doklam, which strictly speaking, was a bilateral issue between China and Bhutan. India had still deployed its army there on Bhutan's behalf, stating that any changes in Doklam's status would affect its security.

In the aftermath of the standoff, China proposed the China-India plus cooperation to minimize the conflict between the two countries over smaller South Asian states. It was also an acknowledgment by the Chinese that India is the dominant power in South Asia, so they need to take the Indians into confidence while pursuing vital infrastructure projects and entering into military and other cooperation in the region. In other words, India is always an important consideration in china's relatives with South Asian countries. Again, the Doklam issue seems to be the trigger for the China-India plus concept, which envisions that India and China will be mindful of each other's sensitivities and security interests in South Asia. During the Lushun summit, Xi and

Modi agreed to implement a joint economic project in Afghanistan. In 2018, they together launched a training program for Afghan diplomats in New Delhi.

But the situation in Nepal is different from Afghanistan. Though India is obviously concerned about the growing Chinese influence here, particularly about big Chinese infrastructure projects, China wants to implement the plus concept in Nepal to minimize the risk of confrontation with India over development projects here. Many reckon specify that the Xi's decision to fly to Nepal through India as opposed to coming directly from China indicates Beijing's decision to execute this concept. Chinese president Xi Jinping had expressed this idea to Nepalese Prime Minister K.P. Oli when he was on a state visit to China. Modi and Xi both had already discussed it when Xi was attending an informal Summit in Mamalla Puram. Immediately, Nepali Prime Minister Oli refused the two plus one model but stressed trilateral cooperation. He further argued that partnerships should be formed based on equality. Nepal should not accept this proposal, as it weakens the country's bargaining power with its two giant neighbors, and affects its sovereignty in that it undermines Nepal's ability to deal independently with India and China on vital infrastructure and development projects. China is keen on the 'two-plus one' model as it wants to launch key projects in Nepal such as the construction of a railway line, by taking India on board China is also eager to invest in hydropower plants in Nepal and export energy to the Indian market.

### **No 2+1 but trilateral cooperation: Nepal's lobbying**

Former Prime Minister Madhav Kumar Nepal said that Nepal should not agree on the 'China - India Plus' cooperation model. He further viewed that the 'China – India plus' cooperation concept would not serve the national interest of Nepal. Nepal should not remain merely as an observer when the two big neighboring countries forge some deal we should not accept such deals either and it will not serve our national interests. Rather he stressed obtaining benefits from the economic rise of two immediate neighbors. Here, we should not remain as a yam between two boulders but as a dynamic bridge between China and India. He further suspected that we will be entrapped due to the strategic competition between two giant nations (Ghimire, 2019).

On 16-21 April 2018, while Nepal's Foreign Minister Pradeep Gyawali was in China his Chinese counterpart Mr. Wang Yi asked India to be a part of new development projects in Nepal. He viewed that whether it's China or India, our two countries shall be happy to see Nepal's new development after its political transition (Bhattarai, 2018). China wants to invest in big connectivity projects in Nepal but prefers to bring its Asian competitor, India, on board. Some Nepali and Chinese scholars see this as an opportunity for

trilateral cooperation between Nepal, India, and China but Indian policymakers and academics have not shown much interest yet.

Chinese engagement in Nepal is sharply increasing with new areas of cooperation, making India uncomfortable. India views Nepal as its traditional sphere of influence and wants to contain Chinese influence. Thus New Delhi is rejecting the proposal for trilateral cooperation, originally floated by China and later backed by some academics and political leaders in Nepal. During the BRICS summit in Goa in November 2016, Modi, Xi Jinping, and Prachanda made an informal discourse on a trilateral meeting.

China is keen to increase its economic, military, and strategic influence in Nepal without confrontation with India (Bhattarai, 2018). The priority of China is to forge trilateral cooperation among Nepal, India, and China, but India has not shown any interest thus far. If trilateral co-operation is not possible, China wants to gradually enhance its presence in Nepal without upsetting India, as Beijing is doing in other South Asian countries. Nepalese Prime Minister K.P. Oli visited China in March 2016 and signed some historic agreements including a trade and transit agreement that, at least in principle, ends India's monopoly over Nepal's supply system. Oli is under pressure to implement all these agreements made between Nepal and China.

India and China seem to be increasing stakes on the global level. In the mean time, Nepal is actively seeking to establish itself as a developing country. Nepal is a neutral state that can play a crucial role in bettering the relationship between the two big nations. Nepal has abundant natural resources. However, it lacks funds as well as technical knowledge on how to take off. Former ambassador of Nepal to China Tanka Prasad Karki ended that China has abundant capital as well as technology; whereas, India has a market that is easily accessible from Nepal. Nepal can do wonders by bringing them together through the concept of Chinese investment and technology. Nepal as a manufacturing hub and India as a market can also create an eco-system that can benefit not just the three nations but entire South Asia.

During the 1<sup>st</sup> phase of Oli's premiership (2016), various agreements held between Nepal and China on expanding trade and transit networks have hidden interest in the diversification of dependence on India. The Nepali conscience has for a long time viewed connectivity with China not only as a trade option but also as a means of negating India's leverage over Kathmandu's decision-making in both domestic and international affairs. As a land-locked nation and having been surrounded by India from three sides, China on the northern border remains the only option for Nepal to harness the kind of strategic autonomy sovereign nations generally aspire to achieve (Panda,

2019). That is possible only through trilateral cooperation rather than by the two plus one initiative.

### **Conclusion**

Due to the emerging geopolitical developments and present world political scenarios that tend to "alter" global trends, Nepal-India-China triangular relations need to be assessed through a new perspective so as to make relations beneficial for all three countries. Nepal's physical situation does not allow China and India to make it a playground for canceling each other's influence. The expanding, strategic Chinese linkages with Nepal should not go beyond the boundary that is to be set by the components of strategic convergence. If India tries to be a little bit pragmatic and rational in addressing Nepal's grievances, the level of misunderstanding can be minimal (Baral, 2018).

Nepal strongly discarded two plus one cooperation between. However, as cited by Nepal (2020), Chinese ambassador to Nepal Hou Yanqi said that the China-India plus concept of cooperation mooted by Beijing essentially meant trilateral cooperation. She further said that the concept did not deem Nepal as a very small country but China and India would play leading roles. That implies trilateral cooperation. The trilateral cooperation will be win-win cooperation. Such cooperation could be forged in the areas of infrastructure, telecommunications, and training courses among others. China was interested in further enhancing India-China plus concept to develop a common strategy for Afghanistan, Nepal, Bhutan, and Africa. But Nepali reading is different in that this. Nepalese leaders claim that the concept enlarges the role of China and India but Nepal's role will be narrowed.

China is keenly interested in 2+1 cooperation between Nepal, China, and India. However, India is uninterested on the proposal originally floated by China. India seems to be afraid of its decreasing geopolitical clout with China's resurgence and doesn't want any deal of this sort. With its desire to continue expanding its big brotherly grip, India is adamant to ink an agreement that gives more benefit to China towards enhancing their relationship in this manner. Even in case of China's OBOR policy and the trade and transit agreement that Nepal and China inked in March 2019, India has openly expressed its dissatisfaction over the growing proximity between Nepal and China, which it believes is jeopardizing the trilateral relations

In this controversy, Nepal should take the right path of trilateral cooperation rather than the 2+1 model. On the other hand, it should give preference in implementing the a trade and transit agreement/treaty held between Nepal and China which can be a milestone to reduce Indian hegemony.

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