



Political Unrest in Nepal

For Prelims: [Treaty of Sugauli](#), [Treaty of Peace and Friendship 1950](#), [Belt and Road Initiative](#), [Mahakali River hydropower](#), [BIMSTEC](#)

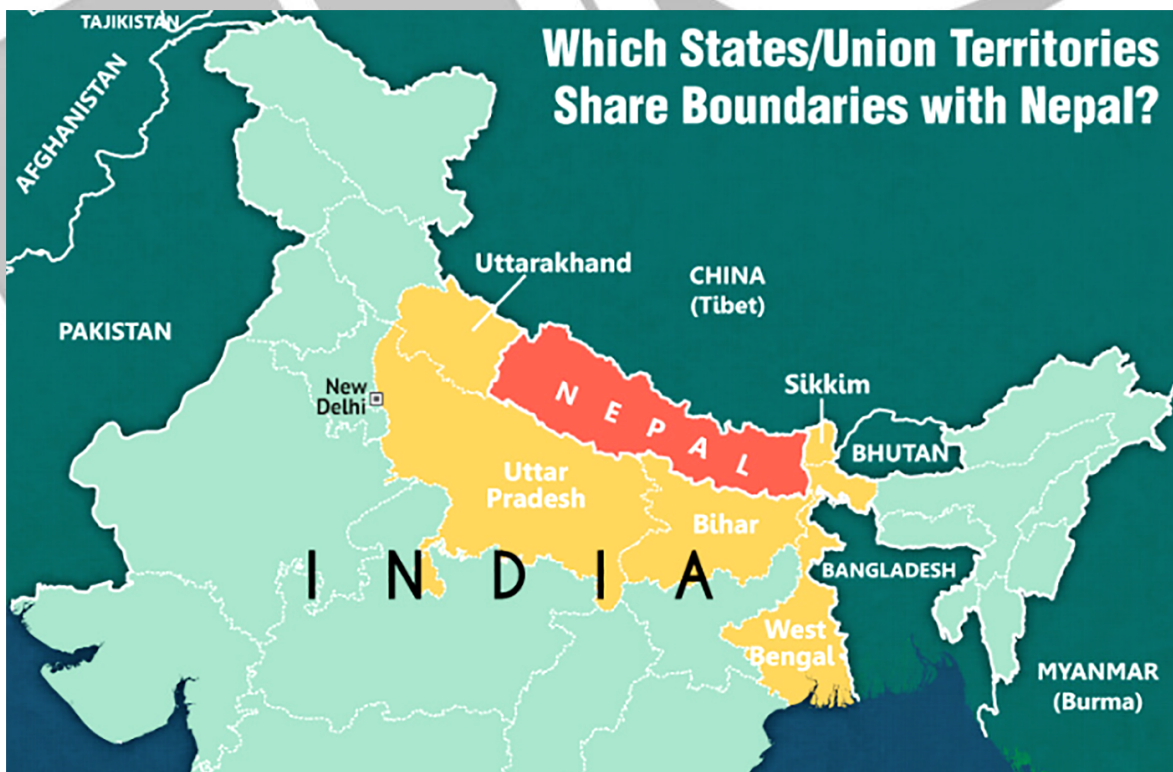
For Mains: [India's Neighbourhood First Policy](#), [India's Act East Policy](#)

[Source:IE](#)

Why in News?

Nepal is facing a phase of political unrest, with Prime Minister K P Sharma Oli resigning amid widespread youth-led (Generation Z) demonstrations. The unrest stems from long-standing concerns over corruption, nepotism, unemployment, and widening inequalities, alongside discontent with restrictions on social media platforms.

- The situation grew more volatile after police firing in Kathmandu resulted in casualties, deepening public grievances and instability.



Historical and Cultural Connections Between India and Nepal

- **Epic Ties:** In the *Ramayana*, Lord Rama (Ayodhya) married Goddess Sita (Janakpur, Nepal).
- **Ancient Republics:** In 6th century BC, **Magadh and Shakya Republics spanned both sides of the Indo-Nepal border.**
 - Prince Siddhartha (Buddha) was born in Lumbini (Nepal) and attained Nirvana at Bodh Gaya (India).
- **Shared Freedom Struggles:** K.P. Bhattarai, born in Varanasi, actively participated in the **Quit India Movement against the British and in Nepal's anti-Rana movements.**
 - At the time, Banaras served as a key center for anti-Rana activism.
- **Military Ties:** The [1816 Treaty of Sugauli](#), an agreement between the Gurkha chiefs of Nepal and the **British Indian government**, ended the **Anglo-Nepalese War (1814-16)** and paved the way for Nepali recruitment into the Indian (erstwhile British Indian) Army.
- **Treaty of Peace and Friendship 1950:** The [Treaty of Peace and Friendship 1950](#) granted national treatment to each other's citizens in economic participation, property ownership, trade, residence, and movement.

How does Nepal's Political Crisis Affect India's Interests?

- **Security Concerns: Political instability in Nepal creates gaps in governance, which can be exploited by insurgent groups, cross-border criminals, and illicit networks.**
 - India shares an open border with Nepal, so any law-and-order vacuum or unrest directly threatens India's internal security and may increase cross-border smuggling, trafficking, or militant infiltration.
- **Economic Impact:** [India is Nepal's key trading partner](#), exporting USD 7.32 billion worth of goods to Nepal in FY25, while importing USD 1.2 billion, giving India a significant trade surplus.
 - Due to the political crisis, Indian investments and supply chains in Nepal face uncertainty, while instability creates openings for China to step in.
- **Impact on Development Cooperation:** India's **High Impact Community Development Projects (HICDPs)** in Nepal (over 573 projects in health, education, electrification, sanitation, etc.) play a crucial role in strengthening bilateral ties and fostering positive relations.
 - Political instability weakens project implementation and creates space for competing influences like China's [Belt and Road Initiative \(BRI\)](#).
- **Halt to Hydropower and Energy Cooperation:** Nepal is central to India's plans for cross-border electricity trade (e.g., the **India-Nepal long-term power trade agreement** and **trilateral energy trade with Bangladesh**).
 - Political instability could slow or derail major hydropower projects like Arun-3, Phukot Karnali, and Lower Arun.
 - **This affects India's goal of becoming a regional energy hub.**
- **Disturbance to Defence and Security Cooperation: India and Nepal have strong military ties (e.g., joint Surya Kiran exercises).**
 - But political crises weaken institutional continuity, disrupt defence exchanges, and give room for rival external actors like China to step in.

Note: Nepal's political unrest is not an isolated episode but a symptom of the **broader fragility that grips India's neighbourhood**. Such unrest does not remain confined within borders, it spills into security, connectivity, and regional cooperation, constraining India's strategic leverage.

What are the Consequences of Neighbourhood Turmoil for India?

- **Internal Security Threat: With Pakistan, the dispute over Jammu and Kashmir remains a core issue, fueling cross-border terrorism and military confrontations.**
 - Also, porous Northeast borders with Myanmar and Bangladesh allow illegal movement of weapons, drugs, and insurgents.

- **Geopolitical and Strategic Implications:** Neighbourhood turmoil creates a power vacuum that major powers, especially China and the US, seek to exploit.
 - China leverages the BRI in Pakistan, Sri Lanka, Nepal, and Bangladesh to gain strategic influence, exploiting regional instability.
 - Militarization of the **Indian Ocean and Chinese control over critical ports (Hambantota in Sri Lanka, Gwadar in Pakistan)** create long-term security vulnerabilities for India.
- **Economic and Developmental Impacts: Political unrest delays cross-border projects, e.g., [India-Myanmar-Thailand Trilateral Highway](#). This affects [India's Act East Policy](#) and its role as a regional economic hub.**
 - Instability deters investments and delays Indian developmental projects, weakening India's goodwill.
 - Delayed Indian projects, such as [Mahakali River hydropower](#), create a trust deficit.
 - **Political turmoil also complicates management of shared rivers, e.g., [Teesta river dispute with Bangladesh, impacting agriculture and energy security](#).**
- **Refugee and Humanitarian Crisis:** Refugee inflows create socio-cultural tensions and competition for resources in border areas, e.g., Assam.
 - India often provides aid and shelter during crises, showcasing responsibility but straining domestic infrastructure.
 - These inflows sometimes trigger identity-based tensions, as seen in the **debates around the [National Register of Citizens \(NRC\)](#) and the [Citizenship Amendment Act \(CAA\), 2019](#).**
- **Erosion of India's Strategic Space in Multilateral Forums: Instability weakens South Asian regional organizations (like [SAARC](#), and [BIMSTEC](#)), limiting India's ability to build consensus and drive cooperative initiatives.**
 - Political deadlock often sidelines India's proposals and turns forums ineffective, allowing extra-regional powers to exploit divisions and shape the regional agenda.

What Measures India Can Adopt to Enhance its Active Engagement in the Neighbourhood?

- **Improving Border and Cross-Border Management: Effective border management is key to preventing security threats and ensuring smooth trade.**
 - This requires investing in modernized border infrastructure, including integrated check posts and digital customs systems to reduce delays
- **Comprehensive Security and Defence Cooperation:** Build regional crisis management frameworks in collaboration with SAARC, and BIMSTEC for coordinated response to natural disasters, political upheavals, and security threats.
 - Expand joint military exercises with countries like Nepal, Maldives, and Myanmar. Enhance maritime domain awareness and secure the Indian Ocean through shared resources.
- **Strengthen Regional Connectivity and Infrastructure:** Expand road, rail, and port linkages through initiatives like the [BBIN Motor Vehicle Agreement](#), and [Kaladan Multi-Modal Transit Project](#)
 - Fast-track and complete infrastructure projects in Nepal, Sri Lanka, and other neighbours using a "whole-of-government" approach.
- **Economic and Connectivity-Driven Diplomacy:** India must prioritize economic cooperation by offering a more attractive and reliable alternative to China's "debt trap diplomacy."
 - This involves providing soft loans and grants with flexible terms for infrastructure projects and offering development assistance tailored to each country's specific needs.
- **Leveraging Soft Power and People-to-People Ties:** A more effective neighborhood policy goes beyond government-to-government relations to include people-to-people connections.
 - India can enhance its soft power by expanding programs like the [Indian Technical and Economic Cooperation \(ITEC\)](#), which offers training and scholarships to professionals from neighboring countries.

Conclusion

The political unrest in Nepal highlights the challenges of deeper instability in India's neighbourhood, affecting trade, security, and regional influence. India's **Neighbourhood First Policy** calls for **proactive engagement** combining robust diplomacy, strategic security cooperation, developmental assistance, and cultural engagement to **safeguard regional stability and strengthen its role as a reliable and influential partner**.

Drishti Mains Question:

Q. Critically analyse how instability in neighbouring countries affects India's security, trade, and regional influence.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Q. Elephant Pass, sometimes seen in the news, is mentioned in the context of the affairs of which one of the following? (2009)

- (a) Bangladesh
- (b) India
- (c) Nepal
- (d) Sri Lanka

Ans: (d)

Q. Consider the following statements: (2020)

1. The value of Indo-Sri Lanka trade has consistently increased in the last decade.
2. "Textile and textile articles" constitute an important item of trade between India and Bangladesh.
3. In the last five years, Nepal has been the largest trading partner of India in South Asia.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 only
- (c) 3 only
- (d) 1, 2 and 3

Ans: (b)

Mains:

Q. "China is using its economic relations and positive trade surplus as tools to develop potential military power status in Asia". In the light of this statement, discuss its impact on India as her neighbour. (2017)