

BOOK REVIEWS

***Nepal's India Policy.* Dhruba Kumar (ed.),
Kathmandu: Centre for Nepal and Asian Studies,
1992. 150 p. NRs 200.**

In November 1991, five months after the Nepali Congress's election victory and shortly before prime minister Girija Prasad Koirala's official visit to India, Tribhuvan University's Centre for Nepal and Asian Studies organized a seminar entitled "Continuity and Change in Nepalese Foreign Policy," focussing on Nepal's relations with her Southern neighbour. This volume comprises five major papers, together with discussants' comments, an inaugural address by the centre's director, Durga Bhandari, and an "Afterword" by the editor. Whilst all contributors are enthusiastic about the change to democracy in Nepal, three of them had ministerial experience under the panchayat regime: Rishikesh Shaha, though a fierce critic of the panchayat system from the late '60s onwards, served as King Mahendra's finance and then foreign minister shortly after the 1960 royal coup and was also a principal architect of the 1962 constitution; the late Ram Rajbahak was a former Minister of Industry; and Arjun Narsingh K.C., now an influential Congress M.P., was once Minister of State for Health. Another of the main participants, Lok Raj Baral, probably Nepal's best-known political scientist, remained a full-time academic throughout the panchayat era but has long-standing links with the Congress Party and in 1992 was asked by the government to conduct a one-man investigation into the Tanakpur agreement, the India-related issue currently causing the greatest controversy in Nepal. Thus, whilst the seminar proceedings do not strictly reflect Nepal government policy, they provide the reader with a useful picture of Nepalese establishment thinking.

The kingdom of Nepal, established at the same time that Clive was laying the foundations for British hegemony in India, was never brought under formal British control and therefore does not today form part of the Indian Union. Nevertheless, as a society dominated by caste Hindus whose language is closely related to Hindi, its cultural links to India are extremely strong. Economically, it is highly dependent on the more developed Indian economy, since the river valleys which facilitate the movement of people and goods run southwards towards the Indian plains rather than east-west through the hills, because military and civil employment in India has long been a vital source of additional income for hill farming communities. Finally, the country's geographical position along the Himalayas, the natural border between south and central Asia, makes it of vital strategic concern to New Delhi. Offsetting these factors binding Nepal to India is the strong sense of separation from, and distrust of the plains-dwellers which has long characterised the hill Nepali. Any government in Kathmandu is therefore caught in a dilemma: to accept a

degree of Indian tutelage or to seek countervailing support from outside South Asia, and in particular from China.

The problem is complicated by internal Nepalese politics. The presence of a powerful Indian state to the south, whether in its older incarnation as the British Raj or the present one of the Indian Republic, presents those holding or aspiring to power in Nepal with the conflicting temptations either to seek support from the south themselves or to accuse their opponents of doing so and thus boost their own nationalist credentials. Regime security was one reason for the policy of close collaboration with British India adopted by the Rana maharajas in the decades before 1947, in particular their facilitating of the recruitment of Gorkhas into the Indian army and committing Nepal's own army to the allied cause in the two World Wars. After Indian independence, the Ranas sought to continue this relationship with the new Indian government, hoping thus to win Indian acquiescence both to Nepalese independence and to the continuation of their own autocratic rule. The result was the 1950 Peace and Friendship Treaty and the secret letters exchanged at the same time: the latter committed the two governments to "consult together and devise effective countermeasures" in the event of threat to either from a foreign power. Nepal thus agreed to remain part of the Indian security system at a time when the Chinese Communists were moving into Tibet. Despite the fall of the Rana regime a few months later, the treaty is still technically in force, but Nepalese resentment against being locked into alliance and Indian determination to maintain that alliance have been a basic motive of the two countries' relationship ever since, impacting in particular on the periodic negotiations over trade and transit which are of vital concern to the Nepalese economy. No Nepalese government has ever directly repudiated the agreement, even though the document itself provides for termination upon one year's notice from either party. Official statements implying that the treaty is outmoded have been made from time to time, but as soon as the cold wind of New Delhi's displeasure was felt Kathmandu has generally changed tack. More concretely, Nepal has sought indirectly to neutralise the agreement by various ploys, most notably King Mahendra's playing of the "China card" in the 1960s and King Birendra's 1975 proposal for Nepal to be declared a "Zone of Peace" - a proposal which has, of course, itself been allowed to rest in peace since Nepal's return to multi-party democracy.

Unhindered by the government's need to maintain a working relationship with New Delhi, Nepalese intellectuals have been more than willing to take the bull by the horns. Unhappiness with the treaty is thus naturally a key theme running throughout *Nepal's India Policy*. Two of the main contributors make it their central focus. Rishikesh Shaha makes the same, balanced case for revision which he has presented elsewhere, a case which has already won the support of one of India's leading academic specialists in Indo-Nepalese relations, Shree Krishna Jha.¹ In his own paper, Dhruba Kumar argues rather more passionately against accepting Indian "strategic primacy," and also provides interesting detail on India's negotiating tactics in the final months of the panchayat government, when the latter's position had been weakened both by India's own semi-blockade of Nepal and by the ongoing pro-democracy

movement within the country. He rightly links India's original adoption of such a hardline stance on the trade and transit issue with her alarm over Nepalese arms purchases from China, and possibly also with Indian belief that Nepal had reached an intelligence sharing agreement with China in 1988. He reproduces India's March 1990 draft proposals which would have required Nepal to fully re-endorse, and even extend, the strategic aspects of the 1990 Agreement and plausibly suggests that, had the Nepalese democracy movement not achieved its victory in April, the royal regime would have had no alternative but to accept the Indian terms. As it was, the proposals were allowed to lapse and India granted the new Nepalese interim government a return to the *status quo ante*, though extracting a commitment to "prior consultations ... on defense matters which, in the view of either country, could pose a threat to its security."

Another controversial aspect of the 1950 agreement is the provision under clause 7 for each country to grant the others' citizens resident on their territory equal rights in the economic sphere as their own nationals. The letters exchanged with the treaty granted Nepal an infinite waiver of its obligation to extend such rights to Indian citizens and Nepal does in fact restrict their right to acquire property whereas India has until recently allowed full rights to Nepalese on her own territory. Clause 7 has nevertheless also created resentment both because it seems to limit Nepal's right to constitute herself as a separate society from India and because of the confusion it has created over the status of ethnic Nepalese who may have been residents for generations in India: the 1950 treaty has been a major target of the Darjeeling Nepalis' "Gorkhaland" agitation because they argue they are not distinguished from migrant workers from Nepal who are in India only on sufferance. Rishikesh Shaha makes this part of his case for renegotiation and for registration, and also suggests an identity card system to deal with the reverse problem in the Nepalese Terai, where it is recent Indian immigrants who have to be distinguished from Nepalese citizens belonging to cultural/linguistic communities which straddle the border. He nevertheless argues that it would be impractical to try to halt the present free movement of people across the border, and this is surely correct. Without hugely disproportionate diversion of resources, it is obviously unrealistic to expect the Nepalese government to be more effective in controlling their border with India than the USA is in controlling theirs with Mexico.

The practicality, as against theoretical desirability of border control is also an important factor in the debate over economic relations with India. It seems to this reviewer that the contributions on trade and related issues do not give enough weight to this problem. Estimates of "unofficial trade" seem unduly low, whilst Ram Rajbahak tries to argue that the effectiveness of India's closure of border crossing points during the 1989-1990 stand-off "exploded the long held hypothesis that the tightening of the Nepal-India border through official measures of regulating and controlling the movement of goods from India could not be achieved" (p.100); in fact, all the embargo proves is the feasibility of the Indian authorities restricting the supply of bulk items.

Official trade has always been a bone of contention between the two sides, Nepal requiring easy access for its products to the Indian market and India concerned that Nepal might become a conduit for third country products re-exported after nominal reprocessing. This resulted in successive treaties stipulating the percentage of Nepali and/or Indian materials and labour content in manufactured goods required for them to qualify for tariff concessions. Narottam Banskota points out that the problem for Nepalese exporters has not been so much the limits themselves as the bureaucratic delays in obtaining certification from the Indian government. Here at least there has been some improvement, as India has since agreed to allow self-certification by the Nepalese government.

Banskota and his economist colleagues have differing views on what the ideal regime for Indo-Nepalese trade would be, with one discussant preferring an MFN basis without any preferential arrangements at all. There does seem to be agreement, however, that the pursuit of trade diversification under the panchayat regime has involved disproportionate economic cost. Reducing trade dependence on India has served to increase Nepal's dependence on the international community generally.

The contributors to *Nepal's India Policy* also have clearly divergent views on Nepal's appropriate overall stance towards India. Most would endorse Kumar's criticism of the panchayat regime for its oscillation between extreme assertiveness and extreme submissiveness, but some of his colleagues would clearly prefer a more accommodationist line than his; the clearest exposition of this viewpoint is by Nepali Congress youth leader Man Mohan Bhattarai, who argues that "Nepal-India security is not contradictory but complimentary" and "Nepal's economic future lies ... in the Indian peninsula rather than the trans-Himalayan region." (p.112) I myself think that this is correct, and also that the strategic and economic aspects of the relationship are inevitably intertwined, even though Kumar thinks it worthwhile calling on India to "end the linkage" between them. Kumar himself refers to Rajiv Gandhi's reportedly telling King Birendra that Nepal could not both renounce its commitments in the 1950 treaty and expect economic concessions from India. Whether or not it was put as bluntly as this, the message is likely to remain the "bottom line" for any Indian administration: if India is to be sensitive to Nepal's economic requirements, Nepal needs to be sensitive to India's strategic ones.

Quite apart from meeting India's needs, it is arguable that Nepal's inclusion in the Indian security system serves overall stability in the Himalaya, and therefore Nepal's own long-term interests. Renewed conflict between India and China is, fortunately, highly unlikely in present circumstances, but the question mark over Tibet's long-term future and the situation in Kashmir both suggest a possibility of renewed volatility in the region. Without prejudice to Nepal's present independence, or to any possible future arrangement for real autonomy in Tibet, the maintenance of the Himalayas as the boundary between two security systems is the course most likely to keep heads cool in both New Delhi and Beijing.

Acknowledging this does not, of course, logically entail keeping the 1950 formulas set in concrete. The exact terms of the 1950 agreement have not in

fact been observed by either side; as Nepalese prime minister Kirtinidhi Bista pointed out in 1969, India did not formally consult Nepal at the time of its clashes with China and Pakistan. The strategic cooperation which has taken place since 1951, including the concluding of the secret 1965 agreement in the aftermath of the Sino-Indian border war, would arguably have done so even without any agreement in 1950 since it reflected the bedrock of common interests. The Peace and Friendship Treaty would thus ideally be replaced by a new one which addressed the problems over citizenship and which spelt out the strategic relationship openly and directly rather than letting it rest on secret correspondence. The difficulty, of course, is that any such replacement would require ratification by a two-thirds majority in the Nepalese parliament and a Communist opposition which raised such a furore over the relatively trivial Tanakpur issue would certainly not swallow any re-endorsement of a defense relationship. A new treaty which left out defense altogether would have adverse effects on the economic relationship. It thus seems likely that, unsatisfactory as the present treaty is, it will be with us for some time to come.

John Whelpton

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¹In his contribution to a 1990 Indo-Nepalese seminar: *"Indo-Nepalese Treaty of Peace and Friendship: A Plea for its Early Abrogation"*, in Ramakant & B. C. Upreti (ed.), *Indo-Nepalese Relations*, New Delhi: South Asian Publishers, 1992, pp.77-92

***Nepal: Past and Present.* Gérard Toffin (ed.)
Paris: CNRS Editions. 1993, 377 p. Price: FF 240.**

Lately, we have seen books on Nepal edited by Gérard Toffin, singly or in collaboration with someone else, come out in steady succession in the market. The present volume is the latest such work. It contains articles mainly by Franco-German scholars working on Nepal that were presented at the conference in Arc-et-Senans in June 1990, and jointly organized by the C.N.R.S. and the D.F.G. (German Research Council) under the auspices of the French-German Programme. The expanding community of foreign scholars of Nepal, perhaps, feels a greater need today than ever before to know about what another scholar in the field is doing to keep his own work on course. The growing circuit of seminars is a direct response devised to get them out of this situation by opening up an opportunity of travel and interaction.

From the title of the book one is led to think that the volume might be devoted to the subject of politics, history or development, rather than to anthropology. Finding an apt title for the proceedings of a seminar in which the papers presented have a diverse focus and preoccupations is always a