

India and Her Neighbours: Strengthening Regional Ties with Nepal under the Viksit Bharat Campaign

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Abstract: The goal of the "Viksit Bharat 2047" campaign is to portray India as a fully developed country by the year 2047. The paper explores how the relationship between India and Nepal has changed throughout time. In particular, given India's Neighbourhood First policy, the campaign places a strong emphasis on equitable prosperity and regional stability. Undertakings such as the Cross-Border Electricity Trade are highlighted as the report explores areas of cooperation in energy, trade, infrastructure, and security. Political sensitivity, border issues, and the influence of foreign countries like China continue to be obstacles despite development. The article also examines Nepal's democratic transition and India's assistance in it, arguing in favor of a thorough, long-term strategy for bilateral ties. Under the Viksit Bharat vision, the future of India-Nepal ties rests on mutual trust, improved connectivity, and diplomacy aimed at building a solid, mutually beneficial alliance that supports stability and regional growth.

KEYWORDS: 1. Viksit Bharat 2047, 2. India-Nepal Relations, 3. Neighborhood First Policy, 4. Regional Stability, 5. Developmental Partnership

Introduction: Overview of the Viksit Bharat Campaign: The "Viksit Bharat 2047" initiative is a comprehensive roadmap crafted by the BJP-led NDA government with the ambitious goal of transforming India into a fully developed nation by 2047, which will mark the 100th anniversary of the country's independence. This vision is not merely a political slogan but a well-rounded strategy that seeks to propel India onto the global stage as a leading economic and social power.

The initiative emphasizes "inclusive economic growth", specifically targeting key demographic groups: youth, the poor, women, and farmers. By prioritizing these groups, the plan aims to foster a more equitable society where opportunities are accessible to all citizens. A critical objective of the initiative is to elevate India to the position of the world's third-largest economy within the next five years, provided the NDA continues in power. This goal underscores the initiative's focus on rapid and sustained economic development.

One of the cornerstone ambitions of "Viksit Bharat 2047" is to "transform India into a \$30 trillion economy by 2047", capable of supporting a projected population of 1.65 billion. This economic vision is forward-looking, anticipating the global challenges India will face by 2050, such as the rise of India and Africa on the world stage, increased global polarization, and the significant impacts of climate change.

"Technological advancement" plays a crucial role in the campaign, particularly in improving governance and service delivery. Platforms like Aadhaar and Direct Benefit Transfer (DBT)

have revolutionized subsidy distribution, significantly reduced financial leakages, and ensured that benefits reach the intended recipients. The initiative also strongly emphasizes “infrastructure development” through large-scale projects such as the Pradhan Mantri Awas Yojana, Bharat Mala, and the Smart Cities Mission, designed to modernize India's urban and rural landscapes.

“Social welfare schemes” are another vital component of the initiative, focusing on enhancing Sanitation, healthcare, financial inclusion, and gender equality. Initiatives such as Pradhan Mantri, Beti Bachao Beti Padhao, and Ayushman Bharat Jan Dhan Yojana aim to uplift marginalized sections of society and ensure that economic growth translates into tangible benefits for all citizens.

In the realm of sustainability, "Viksit Bharat 2047" is committed to promoting “renewable energy, water conservation, and environmental cleanliness”. Initiatives such as the National Solar Mission and Jal Jeevan Mission are aligned with international environmental standards. India aims for 50% of its installed electric power capacity to come from non-fossil fuel sources by 2030 and achieve "Net Zero" carbon emissions by 2070. (Singh, 2024)

Finally, the initiative underscores the importance of “inclusive development”, ensuring that economic progress benefits all segments of society, especially marginalized groups. The "Viksit Bharat Sankalp Yatra" is an outreach initiative designed to bridge the gap between the government and citizens, ensuring the effective implementation of schemes and reforms. This vision was further articulated in the Finance Minister's 2024 Budget speech, which highlighted the new schemes and reforms needed to realize the "Viksit Bharat" vision by 2047. (Ministry of Information & Broadcasting, 2023)

India's Vision for a Developed and Stable South Asia

India’s vision for a developed and stable South Asia is deeply rooted in its historical, cultural, and strategic context. As the largest and most populous country in the region, India has a unique role and responsibility in shaping the future of South Asia, promoting peace, stability, and prosperity among its neighbors.

Democratic Success and Regional Stability: India's journey toward democratic consolidation stands out in stark contrast to the struggles faced by its neighbors such as Pakistan, Bangladesh, Nepal, and Sri Lanka. The success of India's democratic model is often attributed to its strong institutional foundations established after independence, which facilitated a smooth transition to a stable and resilient democracy. In comparison, countries like Pakistan have faced repeated interruptions in democratic governance due to military coups and authoritarian regimes. For instance, Pakistan's political instability began soon after independence, with the assassination of Liaquat Ali Khan and subsequent military coups leading to long periods of authoritarian rule. This has hindered Pakistan's ability to achieve democratic stability, a challenge that contrasts sharply with India's more inclusive and stable political system.

Similarly, Sri Lanka's democratic journey has been marred by ethnic tensions and civil unrest. The rise of Sinhalese nationalism and the subsequent marginalization of the Tamil population led to prolonged conflict and civil war, impeding the island nation's democratic progress. Despite its early start in granting universal suffrage and achieving independence, Sri Lanka's political evolution has been characterized by significant challenges, including the erosion of federalism and the rise of violent separatist movements. In contrast, India's

commitment to a secular, federal system has allowed it to manage diversity and maintain stability, setting an example for the region. (Mitra, 2013)

India's Role as a Regional Leader: As a vast, secular, and multicultural democracy experiencing rapid economic growth, India is poised to play a crucial role in the emerging world order. India's strategic vision is grounded in its civilizational ethos, which emphasizes peace, stability, and conflict prevention as guiding principles of its foreign policy. This vision underscores India's responsibility to contribute to regional and global peace, leveraging its growing economic and technological prowess to shape a stable and prosperous South Asia.

India's approach to regional stability is based on the belief that the prosperity and stability of its neighbors directly impact its own economic growth and security. Therefore, India is committed to working collaboratively with its neighbors to foster overall development in the region. This commitment is reflected in India's efforts to create integrated and interdependent economies within South Asia, promoting mutual economic growth and development.

Political and Economic Integration: India recognizes the importance of political stability in its neighboring countries for regional peace. To this end, India advocates for proactive support in helping its neighbors transition to stable democracies. This includes timely mediation, when requested, to assist in resolving internal conflicts and ensuring that neighboring countries can benefit from regional economic and security advantages.

Economically, India aims to dismantle trade barriers and promote free trade among South Asian countries. As the largest economy in the region, India's leadership is crucial in fostering economic cooperation, connectivity, and integration—principles that are central to the South Asian Association for Regional Cooperation (SAARC). India's extensive experience in development can be harnessed in collaboration with its neighbors to create a model of inclusive and sustainable regional development. (Rizwana & Bhatnagar, 2022)

Soft Power and Regional Influence: India's soft power has been instrumental in shaping the perceptions and policies of South Asian countries. Over the past decade, India has cultivated positive and cooperative relations with most of its neighbors, including Afghanistan, Bangladesh, Sri Lanka, and Nepal. This improvement in relationships is partly due to India's strategic shift toward modesty, pragmatism, and a greater reliance on soft power. By promoting the concept of 'deeper interdependence' and avoiding direct intervention in internal conflicts, India has been able to shed its image as a regional hegemon, fostering a higher level of mutual trust with its neighbors.

Public opinion surveys in South Asia indicate that India enjoys significant soft power in the region, being the most favored country among many South Asian states. This favorable perception bolsters India's leadership role and its ability to influence regional policies toward greater cooperation and stability. (Kugiel, 2012)

Evolution of India's Foreign Policy Under the Viksit Bharat Campaign

The Viksit Bharat campaign, which envisions a developed India by 2047, has significantly influenced the evolution of India's foreign policy. Central to this vision is the recognition that India's external relationships and strategic engagements are vital to achieving national development goals. Under Prime Minister Modi's leadership, this campaign has introduced

a more assertive and confident approach to foreign policy, one that aligns with India's ambitions as an emerging global power.

Neighborhood First Policy: A key aspect of this evolving foreign policy is the Neighborhood First Policy, which underscores the importance of India's immediate neighbors. The participation of South Asian leaders in significant national events, such as the swearing-in ceremonies, reflects India's commitment to fostering stability, cooperation, and mutual development within the region. This policy is driven by the understanding that a peaceful and prosperous neighborhood is essential for India's security and growth, and it positions India as a central force in South Asian regional dynamics.

Indo-Pacific Region: India has intensified its focus on the Indo-Pacific region. The Indo-Pacific Ocean Initiative (IPOI) is set to gain greater momentum, reflecting India's strategic interest in this region. The third term of Prime Minister Modi is expected to bring new directions for IPOI, as India seeks to balance its engagements between US-led Indo-Pacific initiatives and the central role of ASEAN. This balance is crucial in navigating the broader geopolitical shifts, including the rising US-China rivalry, and in securing India's position as a key player in the Indo-Pacific.

Act East Policy: As 2024 marks the 10th anniversary of the Act East Policy (AEP), which succeeded the Look East Policy (LEP), there is anticipation of a renewed agenda that will further strengthen India's partnerships with ASEAN, Japan, Korea, and Australia. This evolution of the AEP underscores India's strategic leadership in East Asia and its ability to adapt to changing geopolitical realities, particularly in the context of intensifying global power competitions.

India-US Relationship: The deepening India-US relationship is another cornerstone of India's foreign policy under the Viksit Bharat campaign. As India aims to become self-reliant, especially in critical sectors like semiconductors, the partnership with the United States is expected to enter a new phase. This relationship is crucial for attracting foreign investments and advanced technologies, which are key to India's economic aspirations. Enhanced cooperation with the US will play a pivotal role in realizing India's goals of economic growth and technological advancement.

Free Trade Agreements: In addition to bilateral ties, Free Trade Agreements (FTAs) remain vital for boosting India's exports, attracting foreign direct investment, and acquiring valuable technologies. The Viksit Bharat campaign emphasizes the importance of pursuing new FTAs while reviewing existing ones, such as those with ASEAN. There is a growing focus on trade agreements in the digital economy and e-commerce sectors, reflecting India's ambition to be at the forefront of global trade and innovation.

Regional integration: initiatives like BIMSTEC are expected to accelerate under this campaign, with potential new members enhancing the bloc's strategic importance. The reactivation of SAARC, although dependent on improved India-Pakistan relations, is also on the agenda. These regional initiatives are seen as crucial for promoting economic growth, stability, and cooperation in South Asia, aligning with India's broader vision of regional leadership.

Middle East: India's engagement with the Middle East will continue to be a priority, given the region's economic and geostrategic importance. Initiatives like the India-Middle East-Europe Economic Corridor (IMEC) are strategic moves to secure India's interests and avoid

chokepoints like the Bab El-Mandab. Bilateral agreements such as the India-UAE CEPA and multilateral initiatives like I2U2 reflect India's proactive approach in the region.

Furthermore, India's bilateral partnerships with countries across Asia, Africa, and the Pacific are set to deepen. Relationships with key nations such as Australia, Japan, and Sri Lanka will thrive, with India exploring new bilateral strategic partnerships and service-led FTAs. This expansion of bilateral ties reflects India's comprehensive approach to foreign policy, which seeks to build strong, multifaceted relationships across the globe.

On the global stage, India aspires to take on a leadership role that aligns with the 'Vishwa Bandhu' vision of becoming a developed nation by 2047. This vision emphasizes India's commitment to advocating for the Global South through platforms like BRICS and IBSA and achieving a permanent seat on the UN Security Council. India's leadership on global issues, including climate change, multilateral reforms, and energy security, is increasingly recognized, positioning India as a central player in global governance.

The Public-Private Partnerships: India's foreign policy is expected to grow, particularly in areas such as connectivity, space, and technology. Collaboration between the Indian foreign office and the private sector will be key to meeting the strategic and economic objectives of the Viksit Bharat campaign, leveraging the strengths of both sectors to drive innovation and development.

Despite the complexities of its relationships with Russia and China, India continues to engage with these nations due to their significance in terms of security and economic cooperation. While India's relationship with China remains complicated amidst rising tensions, its ties with Russia have been bolstered by energy cooperation and strategic projects like the INSTC. Navigating these relationships will be crucial for maintaining regional stability and advancing India's interests. (De, 2024)

Finally, the campaign emphasizes strengthening domestic engagement, particularly the integration of sub-national states into India's foreign policy strategies. Recognizing the importance of domestic strengths, the Viksit Bharat campaign focuses on capacity building and institutional development, especially within the Ministry of External Affairs. This approach ensures that India's global aspirations are firmly rooted in a robust domestic foundation, with a focus on enhancing governance and strategic planning. (De, 2024), (Embassy of India, Hanoi, Vietnam, 2024)

Echoes of History: The Deep Cultural Connection Between India and Nepal

The relationship between India and Nepal is deeply rooted in their shared historical and cultural connections, which have shaped the bond between the two nations for centuries. These ties are intertwined with religious beliefs, traditions, linguistic connections, and socio-cultural similarities that make the India-Nepal relationship unique and enduring.

Historical and Cultural Ties Between India and Nepal: The historical ties between India and Nepal can be traced back to ancient times, as depicted in revered Indian epics like the Ramayana and Mahabharata. In the Ramayana, Goddess Sita, who hailed from Janakpur in present-day Nepal, was married to Lord Rama of Ayodhya, underscoring the mythological connection between the two nations. Similarly, the Mahabharata mentions the Kirats, an ancient group from the region now known as Nepal, who played a significant role in the Pandava army. These references highlight the longstanding historical ties that have bound India and Nepal together. (Mathur, 2023)

Religious ties are a particularly strong aspect of the India-Nepal relationship, with Hinduism and Buddhism playing pivotal roles in shaping the cultural identities of both nations. Nepal, with its predominantly Hindu and Buddhist population, shares numerous religious practices, festivals, and sacred sites with India. For example, the Pashupatinath Temple in Kathmandu, one of the holiest shrines for Hindus, holds as much significance for devotees as the temples of Kedarnath and Varanasi in India. The influence of Hinduism and Buddhism is evident in the shared cultural heritage and the reverence for sacred sites that both countries hold in high regard. (Jain, 1998)

The geographical and cultural closeness between India and Nepal further strengthens their bilateral relationship. The open border between the two nations allows for the free movement of people, fostering deep socio-cultural and economic interactions. Matrimonial ties between Indian and Nepali families are common, reinforcing the bond between the people of both countries. Additionally, shared rituals, customs, and festivals, such as the celebration of Diwali and Dashain, reflect the deep cultural ties that bind the two societies.

The spread of Buddhism from India to Nepal, particularly during the reign of Emperor Ashoka of the Maurya dynasty, further solidified the cultural connections between the two nations. Lumbini, the birthplace of Lord Gautama Buddha in Nepal, is a significant religious and cultural link, attracting pilgrims from India and around the world. After renouncing his kingship, Buddha meditated in Bihar, India, and his teachings continued to influence the cultural and religious practices in both countries.

Throughout history, the relationship between Nepal and India has been marked by close cultural and political bonds. Even during periods of external invasions and political upheavals, the cultural exchange between the two nations remained strong. During the Gupta period, King Samudragupta extended his influence over Nepal while respecting its internal autonomy. The 18th century saw Prithvi Narayan Shah, a ruler of Nepal from the Sisodia family of Rajasthan, establish a powerful ruling system and maintain a policy of friendship with neighboring India, further cementing the historical ties between the two countries.

The cultural ties between India and Nepal are also evident in the presence of Indian priests in the Pashupatinath Temple in Kathmandu, a tradition that has continued for centuries. Similarly, Nepali pilgrims often visit sacred sites in India, such as Badrinath, Kedarnath, Jagannath, Dwarkapuri, Ayodhya, and Mathura, further strengthening the spiritual and cultural connection between the two nations. The special privileges accorded to the king of Nepal in Indian temples, such as the Jagannath Temple in Puri and the Rameshwaram Temple, highlight the deep socio-cultural roots that bind the two countries. (Aftab, 2017)

In modern times, the Treaty of Peace and Friendship signed in 1950 formalized the close relationship between India and Nepal. This treaty, which granted reciprocal rights to the citizens of both countries, reflects the longstanding historical and cultural ties that continue to shape their bilateral relations. Despite the geopolitical challenges posed by Nepal's position between India and China, the cultural, religious, and economic connections with India remain stronger, making India a vital partner in Nepal's development and prosperity. (Mahesh, 2022)

Essential Arenas of India-Nepal Collaboration

Energy: Energy cooperation between India and Nepal has emerged as a cornerstone of their bilateral relationship, particularly in the area of Cross-Border Electricity Trade (CBET). This partnership gained heightened importance following the devastating 2015 earthquake in Nepal, which caused severe disruptions in electricity supply, leading to widespread load shedding. CBET has since played a crucial role in diversifying the electrical systems of both countries, reducing operational costs, and enhancing grid reliability. Notable projects under this cooperation include the completion of the 400 kV Muzaffarpur-Dhalkebar transmission line in 2016, the first high-capacity power transmission line between India and Nepal, which was financed by the Indian government. This was followed by the Butwal-Gorakhpur transmission line agreement in September 2021, which is expected to play a significant role in exporting Nepal's surplus electricity to India, with a projected capacity of 3500 MW. Furthermore, the initiation of cross-border power trading through the Indian Energy Exchange (IEX) in April 2021 marked a significant step towards creating a sub-regional integrated power market. (Gambhir, 2021) Additionally, major hydroelectric projects such as the Arun 3 and Upper Karnali, with capacities of 900 MW each, are being developed with Indian collaboration, providing substantial energy benefits to both nations and further reinforcing their energy partnership. (Hurlbut, 2019)

Trade: Trade relations between India and Nepal are governed by a comprehensive framework of bilateral agreements, reflecting the close economic ties between the two countries. The 1999 Nepal-India Treaty of Transit, the 2009 Treaty of Trade, the 2009 Agreement of Cooperation to Control Unauthorised Trade, and the 2004 Rail Services Agreement are some examples of these agreements, all of which facilitate the seamless exchange of goods and services across their open border. India sold \$8 billion worth of commodities to Nepal during the fiscal year 2022–2023, while Nepal imported USD 840 million from India. Nepal mainly exports goods to India, such as tea, carpets, textiles, and handicrafts; on the other side, it imports a wide variety of goods, such as machinery, electronics, petroleum, and agricultural products. The revised Treaty of Transit, signed in 2023, now allows Nepal to use additional Indian ports such as Haldia, Kolkata, Paradip, and Visakhapatnam for its international trade, a development expected to lower transportation costs and reduce transit times. This growing trade relationship underscores India's role as Nepal's largest trading partner and highlights the critical role of infrastructure in facilitating cross-border commerce. (Chaudhary, 2024)

Security: In terms of security and defense, India and Nepal have maintained a longstanding and mutually beneficial partnership, built on historical ties and mutual respect. The Indian and Nepali armies share a deep bond, exemplified by the tradition of conferring honorary ranks of General on each other's Army Chiefs. This relationship is further strengthened by the presence of approximately 32,000 Gorkha soldiers from Nepal serving in the Indian Army, a symbol of the close military ties between the two nations. Additionally, the Indian government supports these soldiers and their families through pension payments and various welfare programs in Nepal. Both countries also engage in joint military exercises and collaborations aimed at modernizing the Nepali Army and enhancing its capacity. These efforts not only reinforce the defense cooperation between India and Nepal but also contribute to the broader regional security framework.

Infrastructure: Infrastructure development is another key area of cooperation between India and Nepal, particularly in enhancing transportation links that facilitate trade. The Rail Services Agreement (RSA) has played a pivotal role in strengthening rail connectivity between the two nations, enabling more efficient trade flows. This agreement, along with the addition of Visakhapatnam Port as a transit point for Nepalese trade, reflects the growing infrastructure collaboration between India and Nepal. Moreover, Nepal's reliance on Indian ports for its third-country trade, facilitated by these agreements, underscores the critical role of infrastructure in supporting the economic relationship between the two countries. Through these initiatives, India and Nepal are not only bolstering their bilateral ties but also contributing to regional development and stability. (Embassy of India, Kathmandu, Nepal, 2024)

Navigating Hurdles in India-Nepal Relations

The bilateral relationship between India and Nepal faces several challenges, notably in areas such as border issues and political sensitivities. These challenges are deeply intertwined with the complex geopolitical landscape of South Asia and the internal dynamics within Nepal. One of the significant issues straining the India-Nepal relationship is the rise of anti-India sentiment in Nepal, particularly supported by Maoist groups. The Maoists' strong anti-India stance has been a crucial factor in their popularity within Nepal, making them resistant to any mediation attempts by India in the ongoing political conflicts. This anti-India sentiment is further complicated by the involvement of various extremist groups in Nepal, including those with links to Pakistan's ISI, which are working against India's interests. The rise of insurgent activities, particularly in the Terai region, poses a serious security threat to both countries. The porous border between India and Nepal exacerbates these challenges, allowing for the proliferation of small arms, unauthorized trade, human trafficking, and other illicit activities that destabilize the region. (Gupta, 2009)

The issue of human trafficking, particularly the trafficking of young Nepali women and girls into Indian cities, remains a significant challenge. The open border facilitates this illegal activity, making it difficult for authorities to combat it effectively. Despite the efforts of NGOs and law enforcement agencies, the dense forests and numerous unmanned routes along the border make it easy for traffickers to move victims across the border, perpetuating this grave human rights issue.

Illegal arms and drug trafficking are other critical concerns that have intensified due to the unregulated border. During the Maoist insurgency, the open border allowed the smuggling of arms and explosives into Nepal, and even after the peace agreement, the Terai region remains a hotspot for these illegal activities. The involvement of youth in drug trafficking has grown, turning certain districts into major transit points for narcotics. Additionally, the smuggling of counterfeit currency across the border poses a significant challenge for security forces, further complicating the already strained bilateral relations. (Khakurel, 2015)

The border issue reached a critical point in May 2020 when the Nepalese government issued a new national map, unilaterally altering the boundaries and claiming disputed territories, including the Kalapani area. This move was a response to India's inauguration of a road to Lipulekh Pass, which Nepal interpreted as an attempt to assert control over the disputed region. The release of the new map, followed by its swift constitutional amendment, was fueled by a surge in Nepali nationalism. While this action received widespread domestic

support, it significantly strained relations with India, reducing the scope for future negotiations.

The unresolved border disputes, coupled with the rise of anti-India sentiment and the involvement of extremist groups, have not only strained diplomatic relations but also opened the door for greater Chinese influence in Nepal. As Nepal serves as a buffer state between India and China, any deterioration in India-Nepal relations could lead to a strategic disadvantage for India, allowing China to increase its foothold in the region. This potential shift in the regional power balance poses a serious concern for India's security and its broader geopolitical interests in South Asia. (Sood, 2020)

Guiding Nepal's Path to Democracy: The Role of India

An Overview of Nepal's Democratization Journey: Nepal's democratization journey is marked by significant milestones, beginning with the Twelve-Point Agreement in November 2005, which was a pivotal moment in the country's political evolution. This agreement, formed during a meeting in Delhi between Maoist leaders and political party representatives, identified the "autocratic monarchy" as the main barrier to Nepal's democracy, peace, and prosperity. It called for a unified opposition against the monarchy, with the Maoists agreeing to a multiparty democratic system and the eventual election of a Constituent Assembly tasked with drafting a new Constitution—a goal that had been elusive since 1951.

The movement gained momentum on April 6, 2006, leading to widespread protests that lasted 19 days. Under intense public pressure, King Gyanendra agreed to reinstate Parliament, effectively ending the monarchy's absolute power. This marked a significant shift in Nepal's political landscape, with Parliament declaring itself sovereign and curbing the King's authority, including his role as the supreme commander of the armed forces. Additionally, Nepal was officially declared a secular state, replacing the 1990 constitution that had established Nepal as

a Hindu kingdom. The conflict was officially declared resolved and the Maoists were allowed to formally join the government by signing the Comprehensive Peace Agreement in November 2006. (Shneiderman et al., 2016), (Janjua, 2007)

The following years were marked by significant political developments, including the formation of an interim parliament in January 2007 and the adoption of an interim constitution. The April 2008 elections for the Constituent Assembly were a landmark event, with the Maoist party (CPN-M) emerging as the largest party, though it did not secure a majority. Despite irregularities and violence during the election campaign, the Constituent Assembly was praised for being more inclusive and representative of Nepal's diverse population than any previous parliament. Nepal was proclaimed a republic by the Constituent Assembly on May 28, 2008, officially ending the monarchy, and subsequently elected Ram Baran Yadav as the country's first president in July 2008. (Research Directorate, Immigration and Refugee Board of Canada, 2009)

However, the transition to democracy was not without challenges. Political instability persisted, with the resignation of key leaders like President Yadav and Prime Minister Prachanda in May 2009, leading to the appointment of Madhav Kumar Nepal as the new prime minister. The Maoists, now in opposition, initiated protests, and the country faced delays in drafting a new constitution, missing the May 2010 deadline. (Peldon, 2018) The

interim constitution was amended multiple times, with significant changes occurring as late as May 2012 to allow for more flexible interpretation.

In March 2013, the President called for new elections for a Constituent Assembly and to manage the process, a new temporary administration was chosen. (Kari, 2015) February 2014 saw the election of Sushil Koirala, a member of the Nepali Congress, as prime minister. The September 2015 adoption of a new constitution, however, sparked protests, particularly among ethnic minorities and residents of the Terai region, who felt that the constitution discriminated against them by reducing proportional representation in Parliament. These protests were marked by violence, with at least 45 people losing their lives.

Despite these challenges, Nepal's democratization process continued, with Prachanda being elected prime minister for a second time in August 2016, followed by Sher Bahadur Deuba in June 2017. (Peldon, 2018) ²⁴ The left-leaning parties in Nepal eventually merged in May 2018 to form the Nepal Communist Party (NCP), creating the country's first democratically elected government under the new constitution. This merger provided the government with nearly a two-thirds majority in Parliament, symbolizing a significant step forward in Nepal's democratic journey. (Ashik, K.C., Bhattarai, Roy, & Buda, 2022)

India's Role:

Initial Support and the 12-Point Agreement (2005): India played a crucial role in the early stages of Nepal's peace process. The 12-point agreement between the Maoists and Nepal's democratic parties, signed in New Delhi in November 2005, was a key milestone facilitated by India. This agreement marked the beginning of the end of the monarchy in Nepal, with India supporting the move towards a multiparty democratic system. Despite this, India's initial approach was cautious, aiming to preserve the monarchy while encouraging democratic reforms.

India's Response to the 2006 Protests and Political Shift: In April 2006, massive protests erupted in Kathmandu, demanding an end to King Gyanendra's rule. India's reaction to these swift changes was marked by a mix of surprise and caution. India sent a crisis envoy to mediate between the opposition and the King, attempting to preserve the monarchy as part of its twin-pillar strategy, but these efforts were too late. Eventually, the King restored the dissolved parliament and handed over power to the Seven Party Alliance (SPA), marking the beginning of the monarchy's decline.

Comprehensive Peace Accord and India's Continued Skepticism: The Comprehensive Peace Accord (CPA), signed on November 21, 2006, formally ended the Maoist insurgency and integrated the Maoists into Nepal's democratic process. Although India supported the peace process, there was significant skepticism among India's security and foreign policy experts about the chances of a successful settlement between Nepal's major parties and the Maoists. Many in India favored continued support for the monarchy and the Nepali army, fearing that a successful Maoist movement in Nepal could embolden Maoist insurgencies within India.

Impact of Indian Domestic Politics on Nepal Policy: India's policy towards Nepal shifted significantly after the 2004 elections, which brought a Congress Party-led coalition to power, supported by left-front parties. Leaders from the left, particularly the CPI (M), saw an opportunity to achieve peace with Nepal's Maoists, believing it could help separate Nepal's Maoists from those in India. This shift in policy was more a result of India's coalition politics

than a deliberate strategy by foreign policy experts, and it was marked by a cautious and experimental approach. (Kantha, 2011), (Destradi, 2010)

India's Reaction to Nepal's New Constitution (2015): India's response to Nepal's new constitution, adopted in September 2015, was notably lukewarm. India expressed concerns over ongoing violence in border areas and called for disputes to be resolved peacefully. The muted response reflected India's displeasure with how the constitution was drafted, particularly regarding issues affecting the Madhesi community, secularism, and the potential impact on Indian elections in Bihar. India also feared that the constitution might not be durable due to the controversies surrounding its adoption. (Singh, 2015), (Nayak, 2015)

Diplomatic Visits and Relations Post-Constitution: The relationship between India and Nepal continued to evolve with high-level diplomatic visits. Prime Minister KP Oli's visit to India in April 2018 and Prime Minister Narendra Modi's subsequent visit to Nepal in May 2018 were key moments in rebuilding trust and cooperation between the two countries. These visits were part of Modi's "Visit Diplomacy" initiative and were crucial in setting the direction for future development cooperation, including exploring inland waterways for high-speed connectivity.

Long-Term Strategic Concerns: Throughout Nepal's political transition, India's involvement was shaped by a combination of strategic concerns and domestic political calculations. The rise of left-wing political alliances in Nepal, particularly between the Maoists and Communists, was viewed with concern in India, especially given the perceived external support for these groups. India's cautious stance reflected its broader strategic interests in maintaining stability and influence in Nepal, a critical neighbor in the Himalayan region. (Kantha, 2011),

The Road Ahead: Challenges and Opportunities

Potential Challenges in India's Neighbourhood Policy: The challenges in India's neighborhood policy, particularly under Prime Minister Narendra Modi's administration, are multifaceted and deeply rooted in the complex dynamics of South Asia. One of the primary challenges India faces is the longstanding distrust among its neighbors, who often perceive India as a "Big Brother" seeking to dominate the region. Despite historical, cultural, and linguistic ties, this mistrust has frequently led smaller nations to assert their distinct identities, complicating India's efforts to foster regional cooperation. The SAARC (South Asian Association for Regional Cooperation) framework, which India has traditionally supported, has faced significant obstacles due to strained bilateral relations, especially between India and Pakistan. Pakistan's continuous support for cross-border terrorism and its resistance to regional initiatives have further hindered SAARC's effectiveness, compelling India to explore alternative regional arrangements like BBIN (Bangladesh-Bhutan-India-Nepal) and BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) to promote sub-regional cooperation. (Das, 2014)

Another significant issue is the growing influence of foreign nations, especially China, in India's neighborhood. India's neighborhood policy has become more complex due to China's expanding geopolitical and economic influence through programs like the Belt and Road Initiative (BRI) in nations like Nepal, Sri Lanka, and the Maldives. These nations frequently use the "China card" to counterbalance India's influence, which requires India to navigate these relationships carefully to protect its strategic interests. The Doklam standoff in 2017

and China's involvement in Nepal's internal affairs highlight the geopolitical tensions India faces in its immediate vicinity.

Furthermore, internal political dynamics within neighboring countries can pose significant challenges to India's neighborhood policy. For instance, political instability in Nepal, with frequent changes in government, has led to inconsistent bilateral relations. Similarly, the military's dominant role in Pakistan's politics, particularly its control over foreign policy and security issues, limits the prospects for improving India-Pakistan relations. The Taliban's takeover of Afghanistan adds another layer of complexity, raising concerns about regional security, particularly in Jammu and Kashmir, where increased violence is feared due to the Taliban's resurgence.

India's neighborhood policy is also challenged by the need for better domestic coordination and integration of its foreign policy with internal socio-political dynamics. Any disconnect between India's external engagements and its internal policies could undermine its regional strategy. For instance, India's responses to neighboring countries' expectations and concerns must be aligned with its domestic political landscape to avoid counterproductive outcomes. Additionally, the "delivery deficit," where India is perceived as failing to fulfill its promises to its neighbors, needs to be addressed to improve India's regional perception as a reliable partner rather than a threat.

Despite these challenges, there are significant opportunities for India to strengthen its neighborhood policy. By adopting an inclusive and forward-looking approach, India can lead regional development efforts, focusing on areas like economic cooperation, cultural diplomacy, and people-to-people connections. Modi's use of cultural ties, particularly through Buddhism, to enhance relations with countries like Bhutan, Nepal, and Sri Lanka, demonstrates the potential of soft power in regional diplomacy. Moreover, initiatives like the South Asian Satellite and educational exchanges through the South Asian University can foster greater regional integration and development.

India's proactive role in sub-regional cooperation, as seen in the BBIN initiative and the India-Myanmar-Thailand trilateral highway, offers new avenues for enhancing connectivity and economic ties within the region. These initiatives not only help bypass the challenges posed by strained bilateral relations but also promote collective regional growth, making India an indispensable partner for its neighbors. To capitalize on these opportunities, India must remain committed to its "Neighbourhood First" policy, ensuring sustained engagement, timely fulfillment of commitments, and a strategic balance between its relations with neighboring countries and global powers like China. By doing so, India can navigate the challenges in its neighborhood policy and solidify its leadership role in South Asia. (Sajjanhar, 2021)

Opportunities in India's Neighbourhood Policy: India's neighborhood policy under Prime Minister Modi presents several opportunities that could significantly enhance regional cooperation and development. Despite the challenges, these opportunities offer pathways for India to leverage its influence and foster a more integrated South Asia.

1. **Leadership in Regional Development:** Modi's vision of a prosperous future for South Asia aligns with India's potential to lead regional development efforts. By adopting an inclusive and forward-looking strategy, India can position itself as a key driver of economic growth and stability in the region. This vision provides an opportunity to address historical

differences and build stronger ties with neighboring countries through collaborative projects and investments.

2. **Strengthening Diplomatic Engagements:** Continuous diplomatic engagements among SAARC members and other regional partners present opportunities for India to bridge gaps and foster cooperation. By focusing on high-stakes cases, such as Indo-Pak relations, and maintaining open channels of dialogue, India can address conflicts, resolve disputes, and build trust. Modi's proactive approach, including inviting SAARC leaders to his inauguration and engaging in bilateral meetings, underscores India's commitment to regional diplomacy.

3. **The Bangladesh-Bhutan-India-Nepal (BBIN) sub-regional cooperation:** Initiative and other sub-regional cooperation frameworks offer India opportunities to advance regional integration despite challenges within SAARC. These initiatives focus on practical areas such as infrastructure, water resources management, and power connectivity. By promoting sub-regionalism, India can achieve tangible outcomes in regional connectivity and economic integration, complementing broader SAARC goals.

4. **Cultural Diplomacy and Soft Power:** India's cultural diplomacy, particularly through initiatives related to Buddhism and the SAARC Agenda for Culture, provides opportunities to strengthen ties with its neighbors. By leveraging shared cultural heritage and promoting cultural exchanges, India can enhance its image as a tolerant and inclusive nation. Initiatives like the South Asian University and cultural agreements help build regional consciousness and foster goodwill.

5. **Educational and Technical Cooperation:** The South Asian Satellite and the Indian Technical and Economic Cooperation (ITEC) Programme are examples of how India can utilize education and technical cooperation to enhance regional development. These programs support education, human resource development, and infrastructure in neighboring countries, creating opportunities for skill-building, capacity development, and regional integration.

6. **Humanitarian Assistance and Support:** India's humanitarian assistance during crises, such as providing COVID-19 vaccines and aid during natural disasters, demonstrates its commitment to regional welfare. These efforts not only strengthen bilateral ties but also position India as a benevolent and supportive neighbor. Continued support in times of need can further enhance India's regional influence and build stronger relationships with its neighbors.

7. **Economic and Infrastructure Investments:** India's investments in infrastructure and economic development projects across the region, including the construction of the Salma Dam and the parliament building in Afghanistan, highlight opportunities for further collaboration. By investing in key projects that benefit neighboring countries, India can enhance regional connectivity and contribute to economic growth.

8. **Strategic Partnerships and Alliances:** The evolving geopolitical landscape, including India's engagement with countries like the Maldives and Sri Lanka, provides opportunities to forge strategic partnerships and alliances. By aligning with countries that share similar strategic interests and values, India can strengthen its position in the Indo-Pacific region and enhance its influence on global platforms. (Das, 2014)

The Prospects for India-Nepal Relations During the Viksit Bharat Campaign

India and Nepal's potential diplomatic ties, particularly under the Viksit Bharat campaign, hinge on transforming their current developmental partnership into a robust and mutually beneficial alliance. Despite past strains, there are promising opportunities to solidify this relationship through focused efforts and strategic projects.

Strengthening Developmental Partnerships: Despite historical strains, India and Nepal have significant opportunities to enhance their developmental partnership. The recent power cooperation agreement, which allows Nepal to export 450 MW of electricity to India, represents a positive step forward. However, to rebuild trust and demonstrate commitment, India must expedite key projects such as the Pancheshwar multifunctional power project, the Lower Arun, and the Phukot-Karnali Hydro Projects, which have encountered delays. Addressing Nepal's concerns about anti-dumping measures on jute exports, trade deficits, and Rules of Origin for products will also be crucial in fostering a balanced and mutually beneficial relationship.

Advancing Connectivity and Infrastructure: Progress in physical connectivity is essential for deepening bilateral ties. The inauguration of integrated check posts in Nepalgunj, Rupaidha, and Birgunj, along with the initiation of cargo trains from Bathnada in Bihar, underscores the commitment to improving trade and people-to-people connectivity. Agreements on cross-border digital payment systems are expected to further promote tourism and trade. However, there is a need to resolve ongoing issues in border management and complete infrastructure projects, such as the broad-gauge rail lines and transmission lines, to fully realize these connectivity initiatives.

Addressing Climate Change and Environmental Cooperation: Climate change is an area where progress has been slow. While discussions on flood control measures have occurred, there has been a lack of comprehensive agreements addressing the broader impacts of climate change on the Himalayan region. Both India and Nepal must develop a joint strategy to manage the ecological challenges posed by climate change, including the effects of the melting Third Pole.

This collaboration could position Nepal as a key partner in climate change management and ecological preservation.

Diplomatic and Strategic Considerations: On the border issue, while approximately 98% of the boundary has been resolved with boundary pillars marking the alignment, ongoing disputes require diplomatic engagement to achieve a lasting resolution. India should approach this issue diplomatically, using successful models like the India-Bangladesh boundary dispute resolution. Additionally, India must be mindful of Nepal's aspirations to transition from a "land-locked" to a "land-linked" country, which includes ambitions such as developing a merchant navy. This perspective should be embraced to foster mutual benefits. (Shrestha & Koshy, 2023)

Formulating a Comprehensive Nepal Policy: India needs a well-rounded policy toward Nepal that transcends security concerns and reflects a broader, long-term vision. Moving beyond a transactional approach or viewing the relationship through a zero-sum lens with China, India should focus on building multifaceted ties. This includes fostering people-to-people connections, technological and educational exchanges, and collaborative projects that support inclusive development. (Sansad TV, INSIGHT, 2023)

Discussion

The Viksit Bharat campaign offers a crucial opportunity for India to strengthen its relationship with Nepal through shared development goals and enhanced regional stability. Key areas like energy collaboration and infrastructure development, such as Cross-Border Electricity Trade and integrated check posts, demonstrate the potential for deepening ties. However, challenges such as the unresolved border dispute and Nepal's political instability need careful handling. India's approach must balance assertiveness with diplomatic sensitivity to foster a partnership that benefits both nations and contributes to regional prosperity.

Conclusion

The future of India-Nepal relations under the Viksit Bharat campaign is poised to evolve into a dynamic and mutually beneficial partnership, with far-reaching implications for both nations and the broader South Asian region. As India charts its course towards becoming a developed nation by 2047, its relationship with Nepal will play a pivotal role in achieving this ambitious vision. The longstanding historical, cultural, and socio-economic ties between the two countries form a strong foundation for deeper collaboration, particularly in areas such as energy, trade, security, and infrastructure.

Key opportunities lie in advancing connectivity through infrastructure projects, enhancing energy cooperation, and fostering people-to-people ties. The successful completion of critical projects like the Pancheshwar multipurpose project and the implementation of integrated check posts and rail links will be instrumental in driving economic growth and stability in both countries. Moreover, India's commitment to importing 10,000 MW of power from Nepal exemplifies the potential for energy partnerships to contribute to regional development.

However, this promising future is not without challenges. The unresolved border disputes, particularly the Kalapani issue, and the influence of external powers like China pose significant obstacles to the smooth progression of bilateral relations. Additionally, internal political instability in Nepal has at times strained the relationship, necessitating a sensitive and diplomatic approach from India. Addressing these challenges will require India to adopt a comprehensive and long-term policy towards Nepal, moving beyond a security-centric view to one that emphasizes trust-building, mutual respect, and inclusive development.

The Viksit Bharat campaign offers a strategic framework for India to enhance its regional leadership and solidify its ties with Nepal. By prioritizing the timely completion of developmental projects, engaging in continuous diplomatic dialogue, and leveraging cultural diplomacy, India can foster a relationship with Nepal that is not only resilient but also conducive to the broader goal of regional stability and prosperity. Ultimately, the success of India-Nepal relations under the Viksit Bharat campaign will depend on the ability of both nations to navigate their shared challenges and seize the opportunities for cooperation, ensuring that their partnership contributes to a more stable, prosperous, and integrated South Asia.

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