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**Evolving Security Landscape of Nepal-China Relations**

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**Abstract**

*Nepal-China relations have been cordial for centuries. The relationship is based on the principles of panchasheel, mutual trust and respect. China's overall policy and interests in Nepal revolve around stability, security, economic development and geopolitics. The changes in regime, either the Shah Monarchy or the Federal Democratic Republic Government, have never been the issue in the unremitting mutual relations between the two countries. However, in the republic era, the security landscape of the Nepal-China relationship has been evolved due to Nepal's geostrategic location and its vulnerability, China's growing military and economic power, the US's China containment strategy and use of soft power; and India's concerns about Chinese growing engagement in Nepal have raised various questions and security implications for Nepal-China relations. The researcher has used the qualitative approach to analyze the Nepal-China relation and security dynamics after 2007. It mainly used diplomatic, military and economic aspects of DIME instruments of national power as a framework of analysis. Nepal must comprehend the sensitivity of China and India, along with other regional and international powers, regarding their security concerns and implement prudent policies prioritizing national interests. Given the evolving dynamics of global power relations and advancements in regional and international arenas, Nepal's non-alignment policy must become more productive, ensuring constructive engagement with China, India and extra-regional powers.*

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## Introduction

Nepal and China have enjoyed a warm and enduring relationship since ancient time. This relationship is characterized by deep social, religious, cultural, economic, and political ties. The rare occasional disagreements have always been resolved in a peaceful and amicable manner, and the friendship between the two countries has remained intact throughout their histories. Nepal holds a significant place in China's priorities, and the principles of Panchsheel and the Treaty of Peace and Friendship of 1960 have guided their diplomatic relations since the establishment of diplomatic ties in 1955 (Subedi, 2005).

China always values Nepal to be strategically significant in its foreign and security policy objectives. Chinese involvement in Nepal follows a set of core principles, including respecting Nepal's sovereignty, adhering to a policy of non-interference in its domestic affairs, and pursuing economic engagement. China has been wary of external involvement in Nepal since the 1960s when Tibetan separatists staged protests from bases in Nepal (Acharya, 2019).

Nepal's strategic importance has been increasing in evolving security landscape due to its location between two powerful nations, China and India, which have differing ideologies and compete in military and economic areas. The evolving security landscape refers to the ongoing changes and transformations in the security environment that arise from the emergence of new security threats, challenges, and opportunities (McAfee, 2018). The evolving security landscape can be attributed to various factors such as geopolitical strategy, military, economic and social developments.

In the federal republic era, the relationship between Nepal and China is marked by the emergence of cross-cutting issues concerning the rivalry between global powers and the competition between established and emerging powers in the region. It shows that security concerns have become a top priority in the South Asia region, particularly among Nepal, China, and India. There are several complex issues that need to be examined, such as the emergence of regional security, the impact of China's growing military power, the possibility of an India-US-China balance of alignment, and the roles of India and China in bringing peace and stability to the region (Thapa, 2019). It is important for Nepal to focus on its immediate neighbors and ensure its survival as an independent nation by addressing its security interests. Given Nepal's strategic location, it is crucial to examine its relationship with China from a Nepali perspective and develop a renewed framework to strengthen their relationship in a way that benefits Nepal's national interests and preserves its independence in the federal republic era.

Nepal's unique and strategic position between two powerful nations with different ideologies and interests warrants a closer examination of its relations with them. The increasing presence of China in the region, combined with the strategic partnership between the US and India, has made South Asia a crucial player in global politics. China is apprehensive of the growing strategic alliance between India and the US and fears being encircled in South Asia. The US commitment to strengthening ties with South

Asian countries through Indo-Pacific Strategy to maintain a free and open Indo-Pacific have brought Nepal under the spotlight of geopolitical superpowers. Nepal's diplomatic efforts should focus on obtaining maximum benefits that safeguard its national interests while minimizing the risk of competition between China and India within its borders and extra regional powers (Shrestha, 2017). Nepal has traditionally sought to maintain a balanced relationship with other countries by employing various elements of national power, including diplomacy, military and economic cooperation.

This paper has focused on answering queries on how the evolving regional security landscape impact the relationship between China and Nepal in federal republic era and suggested some recommendations which could be noteworthy for Nepali foreign and security policy makers while constructing and formulating security strategy.

### **Review of the Literature**

The purpose of this literature review is to establish framework for the study of evolving security landscape of Nepal China relations which will guide the analysis and ultimately lead to the findings and conclusions. The literature review has been structured thematically to analyze pertinent issues related to subject matter.

The relationship between Nepal and China has been a significant area of interest among scholars, with many exploring the political, economic, and strategic developments in the bilateral relations. Jaiswal (2010) and Shrestha (2015) examine the historical developments in Nepal-China relations, focusing on the novelty of the bilateral relations that materialized in 1950 and significant events in Nepal-China relations during the monarchy era. To the contrary, Kumar (2013) and Maskey (2017) examine the potential threats and challenges that Nepal faces in its relationship with China. It has been discussed how the Nepal's strategic location makes it an important intermediary between two powerful regional nations, India and China, and the India-Nepal border has become increasingly important from a security perspective. Similarly, they emphasize the need for trilateral cooperation between India, Nepal, and China, with Nepal playing a crucial role in establishing strategic consensus between the three countries.

Over the last decade, China has expanded its interests and deepened its connections in South Asia, establishing diverse avenues of influence. As a result, it now anticipates heightened regard for its concerns and demonstrates a willingness to exert pressure in order to achieve its objectives. Emphasizing the Joseph Nye's soft power in diplomacy, Chakrabarti (2012) focused on China's soft power and foreign policy strategy in small South Asian countries, highlighting the balance between soft and hard power in the region. Giving emphasis to the emergence of non-traditional security threats in South Asia, Rizal (2012) highlighted the need for comprehensive security to address these challenges, while also analyzing the role of India, US, and China in the region. Besides that, Awasthy (2013) analyzed China-South Asia political relations from Nepal's viewpoint, highlighting the unequal inter-state relations that affect relationships between South Asian states and the impact of China's involvement in Nepal on India and Western powers. In general, these reviews provide insights into different aspects of South Asia and its geopolitical landscape.

It is also significant to examine the challenges faced by Nepal due to its geo-strategic location between China and India. Subedi (2010) argues that Nepal has traditionally followed a policy of neutrality and non-alignment in the conduct of its international relations, and contends that Nepal's foreign policy continues to be affected by its proximity to these powerful neighbors. Similarly, Nayak (2014) examines India-Nepal relations, highlighting the historical, cultural, economic, and geographical ties between the two countries. The author also discusses China's strategic engagement in Nepal and its formulation of a new global foreign policy. In addition, Acharya (2019) highlights the significance of dependability and uniformity in the foreign policy and diplomacy of smaller nations such as Nepal. The author raises doubts about Nepal's ability to possess the necessary strength, resilience, and assertiveness to withstand pressures from its neighboring countries. Basically, the literature reviews suggest that Nepal faces multi-faceted challenges to its national security and its foreign policy is strongly influenced by its geo-strategic location between China and India.

### **Research Methodology**

The research is conducted using a qualitative and analytical approach, and the secondary data were obtained from various sources such as books, journals, publications, magazines, articles, websites, reports, plans, and policies. In order to achieve precise literary analysis of the article's objectives, the writer employs the DME aspects of DIME (Diplomatic, Information, Military, and Economic) instruments of national power; as well as both realist and liberal theories as an analytical framework.

### **Findings and Analysis**

The researcher has shaped the findings of the Nepal-China relation in Federal republic era on evolving security landscape based on the diplomatic, military and economic aspect. This study has further analyzed the strategic and security interest of different regional and extra regional powers to generate ideas and discussion on emerging security dynamics of Nepal.

### **Nepal-China Relationship in Republic-Era**

The key contemporary challenges to global security ranges from conventional threats to human security including the arms trade, energy security and the future of security (Williams, 2008). In the present day, Nepal's concerns and interests align with those of the regional and global security landscape. Nepal has traditionally pursued a foreign policy that prioritizes maintaining balanced relationships with its neighbors. The primary goal of Nepal's domestic and foreign policy is to attain internal stability, peace, and economic development, pursue independent domestic and foreign policy, and take on an increasing role in regional and international relations (Acharya, 2019). Nevertheless, several security concerns have been identified as obstacles to achieving these foreign policy objectives.

Geographically, historically and culturally, Nepal and China are close neighbors and have a long history of friendly ties. The bilateral friendship and cooperation are growing exponentially since the establishment of diplomatic relations in 1955 (Bhattarai, 2010).

The historical trends and facts depict that Nepal-China relationship is consistent and progressive. China has typically prioritized maintaining ties with the government rather than with specific parties or leaders. In the meantime, the China relation with Nepali political parties has been intensely increased after Nepal became a federal republic in 2008. The continuous visits from high-level delegates of both countries since 2008 have elevated the Nepal-China relationship to new heights.

The dimensions of Nepal-China relations in federal republic era covers political, diplomatic, economic, trade, cultural, educational and other fields which have augmented the bilateral exchanges and cooperation. Undeniably, Nepal- China bilateral relations have developed as an exemplary of friendly cooperation for nations having different social systems as well as bordering nations living by close friendship and harmony. Looking at the historical trends of friendly Nepal-China relations, there are three salient features which have contributed to maintain strong impetus of development in federal republic era.

The first and foremost feature is mutual trust. Nepal-China consistently coexists in bilateral tranquility and continuously demonstrates mutual respect, trust, and solidarity towards one another. China follows the policy of non-interference in the domestic affairs of other nations. China has never interfered in the domestic affairs of Nepal and has always supported the political changes chosen by Nepali people.

The next characteristic is the principle of equal treatment. China and Chinese people resolutely follow the policy that a nation is equal with others; irrespective of big or small. With this spirit, China has built relations with Nepal on the basis of equality from the very beginning. China is resolute supporter of Nepal's sovereignty, independence and territorial integrity. Nepal and China enhance mutual cooperation and succeed in achieving benefits in mutual political relations, regional affairs and global forums.

The third feature is honesty. China always regards Nepal as its good neighbor and friend. China has rendered various support and cooperation to Nepal depending on her capacity and potentiality. Part of financial and technical support; China has accomplished above 30 projects in Nepal over the span of 20 years (Bhattarai, 2010). Nepali people have acknowledged and really thankful to government of China as such kind of projects have added prolific role in Nepal's social and economic growth.

### **Growing Trends of Nepal-China Engagement**

Mao Zedong developed a geopolitical strategy called "Five Finger Policy" which aimed to extend China's influence in its neighboring regions. The policy identified five strategic areas such as Nepal, Bhutan, Sikkim, Ladakh and Arunachal Pradesh (Singh, 2014). Moreover, Nepal shares a border of around 1,414 km with China, and it is widely believed that China is significantly influencing Nepali politics (Government of Nepal, 2023). China has various critical security and foreign policy goals in Nepal. The way in which China has engaged with Nepal can be alienated into four distinct phases.

Initially, China's involvement in Nepal originated from its concerns about Tibet. The primary goals of China are to safeguard its interests in Tibet, as the region relies on

neighboring countries for border trade. Additionally, China is highly aware of the annual influx of Tibetan refugees into Nepal and India, which it wants to prevent in order to avoid negative consequences and to maintain Nepal as a buffer zone. To achieve this, China aims to prevent Tibetan refugees from playing a destabilizing role in Nepal, thereby ensuring Nepal's security (Kumar, 2013).

Next, China has been increasingly asserting its influence in the South Asian region, and one of its recent initiatives is to reduce Nepal's reliance on trade and economic ties with India. China is cognizant of the historical and geographical ties between Nepal and India. In light of current trends, China seeks to establish new trade routes with Nepal and encourages Nepal to adopt an equidistant policy towards China and India. Additionally, China has been providing Nepal with grant aid for mutually agreeable development projects under its economic and technical cooperation programs since the mid-1990s.

Furthermore, China has placed greater emphasis on utilizing soft power aspects. This approach is exemplified by China's visible involvement in Nepal through VVIP visit, cultural and educational exchanges and Nepal's being a part of BRI. China recognizes that India has significant cultural sway in Nepal and is thus using soft power tactics to counterbalance and reduce India's influence (Lohani, 2017).

Lastly, the end of monarchy in Nepal in 2007 marked a significant turning point in the country's political landscape. Since then, China's involvement in Nepali politics has been growing steadily, it is seeking to expand its influence in the region through diplomatic, economic, and strategic means. China has also sought to strengthen its diplomatic ties with Nepal, with high-level visits and exchanges taking place between the two countries in recent years. In 2019, Chinese President Xi Jinping visited Nepal, marking the first visit by a Chinese head of state to the country in over two decades.

The Chinese President Xi Jinping visited Kathmandu on 12-13 October, 2019. A number of agreements were signed between Nepal and China on that occasion. Of the 20 agreements signed between Nepal and China during Xi's visit in Kathmandu, most of the agreements are related to Belt and Road Initiative (BRI), railway and roads connectivity between China and Nepal, and Nepal's reiteration to 'One China Policy' (Jha, 2019).

### **Regional and Extra Regional Security Dynamic**

South Asia has been characterized by cultural, physical, and linguistic interconnectedness. However, the potential harmony among the countries in the region has been compromised due to long-standing divisions and hostilities. The area is heavily militarized and has witnessed numerous conflicts in the past. It encompasses heavily populated countries like China, India, and Pakistan, all possessing substantial standing armies and nuclear capabilities (Awasthy, 2013). Notably, India is gradually emerging as a significant power, drawing attention from global players. In response to this changing dynamic, the United States has declared a rebalance strategy towards Asia, forging a strategic partnership with India through the Indo-Pacific strategy. This strategic shift has attracted

major global powers, including the United States, the European Union, Russia, and China, along with various regional and international institutions, all of which are increasingly engaged in South Asia.

South Asia region including China has geostrategic importance and also possess large human and natural resources. This region encompasses two of major developing economies; China and India and three nuclear powers; Pakistan, China and India. Furthermore, the interest and the engagement of Russia due to her proximity to central Asian states and close ally of China have brought great attention to South Asia. The US has always been engaged in the South Asian regional affairs due to its own regional interests and maintains hegemon. More significantly, US increased its engagement in the region mainly due to war on terror in Afghanistan after the post 9/11 period (Lohani, 2017). The continuous rise of China in economic and military power has also induced US to engage more in South Asian affairs.

Realists argue that nation-states are the key actors in global politics, and in the absence of a central governing authority, power serves as the primary medium of exchange among major world powers (Collins, 2016). The foreign policies of great powers generally focus on exerting significant influence on the international system to enhance their own power. Consequently, great powers are always seeking opportunities to expand their influence and Nepal's location in South Asia offers such opportunities for superpowers to assert their influence for their own gains. With the ascendance of China, Nepal's position has become even more strategically important.

## **Evolving Security Landscape and Its Impact on Nepal-China Relation**

### **Chinese Strategy and Security Interest**

South-Asian geographical location is strategically important from economical and security perspective to China's own influence and reduce the potentiality of other powers that might harm her interests. China plays a crucial and dynamic role in the socio-political and security aspects of the South-Asia region. Its importance stems from the fact that any instability or unrest in this area could significantly impact China's peaceful development, security, prosperity, and fundamental interests. This is particularly relevant as China is currently embarking on the ambitious 'New Era' with its grand vision of the BRI (Bhattarai, 2010).

China's South-Asia policy is mainly guided by security, economic, political stability and prosperity dimensions. It is not totally assertive but cautious and balance with respect to different countries. Nepal is important for China as it is an entry point for China into the South-Asian region. Her strategic interests also increased as Nepal being a gateway to agitated Tibetan region and host a considerable Tibetan exile community. So, Nepal and its stability are key priorities for China with reference to South-Asian security. China always wishes that Federal Nepal adhere on 'One China Policy' and seek greater cooperation as she was enjoying great cooperation during Monarchy.

China's increased economic and military involvement with Nepal has strengthened their diplomatic relations. This heightened engagement is evident through the increase in

bilateral diplomatic visits between the two countries, including visits by high-level delegations from line of ministries, the Nepali Army, Armed Police Force, Nepal and Nepal Police for consultations and training in China. In addition to diplomatic exchanges, China has invested in various sectors such as business, infrastructure, tourism, and water resources in Nepal. There are several areas of mutual cooperation between Nepal and China, including support for Nepal's security, cultural and people-to-people exchanges, political party cooperation, and joint efforts to address food insecurity, climate change, and global economic challenges (Kumar, 2013).

### **India's Strategy and Security Interest**

The growing engagement of China in South-Asian countries, particularly in Nepal, has become a source of increasing concern for India. China has made strides in Nepal by signing agreements for economic aid, exchange programs, trainings and promoting diplomatic relations. China's infrastructure projects in Nepal are part of a larger plan to expand its commercial and strategic influence in neighboring India (Jetly, 2010). India is worried that cross-border connections are contributing to terrorism and insurgency issues within its borders. The instability in Nepal and the proximity of China to Nepal have added to India's concerns. Drug trafficking and organized crime along the Nepal-India border is also posing a significant challenge to India's security (Chaturvedy & Malone, 2012). India is deeply concerned about the increasing involvement of China in Nepal which could lead to the emergence of anti-India actions along the Nepal-India border and in proximity to the India-China border.

India is striving to enhance its worldwide influence by utilizing both its hard and soft power as a regional force and an emerging global player. Its political, military, and economic capabilities are examples of its hard power, which is critical in the region and around the world. In addition, India recognizes the importance of its soft power, which includes public diplomacy, in promoting its interests, particularly in its neighboring countries like Nepal.

### **US's Strategy**

Nepal holds the United States in high esteem for its significant influence in shaping the country's perspective, despite being geographically distant and situated on the opposite side of the world. Nepal and the US established diplomatic relations on April 25, 1947, with Nepal becoming the second country after the UK to do so (Government of Nepal, 2023). Nepal has maintained a strong alliance with the United States, reaping advantages in terms of development, trade, investment, and tourism. Similarly, the US maintains a strategic engagement with Nepal, seeking its cooperation in global (especially in South Asia) political and military endeavors and regarding it as a pivotal factor in upholding stability within the region.

The US policy under President Donald Trump shifted towards the "Indo-Pacific Partnership" among the US, India, Japan, and Australia (Rizal, 2012). The reason behind this is connected to the changing approach of the United States towards China, leading to an intensified rivalry for global dominance between the two nations. As a result, the

strategic significance of South Asia has been raised. The present containment strategy of the United States is focused on China and primarily aimed at obstructing China's emergence as a significant economic and political influencer in global affairs. Despite recognizing the potential for a new Cold War, a particular segment of US policymakers persist in advocating for the legitimacy and indispensability of the containment strategy against China (Sangroula, 2018).

### **Security Interest of Western Blocs**

Nepal's geostrategic location has made it a potential area of interest for Western blocs. This is due to its strategic importance in implementing containment strategies against China and monitoring the growing trade relations between China and India. Nepal's significance has further increased with the sporadic conflicts between China and India. These factors have drawn the attention of the US and its allies, the EU, towards Nepal. However, a politically stable and economically independent Nepal may not align with the Western bloc's containment strategies against China and India (Sangroula, 2018). Therefore, the Western bloc is pursuing policies to keep Nepal under its absolute leverage to materialize its containment strategy to the desired extent. The implementation of the World Bank-sponsored structural adjustment program in 1992 led to Nepal's adoption of neoliberal policies, resulting in the auctioning of state-owned industries and corporations that severely impacted Nepal's economy and caused a political crisis (Bhattarai, 2017). The connection between the Western leverage on Nepal and the containment strategy against China and India is evident.

### **China - India Complex Relation**

China and India are two significant nations located in Asia, share border, home to a combined population of over two billion people. They have complex and multifaceted geopolitical issue that has been ongoing for decades. It is rooted in a long history of cultural and political differences between the two countries, as well as territorial disputes and economic competition. The China-India border dispute is a critical dispute as political elites of both countries consider inter relationship “far below their domestic perils with Taiwan and Pakistan” (Hamayoun, 2017).

The rivalry between India and China could be classified into three key areas. Firstly, there are border disputes in Doklam area (situated close to the tri-junction between India, Bhutan and China), which have been exemplified by the 73-day military standoff of both countries. Secondly, India has expressed concerns regarding the China-Pakistan Economic Corridor (CPEC) project and has declined participation in the Belt and Road Initiative (BRI). Thirdly, China's increasing presence and influence in the Indian Ocean has become a subject of contention between the two countries (Simkhada, 2018). In general, the rivalry between India and China is a multifaceted matter that is not expected to be settled in the near future. While both countries recognize the importance of maintaining diplomatic relations, they will continue to compete in economic and geopolitical terms, with the border dispute remaining a major source of tension between the two nations.

## **The MCC and BRI**

In 2004, the US Congress passed a law creating the MCC as a separate organization to provide foreign aid. Nepal became the first South Asian country to be eligible for the MCC and joined in September 2017. The US government committed to giving \$500 million in grants, while Nepal pledged \$130 million towards the initiative, which focuses on improving energy and transportation infrastructure (Ghimire, 2020). There are concerns that the MCC agreement could embroil Nepal in the competition between the US and China. Also, the US Indo-Pacific Strategy report explicitly identifies China as a revisionist power and a threat, while Nepal maintains amicable relations with China.

Nepal and China signed a Memorandum of Understanding (MoU) on BRI cooperation in 2017, which paved the way for Nepal's participation in the initiative. As part of this cooperation, China has pledged to invest in several infrastructure projects in Nepal, including road and rail networks, hydropower plants, and telecommunications infrastructure under the BRI. Despite the fanfare surrounding Nepal's participation in the BRI, progress on financing modalities and long-term viability have not been made for any of the projects. However, Nepal's involvement in BRI has also raised concerns about its debt sustainability, environmental impact, and potential geopolitical implications (Tuladhar, 2017).

Nepal had endorsed both the MCC and BRI agreements. If one argues that the Indo-Pacific is a US security strategy, then the same can be said of China's BRI. Despite the ongoing discussion about MCC and BRI, Nepal is connected to the US and China strategies in some way after end of Cold War. Nepal should refrain from engaging in such discussions, which have the potential to result in negative consequences (Sigdel, 2020).

## **Geopolitical Dynamics and Security Sensitivity of Nepal**

Nepal's concern for national security has been prominent since King Prithvi Narayan Shah's unification in 1769, mainly due to its geographical positioning between India and China (Maskey, 2017). Despite the independence of India and the establishment of China as a People's Republic, Nepal's perception of security threats has remained largely unchanged for the past eight decades. This perception is influenced by Nepal's location, size, and public psyche, as well as the India-China complex relation. Additionally, the political ambitions of these neighboring countries to exert regional influence have further complicated the situation.

While Nepal hasn't encountered direct external aggressions from its neighboring countries, its susceptibility has grown, putting its capacity to foster social, cultural, and economic progress in jeopardy. To ensure its long-term security, Nepal must be mindful of India and China's sensitivity towards security-related issues and adopt policies that strike a balance between respecting the interests of its neighbors while safeguarding its own sovereignty and independence. The changing security threat perception in Nepal is primarily attributed to its growing vulnerability and internal unrest rather than external factors.

## **Recommendations**

Nepal's foreign policy (in terms of security) is lacking in creativity and progressiveness, instead relying on traditional principles that have been in place for decades, such as those outlined in the UN Charter, Non-Aligned Movement and Panchasheel. It is necessary for Nepal to inject new energy and innovation into its foreign policy by adopting realistic and effective practices.

Nepal's top priorities in its relationships with other states are its self-preservation and autonomy. Therefore, its strategic alliances should be primarily focused on these goals. Both the US and China have proposed a range of initiatives aimed at improving cooperation with Nepal, such as MCC and the BRI. Nepal must carve out its own position within the region, taking into account the regional strategies of major powers and neighboring states.

Nepal should not align itself exclusively with either India or China, but instead utilize economic opportunities to achieve self-sufficiency. It is important for Nepal to be careful and avoid offending the strategic interests of both India and China while fulfilling its role as a mediator in the context of development.

Nepal's international security strategy comprises two components: maintaining a balance of power in the region and not aligning with any global powers. The definition of non-alignment in Nepal's foreign policy needs to be reviewed and revised. Nepal's foreign policy should also consider the current global trends, such as the growing opposition to globalization, the resurgence of geopolitics, and the changing power dynamics, particularly in developing countries like India and China.

Nepal should acknowledge that national security is a crucial aspect in all means. To achieve this, Nepal should establish a system for consultations between its defense establishments and those of neighboring countries and major powers, using smart power. Nepal should strive to strike a balance that respects the vital interests of both its neighbors while maximizing its own benefits.

## **Conclusion**

The longstanding relationship between Nepal and China has been characterized by cordial and deep-rooted connections across social, religious, cultural, economic, and political spheres. In 1955, diplomatic relations between the two countries were established on the basis of the principles of peaceful coexistence. Since, Nepal's transition to a Federal Democratic Republic in 2008, bilateral relations have seen increased interaction through high-level visits and other means of engagement to strengthening of relationship.

It is relatively clear that China's interest in Nepal is focused on three main areas: geopolitics, stability, and economic development. The primary interest of China is to ensure stability in Nepal, particularly to prevent any risk of Tibetan secession. In the federal republic era, China has been actively reaching out to political parties and various institutions in Nepal. Nepal and China have agreed to strengthen their defense and

security ties, but there are emerging issues that could impact the bilateral relationship. These issues include Nepal's geostrategic vulnerability, China's growing military and economic power, and India's concerns over China's engagement in Nepal, and the US and Western block's China containment strategy.

While examining Nepal's strategic and security interest, it clearly signaled out that Nepal's bilateral and trilateral relation with China and India is based on keeping national interest, national survival and independence at the top priority. While doing so, the precondition is garnering 'national unity', preserving 'national self-esteem, maintaining 'political stability' and advancement of 'common agenda'. It is essential to rise above everything on the issues of national interest and national security, irrespective of party politics and interest. Considering Nepal's strategic location and the increasing military power of China and India, it seems prudent for Nepal to adopt a policy of maintaining a regional strategic equilibrium and avoiding alignment with either country in its foreign relations.

The Non-alignment policy of Nepal has to be more constructive in the changing global power-relations dynamics and the developments in regional and global spheres because of the engagement of China, India and the US in the economic development of Nepal as well as their eagerness to uphold good relations. Therefore, Nepal should learn from her recent experiences, evaluate outcomes and define strategic and security interests, which would highly contribute in formulating her foreign and security policies. It should never be driven by strategic push and pull of regional and global factors. Nepal should also maintain strategic balancing between two neighbors and extra regional powers, prioritizing neighborhood first policy based on national interests.

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