

Growing Chinese Presence in Nepal and India's Strategic Dilemma: Defense, Security, and Border Politics

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Abstract

Nepal has traditionally been positioned as a crucial area of strategic rivalry in South Asia due to its placement between China and India. India has historically asserted defense and security dominance in Nepal through treaties, joint exercises, and sharing of intelligence, for the purpose of ensuring its northern frontier. While India has been worried about Nepal's increasing proximity with China, China's growing presence in Nepal—via infrastructure development under the Belt and Road Initiative, deepening political engagement, and extensions into the Terai and Himalayan border regions—has unsettled New Delhi. India perceives these activities as security challenges to its Indo-Gangetic core, particularly in terms of the historical and unresolvable border disputes such as the Kalapani-Limpiyadhura-Lipulekh tri-junction issue. The objective of the study is to examine how Nepal's defense relations with India have been evolving, analyze the character of China's strategic influence in Nepal, and examine the role of border politics in generating triangular dynamics in the India–Nepal–China relationship. Methodologically, the study relies on a qualitative approach, drawing upon secondary sources including treaties, government documents, policy declarations, and academic literature. This allows for situating historical trends and mapping shifts in bilateral and trilateral security relations. The analysis is grounded in a geopolitical and security studies approach, observing how Nepal's policy space and India's strategic action are molded by material interests, strategic geography, and asymmetrical power relations. The paper contends that although India must protect its most important interests, an over-reliance on coercive tactics, such as economic embargoes or intrusive military pressures, may drive Nepal away and bolster China. The most lasting regional balance approach is a balanced policy that incorporates both defense cooperation and diplomatic sensitivities.

Keywords: Geopolitics, defense relations, China's influence, border dispute, strategic sensitivity

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Introduction

South Asia since the post-colonial era has been marked by competing strategic ambitions of India and China, the rising powers whose competition has perennially shaped the political and security environment of the region. Nepal, being landlocked geographically and historically bonded to both neighbors, has a distinctly exposed role within this triangular equation. India has traditionally viewed Nepal to be under its security umbrella, a perception that dates to colonial British strategic tenets that prioritized defending the Indo-Gangetic core from external threats by extending the Himalayas (Chauhan, 2021a). In the post-independence era, India's policies toward Nepal—in the form of the 1950 Treaty of Peace and Friendship—tried to institutionalize such security dependence. Defense cooperation, open borders, and intelligence sharing further reinforced New Delhi's influence.

However, China's consolidation of Tibet after its 1950–51 invasions fundamentally transformed the Himalayan landscape. Beijing began viewing Nepal not merely as a buffer but also as a potential partner in limiting India's regional predominance. The last two decades have also seen China's increasing presence in Nepal increasingly manifest itself in the form of infrastructure developments under the Belt and Road Initiative (BRI) increasing economic links, political interactions, and expanding outreach in the Terai as well as the Himalayan border areas. For India, all this evokes fears of strategic encirclement and security concerns, and especially with regard to its Indo-Gangetic plain and disputed border areas like the Kalapani-Limpiyadhura-Lipulekh tri-junction. Nepal, in turn, has attempted to leverage its geopolitical position to strike a balance between its two neighbors, promoting greater autonomy in foreign policy without leaning too far on either side.

Objectives of the Study

The primary objective of this study is to explore Nepal's defense ties with India, locate the growing footprint of China in Nepal, and explore the contentious border conflict politics. Specifically, the study aims to (i) analyze the historical trajectory of Indo-Nepal defense relations; (ii) explore how China's footprint has modified Nepal's foreign policy decisions; and (iii) evaluate the regional security and stability implications of these developments.

Methods of Study

This study applies a qualitative research methodology that is partly reliant on secondary materials. These include government reports, bilateral treaties, policy briefs, literature, and media reports. Utilization of documentary and historical analysis

enables reconstruction of significant phases in Nepal's relations with India and China, while policy documents and contemporary reports provide insight into recent shifts in regional geopolitics. This methodology enables the study to capture both continuity and change in Nepal's strategic engagement.

Methods of Analysis

The research is analyzed based on a geopolitical and security studies approach. By situating Nepal within larger regional contexts, the research accounts for the ways in which geographical imperatives, power imbalances, and strategic interests interact to shape state behavior. The research applies a comparative approach to examine India's and China's competing strategies toward Nepal, highlighting how economic, military, and diplomatic tools are employed. Moreover, the study encompasses elements of critical analysis to evaluate the risks of coercive policies, such as India's previous economic sanctions, that have the tendency to yield undesirable outcomes by driving Nepal into China's arms.

In summary, the introduction presents Nepal as a pivotal arena where China's strategic objectives and India's security needs meet. Through its unambiguous articulation of purposes, rigorous methodology, and analytical framework, the study aims to provide a sophisticated explanation of how Nepal navigates its precarious geopolitical situation and what implications this has for South Asian security.

Literature Review

India's long-standing strategic control over the Himalayas is becoming more difficult as a result of the expanding Chinese presence in Nepal, which has become a defining issue in South Asian geopolitics. Thanks to an open border and extensive cultural links, India and Nepal have always maintained bilateral defense and political ties (Muni, 2019).

However, in recent decades, China's expanding economic, political, and security ties with Kathmandu have ensured that Nepal has become a geostrategic arena wherein Sino-Indian competition is unfolding (Sharma, 2021). In particular, in defense, security, and border politics, Nepal's geopolitical orientation has significant implications for India's national security.

China's engagement with Nepal is neatly aligned with its broader regional strategy, specifically the Belt and Road Initiative (BRI). Beijing has sought to bring Nepal into the latter's trans-Himalayan connectivity efforts, including proposed rail links from Tibet to Kathmandu and building energy infrastructure (Panda, 2017). Such

projects not only have the potential for economic returns for Nepal but also add to the strategic depth for China in South Asia, making India anxious about being surrounded by Chinese influence and infrastructure (Sridharan, 2021). Analysts argue that by expanding its partnerships outside India, Nepal is more reliant on Chinese political and economic support, particularly following periods of strained relations with New Delhi, such as the 2015 blockade (Bhattarai, 2016; Paudel, 2022).

In the security sphere, China has increasingly deepened its cooperation with Nepal. Joint military exercises such as the “Sagarmatha Friendship” exercises and China’s training and arming of Nepalese security officials indicate gradual diversification away from India’s monopoly of this realm (Jha, 2020). While India has long been Nepal’s main defense partner—providing arms, training, and maintaining close institutional ties—China’s growing engagement introduces new dynamics that dilute India’s monopsony (Shrestha, 2023). Along with this, China’s fixation on monitoring anti-Beijing activities among Tibetan refugees in Nepal has witnessed strengthened security collaboration among Chinese and Nepalese governments, integrating Chinese interests into Nepal’s internal security policy (Hutt, 2019). For India, it is an unwelcome development as it diminishes its ability to rely on Nepal as a secure buffer state along the Himalayan border.

Border politics have also risen as a central aspect of the strategic dilemma. China’s assertive frontier policies in Tibet and rising dominance of trans-Himalayan flows directly undermine Nepal’s sovereignty and its relationship with India (Panda, 2017). China’s infrastructure development along the Nepal-Tibet border, including highways and checkpoints, reinforced its logistical superiority and reduced Nepal’s dependence on Indian transit routes (Sharma, 2021). Simultaneously, India and Nepal have had persistent border disputes, and most recently on the Kalapani-Limpiyadhura-Lipulekh region, adding another layer to the bilateral relationship (Muni, 2019). Analysts believe that Beijing gains strategically from worsening India-Nepal border relations since it forces Nepal into its sphere of influence, despite China’s outward declarations of neutrality in these standoffs (Paudel, 2022).

This triangle relationship is also fueled by Nepalese nationalism and political agency, according to scholars. Additionally, Nepali politicians have increasingly exercised their foreign policy autonomy by using China’s presence as leverage against India (Shrestha, 2023). This was evident in 2020 when Nepal backed the redrawn political map, contesting India’s territorial claims while also strengthening ties with Beijing (Sridharan, 2021). In addition to being a strategic setback, India’s control over Kathmandu has been symbolically diminished. Therefore, the Chinese presence is not

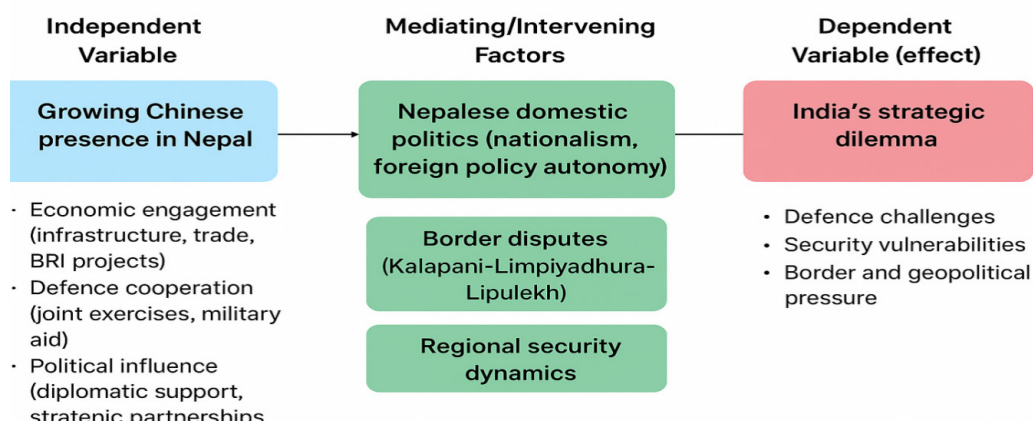
just an external factor; rather, it interacts with Nepali politics in ways that exacerbate India's strategic predicament.

All things considered, the literature shows how increased Chinese influence in Nepal affects India's border politics, security, and defense on several levels. China's economic growth of infrastructure undermines India's dominance as Nepal's main transit and commercial partner. India's exclusive position as Nepal's security guarantee is adversely affected militarily by Beijing's growing defense relations with Kathmandu. Chinese involvement in politics and geography exacerbates border issues and makes it easier for Nepal to side with Beijing against India. Experts from all sides agree that India needs to change its approach to Nepal in order to move away from coercion through blockades and toward more respectful and constructive engagement (Bhattarai, 2016; Sharma, 2021).

Yet, as Nepal increasingly diversifies its external relations under the larger shadow of China's increasing influence, New Delhi must cope with a persisting dilemma of how to defend its strategic interests without disrespecting Kathmandu's growing autonomy.

Figure 1: *Impact of Growing Chinese Presence in Nepal on India's Strategic Dilemma*

Conceptual Framework



Note: Conceptual framework figure on “Growing Chinese Presence in Nepal and India's Strategic Dilemma: Defense, Security, and Border Politics”

China's Strategic Foray into Nepal

China's occupation of Tibet in 1950 radically altered its Nepal policy. Beijing constrained long-standing religious interactions but also helped Nepalese communists opposed to the monarchy (Chauhan, 2021a). Mao Zedong's metaphorical reference to Tibet as the "palm" and Nepal, Bhutan, Ladakh, Sikkim, and NEFA as its "five fingers" underscored China's Himalayan strategic imaginary.

China has consolidated its hold in recent years by means of ideological outreach, assistance, and infrastructure development. The proposed plan to develop Lumbini as a "world peace city" funded by China triggered huge concern in India due to its proximity to the Indo-Gangetic plains (Chauhan, 2021a). Similarly, Nepal's 2017 transit agreement with China, giving access to Chinese seaports, was Kathmandu's desire to diversify from India (Chauhan, 2021a).

While Nepal sees China as a "beneficent aid-giver" and model of development, critics argue that Beijing's engagement is "strings-attached" strategic (Mulmi, quoted by Chauhan, 2021a). Nepali civil society has also voiced concerns regarding Chinese interference in the guise of the critique of Beijing's high-handed response to critical editorials in Nepali publications (Chauhan, 2021a).

India–Nepal Defense Relations: Historical Continuity and Contemporary Shifts

India–Nepal defense relations are well-rooted in history on the basis of the 1947 Tripartite Agreement between India, Britain, and Nepal, which made the presence of Gurkhas in the Indian and British militaries legal (Chauhan, 2021b). Over 90% of the Gurkha soldiers opted for service in India, culminating in the formation of the 11th Gurkha Regiment.

The two nations have since then remained institutionally closely tied. India provided enormous help in reorganizing and modernizing the Royal Nepal Army (RNA), beginning with the Indian Military Mission (IMM) in 1952 (Chauhan, 2021a). India continued to give arms, training, and logistics support even during intermittent withdrawals under domestic and Chinese pressures.

During the 1990s and 2000s, when Nepal experienced its Maoist uprising, India provided the Nepalese Army with rifles, mortars, helicopters, and non-lethal equipment (Chauhan, 2021a). Bilateral ties have also been characterized by the exchange of honorary general ranks among army chiefs since 1965 and regular joint exercises such as Surya Kiran (Chauhan, 2021b).

Though Nepalese political realignments as well as increasing proximity with China have reduced the scope of Indian military aid over the last few years, there is still mutual cooperation in training and natural disaster relief. Kathmandu has, nonetheless, attempted to diversify its defense pacts to maintain strategic autonomy.

The Border Politics of Kalapani–Limpiyadhura–Lipulekh

Nepal's ex-Prime Minister KP Sharma Oli in 2020 presented a new political map that featured Kalapani, Lipulekh, and Limpiyadhura as Nepali land. The move was received in the country as historic, especially against the background of India constructing a road to the KailashMansarovar pilgrimage route through Lipulekh (Ghimire, 2021).

However, critics argue that Oli's cartographic nationalism was more about optics than substance. While India continued to expand road infrastructure, the Nepali government refrained from any meaningful diplomatic engagement, often delegating disputes to local officials (Ghimire, 2021). The symbolic politics of textbooks and map revisions overshadowed substantive negotiations, reflecting Nepal's internal political instability.

For India, the scenario has greater implications. Any erosion of influence in Nepal not only invites Chinese strategic incursions but also threatens India's vulnerable Indo-Gangetic plains. As analysts note, anti-India activities, smuggling, and potential Chinese exploitation of Nepal's porous border are ongoing security issues (Chauhan, 2021a).

Strategic Implications for India

India is faced with a twofold challenge in Nepal: securing its own security interests while simultaneously avoiding actions likely to be seen as hegemonic. Past policies, particularly the 2015 blockade, demonstrate the pitfalls of coercive policy, which injured India's image but accelerated Nepal's political and economic ties with China (Jha, 2015; Pant, 2016). At the same time, underplaying Beijing's increasingly rooted presence—by way of infrastructure development, economic assistance, and ideational influence—would undermine India's long-term security in the Indo-Gangetic heartland (Khadka, 2020). Experts argue that only a calibrated and balanced strategy is an effective long-term option. This is based on several significant strategies:

Deepening Defense Ties

India's long-standing defense relations with Nepal remain a cornerstone of bilateral ties. Such a continuity and consolidation of cooperation is essential in

maintaining Nepal's security institutions in close proximity with India (Baral, 2018). This includes reciprocal military training exercises such as Surya Kiran, defense equipment assistance, and institutional linkages through officer exchanges and scholarships at Indian military academies (Embassy of India, Kathmandu, n.d.). Increased defense cooperation not only fosters interoperability but also provides India with strategic reassurance in a region where China wants to expand its own security influence (Chaturvedy & Malone, 2021).

Reframing Economic Relations

Economic interdependence has always been a unifying factor in India–Nepal relations. However, instances of broken trade and transit, primarily the 2015 blockade, exposed Nepal's weaknesses and provided the chance for China to establish itself as an alternative economic partner (Bhattarai, 2016). For India, there is a need to provide predictability to trade, transit, and border-side infrastructure. This may involve upgrades to border crossings, investment in joint hydropower ventures, and providing continuous supplies of essential goods (MoFA, Nepal, n.d.). By redefining economic relations in terms of bilateral dependability and benefit, India may be able to reduce Nepal's incentive to realign dependence toward Beijing (Sapkota, 2022).

Harnessing Public Sentiment

India's greatest challenge is not only at the state-to-state frontier but also in building Nepali public opinion. Nepali populations over time have become wary of Indian motives, perceiving New Delhi as high-handed or cavalier toward Nepali sovereignty (Muni, 2016). To this end, India must invest in people-to-people relations, such as boosting opportunities for education, enhancing labor mobility systems, and subsidizing cultural initiatives (Adhikari, 2021). These softer relations can help rebuild trust and make India a valued and respectable friend and never a coercive neighbor.

Diplomatic Sensitivity

Finally, India must be more responsive to Nepal's sovereign aspirations. This is not about conceding strategic ground to China, but embracing Nepal's desire for independent decision-making on regional matters (Shrestha, 2019). If India changes its diplomatic strategy to being less confrontational and more deferential—where India negotiates issues through dialogue and keeps pressure in the background—goodwill can be preserved (Chauhan, 2021b). While doing so, India needs to step up its vigilance against Chinese incursions into sensitive border districts, particularly the Kalapani-Limpiyadhura-Lipulekh region (Bhatt, 1996). By finding a balance between firmness

and diplomatic finesse, India can advance its strategic interests without sacrificing too much in alienating Kathmandu.

Discussion

Nepal's geography in the Himalayas has made it the object of Asia's great-power rivalry between India and China, as the two powers are competing for overlapping yet divergent goals. India has traditionally sought to maintain a security buffer and ensure access to the Indo-Gangetic heartland, prioritizing defense cooperation, intelligence sharing, and economic interdependence with Nepal (Chauhan, 2021a). This is a spatially-based historical understanding rooted in colonial era strategic thinking, which positioned Nepal at the center of India's northern security structure (Bhatt, 1996). However, analysts argue that India's excessive reliance on coercive measures, the 2015 blockade being a case in point, has actually had counterintuitive consequences by eroding trust and accelerating Nepal's return to China (Jha, 2015; Pant, 2016).

China, on the other hand, has adopted a multi-dimensional strategy involving economic, infrastructural, and political engagement to expand its presence in Nepal. The Belt and Road Initiative (BRI) as well as investments in transport, energy, and cultural projects are being used both strategically and for soft power, creating leverage over Kathmandu and challenging India's traditional primacy within the region (Khadka, 2020; Chaturvedy & Malone, 2021). Academic critics note that the strategy of China is incremental and adaptive, aimed at long-term influence rather than open confrontation, thereby making it difficult for India to counter without compromising its relationship with Nepal (Baral, 2018).

The Kalapani-Limpiyadhura-Lipulekh border dispute shows how the dynamics unravel in tangible security repercussions. India's claim of historical right, if exercised tactlessly, can ring hegemonic and compromises equally beneficial bilateral goodwill (Shrestha, 2019). Strategists argue that Nepal leverages its geographical positioning to negotiate autonomy and gain dividends from both the neighbors at the cost of revealing the limitations of power asymmetry in predicting state actions (Muni, 2016).

The major implication for India is that it would need a balanced approach featuring defense, economic, and diplomatic tools. Intensifying cooperative military exercises and institutional relations with Nepalese forces enhances security cooperation, while stable trade and transit agreements remove the push factors towards Beijing (Sapkota, 2022). At the same time, people-to-people contact with the Nepalis through education, culture, and people-to-people programs dispels perceptions of hegemony and fosters goodwill (Adhikari, 2021). According to experts, these soft power tactics

are especially important because strict policies by themselves just serve to exacerbate anti-Indian sentiment and drive Nepal more toward China (Bhattarai, 2016). All things considered, the triangular dynamics of India-Nepal-China ties show how domestic politics, power imbalances, and geography interact to influence foreign policy decisions. India must be forceful but diplomatic in its defense of strategic interests while also being mindful of Nepal's sovereignty and ambitions in order to manage the situation effectively. Maintaining India's long-term influence in the Himalayas in the face of China's expanding power requires a fine-grained approach, which is also crucial for regional stability.

Conclusion

Nepal remains a key area of strategic rivalry between China and India due to its geopolitical placement in the center of the Himalayas. Because of its unique location, which links the Tibetan plateau with the Indo-Gangetic plain, it is essential for both regional security and commercial ties. Indian hegemony in the area is facing significant competition from China's reach, which includes strategic outreach in the Lipulekh borders as well as infrastructure and investment projects. India's attempts to establish its hegemony through coercion, as tried in previous blockades or overbearing policy endeavors, run the risk of offending Kathmandu and destroying decades of goodwill and confidence as it works to seal its northern frontier.

Relationships between India and Nepal are built on shared history, culture, and interpersonal interactions rather than geography. A balanced approach that strikes a balance between diplomatic sensitivity and strategic imperatives is necessary to maintain the proximity. While active economic engagement turns Nepal's dependency on India into a positive rather than a hostile relationship, pragmatic defense collaboration through combined military training and institutional links can extend reciprocal security assurances. Respect for Nepalese sovereignty is equally crucial because its foreign policy decisions are seen as an attempt to maintain equidistance from both neighbors rather than directly challenging India.

Finally, in order to exercise influence without inciting animosity, India's response must be a delicate blend of firmness and tact, drawing on soft power and connections that have been earned. Long-term peace and strategic balance in the Himalayas can be advanced by India securing its Indo-Gangetic core, strengthening bilateral ties with Nepal, and thwarting the dangers posed by China's expanding footprint by adopting an impartial, polite, and forward-thinking stance.

Recommendations

India's approach to Nepal must be well-rounded and progressive, combining diplomatic skill with strategic prudence. Mutual security and economic interdependence can be enhanced by increased defense cooperation through exercises and institutional relationships, as well as by assured trade and economic engagement. In order to restore confidence and dispel the sense of superiority, India must simultaneously refocus its attention on soft power initiatives, such as education, cultural exchange, and people-to-people programs. The core of goodwill, not the excesses of Chinese presence, is respecting Nepal's sovereignty and autonomy in making foreign policy decisions. India can defend the north front, maintain long-standing bilateral ties, and help bring regional peace to the Himalayas by combining cooperation and diplomacy with a tough approach to protecting strategic interests.

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