



Nepal's Significance amidst the Tripartite Competition between China, India and the US

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Abstract

Geopolitics is never static. After the Cold War, relations among the US, China and India have changed significantly. With the rise of India and China as new economic powers invites an increasing interest of the US. While each has competitive and rival ambitions, Nepal is still trying to get the benefit from the tripartite competition. The US fearing China's rising power wants to increase its influence in Indo-Pacific region through 'Indo-Pacific Strategy'. China, also wanting to be next power, wants to exert its influence in the region through 'Belt and Road Initiative'. First, this paper examines an increasing interest of each of the state and their overlapping interests. In all this, Nepal is brewing in the hot pot of the tripartite competition. Nepal is in a delicate situation where there will be pressure to choose one side, without annoying another and thus testing Nepal to strike a balance. Secondly, the paper examines the weaknesses of Nepal's foreign policy and the lessons to learn from it. In all this, Nepal should objectively study the major and rising power diplomacy, their implications and safeguard own national interests. This paper is developed by adopting qualitative method using descriptive and analytical approaches. Although Nepal's role might seem minor at regional and global level, the country is significant to its neighbors and the US to strengthen their geo-political strategies.

Keywords: geopolitical, geostrategic rivalry, security dilemma, national interests, security.

Introduction

Nepal has three neighbors: India to the south, China to the north, and the United States as the sky neighbor. Nepal, which is sandwiched between China and India, is located in a small but delicate region of world affairs. Given its geographic location, Nepal is bordered by the Himalayas on its northern frontier and five Indian provinces—Uttarakhand, Uttar Pradesh, Bihar, West Bengal, and Sikkim—on its remaining three sides. Nepal is a transforming nation. A landlocked nation with an underdeveloped economy, Nepal depends heavily on foreign aid and has a large portion of its labor force working overseas (Bhatta & Menge, 2021, p.9). For

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Nepal, the prospects for its development are closely linked to its relations with other countries. As thesis statement of the paper, amidst the power struggles of major powers, why does Nepal lie on the center? The answer remains in the Nepal's geostrategic location and since the Cold War has been in the global powers' attention. After the Cold War, relations among the US, India and China changed significantly. Rise of India and China as new economic powers with competitive and rival ambitions invite increasing interest of the US as well.

On the one hand, India is aspiring to be a global power, given its expanding economy and military. Since they share a common civilization, culture, and religion, India and Nepal have long had a close relationship. On the other hand, China has risen dramatically over the past few decades and is a revisionist power. Chinese interest grew in Nepal after annexation of Tibet to China in 1950 (Baral, B., 2021, p.43). China, further, has greatly extended its engagement in Nepal since the Comprehensive Peace Accord was signed in 2006 and particularly increased since 2011 (Kumar, 2017, p.31). Earlier, Tibet acted as buffer between British power and China, now it is Nepal between India and China, however it is also said buffer theory is nothing but a leftover of the British colonial rule (Bhatta & Menge, 2022, p.189).

Besides neighbors, there exists another equally important role playing nation which is the United States. The US established diplomatic ties with Nepal in 1948 (Lamichhane, 2022, para.8). The US engaged in Nepal through foreign aid and other development programs since 1951 (Nepal, 2021, p.226). The visit of one of the country's officials is followed by another. While Nepal occupies a special position in the neighborhood policy of India and China due to its geographical proximity, the US policy toward Nepal is guided by its approach towards China and India.

Earlier after the end of the Cold War and collapse of the Soviet Union, the US enjoyed the unipolar state of affairs. However, after two decades the unipolar world order was challenged by the rising power, China. Because of China's rising status in the international sphere given its growing economy and increased foreign investments, the twenty first century is also termed as the 'dawn of the Asian century' (Bhatta & Menge, 2021, p.4).

On the one hand, the primary concern of both China and India in Nepal is any security problems in Nepal would have spillover effects in their security. Whereas for the US and China, there is trade war and growing geopolitical and security rivalry between them. Rivalry between US and China is 'new cold war' and could lead to 'hot war'. On the other hand, India appears to have aligned with the US, but also has traditionally claimed leadership in South Asian region and has its own strategic interests. This has resulted for Nepal in the dilemma by the play of India, the US and China in the South Asian region. Nepal has to make a critical analysis of the fact that the US and Chinese strategic and economic competition is going on a global scale, and adjust its foreign policy accordingly.

Foreign policy is considered as an extension of domestic politics and, therefore begins at home. Nepal's foreign policy which seems to be changing along with the change in the government, it should be in fact consistent and determined. Unlike other countries, foreign policy of Nepal is determined more by peripheral matters and less by internal matters.

This research paper comprises literature review, methodology and research design, conceptual framework with sub-themes, results and discussions, recommendations and conclusion.

Literature Review

The book 'Gaida's Dance with Tiger and Dragon' edited by Chandra Bhatta and Jonathan Menge contains introduction, following viewpoint of thinktank personals of various countries. The book mentions in the introduction chapter that there have come many changes in the tides of geopolitics. The earlier 'ideological bipolar world' ended abruptly with the fall of communism. In the match between communism and capitalism, capitalism and liberal democracy seemed to win (Bhatta & Menge, 2021, p. 3). The liberal world-order was further reinforced by the Washington Consensus that began setting an agenda of neo-liberal global governance. Accompanying the neo-liberal globalization, the world has also seen the growth of non-state actors like Multi-National Corporations in global governance. But the rise of neo-liberal capitalism also gave rise to new 'cultural' or culturized conflicts on a global scale (Ibid), prominently referred to by Huntington as the 'Clash of Civilizations' (Giri, 2011, para.4).

Similarly, the book, in its introduction, has explained the twenty-first century referred to as 'the Asian century', since Asia is taking over as the center of the global economy. Likewise with new realities, there have come increased complexities as there is interplay of neighbors' interest and major powers' interest in Nepal, and thus, creating the chronic dilemma for Nepal. It also suggests rethinking the foreign policy agenda as in today's multi power world, Nepal's foreign policy might be moving too slow. It suggests striking a fine balance between the two reemerging power in its neighborhood, while also with the West.

Various articles and journals were examined as well. While making an analytical review of geopolitical rivalry of major and its implication in Nepal, Nepal has serious geostrategic importance and thus is geopolitically sensitive. As a result, the US, India and China have been competing to extend their influence in Nepal, be it through political, diplomatic, strategic, security, economic or cultural, also recently vaccine diplomacy (Wagle, 2021a, para.1). As Nepal and India share open border, the unilateral inclusion of Lipulekh, Limpiyadhura and Kalapani in India's political map have created challenges in the countries' relations (Baral, 2021, p.44). Likewise, India and China have border issues. In such, Nepal should not be too 'pro-Chinese' nor 'pro-Indian' (Baral, 2021, p.44). Nepal must continue by making its national interest as direction by giving equal priority to China-India.

Similarly, articles of researchers were consulted. Global and regional politics change based on the changing interests of the actors involved in it (Chand, 2022, p.139). Also, if geopolitics remained the same, global power and politics would not have changed. The limitations in foreign policy of Nepal were also discussed. Scholars examined the evolution and conceptualization of security policy by King Prithvi Narayan Shah, as well as how China suspects Nepal is being used by US in its larger strategy of encircling China (Kumar, 2017, p.32). Various news outlets provided geopolitical rivalry of major power and its implication in Nepal. On the one hand, making an analytical review (*The Diplomat*, 2022), China had stated there will be serious consequences if any part of MCC be used against neighboring China. It

further stated 'it is in Nepal's best interest to stay out of the US's geopolitical games'. On the other hand, one top US official, showing the stand, even warned that if the Nepali Parliament rejected the MCC agreement, it would be seen as having done at China's pressure and even went to the extent of saying, the United States would 'review' its relations with Nepal. In response (Lamichhane, 2022, para.2) to the US's statement that Nepal not ratifying due to pressure from China, China said that the MCC agreement would put Nepal's sovereignty at risk. The Chinese understand that the US influence in Nepal has increased with the approval of the MCC agreement. In this way, it is signaled the growing geopolitical tug-of-war in Nepal to intensify polarizing Nepali politics for the years to come.

Research journals classified Nepal's diplomacy into diplomacy before unification era and after the unification era (Poudel, 2022, p.16). Military diplomacy dominated Nepal's diplomacy during the period of Unification, leaving little time for other diplomatic activities including international relations, economy, and trade (Ibid). The article describes India and Nepal as the world's closest neighbors sharing commonalities, but they also have greatest number of disparities, as important issues such as border conflicts are not addressed.

Methodology

The paper is based on qualitative research employing descriptive, analytical and comparative methods to interpret the data available. The researcher relies on both primary and secondary sources. The primary sources include policy reports, government publications, and official documents. The paper has used some primary data collected through online conversation with some professors and scholars. Similarly, secondary sources cover books, newspapers, bulletins and journals. The study reports from the research centers and the online sources are referred for the analysis of contemporary geopolitics. The research has incorporated Nepalese perspective of geopolitics by using the literatures produced by Nepalese scholars as well as of foreign think tank of other nations such as India, China, and Mongolia. As a qualitative research, this study has adhered to the constructivist and realist turn in International Relations examining on the basis of how Nepal, India, China and the US perceive. In the research, the tools used for data collection are content analysis of documents and available literatures. Exploratory research design has been used to understand and discuss the ideas of various scholars regarding the geopolitical complexities and opportunities for Nepal.

Conceptual framework

The word 'geopolitics' refers to the interplay of politics, geography, demography, and economics, with particular emphasis to a country's foreign policy (Bhattarai, U., 2016, p.63). In that case in point, geography is the heartland of geopolitics; geo-strategy is a branch of geopolitics that deals with strategy. Under this context, the study has incorporated the play of geopolitics in Nepal and how important it is in geo-strategic manner.

Geographical factors at the center of geopolitics have been influencing geopolitics. However, geopolitics also consists of social construction and the sense that narratives impact the making of realities. Examples include the recent warfare between Russia and Ukraine, in NAFTA and Kyoto protocol, South Africa's approach to the political crisis in Zimbabwe in 2008, China's projection of power into the Indian Ocean (Schovin, 2016, p.4). In the today's

multipolar world, Russia, China, Japan, India and other small powers are asserting themselves on the global stage, whereas there are Iran, Turkey, and Saudi Arabia as regional powers. After the Cold War, relations among the US, China and India changed significantly. On the one hand, rise of India and China as new economic powers with competitive and rival ambitions invite increasing interest of the US. Having fought the trade war and imposing tariffs on each others' products, there still exists the geopolitical rivalry between the US and China (Chand, 2021, p.145). On the other hand, India and China have trade, investment, border issues such as fought Sino-Indian war in 1962 and other global issues. Despite War and security dilemma, various factors do not allow China and India to go to confrontation. They have good trade relations and strong economic cooperation to support their economy, and are interdependent to each other (Yadav, 2020a, para.6).

Nepal's interest and concerns

Given its geostrategic location, Nepal has been in the global powers' attention since the Cold War. Further, since mid-1990s, Nepal has gained some importance because of emergence of China and India as Asian economic power, and the Maoist movement and the US's global campaign against terror starting in 2001 (Bhatta & Menge, 2021, p.133). Nepal has been trying to benefit from the tripartite competition in the Himalayan region between China, India and the US. The strategic significance of Nepal's geopolitics is reflected in the focus given to Nepal in China's Belt-Road Initiative (BRI) and the United States' Millenium Corporation Challenge (MCC) (Chand, 2021, p.142).

Three of Nepal's neighbors—India, Pakistan, and China—are nuclear powers with long-standing animosities, unresolved border disputes, and a history of warfare. Such an increasing level of power dynamics prompts unanticipated flare-up at any time and their impact on Nepal (Nepal, 2021, p.223). Being founding member of Non-Aligned Movement (NAM), Nepal stands for abstaining from the production and usage of any nuclear or biological weapons in its territory, adding to its security dilemma. Nepal's demand to resolve the boundary disputes with both of its neighbors China and India goes unheard and unaddressed by them (Bhattarai, G., 2021, p.87). The proposal on open border regulation was rejected from the Indian side (Bhatta & Menge, 2021, p.153). Hence, search for a separate identity and want to address the unequal treaties are one of the reasons behind Nepal's insistence on the review of the 1950 treaty (Nepal, 2021, p.224).

Looking back at history, it took a lot to build Nepal in its current form. It was previously divided up into small principalities. The nation was brought together under the rule of King Prithvi Narayan Shah. He began the unification drive first by taking control of Nepal's eastern hills, later, the Kathmandu Valley (Pulami, 2022, p.1). The characterization of Nepal by King Prithvi Narayan as a 'yam between two boulders', especially in relation to Nepal's geopolitical location between India and China, 'reverberates in Nepal's foreign policy' and is ingrained firmly in Nepalese psyche. However, if there exists any passive way in dealing with the neighbors and inadequacy in reflecting the skillfulness with which the Nepalese leaders have been steering the tides, the yam theory needs to be employed with comprehensive study and analysis of the present problems.

India's internal interest

India is a country which is aspiring to be a global power. India has always been close with Nepal- be it culturally or politically since they share a common culture and civilization. Not only that, but Nepalese leaders also have close affinity with the south; had they been socialized in the West, the relation with South may have been different. Although, Nepal and India share a natural relation, their formal relations were established only in August 1947.

The interests between Nepal and India can be presented in the following ways (Nepal, 2021, p.224). Firstly, the converging interests such as trade, tourism, investment, and economic cooperation have brought these two immediate neighbors together. Secondly, the overlapping interests such as security, transit, water resources, people's movement. India is concerned of weak security formation and operation system in Nepal. Events like the 1999 hijacking of an Indian airliner out of Kathmandu and landing it in Kandhar, Afghanistan (*Dawn*, 2004, para.1) and the arrest of Abdul Karim Tundra, accused of carrying out the 26/11 assault (*Economic times*, 2014, para.2), from Nepal's western border, pose further threats to the country's security requirements. India fears an ever-increasing Chinese influence in Nepal and promote Pakistani terrors in India through porous Indo-Nepal border, fueling the security dilemma. Thirdly, there exist diverging or conflicting interests such as disputed boundaries. India published its updated political map on November 2, 2019 including the region of far-western of Nepal- Limpiyadhura, Kalapani and Lipulekh (Bhattarai, G., 2021, p.86). On top of this, on May 8, 2020, India unilaterally inaugurated 'Link Road connecting to Lipulekh' through the land of Nepal.

From the 1950s onwards, Nepalese economy has been largely dependent to the Indian economy (Bhatta & Menge, p.154). India is largest trading partner of Nepal, accounting for 65% of its exports. During mid-July 2020 to mid-July 2021, Nepal's export to India was NPR 106 billion while her import from India stood at NPR 971 billion, resulting in the huge trade deficit of NPR 865 billion (MoFA, 2021, p.11).

Ever since its independence, India has constructed its neighborhood policy such as to preserve and expand its political prominence in the South-Asian sub-continent with the 'big brother' attitude. India's Neighborhood policy has vaccine diplomacy and development assistance as two of its most important pillars (Srivastava, 2022, para.6). Under the vaccine diplomacy, India has granted help to Bangladesh, Bhutan, Maldives, and especially to Sri Lanka and Afghanistan in the time of crisis. Further, India has 'Act East' policy to promote bilateral relations with the countries which have tense relations with China in the region (Chand, 2021, p.147). Though these countries have established SAARC, South Asia remains one of the 'least economically integrated and least cooperating' regions of the world (Nepal, 2021, p.226). However, India will try to continue to project itself as a dominant power signaling to both US and China not to challenge its sphere of influence in South Asia (Bhatta & Menge, 2021, p.145).

China's internal interest

Separated by the Himalayas, China and Nepal were yesterday's little known neighbors, but now are close partners. Though exchanges and relations existed from history, the diplomatic

relations was formally established only in 1955. Following the 1950 Chinese takeover of Tibet, Chinese interest in Nepal increased (Kumar, 2017, p.31). Although initially the relationship was not quite as close as it was with India, China has greatly boosted its involvement in Nepal since the Comprehensive Peace Accord was signed in 2006. However, still, Nepalese have got very few instances to get acquainted with the Chinese mind.

China's interest to Nepal can be classified into following (Baral, B., 2021, p.43):

First, the location of Nepal, adjacent to Tibet and India remains a prime concern for China. There are more than 20,000 Tibetans in Nepal and China fears that may be used against China. It is so because China has always been wary of activities conducted by the Tibetan exiles in Nepal (Yadav, 2020b, para.4). China suspects Nepal is being used by US in its larger strategy of encircling China and Tibetan's anti-China activities, for which China developed its relations with Maoists.

Secondly, China has an eye on Indo-Nepal bilateral relations. China is aware of Indian traditional influence in Nepal. It is true that India has higher influence compared to China and US. China is too looking to exert its cultural influence in Nepal, through investment in different sectors.

Thirdly, there is an increasing proportion of the Chinese investment in Nepal on multiple sectors such as: infrastructure projects like airports, highway, railway, road and hydro-power. China can investigate its market in India, particularly Bihar and Uttar Pradesh, through Nepal, which also serves as a market.

Nepal has agreed on the One China policy which stands for making Taiwan and Tibet as inalienable parts of China. However, the presence of 'Free Tibet' supporters among the Tibetan refugees in Nepal constitutes one of the sensitive issues in Nepal-China relations (Nepal, 2021, p.225). Nepal signed in China's BRI mega project in 2017 and after four months, it signed on MCC. China has increasingly used 'soft power' measures in Nepal. China has established Confucius Centers in Nepal, 'Xi Jinping's thought' in Communist parties (Bhatt and Menge, 2021, p.9), among others.

Although China had long border tensions with India, bilateral trade relations have improved recently, as a result, China is the largest trading partner of India. Though China and India had already signed the agreement of *Panchasheel* in 1954, China attacked India in 1962 and occupied some of the Indian territories (Chand, 2021, p.147). At the other end, China's and India's action in Lipulekh pass raised questions about the intention of its two immediate neighbors (Bhattarai, G., 2021, p.90). This has raised question on China, as China has always acted to be good neighbor of Nepal and wants its economic independence. This indicates that China and India both want to use Nepal's Lipulekh land, and despite the fact that China is a friendly neighbor, Nepal is unsure of whether China will preserve its territorial integrity (p.92). In this way, there are overlapping interests and activities between India and China, with Nepal being the battlefield.

US's internal interest

While Nepal holds important place in the neighborhood policy of India and China due to its geographical proximity, the US policy toward Nepal is solely guided by its approach towards China and India. In the global war against terrorism by US, through countering the Maoist rebels Nepal had gained the US's importance (Bhatt & Menge, 2021, p.131). As a result, to control the then Maoist party's armed activities, the US had significantly supported the Nepali Army for the decade-long armed insurgency (Wagle, 2021b, p.62). In 2011, the US adopted 'Pivot to Asia' policy to fill up the power vacuum created by China toward smaller countries in the Asia-Pacific region. Aligned with the US interests to stay 'actively and effectively engaged' in the region, the US recognizes South Asia as an increasingly dynamic region that is home to more than one-fifth of humanity and sees its future inevitably linked with South Asia (Bhattarai D., 2022, para.2).

Once again, the US launched its another strategy targeting the Himalayan region by including Nepal in its Indo-Pacific Strategy (IPS) to counter the Belt Road Initiative (BRI) (Giri, 2021). After signing of BRI, Nepal signed MCC. MCC is an independent US foreign aid agency and is the largest single grant Nepal has ever received for infrastructural development. Other than this, the US has continuing interest in Tibet and Tibetan refugees. The recent visit of Nancy Pelosi, the US House speaker in Taiwan sparked much discussion, as well (Hioe, 2022). This shows how Nepal is brewing in the hot pot consisting of major power and emerging powers.

Findings and Discussion***Interplay of China, India and the US' interest in Nepal***

The rivalry and competition of the US and former USSR during the Cold War period shifted to the US-China rivalry after the end of the Cold War. Rivalry between the US and China which is 'new cold war' could lead to 'hot war'. Seeing QUAD (Quadrilateral Security Dialogue), SCO (Shanghai Corporation Organization) was established all to combat the growing effects of Indo-Pacific Strategy (IPS). Thus, there exists growing geopolitical and geostrategic rivalry between the US and China. That is why, Nepal has to make a critical analysis of the fact that the Sino-US strategic and economic competition is going on a global scale (Lamichhane, 2022). Therefore, the strategic rivalry over the MCC projects and China's BRI is a serious matter for Nepal. Nepal should show political maturity and diplomatic capability to balance not only the US and China, but also southern neighbor, India.

Chinese involvement in South Asia is mostly focused on the two nuclear countries of the sub-continent: India and Pakistan. China and Pakistan have developed bilateral ties since the end of the Sino-Indian War. Pakistan was also the first country in South Asia to recognize China following the Chinese communist revolution (Chand, 2021, p.146). India has become the main geopolitical rival of China as the communist system in China is perceived as threat to India, which is democratic nation and thus a rivalry is constituted (Bhattarai, G., 2021, p.82). Pakistan seems to counterbalance between China and India (Chand, 2021, p.146). Next to Pakistan, China expects Nepal as a reliable partner. China's long-term interest in Nepal also lay

in assisting with the establishment of an independent economic base, as Nepal's dependence on India will not diminish without this. China expects Nepal to maintain independence in decision making, however hard it maybe to.

However, despite India and China having border disputes and India opposing BRI, they are one of the major partners of China-led AIIB and are active members of SCO. They are also the members in BRICS and the G-20 (Bhatta & Menge, 2021, p.131). Furthermore, various factors do not allow China and India to go to war and confrontation (Yadav, 2020a). China and India, despite security dilemma, have strong economic cooperation to support their economy.

It is noted that India's hegemonic ambitions, its asymmetrical relations with Nepal, and intermittent use of coercion has actually pushed Nepal closer to China (Bhattarai, G., 2021, p.87). So, it is India who is shaping Nepal-China relations. Positive effects of China's involvement in Nepal include pressing Nepal to deliver more and acknowledge that India can no longer regard Nepal as colonial dependents. (Baniya, 2020, p.41). However, even though China is increasing its help, Nepal will not be able to reduce its dependence on India completely as trade routes through India are much more accessible than China.

Is Nepal really the bridge?

Nepal is caught between two very ambitious giants and most powerful civilizations, China and India. Thus, Nepal acts as a vibrant bridge between two emerging economies. The only link route to India and China is Nathu La Pass (Sikkim) situated at 4400 meters altitude. However, it opened only in 2006 after the 1962 Sino-Indian war (Baniya, 2020). But it is risky as it is always snowy. For the alternative comes the Lipulekh, which can increase the trade and connectivity via the land (Bhattarai, G., 2021,p.91). However, this has its own set of problems as the road is constructed on Nepal's territory without its knowledge.

In present, Nepal and India are connected through the railway line which connects Jaynagar to Janakpur (Giri, A., 2022). Further, on August 2018, there has been an exchange of Memorandum of Understanding between the Government of India and the Government of Nepal regarding electric rail link between Raxaul of India and Kathmandu (RSS, 2021). In the meantime, Nepal, under the KP Oli government signed the sea-access via Chinese Tianjin port under TTA (Transit Trade Agreement) with an objective to end monolithic dependency on India for trade. If it is opened and rail is completed, Nepal will not only be the gateway for China to South Asia but also China will be the gateway for Nepal to North East Asian nations (Chand, 2021).

Moreover, thirty-five different projects were initially signed under BRI. Trans-Himalayan Multi-Dimensional Connectivity Network is one of the key components of BRI as a cross-border railway. However, since most of the projects are funded under loan, Nepal narrowed down to nine projects (Giri, A., 2022b). Nevertheless, they had a slow start, adding pandemic on top due to which no progress were made. Further, the preference for grants over loans were expressed to China, which has made the project implementation further doubtful as it has been five years since the signing of BRI in 2017.

Though Nepal can be a vibrant bridge, it has been failing to prove so. The present statistics show the Indo-China bilateral trade has reached over 90 billion USD without the trans-Himalayan connectivity networks (Bhatta & Menge, 2021, p.144). Further, while Nepal acts as a bridge between India and China with an expectation of its own to increase FDI inflow and achieve rapid economic development, many of the Nepali products face a sharp competition from the Indian and the Chinese companies (Ibid, p.141). This occurs even when Nepal looks for an integrated market economy with its neighbors. Thus, only when Nepal realizes these geo-economic and geo-political realities can it prove itself as the vibrant bridge.

Why Nepal matters

Triangular interplay of India, the US and China has made Nepal a security dilemma in the South-Asian region. In the present context, two giant Asian countries China and India are essentially competing to become the first political power on the Asian continent. Nepal borders four of India's politically sensitive states and China's Tibet Autonomous Region (TAR) which constitutes its 'core concern' in its foreign policy (Bhattarai, D., 2022, para.22). Likewise, China can reach out to the massive Indian markets all through Nepal, Nepal also being the market. Similarly, stability in Nepal is important for national security of both China and India (Singh, 2010). India fears the terrors to be promoted through porous Indo-Nepal border. Whereas, China's interests have increased in recent decades than earlier. China would like to see limited Indian ambitions in the neighborhood. China also has been more politically invested than ever (Mulmi, 2022, para.12; Yadav, 2020a). As China is increasing its influence, the US provides a counterweight to Chinese dominations. Both of the countries would adopt whatever means they find convenient to advance their interests. Thus, the geopolitical rivalry is getting heated more and more in Nepal.

The US offer of MCC further complicated the dilemma how to reconcile China's BRI and India's neighborhood policy. Nepal is mired in the big power rivalry, instead of taking advantage of the triangular competition (Bhatta & Menge, 2021, p.131). With many interested in Nepal, Nepal clearly would benefit most from multiple engagements. However, there maybe pressure to choose one side and making it difficult to balance the relations (p.9). But it will also be a test of Kathmandu's ability to strike a balance between the nation's domestic goals and the sensibilities of its neighbors (p.145).

Moreover, Nepal can neither with China alone nor with India alone fully realize its development aspirations on its own. While its southern neighbor offers transit facilities and an easy market for Nepal's trading activity, its northern neighbor can extend technological and financial support. If Nepal continues to favor China over India or vice versa without practicing diplomatic restraint, it will be a failure for the country (Poudel, 2022, p.23).

Recommendation

Since geopolitics is constantly shifting, it is a constant struggle to maintain power. Constructing foreign policy of the present need is also one of the ways to remain powerful. The principles of Nepalese foreign policy are neutrality, non-alignment, non-interference, non-aggression. However, Nepal's foreign policy seems to be changing along with the change in government

(Dhungana & Paudyal, 2022). Congress leans slightly more to the south whereas communist parties are more tilted to China. This shows each government and their leadership have soft corner for specific nations. Another persistent problem on the Nepali side has been its poor negotiation skills and experience, compared to the British-trained base of the Indian bureaucracy (Bhatt & Menge, 2021, p.169), though they may still have remnant of British colonial mentality. Further, political chaos in Nepal has only aided the foreign actors to be dominant in internal politics (p.10).

Meanwhile, Nepal does not have a well-articulated neighborhood policy. There must be a common voice among the political parties on crucial matters, such as foreign policy. The internal political dynamics have been volatile and made it difficult to harvest the opportunities the donors provide. Nepal should take a firm stand on its national interests, and not just limited to only manifestos before the election. While there are developmental supports for Nepal from various countries like India, China, Russia, the US, Nepal is keen on switching from one project to another (p.11). Foreign aid usually comes with strings attached, which is mostly interest driven. Thus, although not exclusive necessarily, China's BRI and India's 'Act East' Policy have elements of geostrategic competition, which Nepal cannot ignore (Nepal, 2011, p.226). Since Nepal's developmental process is donor-dependent and bound by external dependencies, the country has to deal with multiple ideas, conditions and approaches to development. In the current situation, Nepal's only solution is to use its geography as an opportunity to accelerate its development without annoying either of the two neighbors. Using the same old strategy of making opportunistic tilts will not work (Baral, L., 2022).

Nepal's foreign policy has been to preserve and protect its territorial integrity. Professor Muni observed that foreign policy objectives of small states like Nepal are motivated by security (territorial integrity and military), stability (political and economic), and status concerns (Bhatta & Menge, 2021, p.139). Unlike other countries, Nepal's foreign policy is based on ad hoc arrangements and not dictated by principles (Baral, L., 2021). It is hijacked by party workers to fill up the diplomatic posts. Nepal lacks the stable policy based on well-defined strategies for achieving them, but fall prey to the immediate interest of political leaders.

While Geopolitics definitely impacts Nepal, its foreign policy remains the same. Government of Nepal brought its first ever integrated foreign policy document in 2020. It comprises nine different priority areas and highlighted twenty policies in the document (Chand, 2021, p.153). However, it is silent about the formation of expert groups for the above nine different areas and twenty priorities and in issue with geopolitics, superpower, great power, their priorities and interests. Further, Nepal did not have a written comprehensive national security policy until 2016 (Wagle, 2021, p.60). In 2018, the government promulgated a new national security policy, which includes new subjects such as foreign interference, open border, blockade. In all, whatever strategy India and China adopt, its spillover effect will be experienced by Nepal. Nepal's national security strategy should closely reflect the security risks given by the geopolitical unrest in the two major countries (Poudel, 2022, p.21).

Conclusion

By using qualitative research methodology, this research paper illustrated the geopolitical importance of Nepal in its relations with the neighbors and major powers like US. Immediately after the end of the Cold War, there existed unipolar state of affairs enjoyed by the US. Though India and China have good economic relations, they also have insecurities around each other. Between these Asian giants comes the US, who fears China's rising power, has its own strategies and interferes in the Chinese projects. Due to play of the US, China and India, each of the country's with their strategic rivalry, has created security dilemma for Nepal. India is insecure with Nepal's surge to China, which is in part because of its own action.

Geography is the heartland of geopolitics. Geopolitical interest has now shifted to South Asia as South Asia is becoming an increasingly dynamic region which is home to more than one-fifth of humanity. Since Nepal's location carries importance, it is getting all the priority in the projects of BRI and MCC, while it is to be remembered foreign aids and projects come with strings attached.

Nepal's development is donor dependent and so has to deal with multiple ideas, conditions and approaches to development. However, in such, Nepal is a sovereign state and no state can dilute this sovereign right in any adverse circumstance. If Nepal cannot make its own decision on what is needed and what is not, it shows its weak stance. That will only create mistrust towards its developmental partners. While Nepal cannot ignore its neighbors in any way, ignoring the West would also only adversely affect its developmental activities.

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