

Nepal's Political Crisis: The Battle Between Monarchy and Democracy

Context:


- **Kathmandu** witnessed **violent clashes** as **pro-monarchy protesters** took to the streets demanding the **reinstatement** of Nepal's former king, **Gyanendra Shah**.




1. What is the Political history of Nepal?

- Nepal's **political history** is marked by the **rise and fall of monarchies**, dynasties, and **significant movements** that shaped the country's governance structure. The ousting of **King Gyanendra Shah** is a **significant event in Nepal's transition** from a **monarchy to a republic**. Below is a **detailed elaboration of Nepal's political history**, including the events that led to Gyanendra Shah's ouster.


Events	Analysis
Unification and the Shah Dynasty (1768)	<ul style="list-style-type: none"> • The political history of Nepal begins with the unification of various small kingdoms and principalities in the 18th century by Prithvi Narayan Shah, the King of Gorkha. • In 1768, after several decades of conflict, Prithvi Narayan Shah succeeded in unifying the fragmented territories, creating the Kingdom of Nepal. • This marked the beginning of the Shah Dynasty, which would rule Nepal for over two centuries.
Absolute Monarchy (1768–1846)	<ul style="list-style-type: none"> • Following the unification, Nepal was ruled as an absolute monarchy, where the Shah kings held complete control over the political, military, and economic spheres. • The monarchy was central to the governance of the kingdom, and the kings wielded immense power, often without any institutionalized checks or balances. • During this period, Nepal expanded its territories, but it also faced internal and external challenges, including conflicts with the British in India, culminating in the Sugauli Treaty of 1815, which ceded parts of Nepal's territory to the British.

<p>Rana Dynasty Rule (1846–1951)</p>	<ul style="list-style-type: none"> • From 1846, the Rana Dynasty took control of Nepal's politics through a palace coup. • Although the Shah kings remained as nominal rulers, the Ranas dominated the political landscape as hereditary prime ministers. • The Rana family centralized power in their hands and effectively reduced the Shah monarchs to symbolic figures. • The Rana period is often criticized for being autocratic, feudal, and oppressive, and while the country experienced internal stability, the Rana oligarchy restricted political freedoms and the development of a more democratic political culture. 
<p>End of the Rana Dynasty and the</p>	<ul style="list-style-type: none"> • In 1951, King Tribhuvan (son of King Prithvi Narayan Shah) was able to escape to India with the support of Indian authorities, which eventually led to the overthrow of the Rana regime.

Restoration of the Shah Monarchy (1951)	<ul style="list-style-type: none"> • The Rana dynasty's rule came to an end, and the Shah monarch was restored to power. • However, King Tribhuvan only ruled with considerable influence from India, which played a major role in shaping Nepal's political landscape. • In 1959, the first general elections were held, leading to the formation of a parliamentary democracy, though it was short-lived.
The Rise of the Panchayat System (1960–1990)	<ul style="list-style-type: none"> • In 1960, King Mahendra, Tribhuvan's son, dissolved the first democratically elected government, citing instability and the inability to handle national crises. • He imposed a partyless system called Panchayat in 1961. • Under this system, King Mahendra held absolute power, sidelining political parties and dismantling the parliamentary system. • The monarchy regained significant control over governance, with the king appointing officials and making decisions without popular consultation. • The Panchayat system lasted for three decades and was marked by repression of political freedoms, particularly against political parties and leaders who advocated for a more democratic system.
The Jana Andolan and	<ul style="list-style-type: none"> • The Jana Andolan (People's Movement) of 1990 marked a turning point in Nepal's political history.

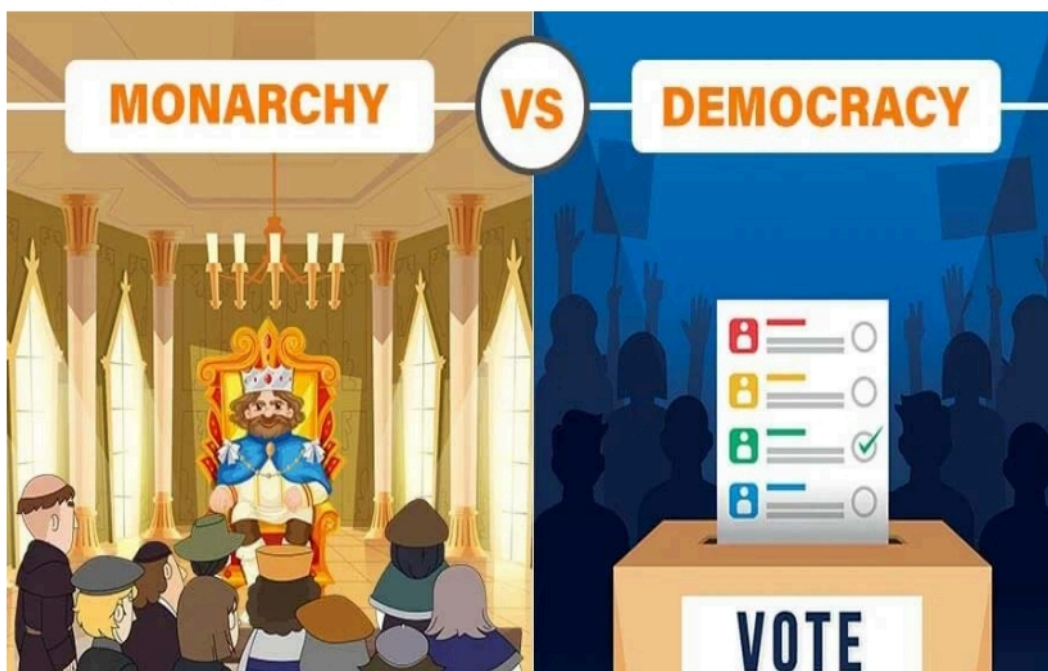
<p>Transition to Constitutional Monarchy (1990)</p>	<ul style="list-style-type: none"> • After decades of autocratic rule under the Panchayat system, widespread protests erupted across the country, driven by demands for democracy and greater political freedom. • The movement was fueled by dissatisfaction with the absolute monarchy, widespread poverty, and the lack of democratic representation. • In response to the movement and growing pressure, King Birendra (Mahendra's son) eventually agreed to adopt a new constitution and restore a multi-party democracy. • This led to the Panchayat system's end and the establishment of a constitutional monarchy. Nepal's first multi-party parliamentary elections were held in 1991, and the country moved towards a system where the monarchy retained a ceremonial role while political power shifted to elected representatives.
<p>The Outbreak of Civil War and the King's Return to Absolute Power (2001–2005)</p>	<ul style="list-style-type: none"> • Despite the restoration of democracy in 1990, political instability continued. • The Maoist insurgency began in the mid-1990s, leading to a decade-long civil war. 

	<ul style="list-style-type: none"> • The Communist Party of Nepal (Maoist) sought to overthrow the monarchy and establish a people's republic. • In 2001, a tragic event occurred when King Birendra was assassinated in what is still a highly debated incident, often referred to as the palace massacre. • Birendra's son, Gyanendra Shah, was crowned king in his place. • The civil war intensified, and the monarchy lost much of its popular support. • In 2005, in response to increasing political instability, Gyanendra dismissed the government and took absolute power by assuming direct control over the country.
The People's Movement of 2006 (Jana Andolan II)	<ul style="list-style-type: none"> • Gyanendra's move to seize absolute power in 2005 sparked the Jana Andolan II, a second wave of pro-democracy protests. • The movement, led by political parties, civil society, and the Maoists, called for the restoration of democracy and an end to the monarchy. • The protests led to Gyanendra's forced abdication of power. • In April 2006, after several weeks of mass protests and strikes, Gyanendra was forced to restore the parliament and negotiate with political parties.

	
<p>The Abolition of the Monarchy (2008)</p>	<ul style="list-style-type: none"> • After the Jana Andolan II, political dialogue between the monarchy, political parties, and the Maoists resulted in the abolition of the monarchy in 2008. • Nepal officially became a federal democratic republic, marking the end of over two centuries of monarchical rule. • On May 28, 2008, Nepal's Constituent Assembly voted to abolish the monarchy, declaring Nepal a republic. • King Gyanendra, who had been the last monarch, was ousted from the throne, and he left the royal palace in Kathmandu.



2. What is the difference between Monarchy and Democracy?

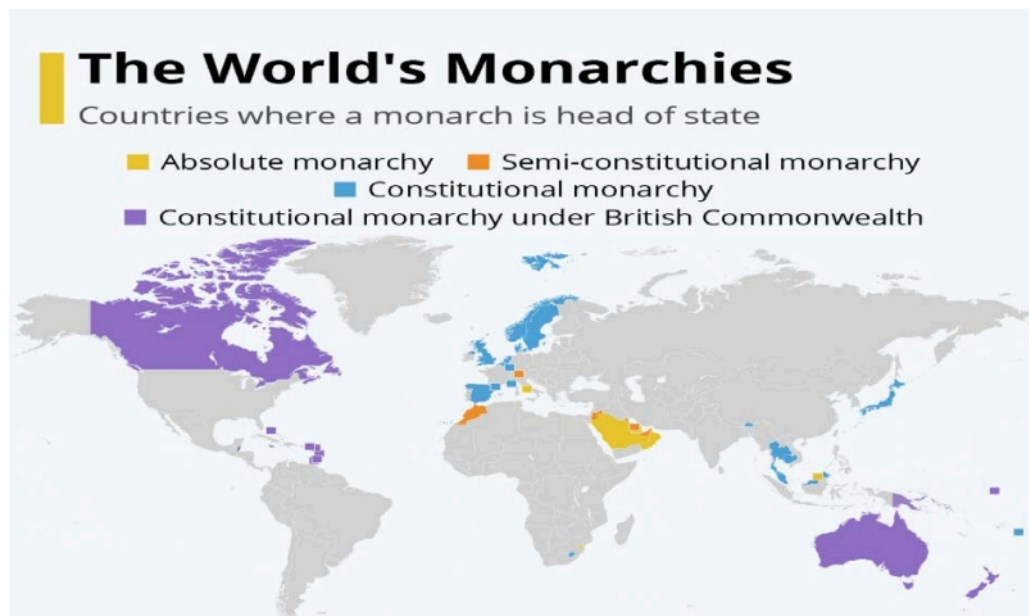


KEY PARAMETERS	MONARCHY	DEMOCRACY
Definition	<ul style="list-style-type: none"> • Monarchy, political system based upon the undivided sovereignty or rule of a single person. The term applies to states in which supreme authority is vested in the monarch, an individual ruler who functions as the head of state and who achieves his or her position through heredity. 	<ul style="list-style-type: none"> • Democracy is a system of government in which laws, policies, leadership, and major undertakings of a state or other polity are directly or indirectly decided by the “people,” a group historically constituted by only a minority of the population (e.g., all free adult males in ancient Athens or all sufficiently propertied adult males in 19th-century Britain) but generally understood since the mid-20th century to include all (or nearly all) adult citizens.
Origin	<ul style="list-style-type: none"> • Monarchy traces its roots to ancient civilizations like Mesopotamia and Egypt, where rulers claimed divine authority to govern. 	<ul style="list-style-type: none"> • Democracy originated in ancient Greece, particularly Athens, where citizens participate directly in decision-making.
Types And	<ul style="list-style-type: none"> • Absolute 	<ul style="list-style-type: none"> • Direct democracy and

Forms	monarchy, semi-constitutional monarchy, constitutional monarchy, subnational monarchy, and commonwealth realms are the various forms of monarchies that exist today	representative democracy are the two main forms of democracies
Law Making	<ul style="list-style-type: none"> • People have no say in the formulation of laws. Kings and Queens have sole authority in law making. 	<ul style="list-style-type: none"> • The Elected representatives on behalf of people formulate law, rules and regulations.
Accountability	<ul style="list-style-type: none"> • The Kings and Queens have no accountability. 	<ul style="list-style-type: none"> • The Elected representatives are held accountable by the people of the country.
Freedom of Constructive Criticism	<ul style="list-style-type: none"> • People do not have the right to condemn the Monarchy. 	<ul style="list-style-type: none"> • People have the flexibility to provide feedback on policies, the ability to influence policy changes, and the ability to criticise the government.

Tyranny	<ul style="list-style-type: none"> • People may face oppression if the ruler is a tyrant. 	<ul style="list-style-type: none"> • People are immune to oppression in a democratically elected government.
Equality	<ul style="list-style-type: none"> • People are not treated equally. 	<ul style="list-style-type: none"> • People are considered equal in a democracy
Examples	<ul style="list-style-type: none"> • Saudi Arabia, Brunei, Eswatini, Vatican City are currently examples of monarchy. 	<ul style="list-style-type: none"> • India, the United States of America, France, and other democratic countries are examples.

3. Enlist various monarchical and democratic countries in the world?



WHICH COUNTRIES STILL HAVE A MONARCHY?

As a new King in the UK takes the throne, the question arises about the relevance of monarchies in 2022. Perhaps surprisingly, 43 countries today still have royal rulers in some form.



Absolute Monarchy
The monarch has full and absolute power



Constitutional Monarchy
The monarch divides power with a constitutionally founded government



Federal Monarchy
The monarch serves an overall figurehead of the federation of states which have their own governments, or even monarchies, ruling them



Mixed Monarchy
A monarch may divide powers in distinct ways specific to the country

Title of Head of State: KING QUEEN EMPEROR SULTAN PRESIDENT POPE GRAND DUKE
SOVEREIGN PRINCE CO-PRINCE YANG DI-PERTUAN AGONG* EMIR

King Charles III is now head of state in 15 countries, including Canada.



Barbados removed Queen Elizabeth II as head of state in late 2021, and many Caribbean countries are now expected to hold referendums on cutting ties with the British Monarchy.

SOLOMON ISLANDS Charles III
TUVALU Charles III
TONGA Tupou VI



Vatican City is technically a monarchy, ruled by Pope Francis, who has absolute power.



In a few countries today like Saudi Arabia and Oman, there are still monarchs with absolute power to do things like change laws, direct the military, and appoint political leaders.



In Malaysia, there are 9 royal leaders who elect amongst themselves an overarching, ruling monarch of the country every 5 years.

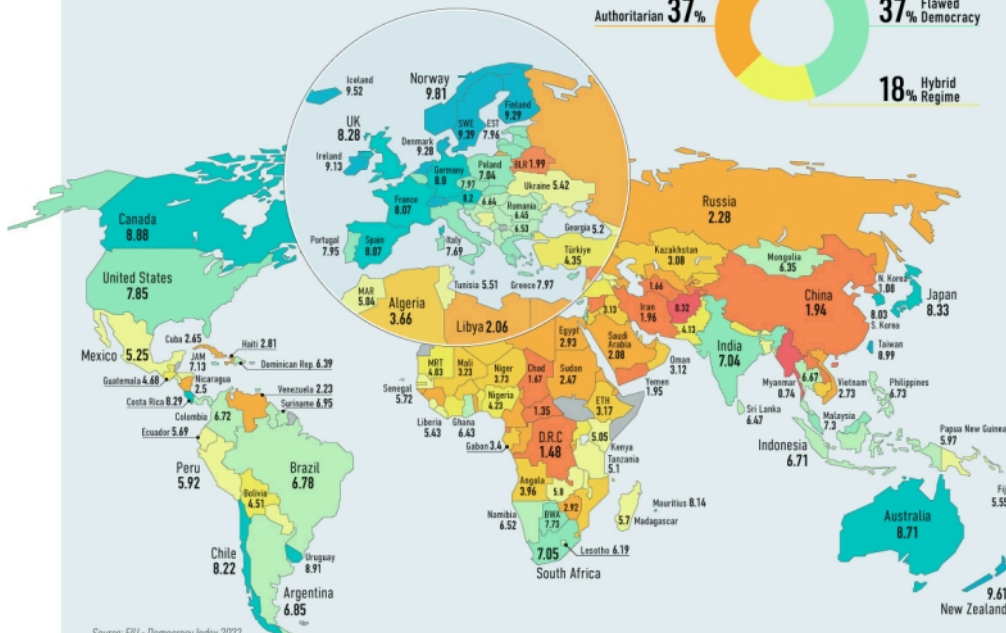
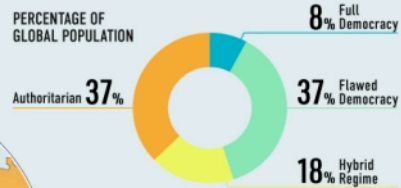


THE STATE OF DEMOCRACY AROUND THE WORLD

The global Democracy Index score showed a slight improvement in 2022, but remains at its second lowest point since tracking began in 2006.



PERCENTAGE OF GLOBAL POPULATION



4. What is the Current Political system of Nepal?

- Nepal currently is a **federal democratic republic** with a **multi-party political system**.
- The country is **governed by a parliamentary democracy**, where the **President is the ceremonial head of state**, and the **Prime Minister, as the head of government**, holds executive power.
- Nepal has a **bicameral parliament** consisting of the House of Representatives and the National Assembly.
- The country operates under a **federal structure with seven provinces**, each having its own provincial government.
- The **judiciary is independent**, and the political system is guided by the **Constitution of Nepal, which was adopted in 2015**, establishing a framework for **federalism, secularism, and democracy**.
- Nepal follows **proportional representation (PR)**.
- The other electoral system is the **first-past-the-post (FPTP)**, under which **whoever wins more votes gets elected**, to elect the **Federal Parliament and Provincial Assemblies**.
- In Nepal's **275-member House of Representatives**, **165 members** are elected under FPTP and the **remaining 110 under the PR system**.
- Experts believe the **tendency to blame others for political instability stems from successive governments' quest for power**.
- Nepal has not seen any **government complete its full term ever since the restoration of democracy in 1990**.

NEPAL ELECTIONS 2022

How elections work



NEPAL ELECTIONS 2022**Voting at a glance**

Here is a breakdown of how
Nepal will vote

29.1_m

POPULATION

7

PROVINCES

18_{million}

VOTERS

68.7%

VOTER TURNOUT

in 2017

18_{years}

VOTING AGE

**2,412**

CANDIDATES FOR THE HOUSE OF REPRESENTATIVES



2,187



225

3,224

CANDIDATES FOR THE PROVINCIAL ASSEMBLIES



2,943



280



1

5. What is Nepal's current political situation?

- **KP Oli**, the leader of the **Communist Party of Nepal (Unified Marxist-Leninist)**, or **CPN (UML)** is leading the **country's government** for the fourth time since 2015.
- He replaced former **Maoist guerrilla "Lider Maximo" Pushpa Kamal Dahal**, who was at the helm since 2009.
- **Oli** and the **Nepali Congress party's** president **Sher Bahadur Deuba**, 78, will rotate in holding the **prime minister's** post until the next **general election in 2027**.

- Recently, after the so-called support for Gyanendra Shah increased in the last few weeks, PM Oli challenged the former king to return to mainstream politics.

6. What are the reasons for the recent Nepal protest?

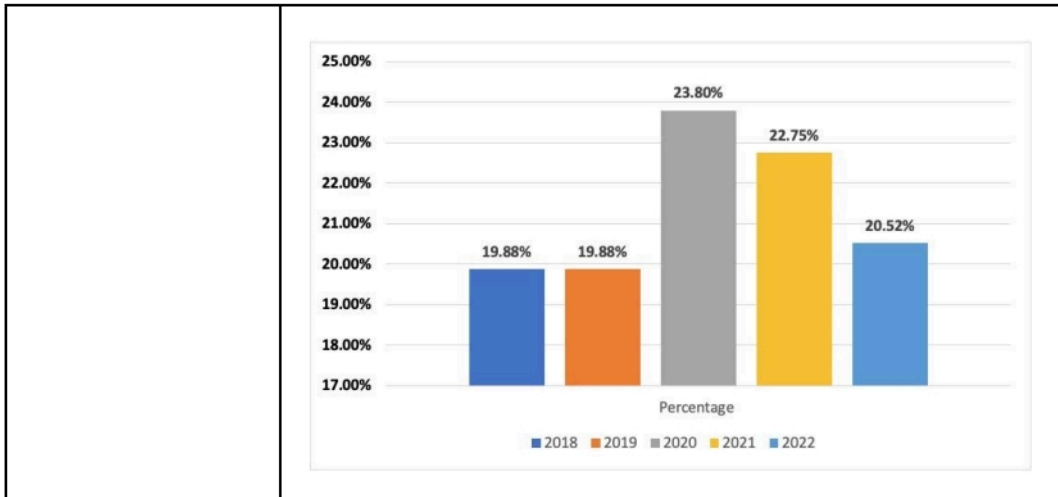


- People in Nepal have grown frustrated with the republic, saying it has failed to bring about political stability and blaming it for a struggling economy and widespread corruption.

Reasons	Analysis
Political Instability	<ul style="list-style-type: none">• Political instability in Nepal has been a recurring issue due to a variety of factors, which have hindered the country's development and governance.• Nepal has seen numerous short-lived coalition governments since the end of the monarchy, with frequent changes in leadership.

	<ul style="list-style-type: none"> • One of the major sources of political instability was the drafting of Nepal's new constitution, which was promulgated in 2015 after a long process of negotiation. • The constitution has faced criticism from various groups, including the Madhesi community, indigenous groups, and opposition parties. • Disputes over issues like federal boundaries, representation, and language rights have contributed to ongoing instability. • Nepal has not seen any government complete its full term ever since the restoration of democracy in 1990. • It witnessed 14 governments since the abolition of the monarchy, hampering economic growth and discouraging investment.
Corruption	<ul style="list-style-type: none"> • Adding to public anger in 2023 were two big corruption scandals in which major political parties were allegedly involved. • In the fake refugee scandal and the Lalita Niwas land grab, top politicians and scores of high-level government officials were arrested despite parties attempting to intervene in order to protect their officials. • Nepal ranked 110th in the Corruption Perception index in 2023 and there are reports that with the adaptation of federal structures, local bodies too are reporting increased corruption.

Economic Challenges	<ul style="list-style-type: none"> • Nepal is among the poorest and least developed countries in the world, with a per capita income of \$680 in 2015. • The mainstay of the economy is agriculture, providing a livelihood for more than 70% of the population and accounting for 42% of GDP. • In 2020, the economy contracted by 2.1% due to the COVID-19 pandemic, which severely affected key sectors like tourism and remittances. • In 2023, Nepal's GDP per capita is around \$1,400 USD (compared to the world average of around \$12,000). • Growing economic woes are causing anger among people, providing a breeding ground for regressive forces that aim to overturn the system.
Unemployment	<ul style="list-style-type: none"> • Nepal's economic environment is marked by slow growth, high unemployment and widespread underemployment. • The scarcity of job opportunities perpetuates a cycle of poverty and restricts economic mobility. • Nepal faces a severe unemployment crisis, leading many young workers to migrate abroad for better opportunities. • In recent years, the youth unemployment rate reflecting the percentage of individuals aged 15–24 who are jobless but actively seeking employment has been a critical metric of the country's economic challenges.



7. Why does Nepal want the King back?



- Many in **Nepal** have grown **frustrated with the republic**, arguing that it has **failed to bring about political stability** and is to blame for the **struggling economy** and **widespread corruption**.

- As a result, there is a growing demand for a **constitutional monarchy** that would establish **Nepal as a parliamentary democracy with a Hindu identity**.
- This **political shift** reflects **deep-seated discontent** among segments of the population who feel that the current **system has not delivered on its promises**.
- Participants in the **protest rally** expressed their **hope for a change in the political system** to prevent the country from further **deterioration**.
- Many citizens believe that the **abolition of the monarchy in 2008** led to **increased instability**, with successive governments **failing to ensure governance and economic prosperity**.
- Calls for the **restoration of the monarchy** are rooted in the belief that a **Hindu state with a king** could provide a **stronger sense of national identity and leadership**.
- **Monarchists**, who have launched a **fresh wave of protests** in recent months, have accused **established political parties**, including that of **Prime Minister KP Sharma Oli**, of being **corrupt** and failing to **lead the country out of poverty and political chaos**.
- They argue that the **current republican system** has led to **political fragmentation, rampant corruption**, and an **economic downturn**, forcing many Nepalese into **poverty and unemployment**.
- The demand for a **constitutional monarchy** has gained traction among various social and political groups, who see it as a way to **bring back stability** and **reinforce Nepal's traditional values**.
- With mounting pressure from the public, it remains to be seen whether the **political establishment** will **address these concerns** or continue to face **growing unrest and opposition**.

8. Why is the Nepal government suspecting India's role in the pro-monarchy uprising?



- **Nepal government suspects India's role in pro-monarchy uprising as Yogi's posters were held at Kathmandu rally.**
- According to **PM KP Sharma Oli's supporters**, **Adityanath's poster at the former monarch's rally** was evidence of an **'India hand'** behind him, raising questions over the **credibility of the gathering.**
- Meanwhile, without naming Adityanath, **Prime Minister Oli**, at a programme in Kathmandu on Monday, said, **"We don't use photographs of foreign leaders in our rallies."**
- Relations between **Nepal's royals and the Gorakhnath Peeth**, currently presided by **UP CM Yogi Adityanath**, run strong as the revered **Peeth remains the presiding deity of the Shah dynasty of Nepal.**
- The latest controversy erupted on **March 30, Sunday** when the **supporters of erstwhile Nepal king Gyanendra Shah** flashed the **poster carrying the picture of UP CM Yogi Adityanath** at a rally outside Kathmandu airport while **welcoming King Gaynendra.**

- **Yogi Adityanath** has been a **strong proponent** of **reinstating Nepal's status** as a **Hindu nation** and is **idolized** by many in **Nepal** partly due to his stand on the issue and also due to the **centuries-old ties** between the erstwhile **monarchy of Nepal** and the **Gorakhsh Peeth** that yogi heads.
- The **Shah dynasty of Nepal**, which ruled the Himalayan nation till 2006 when monarchy ended, calls **itself Gorakhpanti or the followers of Baba Gorakhnath**.
- According to **Dwarika Tiwari**, who has been looking after the **mutt's administration since 1972**, **Birendra** once visited the **Gorakhnath Temple** to offer **khichdi on Makar Sankranti**.
- **Mr.Dwarika** told **TOI** that despite the monarchy ending in Nepal, an amount of **Rs 10,000** is offered every year to the **Goraksh Peeth** during **Makar Sankranti**, and **Rs 5,000** each on the king's birthday and **Dussehra**.
- Despite old ties that run deep, the **appearance of Yogi's posters at the rally in Kathmandu** has created a controversy.
- **Yogi Adityanath**, the then Gorakhpur MP, had visited **Nepal in 2015** and **addressed a huge rally of 10,000 people** where he made the demand for **making Nepal a Hindu rashtra**.

9. What turned the Nepal protests violent?

- The recent protest, **initially meant to be a peaceful demonstration**, **escalated into violence** following the actions of its convenor, **Durga Prasai**.
- According to authorities, Prasai **breached security barricades** while **riding a bulletproof vehicle** and proceeded towards Baneshwor, where the Parliament building is located.
- This **act of defiance against security arrangements** triggered chaos, **leading to violent clashes** between the **protestors and law enforcement personnel**.



- In response to the aggressive move, **police forces attempted to contain the situation**, but tensions quickly spiraled out of control.
- **Protestors engaged in arson and vandalism**, causing extensive damage to both public and private property.
- Reports confirm that **14 buildings** were **set on fire**, while nine others suffered significant damage.
- Additionally, nine **government vehicles** were **torched**, and **six private vehicles** faced similar destruction.
- The violent demonstration also resulted in **numerous casualties**. According to **police reports**, **53 personnel** from the **Nepal Police**, **22** from the **Armed Police Force**, and **35 protestors** sustained injuries during the clashes.
- The agitation also took a **direct turn against media** establishments, as protestors targeted the **Kantipur Television building** and the **Annapurna Media House** in the Tinkune area.
- These attacks have raised concerns about the **safety of journalists and press freedom amidst growing political unrest**.

- As law enforcement officers sought to control the situation, several protest leaders, including the general secretary of the Rastriya Prajatantra Party, **Dhawal Shumsher Rana**, and central member **Rabindra Mishra**, were taken into custody. However, the key figure behind the violent demonstration, **Durga Prasai**, remains at large, according to Superintendent of Police Apil Bohara of the Kathmandu District Police Range.



- The **scale of destruction** and **injuries** resulting from the protest **underscores the volatile nature of political demonstrations** and the challenges in maintaining law and order.
- Authorities continue their **efforts to track down Prasai** and other instigators while also **assessing the extent of the damage inflicted during the unrest**.

10. What is the Treaty of Peace and Friendship between India and Nepal?

- The **India-Nepal Treaty of Peace and Friendship of 1950** forms the bedrock of the special relations that exist **between India and Nepal**.
- The **treaty talks about the reciprocal treatment of Indian and Nepali citizens** in the two countries, in residence, property, business and movement.
- It also establishes **national treatment** for both **Indian and Nepalese businesses**.



INKED ON JULY 31, 1950. BY THEN PM OF NEPAL MOHAN SHAMSHER JANG BAHADUR RANA AND THEN INDIAN AMBASSADOR TO NEPAL, CHADRESHWAR NARAYAN SINGH.

INDIA-NEPAL TREATY OF PEACE AND FRIENDSHIP OF 1950






A bilateral pact, aimed at establishing a close strategic relationship between the two South Asian neighbors	Treaty allows free movement of people and goods between the two nations	Talks about reciprocal treatment of Indian and Nepali citizens
Establishes national treatment for both Indian and Nepalese businesses	Treaty allows close relationship and collaboration on matters of defence and foreign policy	Gives Nepal access to weaponry from India
Treaty has enabled Nepal to overcome the disadvantages of being a land-locked country		

Articles	Significance
Article 1	<ul style="list-style-type: none"> • There shall be everlasting peace and friendship between the Government of India and the Government of Nepal. • The two Governments agree mutually to acknowledge and respect the complete sovereignty, territorial integrity and independence of each other.

<p>Article 2</p>	<ul style="list-style-type: none"> • The two Governments hereby undertake to inform each other of any serious fiction or misunderstanding with any neighbouring State likely to cause any breach in the friendly relations subsisting between the two Governments.
<p>Article 3</p>	<ul style="list-style-type: none"> • In order to establish and maintain the relations referred to in Article 1 the two Governments agree to continue diplomatic relations with each other by means of representatives with such staff as is necessary for the due performance of their functions. • The representatives and such of their staff as may be agreed upon shall enjoy such diplomatic privileges and immunities as are customarily granted by international law on a reciprocal basis: • Provided that in no case shall these be less than those granted to persons of a similar status of any other State having diplomatic relations with either Government.
<p>Article 4</p>	<ul style="list-style-type: none"> • The two Governments agree to appoint Consuls-General, Consuls, Vice-Consuls and other consular agents, who shall reside in towns, ports and other places in each other's territory as may be agreed to. • Consuls-General, Consuls, Vice-Consuls and consular agents shall be provided with exequatur or other valid authorization of their appointment. • Such exequatur or authorization is liable to be withdrawn by the country which issued it, if considered necessary.

	<ul style="list-style-type: none"> • The reasons for the withdrawal shall be indicated wherever possible. • The persons mentioned above shall enjoy on a reciprocal basis all the rights, privileges, exemptions and immunities that are accorded to persons of corresponding status of any other State.
Article 5	<ul style="list-style-type: none"> • The Government of Nepal shall be free to import, from or through the territory of India, arms, ammunition or warlike material and equipment necessary for the security of Nepal. • The procedure for giving effect to this arrangement shall be worked out by the two Governments acting in consultation.
Article 6	<ul style="list-style-type: none"> • Each Government undertakes, in token of the neighbourly friendship between India and Nepal, to give to the nationals of the other, in its territory, national treatment with regard to participation in industrial and economic development of such territory and to the grant of concessions and contracts relating to such development.
Article 7	<ul style="list-style-type: none"> • The Governments of India and Nepal agree to grant, on reciprocal basis, to the nationals of one country in the territories of the other the same privileges in the matter of residence, ownership of property, participation in trade and commerce, movement and other privileges of a similar nature.
Article 8	<ul style="list-style-type: none"> • So far as matters dealt with herein are concerned, this Treaty:

	<ul style="list-style-type: none"> ▪ cancels all previous Treaties, agreements, and engagements entered into on behalf of India between the British Government and the Government of Nepal.
Article 9	<ul style="list-style-type: none"> • This Treaty shall come into force from the date of signature by both Governments.
Article 10	<ul style="list-style-type: none"> • This Treaty shall remain in force until it is terminated by either party by giving one year's notice.

11. What is the significance of India Nepal relations?

- **India and Nepal share a multifaceted relationship** characterized by **deep-rooted historical, cultural, political, economic, and strategic ties**

AREAS OF COOPERATION	SIGNIFICANCE
Historical & Cultural	<ul style="list-style-type: none"> • The two nations share common religions (Hinduism, Buddhism), festivals (Diwali, Holi), Languages (Maithili, Bhojpuri, and Hindi). 

	<ul style="list-style-type: none"> • The Embassy of India in Nepal, in collaboration with Lumbini Development Trust and Lumbini Buddhist University organized the inaugural India-Nepal Cultural Festival in Lumbini on 8 December 2023. • The festival showcased the rich cultural heritage and traditions of India and Nepal, with a focus on Buddhism. • Kashi Tamil Sangamam-In 2023, a Nepalese delegation participated in the Kashi Tamil Sangamam in Varanasi, an event highlighting South Asian cultural unity. • Proposed Ramayana Circuit-both the countries are planning to boost religious tourism by connecting key sites linked to epic like Ayodhya & Janakpur.
Economic Cooperation	<ul style="list-style-type: none"> • India & Nepal hold strong economic ties, with India being Nepal's largest trade and investment partner significantly contributing to both Nepali imports and exports and also providing transit for almost the entire third country trade of Nepal. • Recently India-Nepal Inter-Governmental Committee meeting on trade transit and cooperation to combat unauthorised trade concluded in Kathmandu, (January,2025). • Indian firms are among the largest investors in Nepal, accounting for 33.5% of the total FDI stock in Nepal.

- **Revised treaty of transit, 2023** that would provide Nepal access to inland waterways of India
- **Nepal-India Joint Economic Council (JEC) 1994**-established to promote trade and joint ventures.

Trade between India and Nepal

How much the two nations export to each other (in \$ mn)



India's major role in Nepal's economy

India accounts for:

66% of Nepal's merchandise trade



33% of trade in services



33% of foreign direct investments




100% of petroleum supplies



Significant share of inward remittances from workers and as pension

<p>Defence Cooperation</p>	<ul style="list-style-type: none"> • India and Nepal have long standing and extensive mutually beneficial cooperation in the field of defence and security. • Indian and Nepal Army has been working together on the modernization drive of the Nepali Army providing capacity building, equipment , Joint military exercises.  <ul style="list-style-type: none"> • The strong relations between the both armies are exemplified through the Gorkha Regiment. • Currently around 32,000 Gurkha soldiers from Nepal are serving in the Indian Army.
<p>Electricity Cooperation</p>	<ul style="list-style-type: none"> • One of the most important areas of mutually beneficial cooperation in the India-Nepal bilateral relations is the collaboration in the power sector. • The Joint Vision Statement on Power Sector Cooperation issued on 2 April 2022 during the visit of Prime Minister of Nepal to India, laid out a comprehensive roadmap for bilateral cooperation in the sector.

	<ul style="list-style-type: none"> • The export of electricity from Nepal to India reached around 650 MW in 2023. • Nepal earned more than Rs 10 billion from electricity exports, helping to reduce the trade deficit and augment foreign exchange earnings. • In 2023, a long-term power trade agreement was signed to export 10,000 megawatts of electricity from Nepal to India over 10 years.
Hydroelectricity Export and Regional Cooperation	<ul style="list-style-type: none"> • Significant partnerships have been formed to build cross-border transmission lines. • Nepal has started exporting hydroelectricity to Bangladesh under a tripartite agreement with India and Bangladesh. • Nepal plans to export 40 MW of electricity to Bangladesh in 2025, with potential increases in the future. <div>  <p>Shirish A. Adhikari</p> <p>●●●</p> <p>Nepal's foray into power trade with Bangladesh, facilitated by India, is a landmark achievement that could reshape South Asia's energy dynamics.</p> </div>


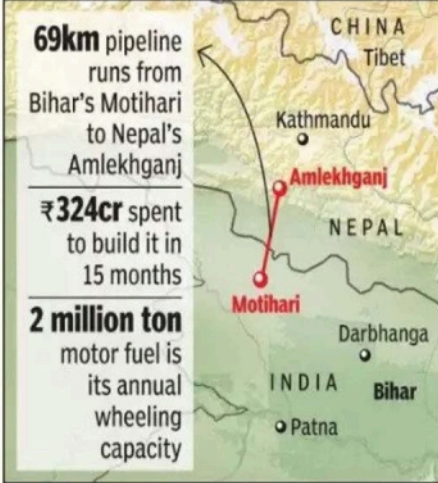
Humanitarian Assistance

- **India** has been a longstanding partner of **Nepal** during emergencies and crisis situations. **Nepali nationals in conflict zones**, have been evacuated along with Indian nationals under **Government of India's** evacuation efforts under '**Operation Ajay**', '**Operation Ganga**' etc.
- **India** was also the **first responder** when a devastating **7.8 magnitude earthquake** struck **Nepal on 25 April 2015** (followed by a powerful aftershock of 7.4 magnitude on 12 May 2015).




- The Government of India announced a post-earthquake reconstruction package of **US\$ 1 billion** during the **International Conference on Nepal's Reconstruction** held in **Kathmandu on 25 June 2015**.

	<ul style="list-style-type: none"> • Similarly, when the Covid-19 Pandemic hit the world, the Government of India worked overtime to ensure that the supply lines of trade between India and Nepal remained open. • Nepal was one of the first countries to receive the Made in India- COVID-19 vaccine on 21 January 2021, paving the way for Nepal's nationwide vaccination drive.
Education	<ul style="list-style-type: none"> • India's development partnership with Nepal also extends to the field of human resource cooperation. • The Government of India provides more than 1500 scholarships each year, covering study in India as well as Nepal and encompassing courses ranging from medicine, engineering, agriculture, business, nursing, Ayurveda & other traditional medicine, music, dance etc. • For Government officials and other professionals, Nepal has also been an important partner under the Indian Technical & Economic Cooperation (ITEC) program started in 1964. • Since 2007 alone, more than 2300 professionals, bureaucrats and defence personnel from Nepal have undergone this capacity building programme.
Digital Financial Connectivity	<ul style="list-style-type: none"> • Nepal and India decided to establish and enhance digital financial connectivity. • Indians traveling to Nepal can now make payments through their mobile phones.

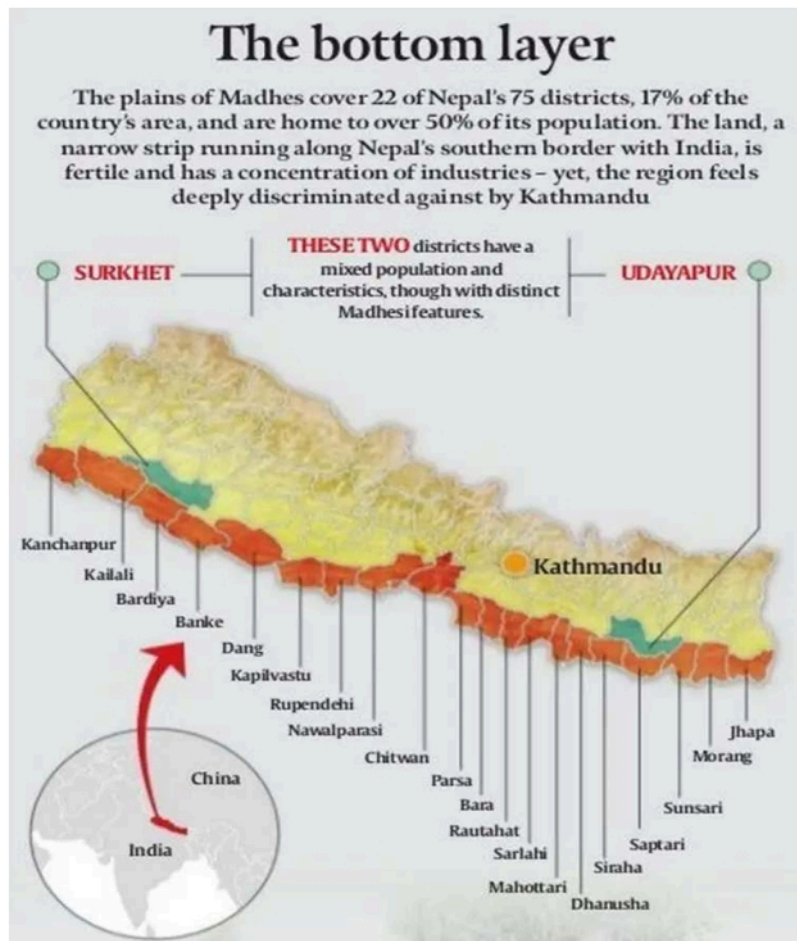
	 <p>The image shows the national flags of India and Nepal crossed at the top. To the right is the UPI (Unified Payments Interface) logo with the text 'UPI' and 'UNIFIED PAYMENTS INTERFACE' below it. Below the logo is a QR code.</p>
Oil pipeline	<div> <div> <p>69km pipeline runs from Bihar's Motihari to Nepal's Amlekhganj</p> <p>₹324cr spent to build it in 15 months</p> <p>2 million ton motor fuel is its annual wheeling capacity</p> </div> <div>  <p>The map shows the route of the oil pipeline from Motihari in Bihar, India, to Amlekhganj in Nepal. It also shows the surrounding regions of China, Tibet, Kathmandu, Darbhanga, Patna, and India.</p> </div> <div> <p>Advantages for Nepal:</p> <ul style="list-style-type: none"> ➤ Reduces pump price by Nepali Rs2/L ➤ Prevents pilferage and adulteration ➤ Uninterrupted supply during blockades/stir <p>What works for India:</p> <ul style="list-style-type: none"> ➤ Further deepens engagement with Nepal ➤ Gives IndianOil a captive customer </div> </div>
Multilateral engagements	<ul style="list-style-type: none"> • India and Nepal are members of several multilateral forums. • These include BBIN Corridor (Bangladesh, Bhutan, India, and Nepal), BIMSTEC (Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation), Non-Aligned Movement, and SAARC (South Asian Association for Regional Cooperation) etc.

12. What are the challenges in India Nepal relations?

Challenges	Analysis
Issues with Peace and Friendship Treaty	<ul style="list-style-type: none"> • The issue of replacing the 1950 Treaty of Peace and Friendship with India according to the spirit and aspirations of the Nepalese and according to the need of the time and situation is the most critical issue in the relationship between India and Nepal. • The Nepalese government argued that the treaty was signed at a time when Nepal was weak and not in a position to articulate its demands. • This treaty is described not only unequally but as an attack on Nepal's sovereignty on the ground that the circumstances in which the treaty was signed have changed and therefore, there is no relevance of this treaty anymore.
Territorial Disputes	<ul style="list-style-type: none"> • After the abrogation of article 370 in Kashmir, the Indian government issued a map showing the changed political map of Kashmir. • Nepal raised objection to this new map, accusing India of portraying certain regions of Nepal as Indian territory. • They claimed that the strategically important areas of Kalapani, Lipulekh and Limpiadhura were part of Nepal. • In June, 2020, the parliament of Nepal voted unanimously to amend the Constitution to redraw the country's new political map. • Meanwhile, in 2020, India had inaugurated a new road to Mansarovar from Kalapani region to cut

	<p>short the time and distance through Lipulekh pass.</p> <ul style="list-style-type: none"> The issue flamed anti-Indian sentiments in Nepal. 
<p>The Madhesi Issue</p>	<ul style="list-style-type: none"> In 2015, Nepal adopted a new Constitution, replacing the interim Constitution of 2007. The provisions of the new Constitution created widespread resentment among Madhesis. Madhesis are an ethnic group, living in the central and eastern Region of Nepal. Owing to geographical contiguity, they have linguistic, religious, cultural, and matrimonial links with India. Madhesis accused that the new Constitution failed to grant them adequate representation in the Parliament. Therefore, they held a blockade along the open border with India causing disruptions in supply of food and fuel. This five-month long blockade unleashed havoc for the local populations.

- This **further flamed anti-India sentiments** as it was perceived that the **blockade had the tacit support of India.**



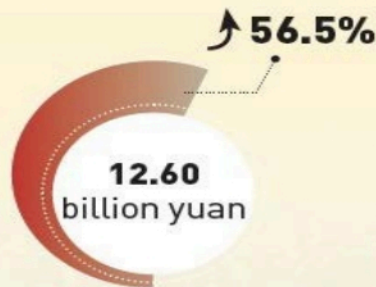
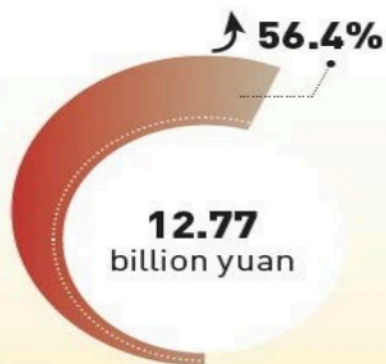
Chinese Interference

- In addition to **internal instability in Nepal**, **China is also trying to make inroads.**
- In recent years, **Nepal has been more inclined towards China.**
- Currently, **China is the largest source of FDI in Nepal.**

- It is also developing **Trans-Himalayan Economic Corridor** that will connect **China's Tibet** with **Nepal**.
- This will bring **China** closer to **India**.
- Besides, **China** and **Nepal** have signed a **Memorandum of Understanding** to cooperate within the **BRI framework**.
- **Nepal** also supports **China's** inclusion in **SAARC**.

► **China-Nepal trade volume**

According to China Customs data, total value of China's trade with Nepal in 2021 was **12.77 billion yuan (\$1.84 billion)**, up by **56.4 percent** year on year.



Among them, exports reached about **12.60 billion yuan**, up **56.5 percent** year-on-year, while imports reached **0.17 billion yuan**, up **53.7 percent** year-on-year.

Political Instability	<ul style="list-style-type: none"> • The internal politics of Nepal often determine the nature of India-Nepal relations. • Often, anti-Indian sentiments are flamed for narrow political gains in Nepal. • Vested interests in Nepal have managed to block India-Nepal hydro-power cooperation. • Because of this, despite having around 83,000 MW hydro-electricity potential, Nepal remains a net importer of electricity. • Achal Kumar Malhotra, Ambassador (retd), says, <i>“If I were to identify one constant factor in India’s relations with its neighbouring countries, I would describe it as some sort of trust deficit.”</i>
Security Threat	<ul style="list-style-type: none"> • The porous and poorly guarded border between India and Nepal allows terrorist groups to exploit it for smuggling weapons, ammunition, trained members and fake currency, which poses a significant security risk to India. • Open border between India and Nepal leads to illegal migration and human trafficking threatening Indian security.
Trust Deficit	<ul style="list-style-type: none"> • The trust between India and Nepal has weakened over time due to India’s slow implementation of projects. • Some Nepalese ethnic groups feel that India interferes too much in Nepal’s politics and undermines their political independence, leading to a dislike for India.

13. What is China's factor in the Nepal protest?



- **Kathmandu** recently released a **report showing** that **four districts** were **at risk of losing hundreds of hectares** to **Beijing** as it expanded its road projects.
- **Protesters in Nepal** this week **burnt the effigies of Chinese President Xi Jinping** after a **recent government report indicated Beijing had encroached on 36 hectares of Nepalese land**, roughly the size of 26 football fields.
- According to the document released by **Nepal's Survey Department** in early November, **four districts sharing a border with China** – **Sankhuwasabha, Rasuwa, Sindhupalchowk and Humla** were seen **losing territories** as **Beijing expanded its road projects**.
- The government data suggested **Nepal stood to lose a further several hundred hectares of land to Beijing**.

14. Enlist views of various scholars on India-Nepal relations?

Scholars	View
V P Haran	<ul style="list-style-type: none"> • Former India's Ambassador to Nepal, V P Haran, highlighting that "peace, stability, and prosperity of neighbouring countries are in our national interest," Haran says that active institutionalization is the key to improving India's relations with its neighbours. • For Instance, annual bilateral meetings at summit levels, even if brief, can 'generate momentum for expediting ongoing projects and provide opportunity to clear any misunderstanding.'
Prof. S. D. Muni	<ul style="list-style-type: none"> • He holds that the geography and people-to-people contacts favour India-Nepal relations. • One of the reasons for the breakdown in India's Nepal policy is that the Indian policy has been driven by "a strong sense of inherent insecurity, bordering on paranoia." • He suggests that India should avoid undue delay in the implementation of its projects in Nepal. Otherwise, it will leave space for China.
Shyam Sharan	<ul style="list-style-type: none"> • According to Shyam Sharan, there is a paradox that despite having deep-rooted P2P relations, the G2G relations between India and Nepal have lagged behind. • Sharan suggests that India should be open to any treaty Nepal is willing to negotiate as India has not much to lose.

C Rajamohan	<ul style="list-style-type: none"> • On the China issue, C Rajamohan suggests that India should adopt Nepal first policy. • Although, geography and P2P contacts favour India, India cannot take Nepal for granted. • India should also avoid repeating past mistakes like interfering in Nepal's domestic politics and provide reassurance to Nepal through continued political engagements.
Harsh V Pant	<ul style="list-style-type: none"> • Harsh V Pant (ORF Head of Strategic Studies) believes that India has neglected South Asia. • India has failed to consolidate its hold in this region because of structural asymmetry, delayed implementation, inward looking policy since the 1990s, and focussed mainly on major powers like the USA.

15. What can be the possible way ahead?

- The **situation in Nepal is complex**, with **growing dissatisfaction** over the **republic** and calls for the **restoration of the monarchy.**
- Moving forward, there needs to be a **multipronged approach** to address various **loopholes in the current political system.**

DIMENSIONS	POSSIBLE SOLUTIONS
Managing the current Monarchy issue	<ul style="list-style-type: none"> • Conducting public referendums to assess people's demand for a constitutional monarchy. • If necessary, integrating the monarchy in a ceremonial role while maintaining a democratic framework.

	<ul style="list-style-type: none"> • Balancing traditional identity with modern democratic principles.
Institutional Reforms to bring Political Stability	<ul style="list-style-type: none"> • Conducting free and fair elections to rebuild public trust in the government. • Address public grievances and political inefficiencies through effective and stringent implementation of constitutional amendments. • Capacity building and strengthening of democratic institutions to achieve good Governance. • Strengthening Anti-corruption measures to regain Public trust.
Economic Reforms	<ul style="list-style-type: none"> • Bringing structural reforms in the economy through changes in policies, regulations, to alleviate poverty . • Boosting economic growth by effective investment in both human resource and physical infrastructure. • Making Digitization as a cornerstone in economic governance to curb corruption.
Ensuring Press freedom and protection of Human rights	<ul style="list-style-type: none"> • Ensuring freedom of speech and preventing suppression of political dissent. • Strict enforcement of laws to prevent attack on journalists and ensure media protection.
Fostering enhanced International	<ul style="list-style-type: none"> • To implement best practices across the world wrt governance , political reforms.

collaborations	<ul style="list-style-type: none"> • Promotion of Foreign investments and trade partnerships. • Maintaining Strategic diplomatic ties and avoidance of over reliance on any one country.
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16. What is the relevance of the topic for UPSC CSE?

- **For Prelims:** India-Nepal Relations, India-Nepal Treaty of Peace and Friendship of 1950, Kalapani Boundary Issue, India's Neighbourhood First Policy.
- **For Mains:** India-Nepal Relations - Significance, Associated Challenges and Ways to Resolve the Challenges.

Some previous years prelims questions.

Q1.

Community sometimes mentioned in the news	In the affairs of
1. Kurd	Bangladesh
2. Madhesi	Nepal
3. Rohingya	Myanmar

Which of the pairs given above is/are correctly matched?

- (a) 1 and 2
- (b) 2 only
- (c) 2 and 3
- (d) 3 only

Ans: (c)

Some previous years mains questions.

Q1. Do you think that BIMSTEC is a parallel organisation like the SAARC? What are the similarities and dissimilarities between the two? How are Indian foreign policy objectives realized by forming this new organisation? (2022-15 Marks)

Some questions from this year and previous years interview transcripts.**Board Dinesh Dasa sir:**

- Are you aware of FATF blacklisting Nepal ?
- What does FATF do?

Board Sanjay Varma Sir:

- Regarding Trump's statements on Canada, What do you think will happen if India declares the same with regards to Bangladesh?
- What will happen if we do the same with Nepal, hypothetically?

Board Sheelvaedhan sir:

- I will name the borders of India one by one.
- Can you tell me the challenges and nature of the border?
 - Pakistan
 - China
 - Nepal
 - Bangladesh
 - Myanmar
- Now tell me which you think is the most important border for India in future?

Board Dinesh Dasa sir:

- What was the issue between Nepal and Bhutan during pre pre-independence era?
- What are territorial disputes between India and Nepal?

Some questions for QUIZ.

Q1. Consider the following Countries.

1. Thailand
2. India
3. SriLanka
4. Nepal
5. Bhutan

How many of the above countries are part of the BIMSTEC multilateral group?

- (a) Only two
- (b) Only three
- (c) Only four
- (d) All five

Ans: (d)

Some questions for POLL.

Q1. Do you think the Nepal crisis is part of a bigger geopolitical game?

- (a) YES
- (b) NO
- (c) Can't say.

Q2. Should India support Nepal's monarchical rule?

- (a) YES
- (b) NO
- (c) Can't say.

■ ■ ■ ■