



CENTRE FOR AIR POWER STUDIES

New Delhi

CAPS InFocus: 08/01/2021

The Political Crisis in Nepal and China's Policy of Non-Interference

Shantanu Roy-Chaudhury
Research Associate, CAPS

Keywords: Nepal, Nepal Communist Party, Chinese Communist Party, Belt and Road Initiative, Nepali Politics



Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies [CAPS]



This work is licensed under Creative Commons Attribution – Non-Commercial – No Derivatives 4.0 International License.

Nepal is currently embroiled in political turmoil that has been fomented by infighting amongst members of the ruling Nepal Communist Party (NCP). On December 20, 2020, Prime Minister K.P. Sharma Oli dissolved the lower house of Parliament with the approval of the President despite protests from within the NCP, and called for elections in April 2021, thereby eliminating the possibility of a vote of no confidence.¹ This move seems to have stemmed from Oli realising the feud within the NCP had “reached the point of no return and he faced expulsion both as party chief and as Prime Minister.”² The political infighting combined with the Prime Minister’s decision to dissolve parliament has, therefore, “effectively ended the unity forced among the left forces” that led to the creation of the NCP in 2017.³ The crisis can also be traced back to the merger between Oli’s Communist Party of Nepal–Unified Marxist–Leninist (CPN–UML) and the Nepal Communist Party (Maoist) that was led by P.K. Dahal Prachanda. At the time of unification to create the present-day NCP, Oli and Prachanda agreed they would rule in turn, a promise Oli did not uphold which led to sowing the seeds of discontent and separation. Furthermore, this turmoil has also raised concerns and brought the constitution of Nepal, which was promulgated in 2015, into question.

On the foreign policy front, Nepal’s policy has been oscillating between favouring New Delhi and Beijing. Currently, there is no doubt that Prime Minister Oli has been receptive of China’s overtures and the Belt and Road Initiative (BRI) through which millions have been invested into the country. Beijing has increasingly become a leading investor in Nepal, with over 90 percent of all foreign investment into the country in the first quarter of the 2019–2020 fiscal year coming from China.⁴ Through this, China has sought to increase influence in India’s neighbourhood. This objective was boosted with the NCP coming into power and Oli vowing “to increase business with China.”⁵ To further ties between the NCP and the Chinese Communist Party (CCP), a six-point bilateral agreement was signed formalising relations between the two communist parties.⁶ During this period a 50-member CCP team imparted training to senior leaders and members of the NCP under the “Nepal–China Friendship Symposium.”⁷ This also included a two-day training programme on ‘Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.’ Therefore, with close ties between the two governments, “Should Mr. Oli fall, China would lose a friend.”⁸

Chinese Delegation

With healthy relations between the NCP and CCP, and the political situation slowly deteriorating in Nepal, China’s ambassador in Kathmandu, Hou Yanqi, was working overtime meeting the leaders of the feuding political factions to “keep the flock of warring Communist leaders together,” and prevent a split in the NCP, a move that would undoubtedly be detrimental to Beijing’s strategic interests and the BRI projects in the country.⁹ Ambassador Hou previously came into the spotlight in May 2020 when she

met President Bhandari, the Prime Minister, and other NCP leaders at a period when Oli was facing pressure to step down.¹⁰ At that point, opposition leaders and other political parties stated China was interfering in Nepal's internal political affairs and protests took place outside the Chinese Embassy in Kathmandu. With the ambassador unable to keep the situation under control, and growing concern from Beijing, a delegation was deployed led by Vice Minister of the International Department of the CCP, Guo Yezhou. The department led by Guo manages the CCP's relationships with foreign political parties, both in power and in opposition. During the trip, Guo was stated to meet the top leaders from both factions of the NCP along with the leaders of the opposition and other politicians.¹¹ With Nepali foreign ministry officials not present during these meetings, an anomaly when it comes to foreign visits, this raises questions on the nature of Guo's visit and the influence Beijing yields over Nepali politics.¹² According to reports, the Chinese were shocked how Oli made such an abrupt and bold decision amidst a pandemic and without prior consultation.¹³ The delegation, however, was unsuccessful and failed to unite the two rival factions within the NCP and maintain political stability in the country. Guo's visit also brought protest against the interference in Nepal's internal matters. Beijing's efforts have nonetheless continued with a "covert aspect" being continued by CCP members who are the party's experts on Nepali politics and have "cultivated political leaders for years."¹⁴

Policy of Non-Interference and Dangerous Precedence

China's foreign ministry spokesperson, Zhao Lijian, commenting on the delegation to Kathmandu, hoped "all the various parties in Nepal can put national interest and the overall situation first, and proceed from there, while properly handling internal differences and working towards political stability and the country's development."¹⁵ For a country that has self-proclaimed pride on following a policy of non-interference abroad, Beijing's actions and rapid deployment of a team to sort out political infighting in Nepal to ensure its interests are secured seriously contradicts the principle it believes in. In September 2020, during a visit to Germany, Chinese Foreign Minister Wang Yi emphasised that "no country should interfere in the internal affairs of other countries."¹⁶ Defending the CCP's actions in Hong Kong and Xinjiang, he added that the "principles of mutual respect and non-interference in each other's internal affairs are not only basic principles of international relations, but also the fundamental rules of the Charter of the United Nations, and thus should be strictly followed."¹⁷ While quick to emphasise foreign interference in China's internal matters, the same standards are not applied to Chinese interference. Although this is not the first, nor the last time Beijing will interfere in the domestic politics of a country to secure and further their own strategic interests, the narrative and justifying the intervention to protect their investments is a controversial one.

According to China, the huge investments under the BRI allow Beijing to “provide assistance to its partners through inter-party cooperation and exchange,” and mediate intra-party conflicts, which does not constitute interfering in internal matters.¹⁸ Due to the global reach of the BRI and its extent across Southeast Asia, South Asia, and Africa, future interference by the CCP could be incorrectly justified by claiming to protect its investments, whereas they would actually be directly interfering in the internal politics of another country. Furthermore, there have been increasing calls within China to deploy its military overseas to protect its projects and interests. While this has not yet become a reality, the amended Chinese national defence law that came into effect on January 1, 2021, has added a provision of protecting “developmental interests,” many of which are overseas.¹⁹ If this becomes a reality, there will be serious security concerns for India which is surrounded by countries where China has made deep economic inroads. Thus, Chinese interference in the domestic politics of Nepal lays down a dangerous precedence that the CCP could emulate globally to achieve its objectives.

Notes

¹ Dipanjan Roy Chaudhury, “Nepal’s President Bidya Devi Bhandari dissolves Parliament, declares mid-term polls,” *The Economic Times*, December 20, 2020, <https://economictimes.indiatimes.com/news/international/world-news/nepals-president-bidya-devi-bhandari-dissolves-parliament-declares-mid-term-polls/articleshow/79821841.cms>. Accessed 5 January 2021.

² Yubaraj Ghimire, “Explained: What is at stake in Nepal’s political crisis?,” *The Indian Express*, December 29, 2020, <https://indianexpress.com/article/explained/simply-put-nepal-crisis-whats-at-stake-7115792/>. Accessed 5 January 2021.

³ Ibid.

⁴ “Over 90 percent of total FDI to Nepal comes from China,” *Xinhua*, November 7, 2019, http://www.xinhuanet.com/english/2019-11/07/c_138535703.htm. Accessed 5 January 2021.

⁵ Bhadra Sharma, Kai Schultz, “Xi Jinping Comes to Nepal Bearing Investments, and India Is Watching,” *The New York Times*, October 12, 2020, <https://www.nytimes.com/2019/10/12/world/asia/xi-jinping-nepal-india.html>. Accessed 5 January 2021.

⁶ Tilak R. Pradhan, “Nepal Communist Party and the Communist Party of China formalize relations,” *The Kathmandu Post*, September 25, 2019, <https://kathmandupost.com/politics/2019/09/25/nepal-communist-party-and-the-communist-party-of-china-formalise-relations>. Accessed 5 January 2021.

⁷ IANS, “Nepal’s ruling party currying favour with “Xi Jinping Thought”,” *Outlook*, September 26, 2019, <https://www.outlookindia.com/newscroll/nepals-ruling-party-currying-favour-with-xi-jinping-thought/1627671>. Accessed 5 January 2021.

⁸ Bhadra Sharma, “Nepal Falls Into Political Turmoil. China and India are Watching,” *The New York Times*, December 20, 2020, <https://www.nytimes.com/2020/12/20/world/asia/nepal-parliament.html>. Accessed 5 January 2021.

⁹ Sachin Parashar, “Oli vs Prachanda: China weighing in as political crisis in Nepal intensifies?,” *The Economic Times*, December 24, 2020, <https://economictimes.indiatimes.com/news/defence/oli-vs-prachanda-china-weighing-in-as-political-crisis-in-nepal-intensifies/articleshow/79939014.cms>. Accessed 5 January 2021.

¹⁰ PTI, “China to send top-ranking CPC leader to Kathmandu to prevent split in Nepal Communist Party,” *The Economic Times*, December 26, 2020, <https://economictimes.indiatimes.com/news/international/world-news/china-to-send-top-ranking-cpc-leader-to-kathmandu-to-prevent-split-in-nepal-communist-party/articleshow/79967839.cms>. Accessed 5 January 2021.

¹¹ Ibid.

¹² Anil Giri, "Chinese team gets down to business as it arrives," *The Kathmandu Post*, December 28, 2020, <https://kathmandupost.com/national/2020/12/28/chinese-team-gets-down-to-business-as-it-arrives>. Accessed 5 January 2021.

¹³ Gopal Sharma, Rupam Jain, "China holds sway in Nepal as rival communist factions create crisis," *Reuters*, December 31, 2020, <https://www.reuters.com/article/us-nepal-china-politics/china-holds-sway-in-nepal-as-rival-communist-factions-create-crisis-idUSKBN295004>. Accessed 5 January 2021.

¹⁴ Shishir Gupta, "China switches into covert mode in Nepal, has team of 3 to continue mission," *Hindustan Times*, January 2, 2021, <https://www.hindustantimes.com/world-news/china-hasn-t-given-up-in-nepal-positions-a-team-of-3-to-continue-outreach/story-sEfBAumsjyNscJdLyw60YO.html>. Accessed 5 January 2021.

¹⁵ "China tries to build bridges between Nepal's rival communist factions," *South China Morning Post*, December 31, 2020, <https://www.scmp.com/news/china/diplomacy/article/3116039/china-tries-build-bridges-between-nepals-rival-communist>. Accessed 5 January 2021.

¹⁶ "Chinese FM stresses non-interference in other countries' internal affairs," *Xinhua*, September 2, 2020, http://www.xinhuanet.com/english/2020-09/02/c_139336538.htm. Accessed 5 January 2021.

¹⁷ Ibid.

¹⁸ Yang Sheng, Zhang Hui, "High-level CPC delegation's Nepal visit eyes issues of common interest, upholds noninterference principle: Chinese FM," *Global Times*, December 28, 2020, <https://www.globaltimes.cn/content/1211235.shtml>. Accessed 5 January 2021.

¹⁹ Song Zhongping, "New national defense law to protect China's development interests," *Global Times*, December 28, 2020, <https://www.globaltimes.cn/page/202012/1211278.shtml>. Accessed 5 January 2021.