

# Indo-Nepal Relations in the Post-2014 Era: Trends and Challenges

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## Abstract

*This research paper evaluates the transformation of Indo–Nepal relations in the post-2014 period, analysing political tensions, border disputes, economic interdependence, and the impact of great-power competition in the Himalayan region. The study examines key episodes—including the 2015 Madhesi movement, the border blockade, the revision of Nepal’s political map, the rise of nationalist discourse in Kathmandu, and China’s expanding presence through the Belt and Road Initiative (BRI)—to explain shifts in the bilateral relationship. The paper employs qualitative, descriptive and historical analytical methodology for research. It made use of both primary and secondary sources for data collection. The paper argues that while the India–Nepal partnership has historically been defined by deep socio-cultural bonds and strategic interdependence, the decade after 2014 has exposed structural dilemmas regarding sovereignty, political expectations, and strategic autonomy. The paper identifies major trends, highlights persistent challenges, and proposes pragmatic measures to stabilize relations in the coming decade.*

**Key Words:** *Indo-Nepal Relations; Post-2014 Foreign Policy; India–Nepal Border Dispute; Belt and Road Initiative; Madhesi Movement; 2015 Blockade; South Asian Geopolitics; Economic Interdependence; China–Nepal Engagement; Connectivity Projects.*

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## I. INTRODUCTION

India and Nepal have historically enjoyed a relationship shaped by geography, culture, economics, religion, and strategic interdependence. The 1950 Treaty of Peace and Friendship institutionalized open borders, reciprocal movement, and close defence cooperation—linking the two states in a unique bilateral framework. However, the post-2014 decade has significantly transformed the dynamics of this relationship, influenced by Nepal’s internal political shifts, evolving nationalism, the restructuring of India’s neighbourhood policy, and the increased presence of China in Himalayan geopolitics.<sup>1</sup>

Since 2014, India’s foreign policy under its “Neighbourhood First” doctrine attempted to revive regional connectivity and diplomatic engagement. Yet, parallel developments in Nepal—constitution-making, ethnic tensions, party fragmentations, and strategic hedging—created both opportunities and friction in bilateral ties.<sup>2</sup> The period thus represents one of the most consequential phases in modern Indo–Nepal relations.

## II. POLITICAL TRANSFORMATIONS AND THE 2015 BLOCKADE

One of the defining episodes in the post-2014 era was the promulgation of Nepal’s new constitution in September 2015. The document triggered protests among the Madhesi, Tharu, and Janajati communities, who claimed the new federal structure marginalized them.<sup>3</sup> The resulting unrest severely disrupted supplies along the India–Nepal border. Fuel, medicine, and essential goods could not enter Nepal, deepening the humanitarian crisis that had already been triggered by the devastating April 2015 earthquake.<sup>4</sup>

The Nepali leadership and much of the public believed India tacitly supported the blockade to influence constitutional provisions—an allegation New Delhi denied.<sup>5</sup> The incident produced lasting distrust in Kathmandu and became a turning point in how Nepal perceives India’s role in its internal affairs. It also provided fertile ground for political actors to mobilize anti-Indian sentiment as a nationalist rallying point.

### **III. RISE OF NATIONALISM AND SOVEREIGNTY DISCOURSES IN NEPAL**

The 2015 crisis led to a sharp rise in nationalist discourse in Nepalese politics. Leaders across party lines began asserting sovereignty more vigorously, and public opinion increasingly favoured reducing dependence on India.<sup>6</sup> This shift was visible in media narratives, civic debates, and electoral rhetoric.

The sovereignty discourse gained further momentum during the 2019–2020 border-map dispute, when Nepal released a new political map including Kalapani, Lipulekh, and Limpiyadhura—territories claimed by India.<sup>7</sup> The map was approved unanimously by the Nepali parliament, signaling a rare political consensus rooted in nationalism. For India, the act was viewed as a unilateral measure inconsistent with earlier understandings.

### **IV. CHINA'S EXPANDING ENGAGEMENT IN NEPAL**

The weakening of trust between India and Nepal coincided with China's growing assertiveness. After 2015, China provided post-earthquake aid, expanded economic ties, and strengthened diplomatic outreach. Nepal joined the Belt and Road Initiative (BRI) in 2017, opening avenues for road, hydropower, and infrastructure development.<sup>8</sup>

China also offered Nepal access to Chinese sea ports—reducing its historic dependence on Indian transit routes. Chinese investments increased in sectors like hydropower, airports, highways, and digital infrastructure.<sup>9</sup> Kathmandu's engagement with China reflects a strategic hedging approach: diversifying partnerships to gain greater autonomy while bargaining with India from a stronger position.

### **V. INDIA'S STRATEGIC POSTURE IN THE POST-2014 ERA**

India's policy toward Nepal remained anchored in concerns related to border security, transit routes, political stability, and people-to-people ties. Officials in New Delhi frequently expressed concerns regarding foreign (especially Chinese) activities near the sensitive Himalayan frontier.<sup>10</sup>

India also invested in cross-border infrastructure projects, petroleum pipelines, integrated check posts (ICPs), and hydropower development. However, political sensitivities in Kathmandu and the legacy of the 2015 blockade continued to limit the trust required for smooth cooperation.

### **VI. BORDER ISSUES AND CARTOGRAPHIC POLITICS**

Border disputes—especially in Kalapani, Lipulekh, and Susta—have existed for decades but escalated after 2019 when India issued a new map following the reorganization of Jammu and Kashmir. Nepal claimed this map included its territory and retaliated with its own political map in 2020.<sup>11</sup>

These cartographic confrontations reflect deeper issues of identity, sovereignty, and domestic political incentives. The disputes persist despite several rounds of diplomatic engagement.<sup>12</sup>

### **VII. ECONOMIC INTERDEPENDENCE AND STRUCTURAL IMBALANCES**

India remains Nepal's largest trade partner, providing nearly two-thirds of Nepal's imports, transit access, and major investments.<sup>13</sup> Yet Nepal's trade deficit with India has widened significantly, leading to calls in Kathmandu for diversification.

Hydropower cooperation remains a promising area: India imports power from Nepal and has invested in key projects, while Nepal sees electricity exports as a potential solution to its trade imbalance.<sup>14</sup>

However, regulatory delays, environmental concerns, and political controversies continue to slow progress.

### **VIII. DOMESTIC POLITICS AND FOREIGN POLICY BEHAVIOUR IN NEPAL**

Nepali domestic politics—characterized by frequent government changes, party splits, and coalition instability—greatly influence foreign policy choices. Leaders often use foreign relations (especially with India) to consolidate nationalist support or settle internal political scores.<sup>15</sup>

With China engaging all major political factions and providing diplomatic alternatives, Nepal's foreign policy has become increasingly competitive and multi-vector, often complicating India's expectations.

### **IX. CHALLENGES IN INDO-NEPAL RELATIONS**

#### **1. Trust Deficit:**

The legacy of the 2015 blockade continues to cast a shadow over bilateral diplomacy.

2. Border and Territorial Disputes:

The Kalapani–Lipulekh dispute has become intertwined with national identity, making it harder to resolve.

3. Economic Dependencies and Transit Constraints:

Nepal's dependence on Indian transit routes remains structurally significant, despite Chinese alternatives.

4. External Geopolitical Competition:

China's increasing presence creates strategic anxieties in New Delhi, especially regarding infrastructure near sensitive border points.

5. Rising Nationalism and Political Fragmentation in Nepal:

Domestic political actors continue to use foreign policy issues for electoral mobilization.

## X. POLICY RECOMMENDATIONS

1. Establish a Permanent Boundary Commission

Technical, historical, and legal experts should jointly verify claims and produce mutually acceptable maps.

2. Modernize and Expand Connectivity

Rail links (Jaynagar–Bardibas, Raxaul–Kathmandu), highways, and energy corridors should be prioritized.

3. Institutionalize Crisis-Management Mechanisms. Hotlines and joint emergency protocols would prevent escalation during political or border crises.

4. Promote People-to-People Engagement

Educational exchanges, open-border facilitation, and cultural initiatives can rebuild public trust.

5. Embrace Transparent Development Cooperation

India and Nepal should adopt transparent guidelines for third-country investment to reduce suspicion.

## XI. CONCLUSION

Indo–Nepal relations in the post-2014 era have been marked by both continuity and disruption. While cultural affinity and economic interdependence continue to anchor the partnership, political crises, border disputes, and strategic realignments have complicated the relationship.

The future of bilateral relations depends on both states adopting a pragmatic, sovereignty-respecting, development-oriented framework that can accommodate Nepal's multi-vector foreign policy while safeguarding India's strategic sensitivities. As the regional geopolitical landscape evolves, India and Nepal must prioritize stability, mutual respect, and transparent cooperation for sustained peace and development in the Himalayas.

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