



India And Its Himalayan Neighbours: A Comparative Analysis Of India's Bilateral Relations With Nepal And Bhutan

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Abstract : The smaller nations often face challenges from powerful neighbouring countries. In the globalized era, nations with limited resources, weak diplomacy, and political instability are frequently compelled to yield to stronger powers, especially when those powers are immediate neighbours. Nepal and Bhutan, two landlocked Least Developed Countries (LDCs), caught between China, a global power, and India, a regional power. India's relations with its Himalayan Neighbours- Nepal and Bhutan, are shaped by shared history, culture, geography, and strategic imperatives. Both nations, while relatively small in terms of size and influence, hold immense geopolitical significance for India's security and foreign policy. Nepal and Bhutan lie in a region of growing global attention due to China's expanding influence, making these relationships critical in the current international landscape. From the perspective of a big country like India, maintaining harmonious and strategic relations with its smaller neighbours is essential to secure its borders, ensure economic integration, and counterbalance China's growing influence. For smaller nations like Nepal and Bhutan, navigating their foreign policies between two powerful neighbours - India and China is a matter of safeguarding their sovereignty, maximizing developmental benefits, and addressing domestic political imperatives. Despite similarities, Nepal maintains bilateral relations with both neighbours, while Bhutan aligns exclusively with India, avoiding ties with China. This research explores the bilateral dynamics between India and these two Himalayan neighbours, focusing on their geopolitical, economic, domestic politics and cultural aspects, with an emphasis on comparative analysis.

Keywords: Himalayan neighbours, India, Nepal, Bhutan, Bilateral relations.

I. Introduction

India's historical engagement with Nepal and Bhutan is rooted in cultural, economic, and political connections. The 1950 India-Nepal Treaty of Peace and Friendship institutionalized close ties, granting open borders and mutual privileges. However, Nepal's periodic dissatisfaction with the treaty, coupled with domestic political transitions, has strained relations. Conversely, India's relationship with Bhutan, established through the 1949 Treaty of Friendship, has been characterized by consistent cooperation in areas such as hydropower development and security. Bhutan's cautious foreign policy has largely aligned with India's strategic interests, even as it faces pressures from China regarding unresolved border disputes.

China's growing influence in the region has transformed this dynamic. Nepal's increasing ties with China, especially through infrastructure projects and its 2017 Belt and Road Initiative membership, have raised concerns for India. The growing Chinese influence in both Nepal and Bhutan has been a challenge, particularly with the presence of Chinese troops in Bhutan's Doklam Plateau, which nearly escalated into a

conflict. While the Covid-19 pandemic offered India an opportunity to reinforce its relationships with both countries, notably through the Vaccine Maitri initiative and past support for Nepal during the 2015 earthquake, tensions resurfaced over a border dispute in western Nepal. Despite this, the return of Sher Bahadur Deuba as Prime Minister of Nepal has rekindled hopes for improved India-Nepal relations. Meanwhile, under Narendra Modi's leadership, India has significantly strengthened its ties with Bhutan. India views both Nepal and Bhutan as integral to its security strategy, a factor that has shaped its approach to these neighbouring countries over the last 75 years.

II. Objectives

1. To analyse the key factors influencing India's bilateral relations with Nepal and Bhutan.
2. To examine the impact of China's growing influence on India's diplomatic and strategic policies toward Nepal and Bhutan.
3. To explore the challenges in balancing India's security interests with the sovereignty of Nepal and Bhutan.
4. To compare and contrast India's bilateral relationship between Nepal and Bhutan, and identify lessons for future foreign policy.

III. Methodology

The research is conducted through the qualitative research method. Furthermore, through the explanatory approach, the paper attempts to gather descriptive information, which would help to generate a better understanding of the topic. The design of this research is Ex Post Facto research design. In this concept of research design the research is based upon the fact that has already occurred, without having any contribution and interference in its occurrence. The data for the analysis of the research paper is obtained through secondary resources, which includes academic literature, journal articles, media reports and historical archives.

IV. A Comparative Analysis of India's Bilateral Relations with Nepal and Bhutan

From the perspective of a big country like India, the growing presence of China in Nepal and Bhutan presents significant challenges to its regional dominance, security, and strategic interests. Nepal's increasing alignment with China and Bhutan's cautious engagement raise critical concerns about India's ability to sustain its influence. For smaller countries like Nepal and Bhutan, balancing the interests of two major powers - India and China, while preserving their sovereignty and maximizing developmental gains is a delicate and complex task. There is a need for a comparative study to analyze the differences in how Nepal and Bhutan manage their relationships with India and China, and how India, as a regional power, responds to these evolving dynamics. The study seeks to address how India can adapt its bilateral policies to balance its security and geopolitical interests while respecting the sovereignty and aspirations of its smaller neighbours.

The geographic construction and each nation's interest have weaved India, Bhutan and Nepal in a way that they have to interact either willingly or unwillingly. This interaction have established a relationship between them which is persuaded in the form of bilateral treaties, policies and so forth. The analysis of relationship among them will be discussed in this section. It will be divided into two parts, where the first part will discuss about India-Nepal bilateral relations. The second will include India-Bhutan bilateral relations.

India-Nepal Bilateral Relations

Nepal and India share a long-standing bilateral relationship shaped by both colonial and post-colonial eras. Nepal's relations with British India were defined by the 1816 Treaty of Sugauli after the Anglo-Nepal war, and the 1923 Treaty of Peace and Friendship. After India's independence, the 1950 treaty further solidified ties, with India focusing on security concerns, especially after China annexed Tibet (Kumar, 2011). India viewed Nepal as an important buffer state, a perspective rooted in realism. The treaty, however, has been controversial. The secretive manner of its signing, with provisions exchanged covertly, led to distrust in Nepal regarding India's intentions (Subedi, 1994). The special relationship was more of a policy imposed by India than a voluntarily formulated foreign policy by Nepal (Adhikari, 2018). The treaty was criticised for favoring India's dominance, reflecting India's regional power ambitions and Nepal's internal political instability. This imbalance continues to shape the bilateral relationship (Ashraf, 1989).

The 1950 Peace and Friendship Treaty, stating that it brought India and Nepal closer (Shukla, 2006). The treaty recognized Nepal's independence, supported its economic development, and fostered cooperation in defense matters. The Nepalese monarchy acknowledged India's role in establishing democracy, and the relationship remained politically and economically dependent on India. Indian economic assistance is seen as both a genuine humanitarian effort and a means of strengthening bilateral ties. Although the assistance has benefited Nepal, political tensions arose due to unequal distribution of benefits (Rizvi, 1982). Additionally, cooperation on water resources and hydroelectric projects aimed to address India's water crisis while benefiting Nepal's economy, though the projects remain under scrutiny.

Nepal and India's relationship is marked by tensions over issues like water agreements and border disputes. Nepalese view India as exploiting its powerful position, particularly through water agreements that benefit India more than Nepal (K.N. Adhikari, 2014). Border disputes, such as the 2019 Lipulekh road inauguration and encroachments in areas like Susta and Mechi, have further strained relations. Nepal also accuses India of maintaining an army base in the Kalapani region, while India refutes Nepal's territorial claims. In addition to this Nepal had witnessed how the Indian government had succeeded to merge Sikkim in India, which once used to be in Nepal's possession, and also Nepal was experiencing India's presence and influence not only in the royal palace but also in the domestic politics (Rana, 1971). The recent political developments in Nepal show a clear continuity with transformation. Under K. P. Sharma Oli, rising nationalism, governance issues, and tensions with India especially over border disputes contributed to growing public dissatisfaction, particularly among youth. This discontent culminated in the 2025 Gen Z led protests, which exposed widespread anger over corruption and unemployment, eventually forcing Oli's resignation and creating a political vacuum. The subsequent 2026 elections marked a decisive shift, bringing Balendra Shah to power on a wave of anti-establishment and youth-driven politics, signaling the decline of traditional elites. Despite these internal transformations, the core of Indo-Nepal relations economic dependence, cultural proximity, and strategic relevance remains intact, though the tone is shifting toward a more assertive, sovereignty-conscious Nepal that seeks to rebalance its ties with both India and China.

India-Bhutan Bilateral Relations

Bhutan and India share deep historical, cultural, and religious ties, with Buddhism introduced to Bhutan by an Indian saint in 747 A.D. Their relationship can be divided into two phases: Bhutan under British India and Bhutan with independent India. Bhutan's interaction with British India included the Anglo-Bhutan war in 1772 and subsequent treaties, like the Treaty of Sinchula in 1865, which led to Bhutan ceding land for compensation. The Treaty of Punakha in 1910 made Bhutan a British protectorate, influencing its future ties with independent India. After India's independence, the Treaty of Peace and Friendship in 1949 defined their bilateral relations, emphasizing non-interference and peaceful coexistence (Sharma & Sharma, 2016). The treaty is viewed as dynamic, with both countries valuing mutual cooperation for peace and security. India

has been flexible, accommodating Bhutan's requests to revise the treaty (Sarkar, 2012). However, some critics argue that India's intentions in the treaty mirrored British policies to maintain control over strategically important buffer states, with China viewing the relationship as unequal. The treaty is seen by some as making Bhutan partially independent (Choudhary, 2005). Bhutan is directly connected to Sikkim by land and it had witnessed the procedure and measures taken by the then Indian government in order to bring Sikkim under its control (Rose, 1969). This incident might have given Bhutan the impression that India could also be an intimidating power.

Bhutan's relationship with India has been shaped by its historical, cultural, and strategic ties, with Bhutan considering itself independent but acknowledging limitations due to the 1949 Treaty of Peace and Friendship (Choudhary, 2005). India's approach was initially self-interested, aimed at preventing the spread of communism in the region (Malik & Sheikh, 2016). The trade and transit treaty further strengthened the bilateral ties, with India providing economic aid and infrastructural support (Sarkar, 2012). However, some critics view India's assistance as exploitative, serving its own interests (Malik & Sheikh, 2016), and argue that India's dominance in the partnership has hindered Bhutan's self-sufficiency.

The hydropower projects, while beneficial for both nations, have been criticized as a form of "electricity colonization" (Sauvagerd, 2018). Bhutan's foreign policy, initially isolationist, evolved to align with India due to external threats, but attempts to diversify relations with China have caused tensions with India (Malik & Sheikh, 2016). India's "Carrot and Stick Policy" and its influence in Bhutan's internal and external affairs show that the relationship is not solely benevolent, but also driven by strategic interests (Sauvagerd, 2018). Despite these challenges, Bhutan's relationship with India remains central to its foreign policy, although it has made Bhutan more dependent and limited its policy flexibility.

V. Conclusion

This study is significant as it offers crucial insights into the evolving geopolitical dynamics of the Himalayan region, particularly in relation to India's strategic position amidst China's growing influence. The comparative analysis of India's foreign policy and the responses of smaller nations like Nepal and Bhutan will also offer policy recommendations to strengthen India's influence and maintain regional stability. Furthermore, the study explores the complex interplay between a major power and smaller states, shedding light on the balance of power, sovereignty, and economic interests. Additionally, this research will fill a gap in academic literature on South Asian geopolitics, along with understanding geopolitics from the smaller nations' perspectives, thus serving as a reference for scholars, policymakers, and regional analysts. Ultimately, the study is significant for its practical implications on India's foreign policy and the long-term stability of the South Asian region.

VI. Limitations of the Study

This study has some limitations, such as availability of data on sensitive issues, thus limiting the depth of analysis. Potential biases in sources, especially media coverage and government documents. Despite these limitations, the study aims to provide a focused and meaningful analysis.

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