Neighbours but Aliens?
The Struggle for the Communist Party of China’s Party-to-Party Diplomacy in Nepal

ANEKA REBECCA RAJBHANDARI, Co-Founder of The Araniko Project, and Non-Resident Fellow, Nepal Institute for Policy Research (NIPoRe), Kathmandu.

RAUNAB SINGH KHATRI, Co-Founder of The Araniko Project, Kathmandu.

Abstract

Globally, party-to-party diplomacy has been an integral part of China’s foreign policy since the 1950s, and, in recent decades, it has become more visible, especially in Nepal. China has been increasingly using party channels as vehicles of authoritarian learning, seeking ideological closeness with political parties that can influence state-to-state relations and provide ease of access for high-level decision-making. However, these attempts at collaboration with political parties, through ideological training, party exchanges, and visits with ideologically-aligned parties, have at times created turmoil among Nepali political elites. This chapter analyses the impact of party relations on Nepal’s domestic politics and, subsequently, how Nepali political parties view their cooperation with China. This study features primary interviews with political party leaders, public intellectuals, and stakeholders along with a desk review of key events in party relations. The chapter concludes that party-to-party relations have helped expedite Sino-Nepal cooperation, however, failure of political parties to align their own interests with the national interest has not only led to disruptions in overall party-to-party cooperation but is also a source of domestic conflict.

Recommended citation:

Introduction

After establishing formal diplomatic relations in 1955, the relationship between China and Nepal has evolved to extend beyond a historical exchange of culture and religion to extensive economic cooperation and state-to-state relations. China’s first assistance to Nepal was the funding of US$ 12.6 million in support of its first five-year plan (1956–1960) (Pant, 1961). Since then, six decades of Sino-Nepal relations were limited largely to small-scale aid donations with public diplomacy outreach restricted to state-to-state relations. It was only in 2015 when India’s unofficial blockade on the southern border drove Nepali political elites to favour China that Sino-Nepal engagements witnessed an acceleration. Not only was the Chinese humanitarian aid to Nepal after the 2015 earthquake the largest ever provided on foreign soil (Tiezzi, 2015), but other areas of public diplomacy, such as education, culture, and political exchanges, also saw greater cooperation. Around 114 political visits were recorded between Chinese and Nepali leaders and 15 party-to-party official visits between 2000 to 2017—the most by the Communist Party of China (CPC) among political parties of any country in the South and Central Asian region (Custer, et al., 2019).

China attempted to foster greater ideological closeness between the CPC and Nepali political parties—in particular the Nepal Communist Party (NCP)—through high-level meetings during the Chinese Peoples’ Political Consultative Conference in 2016, and workshop on Xi Jinping thought for socialism with Chinese characteristics with 200 NCP leaders in 2019 (Bhattarai, 2019b). According to Pal (2021), China “clearly accords considerable significance to having an ideologically-aligned counterpart in Nepal’s power structure” thus increasing overall Sino-Nepal engagement. It can also be seen as influenced by the ideological affinity of the two communist parties.

Globally, party-to-party relations have been an integral part of China’s foreign diplomacy since the 1950s, and in recent decades, this has only become more evident. Hackenesch & Bader (2020) argue that China increasingly uses party channels as a vehicle of authoritarian learning “by sharing experiences of its economic modernization and authoritarian one-party regime.” Yet, questions about the impact of party-to-party relations on Nepal’s domestic politics, and how Nepali political parties view their inter-party cooperation with China, remain. These questions go beyond the normal understanding of bilateral state-to-state relations and, thus, open a new avenue to understand party diplomacy as an important tool in foreign policy cooperation.

By conducting 10 primary interviews with bureaucrats, leaders of political parties, journalists, and public intellectuals, along with secondary source analysis of key reports, news articles, journals, video interviews, and so on, this chapter attempts to fill the gap in our understanding of evolving inter-party relations as a key consideration in foreign policy, especially when examining China’s global influence.

Party-to-party cooperation as China’s foreign policy

Since the founding of the Communist Party of China in 1921, its foreign affairs department has played a key role in the development of the party and the nation. The department sought to cultivate “political party orientation and internationalisation”, which helped build the guiding principles and framework for the Party’s foreign affairs work (Yang, 2021).

After 1949, the Party sought to establish foreign relations with Communist parties and left-wing organisations in socialist or non-socialist countries for “safeguarding nation’s independence and sovereignty” (Zhong, 2007). The Party’s increasing focus on integrating with state activities, with party secretaries playing a pivotal role, made it indistinguishable from the state (Brødsgaard, 2018; Thornton, 2021). Party-to-party relations, thus, became an integral component of China’s overall foreign
policy—the CPC went on to establish relations with more than 400 political parties and organisations in over 160 countries around the world (Xinhua, 2021).

Party ties help strengthen state relations. In the case of China, it has helped bolster engagement with influential political actors in other countries, even more so if the political leaders are of the ruling party, allowing China to influence high-level decision-making. While the CPC is not keen on exporting its ‘China model’ overseas, it has been active in promoting it. The mode of training largely involves capacity development of political leaders. Sun (2016) identifies three universal components of the CPC’s political party training programme: 1) lectures at Chinese institutions or universities, 2) field trips to local government(s) in China, and 3) cultural programmes promoting Chinese culture. In addition, attempts have been made by the CPC to train political elites abroad in ‘Xi Jinping thought’, highlighting the “virtues of strong centralized leadership” in developing countries and at various bilateral forums (The Economist, 2020; Li, 2019).

The focus is more on learning about the role of CPC’s governance in China’s development and then drawing inspiration to replicate such experiences in their own countries. Yet, does CPC maintain different kind of relationships with different political parties? Or are there common attributes to the CPC’s approach regardless of which party is in power? One way to understand the narrative is to focus on the CPC’s current leadership’s emphasis on party loyalty, and whether or not the same is expected of the coalition of parties it is building abroad.

Under President Xi, political loyalty has become an important aspect of diplomacy for party legitimacy, both domestically and with foreign political parties, which helps construct an international environment conducive to the CPC (Rabena, 2021). China has become more assertive under Xi Jinping, yet it seeks to maintain a “peaceful” environment overseas by increasing its number of friends, i.e., political parties (Loh, 2018). This model of ‘peaceful’ development for shared prosperity while openly rejecting ‘Western-centric’ development is attractive for many countries’ political parties that seek to engage in long-term cooperation with China.

However, the factors affecting the longevity of party-to-party relations are not limited to ideology. They are profoundly dependent on the position of the ruling party in the governments of developing countries, coupled with various other geopolitical considerations. These components need to be considered when evaluating how a political party’s relationship with the CPC impacts economic and political cooperation, and development programmes.

**Overview of Sino-Nepal party relations**

After the founding of the People's Republic of China in 1949, and the establishment of democracy in Nepal in 1951, party relations played an important role in establishing diplomatic relations between the two countries. In 1953, Gauri Bhakta Pradhan, a representative of the Communist Party of Nepal, left for Beijing, where he received 10 months of political and ideological training at the CPC headquarters (Baral, 2021). Party-to-party relations became a stepping stone in formalising diplomatic relations in 1955, when he facilitated Prime Minister Tanka Prasad Acharya’s official visit to China (Nepalpage, 2021). After King Mahendra’s panchayat regime in 1960, the CPC considered the monarchy a stable force and, thus, cultivated close ties with the palace.

While the CPC maintained occasional party exchanges, it kept intact the policy of “non-interference” because of its concern

---

1 Examples of such exchanges: In 1980, when the general secretary of CPN-UML, CP Mainali, led a delegation on the invitation of ID-CPC (See Devkota, 2021). Then in 1999, the general secretary of CPN-UML, Madhav Kumar Nepal, acted as a mediator between the Government of Nepal and the Chinese embassy to resolve speculations about the Dalai Lama attending a conference hosted by Nepal (Zeng, 2016).
for Nepal to maintain stable relations with India. According to Zeng, when the Nepali parliament delegation visited China in 1963, the former ambassador of China to Nepal, Chairman Mao told the Nepali delegation “When it came to external relations, you should also properly handle the relations with your southern neighbor” (2016). Yet, as Nepal’s relations with India deteriorated in 2015 after the blockade, the Nepali political elite sought to turn to China, which eventually broke India’s monopoly on trade with Nepal and provided China leverage while participating in Nepal’s political and economic developments (Giri, 2018).

Impact of the CPC and NCP party-to-party relations

Since Jana Andolan II, also known as the People’s Movement II, which led to the downfall of the monarchy, perhaps no other incident had united almost all major political parties of Nepal as India’s unofficial blockade imposed in 2015. Popular Nepali sentiments reflected a disdain towards India’s foreign policy in Nepal as the blockade restricted the supply of essential goods to Nepali citizens. The dire fuel shortages resulting from the blockade prompted China to provide Nepal with 1.3 million litres of gasoline, thus winning some of the goodwill that India had lost (Wagle, 2016).

In stark contrast to Delhi’s high-handed approach towards Nepali politicians, China’s subtle diplomacy, which was respectful of Nepali sensitivities, won it several allies. This included the three major political parties, i.e., the Nepal Communist Party (United Marxist-Leninist), Nepal Communist Party (Maoists), and Nepali Congress (Jha, 2021; Mulmi, 2021). This unity led to the NCP’s landslide victory in the 2017 elections. K. P. Oli was reinstated as the prime minister of Nepal, which became a stepping stone for CPC-NCP party relations.

Growing disdain against India led the Chinese to cultivate friendlier ties with all the major political parties. Qun & Wu (2017) propose that for non-communist parties, especially the Nepali Congress, developing friendly ties with the CPC would help “offset the pro-India color of the Congress party and win support of more voters in political process.” Yet, no relationship became as significant as the one between the CPC and the NCP — a communist ruling party on both sides allowed for enhanced cooperation.

The potential for a growing relationship was evident in the 2016 NCP feud between Pushpa Kamal Dahal (Prachanda) and Oli, when the Global Times ran an op-ed saying that the Chinese were concerned about “being treated as a card only when Kathmandu’s relations with New Delhi are at low” (Xu, 2016). This was emphasised time and again indicating the CPC’s desire to maintain the stability of the ruling party in Nepal. The unity and victory of the Communist Party of Nepal (CPN)-Maoist and Communist Party of Nepal United Marxists Leninist (CPN-UML) in the 2017 elections started an era where party relationships became a decisive factor in foreign policy and Nepal-China relations.

For instance, the decision to award the contract for the 1200 MW Budhi-Gandaki hydropower project to the China Gezhouba Group Corporation (CGGC) was changed four times during the reign of four prime ministers. In May 2017, under the leadership of CPN-Maoist’s Prachanda, the government decided to award the project to CGGC. However, in November 2017, the new prime minister, Sher Bahadur Deuba (Nepali Congress), revoked the contract to mobilise domestic resources. In 2018, Energy Minister Barsaman Pun (CPN-Maoist) expressed a desire to reinstate cooperation on the project with China, stating, “We are willing to

---

2 The term is widely debated and controversial among Nepali and Indian scholars. There is consensus among Nepali politicians and scholars who saw the supply of essentials cut off from India, hinting at their strategic move. For Indian onlookers, according to former Ambassador Ranjit Rae in his book Kathmandu Dilemma: the blockade was undertaken by Madhesi protesters, hence, being a domestic issue.

3 The actual figure is three prime ministers, as Sher Bahadur Deuba was appointed first in 2017 and then again in 2021.
cooperate with China, whether it’s through intergovernmental cooperation mechanism or accepting preferential loans from China” (Joshi & Pakar, 2018). The Chinese preference for the unification of the “left government” (Jha, 2016), along with Oli’s electoral promise of awarding the contract to CGGC, do not indicate an alliance of two parties based on shared values or a common agenda but rather a move to consolidate votes that ultimately favoured the Sino-Nepal engagement (Adhikari, 2017). We asked Keshav Pandey, who is a member of parliament and previously the head of the foreign affairs department of the NCP, what he thought of CPC stressing the importance of NCP’s stability. He stated:

“One thing I like about them (CPC) is that they do not wish to harm other neighbourhood parties. Instead, they see them as their own neighbour and always strive for peace and prosperity. Previously, the NCP were two political parties, and once they merged, it signalled a positive message to CPC and they have looked forward to more cooperation”.

Yet others have put forward a different opinion. Hari Sharma, a prominent public intellectual of Nepal, argued that “Communist parties in Nepal have more of a fraternal relation — in terms of ideology. However, there is an unequal relationship between Nepali political parties and the CPC—it is mostly transactional as to who gets what.”

The party-to-party relationship was more pronounced on the morning of September 24, 2019, as Prachanda and Oli were in a state of disagreement over power-sharing. Song Tao, head of the International Department of the Communist Party of China (ID-CPC), and Madhav Kumar Nepal, previous head of the foreign affairs department of the NCP, exchanged a bilateral agreement that formalised the relationship between the CPC and the NCP.

The CPC’s relationship with the NCP deepened after its members were trained in “Xi Jinping thought”, with more than 200 NCP and 40 ID-CPC members participating in the workshop (Himalayan News Service, 2019). Thereon the Chinese pursued active engagement in Nepal’s political atmosphere, which was new for Nepali politicians as well as across public discourse. CPC saw the communist alliance, bolstered by party unification, as conducive to the future of bilateral relations, a sentiment that only added to New Delhi’s anxieties (Upadhya, 2021).

The alliance received mixed reactions. Regarding the training workshops, some analysts were quick to argue that such an engagement “is likely to deprive Nepal of its independent and free decision-making” (Kaphle, 2019). Initially, the Nepali Congress objected to the training on the grounds that it would interfere with Nepal’s sovereignty and the Nepali Congress deemed the training program as irrelevant. Shekhar Koirala, a key figure in the Nepali Congress party, and a relative of B. P. Koirala, emphasised the need for party-to-party cooperation but warned Nepal to carefully guard itself against foreign policy fallacies and maintain a fine balance (Paudyal & Koirala, 2019). Raj Kaji Maharjan, a provincial member of the parliament and a member of the NCP, argued that such training was important for strengthening the party vision and was a system that works well. When we asked him what the implications of such exchanges could be, he said:

“The future of party relations also depends on mutual understanding and respect for each other. If you have a party that does not understand China or the governance of China, then there will be further challenges. CPC’s cordial relations with the NCP are a sign of a deeper connection, there are greater prospects for development and cooperation in future”.

The CPC-NCP relation cemented the importance of developing Sino-Nepal economic cooperation and development through party ties. This was made clear in 2020 when the NCP was on the verge of splitting again, and the ID-CPC sent its vice-minister, Guo Yezhou, to Kathmandu to conduct several meetings after Oli dissolved the parliament.
His visit reaffirmed the “belief that China had preferred a government under a unified NCP; with new political calculations, however, China is now keen that it remains assured of its key interests in Nepal” (Giri, 2020b).

Although it is a party-to-party relationship, the CPC-NCP forms a part of the larger bilateral web between the countries. In one of the informal discussions, we were reminded that the Chinese ambassador to Nepal takes part in NCP meetings as a CPC representative. All of this has led to the elevation of ties between the two parties. While the CPC advocates for uniformity in its relationship with political parties, its NCP tie-up has raised eyebrows among other politicians. The two communist parties’ tie-up in 2019 was viewed by the Nepali Congress as a way of dismantling Nepal’s ‘non-alignment’ policy and even gave rise to speculations that NCP would fully incorporate the CPC’s model of governance (Poudel, 2019a). The situation escalated to the point that the then general secretary of the NCP, Madhav Kumar Nepal, had to provide assurances that it was a mere fraternal relation and that the NCP did not aim to copy the CPC’s governance style (Poudel, 2019b).

In the case of China’s foreign policy, developing countries that have strong party-to-party relations with China are better able to promote their foreign policy interests. When President Xi met with the NCP co-chairman Prachanda during his official visit to Nepal in 2019, both leaders emphasised strengthening party building and state governance for a long-term relationship to “help Nepal achieve national development and prosperity” (Xinhua, 2019). From the CPC’s perspective, “as the governing party, the interest of the CPC is identical with those of the state” (Zhong, 2007). In this sense, party relations can reinforce government ties: they provide additional means to achieve the same ends (Hackenesch & Bader, 2020).

To understand how the ruling party maintains a balance between party-to-party and government-to-government relations, we talked to the then finance minister of Nepal in 2020, Bishnu Poudel, who is also the general secretary of the NCP, on the difference between party-to-party and state-to-state cooperation for the ruling party in a multiparty democracy like Nepal. He answered:

> “Party-to-party relations impact the overall state-to-state relations. We should keep sharing our experiences and maintain friendly relations between the NCP and the CPC. Being the ruling party, the NCP and CPC party as well as government relations have been moving forward smoothly. However, for party relations, we intend to take it through the party-to-party channel and do not link it too much with the state-to-state channel, as the state has its procedures”.

He emphasised that while state-to-state relations are crucial in encouraging investment flows and ensuring the sustainability of projects, it is the party-level diplomacy in Nepal that helps in sharing experiences and creating an enabling environment to promote such cooperation.

Yet, Rajan Bhattarai, who was the chief foreign policy advisor to the prime minister from 2018 to 2021, argues that party-to-party relations are a part of people-to-people relationships. According to him, in countries where people-to-people relations are better, its positive impact is reflected in state-to-state relations. In the context of China, he argues that party relations help support state relations, and if all political parties of Nepal can build a consensus on how to maintain relations with China, then there will be no issues in dealing with China, regardless of who is in power.

Nepali politicians, particularly those of the NCP, have oriented themselves to learning from the CPC and its governance. In 2019, a 15-member team of the NCP, led by Dev Gurung, visited China at the invitation of the CPC, where Chinese leaders shared their experience of “winning the hearts and minds of people and strengthen party’s organizational base” (Bhattarai, 2019b). Similarly, the CPC argues that for China to build even a moderately prosperous society, it must, firstly,
establish friendly relations with political parties abroad and institute friendly dialogues.

The CPC, thus, projects itself as a reliable friend, ready to assist in times of need but mostly aiming to fulfill economic objectives. For instance, in 2020, the CPC and major Nepali political parties established a consultation mechanism for political parties on the Trans-Himalaya Connectivity network, an initiative to strengthen practical cooperation in the fields of “agriculture, economy, trade, tourism and culture and jointly promote the Belt and Road Initiative” (Ma, 2020). Party relations, thus, transcend beyond strengthening economic cooperation.

This notion was also shared by Yashoda Gurung (Subedi), a member of parliament and central committee member of the CPN-Maoist, who described the importance of party relations in government activities as:

“the party is the brain/mind and the government is the hands and legs. This is what we have to learn from China. It is not an individualistic concept as the government is governed by a party, not by a party member. CPC and NCP can help each other as they have ideological and emotional connections but we [NCP] can utilise the opportunity for building better party relations as well”.

However, party-to-party relations also come with challenges. As both are ruling parties, if the NCP and CPC relations do not reflect Nepal’s national interests, it will be difficult for relations to prosper. Krishna Khanal, former foreign policy advisor to late former Prime Minister Girija Prasad Koirala in 1999, recounts the experience of the former ambassador to China, Yadunath Khanal, who said:

“It is hard to understand Chinese’s reaction towards political development in Nepal. It could be mostly due to Nepal’s political instability and the unstable system makes it complicated for the Chinese to maintain such relations”.

If the parties do not realign their party relationship with national interests, it will result in the downfall of the overall party-to-party relationship. As CPC seeks to maintain good working relations with all the political parties, it is also important for the ruling party to promote national interests in attaining its foreign policy goals.

**Conclusion**

Party diplomacy in Nepal has produced mixed results. Despite CPC’s ‘quiet diplomacy’ in Nepal, which exposed its preference for ties with the NCP, it will continue to undertake party relations to maintain unity among the communist parties of Nepal. Yet, it also presents an opportunity to create ripple effects as other political parties will be tempted to expedite their party relations with foreign political parties, which can bring innumerable challenges. In our final round of interviews with former Prime Minister Sher Bahadur Deuba in 2020, when he was President of the Nepali Congress, he stated that without adequate preparation and clarity in identifying needs concerning national interests, party interactions will not yield adequate results.

For China, party relations constitute an important component of overall bilateral state relations. Previously, the CPC’s relation with foreign parties was mostly to learn from advanced democracies, while power politics and propaganda were considered supplementary (Shambaugh, 2007). But China has grown stronger over the years abandoning its ‘quiet diplomacy’, and, hence, elite party relations and politics have become an integral component of the CPC’s foreign policy. The challenge remains as to whether, in China or Nepal, a particular political party can adequately promote national interests in bilateral engagements with the political parties of other countries, and whether engagements such as those promoted and developed by the ID-CPC supplement overall state-to-state relations or only end up serving a political party’s interests.

---

4 Implying the language barrier and lack of cultural understanding, which leads to a gap in being able to interpret Chinese reaction.


