

# CHINA SOUTH ASIA CONNECTIVITY: REFLECTIONS ON BENEFIT OF OBOR IN NEPAL

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## The Idiosyncratic History of Friendliness and Cultural Proximity in Sino-Nepal Relations

Nepal is a country in South Asia, if not in entire Asia, which has had a unique relation with China that assimilates two countries culturally for over 1500 years.<sup>2</sup> Three important historical events justify this assertion. Firstly, *Manjushree Bodhisattva* visited from China to Nepal and it has been a popular legend among the people of both countries that he worked for the water of Kathmandu as a big lake to go out by cutting the gorge of Chovar, and thus made it feasible for settlement by human beings. This legend connects Nepal and China for at least about 5000 years. The legendary stories are popular both in China and Nepal.<sup>3</sup> Secondly, the Nepalese *dhyana* Buddhism travelled to China as Fa Hien (405), Yuan Chuan (631-632) and Xuan Zang (629-643) visited Nepal and was greatly impressed by it. The Buddhism imported from Nepal had deeper influence among people in China. In between 1368 and 1644, after Ming dynasty, China sent five missions to Nepal, whereas seven missions from Nepal visited China. These missions played a crucial role to establish direct relation between Nepal and China. Today, the *Ch'an* (Chinese accent of *dhyana*) Buddhism is recognized as an official Buddhist faith in China.<sup>4</sup> This way, Nepal has played crucial role in fashioning the cultural life in China.<sup>5</sup> This importance of relation between two countries is not only not emphasized at present, but also disappearing in view of 'greater presence of India' as a so-called representative of the South Asian culture. The visit of Araniko (*Anigou*) to Beijing to construct 'bai ta' temple (White Pagoda temple) proves that 'the *dhyana* (ch'an) Buddhism of China has root in Nepalese sect of Buddhism. Thirdly, two stories run parallel: one, the princess Bhrikuti married to King Srongtsan Gyampo, the ruler of Tibet,<sup>6</sup> then a suzerainty of the Empire of China, and, another, Nepal assisted China to rescue a group of 22 scholars who, while visiting Magadh, were arrested by Arjuna, who has usurped throne after Harsabardhan's death, and some of them killed and other imprisoned. King Naraendradeva, on request of Chinese Emperor, sent a troop of seven thousand cavalymen to rescue the detained Chinese scholars and released them to

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2. Fa Hien was the first Chinese monk to visit Nepal. He visited Nepal in between 399 and 413 (AD). He came to Nepal via Ghandhara (present Peshawar) and Kashmir. Nepal, as revealed by some historical evidence, was in that time bordered Kashmir as its western frontier. The *Bharatvarsa*, south to Nepal, was divided into many dozens of independent Kingdoms, the Magadha being the most dominant one. The modern India was absent in the history, as the modern India was a product of the colonial regime in which the East India Company erected a 'nation called India for the purpose of centralizing the government for convenience of tax collection'. The second Chinese Scholar to visit Nepal was Hsuan Tsang, who is said to have spent considerably longer period of time in Nepal and studied the *dhyana* Buddhism (meditative Buddhism). When he was returning to China, Yunan, a Chinese mission of twenty men led by Li I-pao and Wang Shuan Tse was head to Nepal by a new route which had never before been used for the journey between Nepal and China. This route is Kerung pass. This is how Nepal and China got into cultural a deeply entrenched cultural tie. No other country in South Asia has such unique tie with China, nor does China have such tie with any other country in South Asia. However, this unique historical relation is not emphasized by the both countries, which is unfair.
  3. China and Nepal share the root of the culture. The naked observation captures some similarities; one such being the architectural structure of temples in China and Nepal. Multi-layered roof with pagoda style is a popular culture of constructing temples in both China and Nepal. The study in this regard is however not done in the both sides.
  4. See for more detail, Michael C. Brannigan, *The Pulse of Wisdom*; Wadsworth/Thomas Learning, 2000, Belmont, USA, pp. 31-33.
  5. The inter-cultural exchanges and communication among Nepal, China and India is indispensable. The people of three countries have fashioned a cultural tie which is unique and penetrating. Each has influenced the development of other's culture and way of life. Huge population both in Nepal and India share the origin with Chinese population, whereas vast population of China holding Buddhist faith considers Nepal and India as places of worship. On the other hand, Mount Kailash and Mansarovar Lake are holly places for Hindus of Nepal and India. These inter-connectedness require flourishing as milestones for fostering inter-cultural communication further. See Jiang Rui and Han Zhihong, 'Culture as the Bridge to Promote Friendly Relations among China, Nepal and India--Reflections in the Context of the 'Belt and Road'. Paper presented in the 'China-Nepal Think-Tank Conference 2017, organized by Xinhua News Agency, Kathmandu, Nepal. 17-18, January, 2017, p. 5.
  6. Rishikesh Shaha, *Ancient and Medieval Nepal*, Ratna Pustak Bhandar, Kathmandu, 1992, p. 18.

bring back to Nepal along with Arjuna, the culprit.<sup>7</sup> This man was then sent to China for punishment. From this time Nepal and China regularly sent emissaries to each other's country. These scholars arrived to Kathmandu from Kerung, and thus in future the route became gateway to China from India and other Asian countries and served as a section of the ancient Silk Road to connect Lhasa, Kathmandu, Kashmir, Afghanistan, Iran and finally to Europe. Reportedly, Nepal learned to make paper from China and became first country to produce paper in South Asia.<sup>8</sup> Nepal emerged as a prosperous country and also firmly dominant in the region. From this period, Nepal formed a gateway to connect South Asia, including Afghanistan and Iran, to China. The trade between two countries proved to be boon for the thriving economy of Nepal, which transformed Nepal into a culturally rich, educationally vibrant<sup>9</sup> and economically a prosperous. Kathmandu city emerged as an amazingly attractive place for journey to learn Buddhism as well as Hinduism.

The annals of the history of Sino-Nepal relations present some important facts with significant importance for the present context. They are: (a) the firmly established relations between China and Nepal was strategically significant for security and prosperity of Nepal; (b) Nepal formed a gateway to China for the South Asia which brought fortune not only for Nepal but also for India as Nepal fashioned a secured route for trade between Indian and China, and, since people traversed to Nepal through India, India became of a hub of trade for merchants from the middle-east; (c) Nepal provided most convenient trade link between the South Asia and China; and (d) the enhanced trade between South Asia and China ensured greater prospect for peaceful and dependable relation among the people, which, then, contributed to for educational and spiritual link between South Asia and China, by which China could enhance its intellectual and cultural progress. Nepal's role as a bridge between South Asia and China was imminent and dependable even the history. There have been historical assertions that Magadha established its relation with China with the help of Nepal.

In the later medieval period, the relation between Kathmandu and Lhasa became further increased, though in this period there were sporadic wars between Nepal and China's Tibet,<sup>10</sup> which represented the Chinese empire in the Western Himalayan frontiers. During the medieval period, the trade between Nepal and China grew substantially. Kerung and Kuti were the most convenient and popularly used trade routes. From the later part of the 18th century, however, the trade declined significantly. One of the reasons being the unjust war initiated by the king of Nepal against Tibet, with a view to gain additional income from the minting of golden and silver coins. The invasion of Nepal over Tibet

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7. *Ibid*, p. 20. The group of scholars was attacked by Arjuna (*Arlo-nashun* in the Chinese Text). Wang Shuan Tse and one of his colleagues managed to escape and returned to Nepal. King Nrendradeva was ruling Nepal then, who was assisted by the ruler of Tibet to gain his reign back from his uncles. Nrendradeva and Shrongtsan Gyampo, the ruler of Tibet, formed a combined military to attack the ruler of Magadh, the troop was able to rescue the other surviving emissaries. The friendship between Nepal and China was thus formally and firmly established. *Id*, p. 20.

8. About this time Nepal learned art of paper making from China and handmade finest quality paper constituted one of the merchandises to export to India besides musk oil, orpiment, blankets and other woolen goods to India and beyond. *Id*, p. 21.

9. Sanskrit was the medium of higher education and education was fairly widespread among the people. The astrology and astronomy were rich. Nepal had developed skill to draw up calendars based on the calculations of the various phases of moon. This was also a popular practice in China. See, *Id*, p. 21.

10. According to some historical annals, Kaji Bhim Malla attacked Tibet and forced Tibetan rulers to accept joint authority over Tibet by a treaty. Ram Shaha of Gorkha was another ambitious king. He also invaded Tibet and controlled the main trade route from Tibet to Nepal. Pratap Malla attacked Gotkha's Dambar Shaha and obtained his control over Kerung and Kuti from Gorkha. From the description of Kapuchhino priests, the goods of Nepal were in great demands in Tibet. Most importantly, Kathmandu was responsible to mint golden and silver coins for Tibet, and from this Nepal obtained substantial benefits. The trade of Nepal with Tibet was thus main source for rich economy of the Kathmandu Valley. *Id*, pp.73-90.

invited the reprisal from the Emperor of China in 1792.<sup>11</sup> Though a treaty between the representative of the Chinese Emperor and Nepal ended the war, it originated a scar in the trusted relation of the past. Nepal had to pay a heavy cost for this unwanted adventure. The skirmish posed by the war in the relation of two countries invited an emboldened adventure of the British colonial rule in India, which in 1814 appeared into a treacherous Anglo-Nepalese war, in which the later lost a significant part of its territory to the British colonial ruler. The Chinese Emperor refused to assist Nepal in the Anglo-Nepal war.<sup>12</sup> Had Nepal not blemished the relation between two countries in the past, the support of China to Nepal in the war could not have been denied.<sup>13</sup> This very unfortunate historical event reminds us that 'failure to maintain a good relation with the northern neighbor brings not good time to Nepal'. The emergence of colonial power in India was also an important cause of weakening communication between Nepal and China. Nepal had to be constantly lived in a pressure of colonial invasion, and, in this wake of crisis, Nepal could not have required attention to foster its increased ties with China and to develop trade, education and other linkages.<sup>14</sup> To rephrase the statement, the smooth and dependable relation with the northern neighbor not only brings good fortune to Nepal but it is also a boon for the national security of Nepal'.

The relation between China and Nepal was equally overshadowed by the weakening position of Qing dynasty, which encouraged rulers of Tibet to assert independence and block the relation between Nepal and China. Most emissaries going to Beijing from Nepal were then disturbed by the Tibetan rulers. The gift sent to Beijing was looted and emissaries killed. During 19th century, the relation between Nepal and China remained almost in a darkness, the anarchy and political transition gripping China being the main reason. However, the benign relation got restored in 1950s. However, the economic tie still remained in low profile. The OBOR initiative is thus an effort to revive the rich past between two countries along with India.

## **The Emergence of China as a World Economic Power and Prospect of Economic Development of Nepal being Assisted by the Policy of Increased Economic Cooperation with Neighboring Countries and OBOR<sup>15</sup>**

The last forty years in China form an amazing timeframe in its economic development. Some people simply fail to believe it and others fail to understand it. Nepal as a closet neighbor must believe and understand that 'the Chinese economic development' has a prospect of reshaping the existing

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<sup>11</sup> . For description in detail in this regard See, Yubaraj Sangroula, "Past and Present of Nepal India Relations: A Critical Examination of Problems, Challenges and Prospects" in Yubaraj Sangroula and Rohit Karki (eds.) *Geo-Strategic Challenges to Nepal's Foreign Policy and Way Forward*, Kathmandu School of Law, Kathmandu, 2015, p. 92.

<sup>12</sup> . Whelpton John, *A History of Nepal*, Cambridge University Press, London, 2007, p.39.

<sup>13</sup> . For description in detail in this regard See, Supranote 9 at 7-145.

<sup>14</sup> . See Jiang Rui and Han Zhihong, 'Culture as the Bridge to Promote Friendly Relations among China, Nepal and India--Reflections in the Context of the 'Belt and Road'. Paper presented in the 'China-Nepal Think-Tank Conference 2017, organized by Xinhua News Agency, Kathmandu, Nepal. 17-18, January, 2017, p. 6.

<sup>15</sup> . The OBOR is an implementing vehicle of Silk Road and Maritime Silk road concepts. On March 28, 2015, the Chinese National Development and Reform Commission, Foreign Ministry and the Ministry of Commerce collectively released an official document clarifying the concept of OBOR. The document entitled "Vision and Actions on Jointly Building the Silk Road Economic Belt and the 21st-Century Maritime Silk Road" provided the following coverage of the geographical areas: (a) The Silk Road Economic Belt mainly goes from China through Central Asia, (b) Russia to Europe (Baltic Sea), (c) from China through Central Asia, West Asia to the Persian Gulf and the Mediterranean, (d) from China to South East Asia, South Asia and the India Ocean, (e) the 21st-Century Maritime Silk Road mainly starts from China's coastal ports through the South China Sea to the South Pacific. See for more detail, Wang Yiwei, *The Belt and Road Initiative: What will China Offer the World in Its Rise*, New World Press, 2016, p.83.

international economic order, which is largely unjust, exploitative and anti-developing or smaller countries. The Chinese economic development model, whatever its reasons are about, is showing the world a new hope of cooperation benefiting all towards greater achievements for building a more rational or equitable world. Before abruptly jumping into the discussion on OBOR's prospect for heralding a new model of international economic order, it would be worthy to reflect on some dynamics of the economic development that were able to throw China into a stage capturing the position of the second largest economy of the world with relentless pace to gain the first position in the world in sooner future.

- a. **The massive GDP growth pattern:** The Chinese economic growth pattern is marked by some features in the past, which are unique in characters. Firstly, the economic growth pattern is characterized by the principle of pragmatism which denies understanding socialism mechanically or dogmatically. The political principle of that the 'the party must assume the role of leadership' is considered to be a milestone for fostering a pragmatic socialism, which is defined as the 'socialism with Chinese characteristic'.<sup>16</sup> The happiness of the people, as the master of the nation, constitutes the central goal of the pragmatic economic development and as such the principle forms the 'political foundation of socialism'. The enhancement of the mass production strategy by fostering increased productivity of the people is a driving force behind the economic growth. This principle brings to an end of the practice of 'survival of many on the labor or income of few.' Obviously, the mobilization of the mass for production resulted in intensification of the production, thus sharply contributing to the rise of robust national gross production. The modernization of agriculture through mechanization transformed the rural farmers' situation rapidly, thus ending the situation of sustenance economy. The improved scientific production system in agriculture in the rural part brought a desired connection with the urban market system. This momentum in development was reportedly achieved, in turn, by the strategy of (i) massive investment in the mega- infrastructure projects that created massive employment opportunities for unemployed mass, (ii) permission to private investment under law which generated a situation of collaboration between the State-owned enterprises and private enterprises, thus mobilizing the private property for the national development endeavors, (iii) capacity building of masses of people through improvement in the education system, and (iv) use of developed or refined technology for faster completion of the project activities with high standard of quality.<sup>17</sup>
- b. **The scientific development pattern:**<sup>18</sup> During the massive growth period, the GDP growth rate exceeded ten percent annually. From the period of opening up to the year of 2010, the Chinese economy grew to rise in mammoth size and to take the place of Japan as the second biggest economy.<sup>19</sup> However, in the later part, especially after 2010, the growth theory got replaced by the theory of scientific development. The mammoth economic growth came with environmental as well as other problems. Moreover, probably, the leadership of the Communist Party of China realized that the development is not meant only

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<sup>16</sup> . See, Li Junru, *What Do You Know about the Communist Party of China?*, Foreign Language Press, 2011, pp.17-20.

<sup>17</sup> . Wang Chen, Minister of State Council Information Office of the People's Republic of China. Preface to the Book by Wang Guoliang et al, (eds.) *Scientific Development in China: Volume Summary, China in the last Ten Years*, People's Publishing House, 2012.

<sup>18</sup> . The concept of economic growth is supplanted by a concept of scientific development, which targets the happiness of people, by realizing the needs of people. See for detail elaboration, Li Junru, *What Do You Know About the Communist Party of China?* Foreign Language Press, 2011.

<sup>19</sup> . Wang Guoliang et al, (eds.) *Scientific Development in China: Volum Summary, China in the last Ten Years*, People's Publishing House, 2012.

to enlarge the size of economic growth; the socio-cultural well-being of people and the harmony or cohesion with nature was considered equally important aspect of the development. The principle that the development and protection of the nature must go together was firmly realized. As a matter of fact, the post 2010 development strategies stopped emphasizing the material gain alone. The cultural or psychological aspect of development is considered equally important. The happiness of the people along with their economic well-being is emphasized equally. The better social security system is considered pivotal. The elimination of corruption is gaining serious attention too. All these strategies suggest that the economic development efforts and endeavors go together with other development efforts such as protection of environment, harmony among the people and strengthening the healthy modern culture of life.

- c. **International cooperation:** The international cooperation is considered another fundamental or key component of the development. As it is evident from policies adopted by the Government of China, the change in the previous strategy of economic development is undergoing a rapid change. The vital strategy adopted by the Government of China is to 'connect China's foreign policy with economic cooperation with other countries, particularly with the neighboring countries'.<sup>20</sup> The change became more categorical and plain in the subsequent time, especially when President Xi Jinping stepped up into leadership of the party and the government. The focus of the Chinese government in cooperation with South Asia is particularly important in this context.

In 2012, President Xi Jinping brought an ambitious restructuring plan for the world economic order. This plan includes fundamentally three important components. They are (a) the revival of the Silk-Road trade system<sup>21</sup> which in the past connected Asia with Europe. The government of China probably realized that the significance of Silk-Road is furthermore enhanced in the present world both from the prospect of economic cooperation and connectivity. (b) The concept of Silk-Road was extended to the maritime trade system.<sup>22</sup> The Maritime Silk-Road system would connect the Indian <sup>23</sup>Ocean, south Pacific sea and Arab World and beyond up to Africa. (c) The equally important concept was the connectivity in the world by the road and economic activities in collaboration. The concept of One Belt One Road thus appeared as a pragmatic instrument of collaboration among nations to ensure everyone's economic development. All these concepts and projects are driven by strategies for ensuring the international peace and the integration of the world through economic cooperation as a foundation of international relations in the coming era. The concepts or projects underlie four major goals or strategies: (a) for the global peace and prosperity, there should be a system of development paradigm in which a platform for cooperation based on sovereign equality of all, irrespective of the territorial or economic size, is established, thus contributing to the rescue of the larger part of the world which still grapples in massive poverty; (b) every State, irrespective of size of territory and wealth, with its specialty, can contribute in the development of its region so that mutual collaboration to integrate efforts and wealth is vital for the development of all; (c) the integration of the various parts of the globe is vital for building a lasting trust among the nations and peace in the world.

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<sup>20</sup> . Xi Jinping, *The Governance of China*, Foreign Language Press, 2014, pp.315-319.

<sup>21</sup> . Ibid.

<sup>22</sup> . Id.

<sup>23</sup> . Wang Yiwei, *The Belt and Road Initiative: What will China Offer the World in Its Rise*, New World Press, 2016, p.83.

The said underlying goals or strategies of OBOR are expected to achieve the following outcomes:<sup>24</sup> (a) to build connectivity of nations in the region and beyond, thus achieving a tangible result of integrating efforts and resources for the mutual development of all; (b) to build a mutual interdependence among each other, and, for that, develop a deeply entrenched trust, thus recognizing each other's system in accordance with the spirit of international law and relations; (c) to create a situation in which every partner nation would avoid conflict which is a precondition for the dependable international peace. Most importantly, such kind of interdependence and collaboration can bring nations into a trusted connectivity, thus contributing to avoid hegemonic attitudes in any partner nation.

## **OBOR and China, Nepal and India Corridor:**

The discussion above reflects on a 'theoretical basis or importance of the OBOR' project. It has been a well observed and experienced fact that Nepal, China and India have a long history of communication. As rightly noted by a member of the Chinese think tank, Prof. Jiang Rui, these nations have been engaged in close economic and cultural communication since as early as first century.<sup>25</sup> People's Republic of China now advocates the concept of 'Belt and Road' construction as a new dimension of cooperation for economic development and connectivity. The trans-Himalayan 'corridor consists of belt and road construction comprising Nepal, China and India' as a means of fostering cooperation among three countries for desired economic development and enhancing cultural proximity which these three countries have maintained at least for 2000 years.<sup>26</sup> The corridor is expected to bring about desired achievements for all countries as members of the corridor.

### **China:**

- a. For China, the 'Trans-Himalayan corridor will open a gateway<sup>27</sup> for reaching out to South Asia--Nepal, India, Bangladesh and Bhutan in particular. The construction of 'belt and road' under this project will directly connect the Western China with Nepal, and eventually with the northern and north-east territories of India. The 'belt and road' will thus open up vast new opportunities of investment as well as trade cooperation among three countries. The People's Republic of China will benefit from this corridor significantly both economically and culturally because by the 'belt and road' will connect the western part of China directly with the vast territory and population of South Asia. The 'belt and road' is potential to ignite unlimited activities concerning economic endeavors, including trade, across three countries.

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<sup>24</sup> . "The Belt and Road Initiative will transcend the Marshal Plan. As early as January 5, 2009, *The New York Times* tagged China's going 'global strategy as the Marshal Plan for Beijing. This rhetoric has become more popular after the Belt and Road Initiative was proposed. As a matter of fact, the initiative, while not being a Chinese Marshal Plan, has gone beyond the level of Marshal Plan." See, Wang Yiwei, *The Belt and Road Initiative: What will China Offer the World in Its Rise*, New World Press, 2016, p.39.

<sup>25</sup> . See 'Culture as the Bridge to Promote Friendly Relations among China, Nepal and India--Reflections in the Context of the 'Belt and Road'. Paper presented in the 'China-Nepal Think-Tank Conference 2017, organized by Xinhua News Agency, Kathmandu, Nepal, 17-18, January, 2017, p. 1.

<sup>26</sup> . fn 25.

<sup>27</sup> . China borders 5 of the 8th South Asian countries. The border covers almost 5000 km. It is therefore generally accepted across China that the region is in fact a gateway for China's "Western-oriented opening-up" and the westward corridor development. China and India borders suffer from political issues, and thus opening-up of the Indo-China border needs to be awaited for. China-Afghanistan and China-Pakistan borders are difficult ones. China and Bhutan do not have diplomatic tie. Hence, Nepal is a bridge between China and South Asia. See for detail, Li Tao, "From Yam to Bridge: China-Nepal Relations from OBOR Perspective", Paper presented in the 'China-Nepal Think-Tank Conference 2017, organized by Xinhua News Agency, Kathmandu, Nepal, 17-18, January, 2017, p. 1.

- b. The corridor has a significant cultural dimension also. The western China is a hub of Buddhism, so that the connectivity among three countries by road will generate massive movement of the population from western China to South Asia for spiritual purposes and pilgrimage, thus connecting and boosting up of the cultural ties among people of three countries. A huge population in China holding Buddhist faith can have direct and convenient link with Lumbini of Nepal and other Buddhist shrines in India. This link will definitely contribute towards increased trust and communication of China with Nepal and India. This corridor thus has a wider historical significance. In the past, with the long history of communication, the people of three countries extensively traversed across the borders of each other's countries. As rightly pointed out by an Chinese intellectual, the 'Teas-Horse Road,' 'Silk Road,' 'Tubo-Nibo Road' and so on provided important links among Nepal, China and India, and beyond, in the past.<sup>28</sup> These links contributed in diffusing culture, art, religion and science. These links in the past were crucial to build these three countries emotionally and psychologically connected with other. The proposed corridor is in no ways a completely new idea for these three countries; indeed, it is an attempt to revive the past which contributed in creating cradle of cultural assimilation of people of these three countries.<sup>29</sup>
- c. As indicated above, the corridor has undoubtedly a tremendous economic significance. But the importance is not limited only to the economic activities. The economic activities do attach cultural, art, religion, science and technological attributes to expand in the area of corridor. As a matter of fact, the corridor will contribute towards emergence of a new cultural, religious, scientific and technological cooperation among the people three countries, thus diffusing a new emotional and psychological integration of people. The corridor is thus potential of 'connecting the Western China with Nepal and India' culturally, religiously and scientifically.
- d. The prospect of educational cooperation among these three countries, along with adventure and pilgrimage tourism, is vast. Obviously, China can benefit from its enhanced educational development and adventure as well as pilgrimage capacity. South Asia with vast and diverse culture can be a destination for millions Chinese people for outreach for the purpose of research activities in multitude of areas. The corridor is thus highly potential of bringing the academics, scientists, and researchers to collaborate for the larger benefit of entire humanity. The corridor may revive the historical civilization based on orientalism.
- e. The corridor will also contribute in connecting China with the Bay of Bengal, which in turn will contribute in expanding the trade relations of China with other countries in South Asia and beyond. The corridor will seemingly bring Bangladesh, Myanmar, and the entire South East Asia in linkage with Western China.

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<sup>28</sup> . fn 26, p.2.

<sup>29</sup> . The intensity of cultural communication among Nepal, China and India in the past was wider and extensive. According an ancient legend, Manjushree visited Nepal from Wutai mountain of China. He cut off the gorge at Chovar and let the water of Kathmandu go out, and thus making it's a good for settlement. Chinese monks or scholars visited Nepal. Fa Xian, Xuan Zang and Jiya visited Nepal while Nepalese monk Buddhahadra (known in China as Jue Xian) visited Nepal. Nepalese great artist Araniko (known as Anigou in China) lived in China more than 40 years and led the construction of many Buddhist temples in China. Buddhism has been one of the linking threads for people Nepal, China and India. The modern days' frequency of communication is greater. See Jiang Rui and Han Zhihong, 'Culture as the Bridge to Promote Friendly Relations among China, Nepal and India--Reflections in the Context of the 'Belt and Road'. Paper presented in the 'China-Nepal Think-Tank Conference 2017, organized by Xinhua News Agency, Kathmandu, Nepal. 17-18, January, 2017, p. 5.

## India:

- a. Like China, India will be directly connected with Western China for trade and other economic enterprises and will gain tremendously from mammoth markets in Western China.<sup>30</sup> Over the past some years, India's economy has gained tremendous momentum in increase. As such, India has been able to draw a vast attention to it in the field of international politics as well as economic development cooperation. India is one of the members of BRICS, a new initiative launched under leadership of China to fashion a new international economic order. Being a member of the BRICS, India assumes responsibility to enhance 'connectivity and economic cooperation' among Asian nations, the neighbors in particular. As a matter of fact, Nepal, China and India corridor provides greater benefit to India as it can stimulate economic development endeavors in its northern and north-east provinces in collaboration with the Chinese entrepreneurs and investors.<sup>31</sup> Most importantly, India can generate its wider market in Western China by the corridor.
  
- b. Despite its increased economic development rate over the past some years, India still does not rank high in its economic aggregate, economic development level and infrastructure development;<sup>32</sup> the infrastructure development situation is still severely low in rank. Another serious challenge facing India is its 'massive disparity' in distribution of the fruits of economic development; the gap between rich and poor is incredibly bigger. Poverty declined faster in India in 2000s compared to that of 1990s. But, still India has more than 300 million poor populations and some of the non-poor also fall under vulnerable category. Creation of productive employment is crucial for reduction in poverty. Inequality in consumption seems to have increased particularly in urban areas. There are significant inequalities by sector, region, gender and social groups.<sup>33</sup> As pointed out by S. Mahendra, India has suffered five major failures in development.<sup>34</sup> They are (a) slow infrastructure development, (b) failure in increasing labor intensive manufacturing, (c) not taking advantage of demographic dividend, (d) slow social sector development, and (e) failure in governance. In this view, the corridor is expected to bring about the following benefits to India:<sup>35</sup>
  - Indian infrastructure development will be enhanced. India has the longest railway history but it is working in a sluggish way. The belt and road project will directly enhance the railway connectivity and modernization of Indian railway.<sup>36</sup>

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<sup>30</sup> . In May, 2015, the Indian Prime Minister Narendra Modi, during his visit of China, made a positive response to the economic corridor initiated by China and suggested to form a joint research team to discuss this plan. The development has been positively moving ahead, as Dr. D.J. Padian, an Indian expert, has now been appointed as the Vice president of the AIIB. See, [www.aiib.org/html/2016/NEWS\\_0205/19html](http://www.aiib.org/html/2016/NEWS_0205/19html).

<sup>31</sup> . See, Di Fangyao, "Strategies and Suggestions on the Construction of China-Nepal-India Economic Corridor", Paper presented in the 'China-Nepal Think-Tank Conference 2017, organized by Xinhua News Agency, Kathmandu, Nepal. 17-18, January, 2017, p. 3.

<sup>32</sup> . Ibid, p. 2.

<sup>33</sup> . See, S. Mahendra Dev, "Economic Reform, Poverty and Inequality", Indira Gandhi Institute of Development Research, Mumbai, March 2016. URL retrieved on 7th March, 2017; [www.igdr.ac.in/pdf/publication/wp-2016-009.pdf](http://www.igdr.ac.in/pdf/publication/wp-2016-009.pdf). Also see, Partbapartim Pal and Jayati Ghosh, "Inequality in India: A Survey of Recent Trends", DESA Working Paper No. 45/DWP/45/, July 2007. URL retrieved on 7th March, 2017. [www.nabamukti.org/Arunachal%20Reports/Inequality%20India%2007.pdf](http://www.nabamukti.org/Arunachal%20Reports/Inequality%20India%2007.pdf)

<sup>34</sup> . Ibid.

<sup>35</sup> . Id, p. 2.

<sup>36</sup> . fn 31, p.3.

- The road system needs to be significantly improved. India can achieve benefit from AIIB in order to construct its impoverished road system.
  - The corridor will bring more investment to modernize and make the industrial sector efficiently productive.<sup>37</sup>
  - India, by being connected with Western China by road and railway, can promote its trade with central Asia through China's modern, faster and more convenient transportation system.
  - Can facilitate economic endeavors in North and north-east provinces, which suffer from greater poverty and inequality.
- c. Accessibility of over 300 million people from North and Northeast provinces to economic investment potential and trade with China and Central Asia is a boon for India. China's Tibet is an important hub for connecting China, Nepal and India. Tibet has relatively developed open ports and trade route facilities. And, most importantly China's Tibet has greater will to connect with Nepal and India. The cultural affinity of Nepal and India with China's Tibet is equally important advantage.

### **Nepal:**

Nepal is equally important beneficiary of the corridor. Nepal has had gone through a painful political transition over the last three decades. The absence of economic development coupled by a protracted and intensive political transition has pushed vast majority of population to a 'trap of frustration and fear of unwanted future'. The absence of economic endeavors and accompanied by a lingering political activism has caused to result the following unwanted consequences, enough to create a vulnerability in national integration, security and the long standing social cohesion of people.

- Brain drain has been a massive and serious problem. Thousands of people educated by using the tax paid by poor people have left the country as cheap laborers to western developed countries and Middle East. The nation's investment on production of educated mass has gone in astray. Nepal is rapidly emerging as a factory to 'produce cheap human resource to the developed countries and the Middle East'.
- The absence of employment and earning is converging the youth population into a 'population of disgruntled gossipers'. Such mass has no value to pursue and hope to nurture. They tend to believe on nothing and discard everything. The social breakdown is a serious challenge in such a situation.
- When a society is stricken by loopholes in politics, the absence of productivity, and lack of civilized way of life, it comes easily within influence of others. The Nepalese society is today marred by racial division among people, the segregation of people by territory and regionalism and the confrontation of the religious faiths.
- Political corruption is crossing the highest limit. The posts and positions are auctioned. The politicization of bureaucracy, education system, judiciary and all other walks of life is posing a serious threat to the peace and stability in future. The financial statistics show that the 10 percent elites of the population consumes 52 percent of GDP, and the lowest 20 percent poor population has access to only 5 percent of GDP. This shows in itself that how big systematic discrimination is legitimized by the political and governance system of the nation. The general people of Nepal pay tax for survival, whereas the rich population pays tax only for luxury. The sick people, for instance, has to pay VAT for the service they acquire, the political, leaders, however, obtain millions of rupees in assistance for treatment, which is not accounted for. The

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<sup>37</sup> . Ibid.

poor and rich people pay the same tariff for electricity, water, road, telecommunication and all other services. The poor in the guise of royalty and fees are compelled to pay tax for the luxury of the rich and politicians.

- The education system has gone almost corrupted; it has become an 'unregulated and unethical trade'. The education system is just fulfilling an obligation of producing unemployed mass.
- Interference of international organizations and some powerful states in internal affairs is wider and deeper. Nepal's State institutions have been maligned and their essence is largely destroyed. Such organizations and states are directly involved in micro-management of Nepal's politics, administration and economic endeavors. Selling license of liquor production industry and gambling at hotel, permitting a system of carteling, promoting smuggling in gold and other contrabands, exporting human resources for exploitation and so are 'enterprises of political leaders and corrupt bureaucrats'.
- Over the last thirty years, the political leaders destroyed the following enterprises in Nepal:
  - a. Baansbari Shoe Factory, which was making profit and was established by Government of China as a Gift to Nepalese people.
  - b. Bhrikuti Paper Factory; it was too a gift of China to Nepal.
  - c. Butwal Thread Factory, Himal Cement Factory, Birgunj Sugar Mills, Agricultural Equipment Factory, Trolley Bus, Nepal National Construction Company, Nepal Engineering Consultancy Service Center, Nepal National Computer Center, Harisiddhi Brick Factory, Hetauda Clothing Factory, Rosin Turpentine, Nepal Ropeway, Janakpur Tobacco Factory, Godawari Marble Industry, Godawari Iron, Biratnagar Jute Mill, Herbal Processing Plant, National Trading Limited, and so many other. Why these enterprises were sabotaged? Who was involved in sabotaging the economy, manufacturing and service sector of Nepal?

In this perspective, the only option left for Nepal is to accelerate the process of economic development. Only the economic development can protect and preserve the national integrity and social cohesion of Nepal. The 'intruders' have very cleverly noticed and acknowledged that 'the only dependable way to push Nepal towards the position of failed State is to destroy its development prospect'. Most of these enterprises thus became victims of this 'strategic goal' of intruders. It implies that 'Nepal has but no option to embark into economic development endeavors'. The belt and road project is thus a boon for Nepal. Nepal's participation actively in the China-Nepal-India corridor is a 'rescuer' of Nepal from this unbecoming situation, and, hence, anyone who is indulged in frustrating this mission should be condemned by the nation in entirety.

Converging Nepal from a yam between China and India into a bridge between them is most strategic importance of belt and road construction project. Experts from China have pointed out five major advantages of Nepal-China border to 'create a bridge between China and the South Asia'. The first advantage relates to 'geographical convenience'. The Nepal-China border is comparatively easier for accessibility and convenient for movement. Nepal-China border offers 184 of the 312 passage linkages as possible routes for connecting China and South Asia.<sup>38</sup> Li Tao, Professor of the Institute of South Asian Studies, Sichuan University, says, "Nepal is a node linking "Silk Route Economic Belt" and "21st Century Maritime Silk Road. Nepal interlinks BCIM and CPEC, the two major economic corridors."<sup>39</sup> The importance of Nepal-China border is self-evident. Secondly, Nepal is a hub for China-South Asia cultural and religious exchanges. The potentiality of Nepal being a bridge for

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<sup>38</sup> . Li Tao, "From Yam to Bridge: China-Nepal Relations from OBOR Perspective", Paper presented in the 'China-Nepal Think-Tank Conference 2017, organized by Xinhua News Agency, Kathmandu, Nepal. 17-18, January, 2017, p. 2.

<sup>39</sup> . Ibid.

communication of Chinese and South Asian people is immense. Thirdly, Nepal is rich in natural resources and thus provides a big potential for economic enterprises as well as trade activities. Hydro-power potentiality is huge in Nepal which can attract both China and India for investment. Fourthly, Nepal has consistently practiced the policy of 'neutrality' and non-engagement in power block. The foreign policy adopted by Nepal is conducive for economic ties between China and Nepal and India and Nepal, among all of them. Lastly, China and India relation is rapidly improving. India is not, at least, against the concept of China-Nepal-India corridor. The rapid economic development in Asia is providing Nepal a better opportunity to come out of 'psyche of yam'. The prospect of it being converted into a bridge is rapidly evolving.

OBOR has greater prospect for benefit of Nepal. The following justifications will plainly establish the assertion:

- a. Nepal being located between China and India constitutes a natural bridge between two countries, not only geographically but also culturally. Having China expressed its desire to connect its territory with South Asia in terms of economic cooperation and mutual trade, Nepal will be largest beneficiary of the project. Da Fangyao, a professor at Institute of South Asian Studies in Xizang Minzu University, rightly says: "It is the most important development opportunity Nepal has received in the 21st century".
- b. The corridor brings China and India to work together in their development endeavors, and, thus, Nepal can benefit from the both. Nepal has some peculiar advantages in this project. They are as follows:
  - Nepal can be the transit country for flow of goods in and out of these two countries in their markets. Nepal can this way develop a huge transportation industry to serve the both countries. The volume of financial transaction to be involved in this industry is beyond imagination at this point. It is, therefore, a duty of the transportation entrepreneurs to press and emphasize the need of Nepal being embarked in the project as soon as possible.
  - Nepal can be hub of industrial enterprises to be set up by joint venture between China and India. Nepal can take a great advantage from this potentiality. Nepal can achieve improvement in economic structure and international competitiveness in collaboration with two countries.
  - Nepal's access to transit through China will be enhanced.<sup>40</sup> Nepal, using the convenient transportation system in China's Tibet, can explore trade with the central Asia and beyond.
  - With best use of corridor, Nepal can achieve the following categorical results in development of Nepal:
    - (a) Nepal can develop a stronger freight clearance industry in Nepal, thus generating a huge employment opportunity to people.
    - (b) Nepal can develop a viable international banking system to facilitate exchanges among countries involved in trade through this corridor. The countries to be involved in the trade system will comprise of China, India, the South Asian countries and central Asian countries.
    - (c) Nepal can develop a stronger Insurance system providing services to the enterprises within country as well as outside. This will further originate a tremendous scope of employment in Nepal.

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<sup>40</sup> . fn.31, p. 2.

- (d) The entire service sector would be a boon in Nepal. Computer software, hospital services, educational institutions and other services may generate furthermore employment opportunity to Nepal.
  - (e) Nepal, thus, can be an international center, at least for China and South Asia.
- c. The indirect benefit is associated with the political stability and harmony among the people in the country. This economic development opportunity, for it will create adequate employment opportunities for citizens; will address the problem of migrant workers from Nepal, including the stigmatized practice of Nepalese joining the military service of other countries. The corridor has thus not only economic benefits; it has tremendous social and cultural advantages.
  - d. Nepal's integration in broader economic activities of South Asia will be an advantage from this project. Through such interactions, Nepal will be able to enrich its international competitiveness in production and sale of goods.<sup>41</sup> Economically viable Nepal will also have better say in regional issues. With regard to China, this project will evolve a better and dependable relationship between Nepal and China, and the same will be with India.

### **Challenges and Prospects:**

Candidly speaking, there are problems and challenges to materialize the project. The fate of South Asia is ill-stricken by on-going controversies and suspicions among the members. Naturally, SAARC, as community of the South Asian countries, could be dependable vehicle to materialize this project. The same, however, at this point is unlikely. The SAARC has not been able grow more than a 'talking shop'. The distrust and suspicion creeping in the mind of the politicians in the SARRC is one of the serious deadlocks in development of South Asia. It can also be argued that 'the emergence of trust and confidence' among the members of SAAR in near future is unlikely. As a matter of fact, the China-Nepal-India corridor must work hard to develop a trust among themselves. The building consensus is thus a vital issue. This can take in the following paradigm:

- a. China and India must have intensive discourse between themselves to initiate the project as soon as possible. The People Republic China has to adopt a pro-active approach to prepare India to initiate the project.
- b. Nepal must engage in people to people level dialogue for making the project viable, and the Government of Nepal must assure the Government of India regarding its concerns, if any. The SAARC level discourse at think tank level must identify a group of academic institutions and conduct research collectively in order to justify the benefits of the project and suggest measures to avoid any misgivings among the stakeholders. Nepal has to take lead in media dissemination and dialogue among the civil society.
- c. Nepal's political situation is consistently transitional and stricken by instability. The present level of instability, the weakness in delivery of the government institutions, very poor infrastructure conditions, and distrust among the political actors will pose number of challenges to initiate the project at rapid pace. Relation between Nepal and India, and the relation between China and India are still complex and intricate. This situation requires more and more engaged communication and dialogue between them.
- d. The suspicion of the western developed countries regarding BRICs and AIIB and possible emergence of a new economic order also poses a serious challenge to implement the project. The massive rise of economy as well as Sino-India's potential of emerging as regional powers is

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<sup>41</sup> . fn 31, p. 2.

considered by the west as a threat to their conventional dominance. The efforts of the west to cause harms to the emerging cooperation between China and India also poses a serious snag. The Indian media, which is largely influenced by the western think tank, is playing no congenial role to promote the project. In such a situation, Nepal can be a hub of intrusion against China and India, thus making Nepal further fragile in its political situation.

- e. Coordination between China and India is thus key for the successful implement of the project. But confident Nepal is also equally important precondition. This confidence, however, may emerge once the construction of belt and road is initiated. The vital and unavoidable role thus lies on the political actors of Nepal. The people of Nepal need education in this regard. The think tank of Nepal must out from hibernation more strongly.