

Nepal Turning North: A Reflection on the Role of China in Nepal

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Gyirong Port at the Nepalese-Chinese border (CC License: Global Times)

Introduction

Nepal is a land-locked country, wedged between the Gangetic plain of Northern India to its south, and the Tibetan Plateau to its north. Because of its geographic location, Nepal has always been oriented towards India, but it also has a long history of exchanges with Tibet and even with China beyond. The links between Nepal and China have deepened over the past decades, notably due to Nepal's keen participation in China's Belt and Road Initiative (BRI). As a consequence, new dynamics and political and cultural formations have emerged and continue to do so. A recent book by Amish

Raj Mulmi examines this.¹ Rather than offering an exhaustive analysis of the Chinese economic engagement in Nepal, and of the various infrastructure projects it sponsors and pursues, including the ambitious railway link from Lhasa to the Nepalese lowlands, the author, being Nepalese himself, aims to provide glimpses of how the Nepalese encounter and view the Chinese.

Unlike countries on the African continent rich in resources or business opportunities, China's interest in Nepal is mostly driven by its agenda to tighten oversight over Tibet, and to contain the power its rival India projects across South Asia. However, Nepal has not been a passive bystander; as Mulmi explains Nepal has been "playing the China card", in order to counterbalance its complete dependence upon India (see below). Mulmi argues that, whether visible or invisible, cultural or political, the dynamics between the Nepalese and Chinese state as well as the dynamics between its peoples have shifted. How has Nepal and how will Nepal continue to relate to China?

1. All Roads Lead North

Amish Raj Mulmi treats this theme in his 2021 monograph entitled *All Roads Lead North*; it is divided into three sections, "Borderlands", "In the Shadow of Empires", and "Status Update". The book combs through multiple topics and threads. Through both first-person narratives of his visits to the border-regions of Nepal and factual overviews and summaries of politics, culture, and history, Mulmi sheds light on current Sino-Nepalese relations. He also goes back in time and draws attention to the long history of Newari traders from the Kathmandu Valley settling in Lhasa for trading salt and other goods. With renewed Chinese interest in Nepal and especially Nepalese interest in China, the Nepalese-China borderlands have again become a key space for the national economy of Nepal.

Mulmi describes Nepal's "turn to the North" towards the Chinese sphere as a strategic turn away from India. Nepal maintains an open border policy with India, upon which it has for long been dependent for gas and coal

¹ Mulmi, A. R., *All Roads Lead North: China, Nepal and the Contest for the Himalayas* (Oxford: Oxford University Press, 2021; reprint 2022).

imports. In addition to its importance for Nepal's economy, India since its independence has played a critical role in Nepal's politics, shaping its political landscape to conform to its interests. This has not always been smooth. For instance, India reacted with a temporary, unofficial blockade of Nepal's southern border, blocking gas imports into Nepal, when the ratification in 2015 of the new Nepalese Constitution, which was drawn up after the abolishment of the monarchy in 2008, provoked wide-spread protests of the so-called Madhesis (lit. the "people of the central land", i.e. India) residing in the Nepalese plains bordering on India about their perceived lack of representation. The fallout of this blockade was heavily politicized and also coincided with the effects of the disastrous 7.8 Richter scale earthquakes that same year. Following these events, argue Murton and Lorde and Mulmi,² Nepal began to shift away from gas and coal imports from India and more towards hydropower projects supported by China. As a result, hydrodam projects proliferated in the northern borderlands financed and organized by Chinese investors.³

2. Infrastructural Developments and Chinese Investments

The "Trans-Himalayan Multi-dimensional Connectivity Network" is an economic corridor between Nepal and China as a part of China's BRI and Nepal's post 2015 earthquake reconstruction efforts. In 2018, the Chinese International Development Cooperation Agency established a plan with the Nepalese government to roll out the "Northern Region Border Development Program", in which 13 of the 15 bordering districts along the Nepalese-China frontier will receive funds for a total of 15 pilot development projects, including highways, dryports, hydropower dams,

² Murton, G., and Lord, A., "Trans-Himalayan power corridors: Infrastructural politics and China's Belt and Road Initiative in Nepal", *Political Geography*, 77, 2020, <https://www.sciencedirect.com/science/article/abs/pii/S096262981930040X>; Mulmi, A. R., *All Roads Lead North*. See also: Beazley, R., Lord, A., and Murton, G., "A Handshake across the Himalayas: Chinese Investment, Hydropower Development, and State Formation in Nepal", *Eurasian Geography and Economics*, 57(3), 2016, 403-432, <https://doi.org/10.1080/15387216.2016.1236349>.

³ Murton and Lorde, "Trans-Himalayan power corridors"; Mulmi, *All Roads Lead North*.

and more.⁴ According to the [Nepalese Ministry of Foreign Affairs webpage on Nepal-China relations](#), the major Sino-Nepalese projects include the Upper Trishuli Hydropower Project, Pokhara International Regional Airport, upgrades of key roads such as Syaprubensi-Rasuwadhi or Kodari highway, and the financing of Nepal's Ring Road Improvement Project in Kathmandu. China has also helped support the Civil Service Hospital and provide development aid to the northern districts of Nepal. However, there has been no update of the China-Nepal webpage on the government's website since 2019 and the status of the projects remains unclear. In addition, China has constructed border checkpoints or "Frontier Inspection Stations" at Tatopani and Rasuwadhi. Murton writes about these stations and dry ports in Rasuwa and Sindhupalchok, arguing that such infrastructural developments are the 'localization' and materialization of geo-political dynamics.⁵ In other words, these infrastructure projects become the physical representations of the shifting political dynamics and economic plans of the two nations.

Beyond the infrastructure projects it finances and organizes, China has played an important role in disaster relief for Nepal. It has poured foreign aid into the northern districts of Nepal for reconstruction and infrastructural development after the massive earthquakes in Rasuwa and Gorkha in April and May of 2015.⁶ Also when Nepal ran out of Indian Covid vaccines in January of 2021, China stepped in, delivering some 800,000 Sinopharm vaccines in March 2021 and then another one million in summer 2021.⁷ This reinforced Nepal's turn towards the north, mirroring

⁴ Giri, A., "China's Foreign Aid Agency is All Set to Make Foray into Nepal's Northern Region", *Kathmandu Post*, 5 January 2021, <https://tkpo.st/38cNoQh>.

⁵ Murton, G., "Post-disaster Development Zones and Dry Ports as Geopolitical Infrastructures in Nepal", Chettri, M. and Eilenberg, M. (eds.), *Development Zones in Asian Borderlands* (Amsterdam: Amsterdam University Press, 2021), 187-909, https://doi.org/10.5117/9789463726238_ch01-

⁶ Platcha, N., "Post-disaster Economies at the Margins: Development, Profit, and Insecurities across Nepal's Northern Borderlands", *Development Zones in Asian Borderlands* (Amsterdam: Amsterdam University Press, 2021), 187-909, https://doi.org/10.5117/9789463726238_ch08.

⁷ Sharma, G., "China to Gift 1 Million COVID-19 Vaccine Doses to Nepal", *Reuters*, 26 May 2021, <https://www.reuters.com/business/healthcare-pharmaceuticals/china-gift-1-million-covid-19-vaccine-doses-nepal-2021-05-26/>.

its preference for hydropower projects, supported by China rather than by India.

Obviously, the collaboration between China and Nepal is not that between two equals. There is an imbalance in trade, with China exporting far more goods to Nepal than importing from Nepal. Also, residents near hydro-dams do not benefit from these projects, nor do residents along cross-border highways have the opportunity to access the flow of commodities. On the other hand, borderland dwellers set up guesthouses, become truck drivers, and migrate for labor, leveraging the influx of new streams of capital flowing through their towns. People-to-people contacts between Chinese and Nepalese have also intensified. Since 2016 Chinese tourists enjoy visa-free entry into Nepal, an arrangement that hitherto had been restricted to countries of the South Asian Association for Regional Cooperation (SAARC). As a result, Chinese tourists have overtaken Western or Indian tourists with the result that hotel and restaurant signs written in Chinese have changed the face of Thamel, the main tourist area in Kathmandu; restaurants serve Chinese or Chinese fusion dishes, and shops book cater to Chinese customers, with such products as Chinese books. Shopkeepers comment that Chinese travelers are more willing to spend money on keepsakes and gifts than European travelers. Benjamin Lindner has researched these phenomena and calls this neighborhood Nepal's "Chinatown".⁸ He argues that the geo-political dynamics between China and Nepal manifest at the micro-scale in this neighborhood, which used to be dominated by Tibetan-Nepalese restaurants.

Reflecting the ever-growing presence of Chinese in Nepal, language institutes are offering increasingly Chinese language courses to Nepalese students and professionals, training tour guides to learn Mandarin and teaching business language and etiquette. Since 2007 there is also a Confucius Institute operating at Kathmandu University. It hosts Chinese culture and language courses, and it also provides scholarships to study in China, increasingly a popular destination for Nepalese students. Clearly, through its activities and the events it hosts the Confucius Institute also

⁸ Lindner, B., "This Looks Like Chinatown!": Contested Geographies and the Transformation of Social Space in Jyatha, Kathmandu", *City and Society*, 31 (2), 2019, 164-187.

promotes the message of One-China, so as to counter any notion of Tibet as a separate entity in its own right.

3. China's Sphere

Chinese infrastructural aid in the borderlands of Nepal allows China to extend its reach across the borderlands. Mulmi argues that as infrastructures from the North seep into borderlands, these areas 'turn' to China in their orientation for job opportunities and also moral affiliation.⁹ As research fellow Jaiswal has it, "Chinese investment in the northern region holds low geo-strategic significance [for China], but in doing so, it can ward off the presence of India and the West from coming closer to Tibetan border. Such investment will advance China's goodwill in the northern region".¹⁰

Similarly, Platcha writes about post-earthquake Chinese reconstruction aid in northern districts as "indebtedness engineering" in order to extend Chinese moral authority.¹¹ After the 'National Highway G216' was constructed connecting upper Tsum to the Tibetan Autonomous Region, she finds that the community 'faced north' for livelihood opportunities and buying commodities. By contrast, the Nepalese state has not built a road in the Tsum valley connecting this remote area to Nepalese centers or economic opportunities. Whereas communities in upper Tsum live within the Chinese economic and moral sphere, Platcha argues that those in lower Tsum continue to be integrated in Nepal.¹² To be sure, this is not a completely new development. The upper valleys of ancient Tibetan kingdoms in Nepal bordering on Tibet, such as Dolpo and Mustang, have since long maintained closer ties to the immediately neighboring regions in the TAR than to the more distant and inaccessible commercial centers located to the south within Nepal.¹³

⁹ Mulmi, *All Roads Lead North*.

¹⁰ Giri, "China's Foreign Aid Agency".

¹¹ Platcha, "Post-disaster Economies at the Margins".

¹² Platcha, "Post-disaster Economies at the Margins".

¹³ On this issue, also see the case presented by Yeh, E. T., "The Land Belonged to Nepal but the People Belonged to Tibet": Overlapping Sovereignties and Mobility in the Limi Valley Borderland", *Geopolitics*, 26(3), 2019, 919–945, <https://doi.org/10.1080/14650045.2019.1628018>.

4. Tibetan Exiles in Nepal

The increasing Chinese presence in Nepal, whether physical, cultural, linguistic, political, or economic, has also affected exile communities of Tibetan refugees. Such refugee communities (which according to conservative estimates number circa 20,000) should not be confused with the sizable Tibetan population, which has always been native to Nepal. The Nepalese government has not issued any identity documents to these refugee communities, effectively depriving them from government services, such as school attendance and access to health care, and also barring them from obtaining formal employment. With China increasingly playing a key role in Nepal, the political rights situation has become dire for Tibetans. In return for China's sponsoring of infrastructure projects and other forms of aid, Nepal is obligated to subscribe to the "One China" policy, and to suppress any affirmation of Tibetan sovereignty and protests targeted against China.¹⁴ The Nepalese government and police are cautious to monitor and control gatherings, events, and activities which might articulate objections to China's policies.

A 2014 report by Human Rights Watch details the increasing surveillance and limitations on political rights of Tibetan exiles living in Nepal, especially activists.¹⁵ Notably, Boudha, a vibrant Tibetan Buddhist locality at the outset of Kathmandu, centered on a medieval stupa (listed by the UNESCO as a World Heritage Site), has become a "geopolitical microcosm of Nepali-Chinese politics", in which video surveillance has become ubiquitous.¹⁶ The report also records that more Tibetans are being detained and forcibly deported to China for attempting to cross into India, despite this being illegal under international law. Human Rights Watch states: "The increased surveillance and monitoring of Tibetan communities in Nepal facilitates discrimination against them, and makes them more

¹⁴ Mulmi, *All Roads Lead North*.

¹⁵ Human Rights Watch, *Under China's Shadow. Mistreatment of Tibetans in Nepal*, 2014, https://www.hrw.org/sites/default/files/reports/nepal0314_ForUpload_2.pdf.

¹⁶ Shrestha, R., and Fluri, J. L., "Geopolitics of security and surveillance in Nepal and Afghanistan: A comparative analysis", *Environment and Planning C: Politics and Space*, o(0), 2022, <https://doi.org/10.1177/23996544221115952>.

vulnerable to police and criminal justice system abuse whether or not they are politically active”.¹⁷ The report also describes the Nepalese mainstream media’s self-censorship of topics related to Tibet as they are deemed too “sensitive”.

In 2019, *The Record*, an independent magazine in Nepal, detailed the Sino-Nepalese campaign to set up surveillance cameras donated by China throughout Kathmandu Valley.¹⁸ These cameras can perform basic functions, according to Shahi, such as zoom in and pan around; yet it wasn’t clear at the time of the report to what extent cameras were retrofitted for facial recognition or night vision, and whether they were also equipped with sound recording function. According to a 2020 report by the Nepalese *Himal* magazine, some 260,000 cameras had been imported from China by early 2020;¹⁹ that number has no doubt increased significantly since then. While some of these cameras are installed for private purposes—how the data is cloud-stored and managed raises obvious concerns—one may presume that many are installed for governmental monitoring, notably in areas with Tibetan communities and areas frequented predominantly by Tibetans. This matches the (credible) rumors that most Tibetan monasteries in Boudha and elsewhere in the Kathmandu Valley have been fitted over the last years with surveillance equipment.

¹⁷ Human Rights Watch, *Under China’s Shadow*.

¹⁸ Shahi, I., “Kathmandu’s All-Seeing Eyes”, *The Record*, 22 November 2019, <https://www.recordnepal.com/kathmandus-all-seeing-eyes>.

¹⁹ Sapkota, R. “निगरानीको पासो”, *HIMAL Weekly Magazine*, 2020.

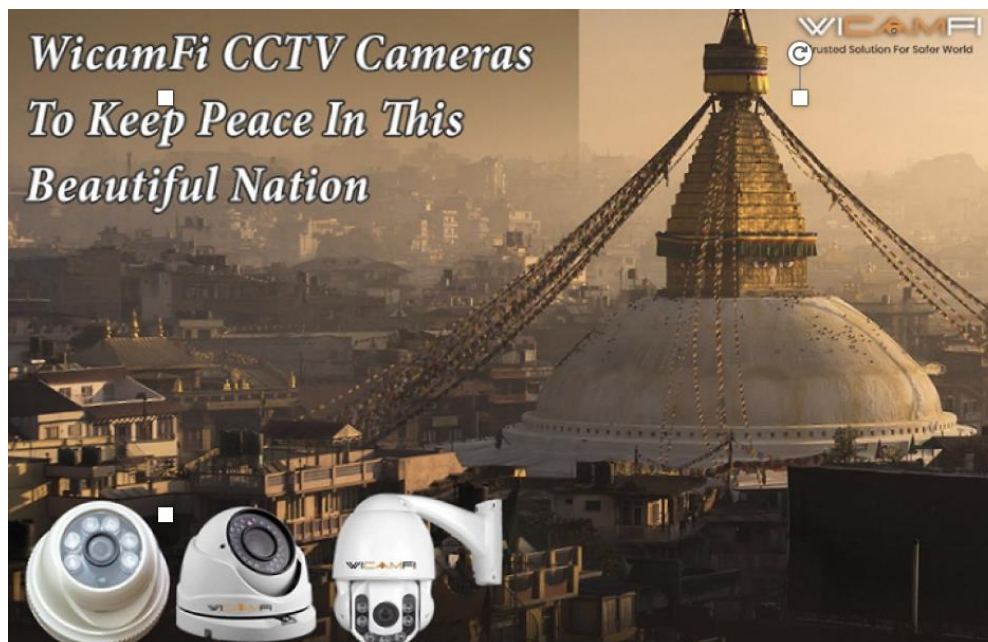


Figure 2: Nepalese advertisement for surveillance cameras

In their comparative study about surveillance in Nepal and Afghanistan, Shrestha and Furi comment on the advertisement by a surveillance camera company reproduced here (Fig. 2) by drawing parallels between the all-seeing eyes of the Boudha Stupa and the all-seeing eyes of the advertised surveillance equipment.²⁰

Upon reaching out to the main civil society organizations advocating for Tibetans, such as the Tibetan Centre for Human Rights and Democracy, International Campaign to Save Tibet, and Tibet Justice Center, none of them were able to provide up-to-date data on the surveillance of Tibetans in Nepal. They do not maintain an active field office in Nepal, nor do they systematically monitor the human rights situation of Tibetans living in exile in Nepal. However, it is clear that increased video surveillance and police patrol in the area of Boudha have drastically reduced pro-Tibetan protests. Human Rights Watch reports that pro-Tibet activists have been arrested shortly before the arrival of top-Chinese government officials in Kathmandu.²¹ Shrestha and Furi write, “Surveillance of public spaces presumed to be linked to Tibetan political action, protest, and Tibetan

²⁰ Shrestha and Fluri, “Geopolitics of security and surveillance”.

²¹ Human Rights Watch, *Under China’s Shadow*.

Buddhist public worship, have become methods for the Nepali state to demonstrate its support of the One China Policy”.²²

Concluding Thoughts

Nepal’s political, economic, and social landscapes have been impacted by China’s increasing involvement in Nepal through the BRI. Chinese post-earthquake reconstruction aid, investments into infrastructure, business investments, or COVID-19 vaccine donations, have benefited Nepal, allowing it to counterbalance (but not to offset) its dependence upon India. Beyond the changes that China has brought to the built environment of Nepal, it has also opened up new opportunities to some Nepalese. However, this has come at a hefty price, not only for Tibetan exile communities in Nepal but also for other sectors of the population who find themselves increasingly beholden to China. On the eve of the Chinese Communist Party’s 20th National Congress that may lead to the reappointment of Xi Jinping for an unprecedented third term,²³ one cannot help being concerned about the further trade-offs Nepal may have to resign itself to as a result of its uneven partnership with China. The 2016 painting [*Kathmandu Express*](#) by renowned Nepalese artist Tsering Sherpa expresses something of this concern.

²² Shrestha and Fluri, “Geopolitics of security and surveillance”.

²³ The article was written before the commencement of the 20th National Congress of the Communist Party of China (Oct. 16-22, 2022).



Ang Tsherin Sherpa, *Kathmandu Express*, 2018 (reproduced here with the kind permission by Ang Tsherin Sherpa)

Drawing on the visual vocabulary of Tibetan thangka paintings, Sherpa depicts a dragon (China) entwined with rail tracks looking menacingly down upon a horned figure dressed in Nepalese farmer clothes seated next to a ritual vase. This captures the anxieties surrounding the flagship infrastructure project (whose realization is far from certain) to connect Kathmandu by a high-speed rail link with Kherung (and Lhasa and China beyond).²⁴

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²⁴ See Shrestha, P. M., “North has Renewed Cross-Border Train Pledge, but Progress Slow on the Ground”, *Kathmandu Post*, 18 December 2021 <https://kathmandupost.com/national/2021/12/18/north-has-renewed-cross-border-train-pledge-but-progress-slow-on-the-ground>.

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