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The China–Nepal–India Economic Corridor: wishful thinking or regional aspiration beyond rhetoric?

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ABSTRACT

Beijing's proposal for a China–Nepal–India Economic Corridor (CNIEC) with multi-dimensional connectivity through the Himalayas aims at contributing development and prosperity for all three countries. While Beijing calls for Nepal's development to be one of the major objectives of the proposed corridor, the proposal has received a cold response from India so far. The recent territorial conflicts between China and India and between Nepal and India also strengthen scepticism over this proposal. Considering the troubled bilateral relationship between India and China, the future of CNIEC appears to be wishful thinking unless trust and transparency improve. Moreover, their divergence of interests in Nepal only appears to strengthen competition rather than co-operative working. However, the question around the CNIEC remains whether the project offers an opportunity for the two Asian superpowers to join together for regional cooperation involving Nepal. This article examines the potential and challenges of trilateral cooperation through CNIEC.

KEYWORDS

CNIEC; trilateralism; regional aspiration; China–Nepal–India Economic Corridor

Introduction

The Chinese Foreign Minister Wang Yi proposed a trilateral economic corridor to his Nepalese counterpart Pradeep Gyawali in 2018 at Beijing (Ministry of Foreign Affairs, 2018); to which Nepal showed a willingness to join. Being a signatory of China's Belt and Road Initiative (BRI) in 2017 that sought to create highways, airports, and other infrastructure in the country, Kathmandu considered it as an opportunity which could integrate it with the two economic giants. Reportedly, a separate section was created within Nepal's Ministry of Transportation in cooperation with the Asian Development Bank (ADB) to work on the modalities. On this issue, the Chinese intelligentsia believed that the proposed corridor could bring about significant changes in South Asia and Southeast Asia as it could increase the level of mutual respect, friendship, and above all investment in the region (Nepal Foreign Affairs, 2017).

Going back, the idea of trilateral partnership and an economic corridor was conceived by Nepal when the former Maoist leader Pushpa Kamal Dahal (alias *Prachanda*) assumed

office as Prime Minister in 2008. Beijing, on its part, took up this idea with India under the broader framework of BRI during the meeting of Chinese Premier Li Keqiang and Indian Prime Minister Narendra Modi in Beijing in May 2015. Further, the Chinese Foreign Minister Wang Yi discussed the idea with Indian counterpart Sushma Swaraj in Kathmandu the same year, on the side-lines of an international conference on post-earthquake reconstruction. However, India has not officially responded to the proposal. India's indifference towards the CNIEC proposal raises some pertinent questions on the scope for trilateral cooperation. This article critically examines the various issues involved in the proposal through four sections. The first builds up a conceptual framework on trilateralism. In the second section, China-Nepal-India trilateralism is contextualised in historical terms. The challenges and potential of the proposed CNIEC are critically examined in the third section. The last section deals with the way forward and offers a conclusion.

Trilateralism: a conceptual framework

Arguably, the need for trilateral cooperation was felt as early as 1972 with the establishment of the much talked about unique international organisation, the 'Trilateral Commission' (TC). The TC was created to cope up with the changing nature of the relations between the USA and its primary allies and between the 'West' (including Japan), the Third World countries, and the Soviet Bloc (Gill, 1986). A significant objective of the forming of the TC was to manage the interdependence in changing world order. Interdependence among the closely associated countries has been a critical feature of trilateralism. Interdependence through political and economic consultation among the countries contributes to the strengthening of trilateralism.

A critical motive of trilateralism, as captured by Zbigniew Brzezinski, the former Director of the TC, is to engage in 'regular and formal political consultation' and 'common political planning with regard to problems or areas of mutual interest' in order to achieve 'a shared political perspective among the government bodies of three units' (Ullman, 1976). Regular and formal political consultations among three countries are needed in order to avoid the potential roadblocks that might discourage conceiving of areas of mutual interests. The potential obstacles for meaningful trilateralism could be, first, the political ideology of the countries. Countries with commonality of the form of governance tend to have a better consensus on mutual interests within a trilateral framework. Secondly, economic interests play a significant role in trilateralism. It has been observed that most trilateral engagements are formed around economic cooperation among the partners. Lack of consensus over mutual economic interest is a major obstacle to trilateral cooperation. Thirdly, differences in perception over the security interests of the partner countries could also be a major factor in disturbing trilateralism. Differences in security interest mainly arise from asymmetric power-sharing among the partners. The perception of power asymmetry leads to conflictive trilateralism rather than a cooperative one. The case of China-Australia-America trilateral cooperation is a good example in this context (He, 2014).

As mentioned above, starting from the formation of the TC in the early 1970s, trilateralism has become a new model of cooperation among nations. At times, trilateralism has been critiqued on the basis of the dominance of a powerful actor in a group or the competition it leads to in terms of furthering the individual interests of the dominant country jeopardising the mutual interest in the trilateral framework (Cumings, 1991). Favouring trilateral co-operation among the countries, it is argued that it should be a new model of cooperation, seeking common economic benefits. Trilateral cooperation operates on a broad consensus about seeking improvement in the 'imbalanced' world order, without challenging the stability of the existing order (Gancheng, 2009). Given this understanding, for the purpose of this paper, the important basis of trilateralism is around issues of common interest, mutual trust, and greater interdependence among the countries. Based on this conceptual framework, the next section engages with situating trilateralism in the China-Nepal-India context through historical narratives.

Contextualising China-Nepal-India trilateralism

The end of colonial rule in the post-World War era witnessed the emergence of two important Asian powers, India and China. As the dynamics of world order was changing, and rather fast, back in Asia the power dynamics were also taking new shapes with the emergence of India and China as major regional powers. As neighbours, both countries have maintained a rather hostile relationship over a host of issues such as the annexation of Tibet by China, unresolved contestation over their mutual boundaries, and the not-so-subtle competition over their influences in the South Asian region.

From a strategic point of view, Nepal has been crucial to the above-mentioned pursuits of both China and India. While historically Nepal has been a buffer between the two Asian powers, it has been closer to India for a host of reasons ranging from cultural ties to geostrategic compulsions. While India is perceived to continue as a major power influencing internal as well as external politics of Nepal, it has been observed that China, over the last decade or so, is actively engaging with Nepal through multiple development and economic initiatives. The increasing involvement of China in Nepal has not been received positively by India. This has led to the emergence of conflicts between China and India over Nepal.

While the conflict of interest between India and China over Nepal has been widely reported and discussed, very few studies highlight the potential areas of cooperation among the three countries. The potential areas of cooperation can be imagined through China-India-Nepal trilateralism.

The discourse around China-Nepal-India (CNI) trilateralism can be read in reference to the ideas of 'trilateral economic cooperation' (B. N. Baral, 2019) and 'vibrant bridge' (Adhikari et al. (2013) between China and Nepal that caught the popular imagination in post-Maoist insurgency Nepal. Interestingly, the idea of 'vibrant bridge' between Nepal and China was much talked about in Nepal, and in fact, the diplomats of Nepal and China were advocating this idea with India, which of course received a cold response from the latter. Incidentally, the very idea of 'trilateral economic cooperation' has its roots in the concept of 'vibrant bridge' between India and China from Nepal's quest for economic growth (Basnet, 2013). The latest proposal from the Chinese on an economic

corridor with Nepal first and then an extension of it to India can, in a way, be traced back to the above-mentioned Nepalese idea of trilateral economic cooperation. That idea came from the erstwhile Unified Communist Party of Nepal-Maoist (UCPN-Maoist) party chairman, Pushpa Kamal Dahal/Prachanda when he brought up the issue of ‘strategic trilateral cooperation’ in 2013 (Editorial Board, 2013). However, given the uncertainty around political stability in Nepal in general and Prachanda’s personal political ambitions, India had certain misgivings about the idea. Addressing to a question raised by one of the present authors (Behera, 2012) at a meeting in the Indian Council for World Affairs (ICWA) in New Delhi, Prachanda believed that such cooperation was not possible anytime soon, but he stressed that it was a strong possibility in the future.

Taking up from there, the idea of meaningful trilateralism has been discussed at various forums. Apart from pitching for trilateral cooperation, China has also taken several development initiatives in Nepal to be worked out as part of BRI and it invited India to be a party to them. Given the historical baggage of hostility between India and China over several decades, the response from the former has so far been understandably negative. The China-Nepal-India Economic Corridor (Wagle, 2018) under the One Belt One Road (OBOR) initiative to establish economic cooperation and connectivity in the Himalayan region goes beyond the narrow bounds of ‘national interest.’

The role of Nepal in mediating between these two major powers has been minimal. Sustained political instability coupled with the low economic status of Nepal are two important factors that do not allow Nepal to throw its weight around either India or China. The ‘weak’ stature of Nepal makes it dependent, mostly on India and yet allows it to play the China card as a bargaining chip to balance power and further its political interests. While this has been the overall picture of trilateralism involving China, Nepal, and India, individual country’s positions on the CNIEC need critical scrutiny. The next section engages with the discourses of CNIEC in China, Nepal and India.

Discourses on CNIEC in China-Nepal-India trilateralism

The proposal for CNIEC has not made any progress so far. It is important to mention that CNIEC is not the only multilateral proposal that the three countries have for mutual cooperation. Apart from their respective bilateral relations, they have also been working with each other on other trilateral and multilateral projects. However, China and Nepal’s interest over CNIEC and India’s cold responses to the proposal merits an understanding of their respective positions on it.

To begin with, China’s proposal for CNIEC can be understood through the larger framework of BRI. In its active pitching for this brand of trilateral cooperation, China identifies six major areas where it would serve the interests of the three countries. These are: demands for filling up the depression in development across the trans-Himalayan region; the demand for promoting interconnectivity between China and South Asia in parallel; the demand for transferring excess industrial production capacity in China; the demand for steadily propelling the building of a closer development partnership between China and India; the demand for connecting the construction of China’s One Belt and One Road initiative by land and sea; and the demand for trying to break through the geopolitical predicament in South Asia (Hu, 2018). A critical observation of these identified areas by China highlights its interests in South Asia in general and developing

ties with India through Nepal in particular. To bring India and Nepal on board, China finds favourable conditions for the proposal to be carried out. These conditions, as identified by China, are: Nepal's post-earthquake construction work and the involvement of India and China as an important points for trilateral cooperation; a favourable political scenario in Nepal (given that the political transition there is now stable); improving ties between China and India; and the availability of resources along the proposed corridor (Hu, 2018).

Nepal, on the other hand, has been advocating for stronger trilateral ties along with China and India for a long time. Nepal's interest in the trilateral relationship is primarily guided by its political opportunism to strike a balance between China and India and to further its economic interests. In a first, Nepal floated the idea of itself as a land-bridge between Central and South and Southeast Asia at the Second South-South Summit in Doha (2005) and which subsequently found a place in its Annual Budget (Jha, 2017). In the post-Maoist conflict scenario, as Nepal was transiting to democracy, the proposal for trilateral engagement was again taken up by the then Prime Minister Prachanda in 2010. Similarly, the former Prime Minister Baburam Bhattarai also expressed the idea of making Nepal a bridge between China and India to benefit from both the neighbours in strengthening its economy and other development initiatives. He went on cautioning the political elite that if Nepal lagged in coping with its neighbours, it might get submerged with them (L. R. Baral, 2016). Nepal's aspirations through trilateral cooperation are aimed at coming out of the disadvantages of being a landlocked country and to revive its traditional status of a transit country. Politically also, Nepal wants to strike a balance between China and India without causing any discomfort to the latter. A healthy trilateral agreement with China and India would substantially reduce its dependence on India.

While China and Nepal have been keen on the CNIEC proposal, India has shown an indifference towards the same. It is important to mention that the concept of trilateral cooperation is not new to India. India has been in trilateral collaborations with China and other countries on multiple issues. The US-Japan-India, India-Japan-Vietnam, Russia-India-China, India-China-Afghanistan, and South Africa-Brazil-India are some of the important trilateral agreements that India has been a party to. India, as mentioned above, is also engaged with China in trilateral cooperation in Afghanistan and with Russia. Similarly, India, apart from its strong bilateral connections, is engaged with Nepal in multi-lateral engagements like the Bangladesh-Bhutan-India-Nepal (BBIN) framework and BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation). However, India's indifference towards CNIEC could be because of three important reasons. First, the larger framework of BRI has been a major irritant to India. Secondly, as CNIEC is seen as part of the BRI, India finds it difficult to be part of the initiative. Thirdly, Nepal's political posturing which reflects its closeness to China is seen as moving away from India's influence. While India has been silent on the proposal, a few Indian scholars like S.D. Muni identify benefits for India if it becomes a party to the proposal (Muni, 2016).

It is evident from the above discussion that individual countries are guided by their respective national interests with a resulting lack of consensus over the proposal. The next section highlights the challenges and potentials of engagement that the CNIEC involves.

CNIEC: challenges, potential and the way forward

Challenges

A major challenge to the proposed economic corridor is the territorial conflicts between China and India on one hand and between Nepal and India on the other. In the past, territorial conflicts have led to a war between India and China in 1962. As both the Asian powers are flexing their respective muscles at the regional and global level, conflicts over territory refuse to die down. China's repeated claim over Indian territories has been a major irritant in many meaningful bilateral and multilateral engagements. Just a few months before China proposed CNIEC in 2018, India and China had an ugly standoff in Doklam. A military standoff between Indian Armed forces and the Chinese People's Liberation Army (PLA) at the Bhutan-China-India trilateral junction, Doklam, and subsequent withdrawal of PLA from the standoff has only contributed to the longstanding territorial rivalry between India and China. Sino-India rivalry has been intensifying for the last two decades (Ganguly & Scobell, 2018). While the two 'status-seeking' neighbours (Xie, 2019) have been making efforts to develop bilateral ties, the border disputes continue to be roadblocks. What has been worse in this connection is the latest military confrontation between India and China in the Galwan Valley of Ladakh in June 2020. The confrontation over their respective territorial claims has cost the lives of soldiers from both sides. As both sides continue to make efforts to disengage from future confrontations, bilateralism has been the biggest victim as nationalist sentiments continue to run high in both countries. The territorial conflicts between India and China have set a negative perception of each other (Vertzberger, 1982).

While the territorial conflicts between India and China have been there for quite some time, the border disputes between India and Nepal are relatively new. Nepal's adoption of a new political map claiming sovereignty over the Kalapani areas has manifested a conflict with its southern neighbour. The border dispute issues between India and Nepal have never before been overtly contested. Nepal's aggressive posturing in terms of opening fire at Indian security forces at the border and the Nepalese Prime Minister claiming certain cultural sites as belonging to Nepal also contribute to the challenges for a smooth development on the CNIEC proposal. A major reason for India's indifference towards the proposed economic corridor could be the territorial conflicts with China and Nepal in one hand and Nepal's growing closeness to China.

A second major challenge is Nepal's joining the Belt and Road Initiative (BRI) which sought to provide multidimensional connectivity through the Himalayas in 2017. From New Delhi's point of view, the proposal for an economic corridor is perceived as Nepal's intention to end 'Indian dominance' over its trade routes by increasing connectivity with China. It was evident from a statement issued by India that it is of 'firm belief that connectivity initiatives must be based on universally recognised international norms, good governance, rule of law, openness, transparency, and equality. Connectivity projects must be pursued in a manner that respects the sovereignty and territorial integrity' (Ministry of External Affairs, 2017).

Thirdly, given the difference in strategic strengths between China and Nepal, security diplomacy (Kron, 2015), inclusive of defence, political, and development approaches, can be used as a tool by China to interfere in the internal affairs of Nepal. Such a perception in India adds to its concerns over the proposal. Since Nepal acts as a buffer for India, seeing

it slip into China's sphere of influence will not be in India's strategic interest. In India it is also perceived that China's interest in security diplomacy will not be limited to Nepal; it might extend to India gradually. It is a general perception that CNIEC might provide China access to Indian territory through Nepal, which could be a threat to India's security and strategic interest.

Fourthly, though Nepal and China established diplomatic relations in 1955 (Kumar, 1963), it is only in the last decade or two that China has been keen to tap not only into Nepalese markets and natural resources but also to capture markets across the Nepal–India border (Jha, 2012) through illegal and informal trade as is happening in India's northeast border with Myanmar. Beijing's proposal to link Nepal's southern border with India through its railway line is part of this larger strategy. There is also a view that CNIEC can lead to China dumping consumer goods through Nepal which will worsen India's trade balance with China even further (Sengupta, 2018).

Another important area of contestation between India and China involving Nepal that overshadows CNIEC has been over furthering respective economic and trade interests. By and large, Nepal's economic engagement with India is through two important treaties – the Treaty of Trade and Commerce of 1950 and the Trade and Transit Treaty of 1960. After the expiration of the Trade and Transit Treaty, Nepal wished to conclude two separate treaties, one governing transit facility and the other dealing with trade matters (Sarup, 1972). But India wanted both these subjects to be dealt with in a single treaty as before. The outcome of this stalemate worsened the relationship between the two countries, as India squeezed the supply of essential commodities to Nepal by allowing only two border points to be open, contending that the relevant treaty had expired on 31 December 1970 (Sarup, 1972). Such instances of 'economic blockades' by the Indian side have occurred more than once, a recent one being during the *Madheshi* (people of Indian origin) agitation against the new Nepalese constitution of 2015 where people of the entire Tarai belt demonstrated against the Nepal government. Given the geographical limitations of Nepal, once the 'economic blockade' from the Indian side gets enforced, the former usually is left with no options but to explore possibilities with China. It has been repeatedly observed that Nepalese engagement with China on issues of trade and commerce is interpreted through the narrative of the Nepalese ruling elite pitting China against India. Such perceptions have contributed enormously to the rivalry between the two countries.

The recent development around this issue is on China allowing Nepal access to its ports (India Today, 2018). In this context, both Nepal and China have signed the first-ever Transit treaty between the two countries. While this is seen as an important development in terms of the bilateral relationship between China and Nepal, it has been viewed differently from the Indian side. This development is seen as an end to India's monopoly over Nepal's transit points (Nayak, 2018) and Nepal's attempt to end its dependency on India (Firstpost, 2016). While the issues of trade and transit are usually seen through the domestic needs and demands of a state, the accompanying rhetoric, in terms of linking the issue with regional dominance and national security, often works towards hindering the prospects of meaningful trilateral engagement.

Fifthly, along with a host of other treaties, India and Nepal have signed multiple agreements to either control or mutually utilise the waters flowing from Nepal to India, in terms of managing natural disasters and exploiting the hydropower available.

Despite multiple treaties between two countries, water has been a contentious issue between India and Nepal, primarily around the Kosi, Gandak, and Mahakali (Dahiya & Behuria, 2012) water treaties. The controversies around the water resources sharing between India and Nepal are mostly due to a lack of promised action from the Indian side. Since successive Indian governments have not been able to deliver on what they promise, Indian private companies have increasingly faced issues with tapping the water resources of Nepal. Significantly, a substantial portion of the Nepalese population, including political elites, are of the perception that India has neglected Nepal in the operation of those treaties and Nepal's natural resources have been sold out without Nepalese political leaders taking into account their country's long-term interests (Dahiya & Behuria, 2012). The existing lack of trust between India and Nepal over water resources gets strengthened by the presence of Chinese companies waiting to exploit those resources. In the last few years, Chinese companies have shown huge interest in investing in the hydro-electricity sector in Nepal (Xinhuanet, 2018). Indian companies are increasingly facing stiff competition from Chinese companies in this regard (Dahiya & Behuria, 2012), for both goodwill and strategic reasons, and the Chinese are likely to look for more such opportunities in future. When the Chinese take up a project in Nepal's water resources, the move is expected to add further contention between India and China. Such conflict perceptions have direct implications on India–Nepal relations.

Sixthly, the long-standing Indian 'dominance' over Nepal is being eventually contested, thanks to the changing internal political dynamics in Nepal and increasing Chinese involvement. While the new forms of competition between India and China are often highlighted, there exists a historical perspective on the rivalry. One of the important rivalries, based on mutual suspicion, goes back to the issue of Nepal's procurement of arms and ammunition for its security forces from other countries, including China, without keeping India informed. Reportedly, requests were made thrice in 1972, 1976, and 1980s by Nepal for arms and ammunition from India. Having got a negative response from the Indian side on the grounds that India believed that Nepal never needed the arms, the latter negotiated with China for arms sales in 1988 (Garver, 1991). This move created differences between India and Nepal as Indian officials maintained that Nepal should not have bought any military equipment without the permission of the Indian government as such an action went against the friendship treaty of 1950 between the two countries. The suspicion created by this incident also adds to the challenges faced by the proposed CNIEC.

The other challenge is in terms of 'safeguarding' respective national security interests. The Tibet issue continues to be a security concern for both China and India and Nepal figures as an important part of this discourse. The annexation of Tibet by China has elicited mixed responses from the Indian side. On the one hand, the Indian state has officially recognised Tibet under Chinese sovereignty; on the other, there is suspicion over the Chinese involvement in Nepal. Any Chinese movement in Nepal is seen through a Tibet perspective which adds to the security concerns of India. Along with this, the India–Nepal border has of late been a major theatre of both traditional and non-traditional security threats in terms of exchange of fake currencies, human trafficking, terrorism, and criminal activities. The Chinese involvement in Nepal is perceived to be accelerating these security concerns.

Further, from a Chinese perspective, the presence of Tibetan Buddhists in Nepal is a matter of serious security concerns. The ghost of the Khampa rebellion against the PLA still hunts the Chinese state. India's close association with the Tibetan refugees in India and outside drives the Chinese security imagination to a great extent. In this regard, the mutual suspicion between the countries is quite evident. And the rivalry based on this mutual suspicion plays an important role in deterring meaningful trilateral engagement between India, Nepal, and China.

Finally, the prolonged political instability in Nepal has also contributed substantially to hostile feelings between India and China. The initial form of political instability in Nepal was induced by the contestation between democracy and monarchy. The Indian state has been viewed differently by the political elites depending on their proximity to political power. The political elites starting from the political parties and the monarch to the former Maoist insurgents have often used India as a bargaining chip to maximise their respective interests. To quote Arvind Gupta, 'Nepalese have mixed and contradictory feelings towards India. Anti-India feeling in Nepal is at its peak. On the one hand, they recognise that India has played, can play, and should play a positive role in the peace process. On the other, there is all-round unhappiness about how India is seen to be playing this role' (Gupta, 2010).

The Nepalese elites' proximity towards China can be seen from two important perspectives; one, to bargain with India, and the second to maximise their national interest (Rana, 2013). Since, political instability in Nepal has been almost a permanent feature in recent years, plotting China and India against each other can be safely attributed to the handiwork of the Nepalese political elite. Even though Nepal is currently witnessing relative political stability, such stability cannot be expected to undo the damage done so far.

While India and China have witnessed various controversies involving Nepal, most of the issues of contention do not pose serious challenges towards meaningful trilateral engagement. Almost all the issues that are discussed so far operate at the perception level. Apart from the issues of contestation, some issues offer better scope and possibilities for the three countries to work towards cooperative engagement.

Potentials

The proposed CNIEC offers huge potential for underdeveloped Nepal to boost its economy and development activities. Given its limited capabilities in terms of tapping its rich water, hydropower and tourism resources, trilateral cooperation will prove substantially beneficial for Nepal. China's capability of time-bound completion of projects and the low-cost loans it offers is perceived as a positive factor for CNIEC by Nepal. The realisation of the economic corridor would facilitate the establishment of links between cities and in the process would support local industries, including tourism. As the development of CNIEC could have a positive impact on the development of infrastructure, this is expected to boost tourism in the Himalayan nation. Since Nepal has untapped natural beauty with snow-capped mountains, rivers, and valley, infrastructure development will not only enhance trade but also boost the other things such as tourism and employment for locals.

Moreover, the costs of transportation of goods through the CNIEC will be considerably lesser than air or ship. With the corridor functioning, the hospitality and local service sector industries are also expected to benefit. Besides, it can also pave the way for the rise of industrial clusters in Nepal and the districts bordering on India. More job generation and a market for local produces are expected along with trade products and the growth of local industries.

The China-Nepal-India economic corridor can also make a major contribution towards sustainable and achievable South Asian connectivity. The connectivity aspect will be one of the biggest beneficiaries as hostile national boundaries among South Asian states have been major factors in constraining trade movements as of now. This would be a win-win situation for all the partners along with other South Asian states if CNIEC becomes reality, as other nations like Bhutan and Bangladesh will possibly get connected with the CNIEC corridor in due course. In this process, smaller nations would emerge as the bigger beneficiaries. As in a globalised world order once the physical distance among the individual states is reduced, the scope for greater interaction escalates. Unfortunately, South Asian states, thanks to their internal politics and rivalries, haven't been able to come to a consensus in terms of open borders which can facilitate the trade and commerce and eventually work as an instrument towards achieving regional peace and other aspirations.

Better economic cooperation will have positive implications on people-to-people contacts in terms of strengthening cultural ties among the three countries. Religious ties such as Buddhism can play a major role in strengthening economic cooperation. It is important to mention that there are already existing religious and other cultural ties at bilateral levels. Once trilateral cooperation takes shape through CNIEC, this could contribute to reducing tensions among the countries to a great extent.

Besides, the cultural ties would give further impetus to the tourism sector in all three countries. Since western China is a hub of Buddhism and 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 it will establish a connection and boosting of cultural ties among the peoples of the three countries. The huge Chinese population practising the Buddhist faith can have a direct and convenient link with Lumbini in Nepal and other Buddhist shrines in India. According to Chinese statistics, more than 130,000 Chinese tourists visited Nepal (Sahu, 2015) in 2012. Consequently, this link will contribute towards increased trust and communication of China with Nepal and India.

Way forward

Any proposals for peaceful co-existence have always been seen through the prism of idealism. But the assertion of a 'national interest' discourse, though understood from a very narrow perspective, dominates the analysis by policymakers and the academics alike. In this vision, the proposal for the CNIEC, both in its past and in latest forms, has been a victim of narrow narratives. In a sense, the Chinese proposal is mostly seen by India as part of China's attempt to dominate Asia in general and South Asia in particular. Conversely, smaller powers like Nepal view India's concern and diplomatic efforts as New Delhi's attempt to dominate their internal affairs. Thus, the age-old perception of Indo-centrality in the region dominates the discourse along with current perceptions of

Beijing. Significantly, in this entire process, the whole narrative on any trilateralism is reduced to the rivalry of India and China or smaller states' perception of India as hegemon. Going by these narratives, the CNIEC proposal appears to be nothing but wishful thinking.

But there is an alternative aspect to this issue, viz. the potential of better economic cooperation and connectivity that could meaningfully address many of the differences and existing narratives concerning the three countries. Nepal hopes that other than its ties with New Delhi, CNIEC depends on how the Beijing-New Delhi relationship advances. Importantly, it boils down to how India and China are going to address their border issues. If both find a way to resolve the border conflicts amicably, there is a greater possibility of CNIEC becoming reality.

Meanwhile, whether India is concerned or not disinterested in any economic corridor projects of China, Beijing's aid diplomacy and its attractiveness to smaller states like Nepal makes it difficult for India to control the expansion of China's influence in India's neighbourhood. Hence, it is perhaps better to rethink the Chinese offer to build infrastructure in Nepal and what India wants and how it should be done. In this context, India can negotiate with China about its concerns and seek assurances from both China and Nepal that it will address India's concerns and interests, including on the border issues. On mutual agreement, a mechanism can be worked out. On the positive side, it is expected that the corridor will provide the possibilities of greater physical connectivity, people-to-people contacts, apart from aiding the growth of local industries, which could help in bridging the trust deficit between India and China and India and Nepal.

In this context, analysing on what condition the CNIEC would become reality is important. Foremost, India's concerns do not really seem to be about CNIEC as such but about Nepal getting closer to China. While India has stated clearly the reasons for not considering any projects under Beijing's BRI, citing lack of transparency, lack of adherence to international norms, environmental concerns, etc., on CNIEC apparently it is Nepal's attitude and approach in last decade in particular, when Kathmandu accused New Delhi of meddling in Nepal's domestic politics. This appears to have hurt India's interests and confidence. Reportedly, Indian pressure was cited as one of the reasons for Prime Minister Oli's resignation in 2016 (Times of India, 2016).

For Nepal, the intention to enhance ties with China appears largely for the sake of its development, not as a move against India. But it is important for Nepal to allay India's apprehensions about siding with Beijing or using CNIEC, if realised, as a bargaining chip in the movement of goods to India. Nepalese securing of the confidence of India is crucial for the progress of CNIEC. As a small country, sandwiched between China and India, Nepal has a responsibility to maintain good relations with both. Displeasing either of them will impact Nepal's interests and the proposed idea of an economic corridor. Equally, either of its neighbours pushing Nepal to pick one of them will have negative implications on Nepal's decisions. Thus, Nepal should first build confidence with New Delhi and see how best it can engage with two emerging markets to advance its own development.

As the proposal for CNIEC can set the tone for meaningful trilateralism where the three countries can come together and work towards the betterment of Himalayan region, confidence-building is paramount among the countries. The proposals to connect southwest China with Kunming as a hub to Bangladesh, North East India, and Myanmar, with the proposal of BCIM-EC (Bangladesh-China-India-Myanmar Economic

Cooperation), are already in place. Incidentally, the BCIM (Yohme, 2017) corridor links Kunming in China with Mandalay in Myanmar and passes through Bangladesh and ends at Kolkata in India. The BCIM which is considered as a game-changer (Sahoo & Bhunia, 2014) and an emerging opportunity (Rahman, 2014) can complement the trilateral cooperation proposal of CNIEC to a great extent. Since the BCIM is thought to be benefitting rail connectivity between Lhasa as a hub with other countries of BCIM, if CNIEC is realised, Nepal along with India will ultimately benefit in the long run with the possibility of integration of the CNIEC and BCIM infrastructures. The CNIEC or CNI trilateralism cannot but contribute positively to other initiatives like BCIM and BIMSTEC.

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