

“One Belt One Road” Initiative of China: Promotion of Bi/Multilateral Regional Cooperation in South Asia

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Abstracts

*The concept of “One Belt One Road” is initiated by People’s Republic of China which could be a foundational basis of development in the region. The ideas reflected in the presentations of an international seminar, entitled “Exploring Issues on Trans Himalayan Cooperation”, organized by Trans Himalayan Research Centre (THRC) of Faculty of Humanities and Social Sciences (FOHSS) at Tribhuvan University (TU) on 21 May 2016. Based on the presentations of scholars from Nepal, China and Korea this paper, based on the presentations of the seminar, further argues that the One Belt One Road initiative will not only be “Connecting the peoples along the One Belt One Road routes” but also promoting multilateral regional cooperation in future strengthening South Asian regional cooperation. It eventually promotes **Bi/Multilateral Regional Cooperation** in South Asia taking into consideration that connectivity is key that connects different regions within and outside nations. However, connectivity alone is not enough and there is necessary to develop corridor to contribute economic development of country. It is therefore necessary to promote various kinds of bi/multilateral regional cooperation for the development of Trans Himalaya region of South Asia.*

Key words: South Asia, bi/multilateral, regional cooperation, One Belt One Road

1. Introduction

One Belt One Road is a new initiative proposed by China. As mentioned by Poudel (2016) Belt and Road Initiative is proposed by Chinese new leadership in 2013 for peace and development of China and beyond. It aims at accelerating economic prosperity, exchanging leanings between different civilizations and promoting world peace/development and it connects Asia, Europe and Africa. However, there is both optimism and doubt. Poudel further mentions that the main vision and action of this initiative are principles, framework, cooperation priorities, mechanisms and China’s action and embracing a bigger brighter future together. There are five principles of peaceful coexistence, harmonious and inclusive; respects the path and mode of development chosen by the different countries and finally enhances Dialogue among different civilizations, accommodates concerns and interest of all parties seeking biggest common denominator. Major priorities are policy coordination, connectivity, unimpeded trade, financial integration and People to People Bond (Poudel,

2016). In this way, One Belt One Road is multipurpose initiative that does not only connects people of South Asia but also opens up different opportunities of bi/multilateral regional cooperation including research and development activities. However, there are other mechanisms which have been working for the development of South Asian region.

Poudel (2016) mentions some mechanisms such as AIIB, Silk Road Fund, SCO, ASEAN Plus China, APEC, ACD, China Arab State Cooperation Forum, GMS economic cooperation forum, Central Asian Regional Economic Cooperation forum, Boao Forum for Asia, China Eurasia Expo, Euro-Asian Economic Forum, China South Asia Expo and proposed an international summit forum. In the line of explaining the importance of Chinese initiatives Khanal (2016) elaborately writes about the significance of such initiatives. He begins with China's Initiatives : One Belt, One Road and mentions other initiatives such as three routes covered in the "Silk Road Economic Belt"; from China via Central Asia and Russia to Europe; From China to Central and Western Asia to Persian Gulf and Mediterranean Sea, and China to Southeast Asia, South Asia and Indian Ocean. Similarly, other initiatives are "21st Century Maritime Silk Road" which focuses on two routes: from Chinese coastal cities, via South China Sea to Indian Ocean, extending to Europe; from Chinese coastal cities, via South China Sea to South Pacific. In this context Khanal (2016) further writes in details:

There is growing recognition that national development programs are not enough in frontier regions and hence trans-boundary development cooperation is very vital and important. As envisaged, China's 'One Belt One Road' project will directly connect more than 60 Asian and European countries may be within a decade. This, indeed, has added tremendous potentiality of strengthening Trans-Himalayan cooperation in different areas. BCIM Initiative: The Bangladesh–China–India–Myanmar Forum for Regional Cooperation (BCIM) is a sub-regional organization of Asian nations aimed at greater integration of trade and investment between the four countries. Long promoted by China, BCIM is intended to link Kunming to Kolkata, Mandalay (Myanmar), Dhaka and Chittagong. It is intended to advance multi-modal connectivity, harness economic complementarities, promote investment and trade, and facilitate people-to-people contacts. Nepal-China-India Economic Corridor: This was first proposed by Chinese President and was supported by Indian Prime Minister. Although the progress will largely depend on the India-China future relations, it will be critical in enhancing development cooperation led economic integration in the region. India Look East Policy: The Mekong–India Economic Corridor (MIEC) and the Trilateral Highway connecting India and Myanmar with Thailand are said to be priority projects. While the first project focuses on connecting production blocks and supply chains in Southeast Asia with those in India and the second one focuses on the development of the North East Region of India. Both could help in enhancing Trans -Himalayan cooperation.

Thus, One Belt One Road initiative proposed by China is really a new mechanism as well as process which opens up various opportunities to collaborate among countries of South Asia and also provide platforms to promote bi/multilateral regional cooperation in the region.

2. Objectives

The key objectives of this paper are to highlight on the importance of China's "One Belt One Road" initiative in the 21st century and to explore how this initiative would be helpful to promote bi/multilateral regional cooperation in South Asia. In this sense, this paper aims to enhance informed understanding among the people/countries of South Asia about the new opportunities that the new initiative One Belt One Road opens up in South Asian region.

3. Methods

In order to explore the importance and role of newly proposed One Belt One Road initiative focusing on the objectives the researcher collected data/information mainly from the papers presented (Uprety, 2016; Subedi, 2016; Khanal, 2016; Dhakal, 2016; Poudyal, 2016; Tao Li, 2016; Huang, 2016; KC, 2016; Xiang, 2016) in an international conference entitled "Exploring Issue of TransHimalayan Cooperation" organized by the TransHimalayan Research Centre (THRC) of FOHSS at TU. The focus of task was to identify and gather the contents on different aspects of regional cooperation in South Asia clearly mentioned in the papers. In addition to that the identification of the contents was to focus on how this initiative opens up the opportunities for the collaboration/cooperation among the countries of South Asia. The data/information thus collected thematically were classified into different thematic categories and analyzed through content analysis method.

4. Conceptualizing TransHimalayan/Regional Cooperation

The concept of regional cooperation is not new to all of us. There were different kinds of regional cooperation in the past including establishment of South Asian Association for Regional Cooperation (SAARC) for the development of South Asian region. However, the concept regional cooperation highlighted nowadays is new concept which is associated with the new initiative "One Belt One Road" proposed by China. Therefore it is necessary to discuss about what this new concept of regional cooperation is. Under the title conceptualizing Trans-Himalaya cooperation, Khanal (2016) writes about various six models to explore the opportunities of Trans Himalayan Cooperation which are often discussed in the literatures. They include: The One Belt – One Road Model where China takes the lead; The ASEAN model- joint countries complementing each other and institutionalized through a multitude of meetings; The Central Asia Model that moves around the China and Russia Consortium and within which different partners adapt themselves; The China–ASEAN Model stimulates the participation of local governments, and the European Model that, to avoid conflict, promotes cooperation around agriculture, trade, water, energy, transport, with a major focus on understanding each other's interests. Khanal (2016) writes in details that based on ongoing initiatives and taking note of success stories of different models, alternative strategies could be worked out and explored. But, as

successful cases indicate, connectivity, investment and trade are crucial due to, among others. Over all, connectivity and connectivity of particular corridors foster linkages between major urban centers and backward hinterlands with further backward spillovers and then generate development potentials by creating industrial and other potential sectors development opportunities (Khanal, 2016). Transforming of transport connectivity in general and transport corridors in particular into full-fledged economic corridors again integrating with trade contributes to enhance economic growth and development leading to poverty reduction and raising of living condition of people simultaneously. As an offshoot, while promoting economic corridors various popular schemes such special economic zones, export processing zones, free trade areas, industrial parks and other newly successfully experimented schemes could be evolved taking viability factors into special account. Needless to add, connectivity by providing opportunities to exploit competitive or complementary advantages helps specialization in one or more areas in a particular geographic region and contributes to promote trade through supply chains. Intra and extra regional value chain could be equally promising as a means to strengthen economic and trade integration (Khanal, 2016). The One Belt One Road initiative proposed by China opens up many new opportunities of collaboration/cooperation in South Asia. Thus, it is one of the opportunities to promote bi/multilateral regional cooperation in South Asian region.

5. “One Belt One Road” Initiative: Theoretical Approach

This paper follows the realist theoretical approach. The ideas on the theory is borrowed from Yinan He (2015). In the reference of multilateral relationship among China, Japan and Korea Yinan He (2015:6) mentions that “Some problems were widely anticipated. The Joint Agreement with North Korea was understood to be precarious, and it did not come as a big surprise that in late 2008 the North denounced the process and rushed to reinvigorate its nuclear weapons and missile programs, testing in the first months of 2009 what it had been surreptitiously developing”. Yinan He (2015:6) further writes, “Yet, both realist theorists who argued that a common threat would bring states together to sustain the peace and stability they all claimed to desire, and liberal theorists who argued that countries would rally behind their economic interests—not in support of a state with a moribund economy—, assumed that it would not be difficult to build a consensus on how to respond”. This is how it is assumed that the multilateral relationship is developed and maintained.

Yinan He (2015) further writes that while a breakdown occurred in 2009–2010, there were earlier indications of trouble. The anticipated spillover from economics to politics and security, as seen in bilateral relations, was not occurring. Multilateral institutions were not strengthening despite early hopes. China’s 7 reassurances about its “peaceful rise” did not satisfy many other states, often because of things China did or said. In this context Yinan He (2015:7) writes, “An alternative view of realist theory, holding that the rising power and established power would become strategic rivals, was proving to have some validity despite the “war on terror” and the North Korean threat. Clashes of national identity were intensifying, introducing a factor separate from traditional IR theory. These developments

preceded the turnabout at the decade's end". This paper in fact follows that the realist approach to describe the BRI initiative.

6. Results:

“One Belt One Road” Initiative: Promoting Bi/Multilateral Regional Cooperation

There is no doubt that the new initiative One Belt One Road opens up a number of opportunities to Nepal as well as other countries in South Asian region. Some of the opportunities of Nepal and Belt and Road Initiative, as mentioned by Poudel (2016), can be listed in a number of points. They are: 1) Develop trade and tourism related Infrastructure along Trans-Himalayan region, 2) Avail Transit facility through China, 3) Connect Central Asia, 4) Explore the Possibilities to Exchange Power, 5) Explore Opportunity to Procure Petroleum Products, 6) Enhance Tourism, Trade and Investment, 7) Enhance Capabilities, 8) Bridge South Asia and China, and 9) Promote peace and stability in the region and beyond. However, Nepal poses some challenges such as funding; extending connectivity beyond Nepal in South Asia to optimize benefits; making Nepalese economy competitive; and political stability, policy predictability, mutual understanding among the countries in the region (Poudel, 2016). Not only Poudel (2016) but also there are other scholars such as Khanal (2016) who writes in details about the new opportunities including research that the new initiative “One Belt One Road” opens up in South Asia. He writes that despite many studies, integrated approach linking with connectivity, investment and trade is scanty and therefore critical research gaps persist. At the same time, there are some constraints and difficulties in determining the scope and coverage of the research because of very divergent views on the development of Trans Himalayan region. For instance, despite **One Belt, One Road** project led by China having the potentiality of a game changer, some countries are still reluctant to be a part of it. Instead, attempts are there to promote alternative Look East policy undermining other larger initiatives to be beneficial to the region as a whole. As an offshoot, uncertainty on the revival of the Southwestern Silk road still persists despite likely strong viability and bigger prospect of promoting economic and trade integration. There is also lukewarm response from Southern neighbor on **Nepal-China-India Economic Corridor** despite initial positive responses. This kind of collaboration is in fact the promotion of multilateral regional cooperation in South Asia. In this context, Khanal (2016) asserts on the fact that these kinds of new initiatives obviously helps promote regional cooperation. He notes that some of the related research works contributing to promote cooperation more instantly in terms of priority order could be:

- Feasibility study on Nepal –China free trade arrangements and prospects of enhanced market access to Nepalese tradable products in China.
- Prospects of establishing cross border economic cooperation zones (Nepal-China) via existing frontier ports and other likely frontier ports and trade points.

- Prospects of promoting Trans Himalayan tourism in the light of proposed Rashuwagadi-Kathmandu and Kathmandu-Pokhara-Lumbini Railway connectivity.
- Prospect of energy trade between Nepal and China through augmenting Chinese investment in water resources development and cross-border transmission line construction.
- Political economy of proposed **Nepal-China-India Economic Corridor** and ways to speedy move for operationalization .
- As a part of pushing for the revival of the Southwestern Silk road, undertake in-depth integrated studies (linking connectivity, economic corridor and trade etc) considering may be following connectivity and routes:
 - (i) Kolkata–Kathmandu–Lhasa–Kunming–ASEAN;
 - (ii) Kolkata–Kathmandu–Lhasa–Pakistan–Afghanistan–Central Asia;
 - (iii) New Delhi–Kathmandu–Lhasa–Kunming–ASEAN (linking up with the Delhi–Mumbai Industrial Corridor); and
 - (iv) New Delhi–Kathmandu–Lhasa–Pakistan–Afghanistan–Central Asia.

In addition to the above mentioned possibilities of promoting regional collaboration and cooperation there are some other areas in which such kind of cooperation is possible. Regarding this K.C. (2016) writes that the Chinese investment great to Nepal to exploit its own energy resources, especially water resources, and already invested in a number of hydropower projects, such as Trishuli 3A Hydropower Station, Sunkoshi Hydroelectricity Plant and Transmission, and Pokhara Water Conservancy and Irrigation Project. He further writes that Hydro-potentiality of Nepal is of course high. Petro China and NOC trade agreement to supply some 33 percent petroleum products to Nepal. The enormous market is in India due to constant economic growth. The growing partnership between India and China, especially in trade and investment sectors, is creating conducive atmosphere to invite to invest in hydro power. China could even extend her bilateral relations to India, trading through Nepal. Nepal has lately signed PTA with India and Nepal has also signed Trade and Transit Treaty with China, made seemed confident to invest in Nepal that China could sell out power to India. FDI policy of Nepal and non-problematic friendly relations between Nepal and China (K.C., 2016) can further support in promoting regional cooperation in South Asia. There are some other ways of promoting regional cooperation in South Asia. Linsheng, GU (2016) mentions some important points. He writes, “How to promote China-Nepal cooperation concerning construction after earthquake and disaster risk reduction?” In response to this question, he further mentions the following points in order to promote regional cooperation.

1. Promoting together the regional security and resilience development.
2. Experience exchange on Disaster Reduction.

3. OBOR Initiative Foundation in SCU: Researchers and Students Exchange
4. Training Courses of High Level Government Officials on Disaster Reduction and Reconstruction.
5. Supporting Recovery Planning and Management.
6. Making Research together on Nepal Disaster Reduction and Reconstruction.

Liu (2016) presents his ideas on the Prospects for Trilateral Cooperation on Water Issues. She further writes that there are already bilateral interaction concerning water between China and Nepal, India and China, India and Nepal. But water issues have not to be put on the agenda for the China-Nepal-India trilateral cooperation. This kind of initiative also brings opportunities such as new trend of China-Nepal-India relations: regional connectivity (Many Belts and Many Road); China's neighbor first policy and India's neighbor first policy; facing same challenges and having common interests. Professor Li Tao (2016) writes on the issue "One Belt and One Road": Its Significance for South Asia". She further writes that it will offer a new paradigm for China's cooperation with South Asia and other developing regions. It will also help the social and economic development of South Asia, and it is conducive to enhance the cooperation between China and South Asia. More importantly, One Belt One Road initiative of China opens up the opportunities of bi/multilateral collaboration in TransHimalayan livelihood (Subedi, 2016) and culture (Uperty, 2016) among the people across the Hiyalayas. Thus, One Belt One Road initiative of China opens different opportunities in various areas including research and development in Nepal as well as in South Asia as a whole to promote bi/multilateral regional cooperation in South Asia.

7. Conclusions

Collaboration and cooperation are major two processes of social, economic and political developmental practice in contemporary world. However, the practice of regional collaboration and cooperation is not entirely new. SAARC is one of the good examples of collaborative/cooperative practices of regional cooperation in development in South Asia. Besides this, there are other various bi/multilateral cooperative practices such as ASEAN model, the Central Asia Model, China-ASEAN model and so on. In the same line, One Belt One Road is the very recent initiative proposed by China in order to enhance the joint initiative and development in South Asia. One Belt One Road initiative of China will explore multiple possibilities of China's cooperation in South Asia and other developing regions. The significance of such Trans-Himalayan cooperation would significantly be important in terms of geo-politics, development, bi/multilateral relationship among the countries of South Asia in changing global context of 21st century. It would also be important from development perspective with priority of the Himalayan security. Beyond that the geo-political history in South Asian countries including China and India were not only important from economic and political point of view but also from promoting multilateral regional cooperation in South Asia particularly in the Asia Pacific collaboration between China, India and other countries. This paper, based on the discussion on the

contents of the presented papers in the seminar, concludes that the One Belt One Road initiative of China will not only be “Connecting the peoples along the One Belt One Road routes” but also promotes multilateral regional cooperation in future strengthening South Asian regional cooperation among the countries of South Asia in multiple sectors such as transportation, communication, tourism, hydropower, and so on including research and development. Thus, One Belt One Road initiative is similar what the realist theorists argued that a common threat would bring states together to sustain the peace and stability they all claimed to desire, and liberal theorists who argued that countries would rally behind their economic interests—not in support of a state with a moribund economy—, assumed that it would not be difficult to build a consensus on how to respond.

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