Association of Asia Scholars
Oral History Project on China Studies in South Asia

Interviewee: Mr. Hiranya Lal Shreshtha, dated 26/1/2012 in Kathmandu, Nepal

Interviewer: Dr. Sharad K. Soni

Soni: It is a pleasure to introduce Mr. Hiranya Lal Shreshtha, who is a multi-dimensional personality as his career encompasses a wide spectrum of professions such as a university teacher, a writer and a journalist. Being one of the established foreign policy experts of Nepal he has been associated with China Studies mainly through his travel and writings, particularly on Nepal’s foreign relations. Sir, we know you as an expert on foreign affairs including China affairs, could you please tell us first of all about your background?

Shreshtha: I was born in 1942 at Bhimphedi in Makawanpur (Nepal). My career began with a lecturer in Tribhuwan University, Kathmandu and remained so for a decade. But I had also a passion for journalism which I did and served as an editor in various newspapers like The Everest Herald, The Sagarmatha, The Yugadhara, Janajagriti, and The Daily Diary. Politics too attracted me and I was elected to the House of Representatives twice from my home district Makawanpur. During my tenure as Member of Parliament, I was also the Chairperson of the Foreign Affairs and Human Rights Committee of the House of Representatives. Besides, I also served as the Ambassador of Nepal to the Russian Federation. I have travelled more than 30 countries including Nepal, China, USA, UK, France, Russia, Pakistan, Japan etc. that prompted me to write on foreign affairs. As of now I have written and published 27 books, mostly on Buddhism and Nepal’s foreign relations. Currently, I am also associated with Afro-Asian Peoples’ Solidarity Organization, Nepal as its Vice Chairman.

Soni: Are you associated with China Studies in Nepal as well?

Shreshtha: As I told you I am neither an academic nor a career diplomat. But I am a member of several China studies centers and my main work has been that of a journalist,
as a freelance writer. I have been writing on foreign affairs for several years now. Most of my writings highlight Nepal’s diplomatic, political, economic and trade, tourism, cultural, including Buddhist linkages with foreign countries, in particular neighbouring countries of South and South East Asia.

**Soni: How did China Studies commence in Nepal?**

**Shreshtha:** There is a Center of Nepal and Asian Studies (CNAS) in Tribhuvan University (Kathmandu). There is a Confucius Study center in Kathmandu University. Two universities have China studies centers and they conduct seminars on China-Nepal relations from time to time. There are a few NGOs also which are involved in China studies, mainly on Chinese affairs. Confucius institute focuses on cultural affairs and Asian studies as a whole from a Chinese perspective. The China study center publishes books and conducts seminars. It held a seminar on China’s relations with SAARC. It has relations with the Institute of Strategic Studies in Islamabad, Pakistan as well. Academically, China study is not yet openly developed in Nepal. The focus is mostly on China-Nepal bilateral relations. However, since China is now having an Observer status in SAARC, a new regional perspective on China studies in Nepal is emerging.

**Soni: So, China Studies is still in the beginning stage. What has prompted scholars in Nepal to study China in recent times?**

**Shreshtha:** We have both the diplomats as well as scholars in institutions like the China Study center. Only in Universities, it is the academics including Chinese language experts who are involved and they focus on bilateral cultural issues. Kathmandu has been the launching pad for China Studies in particular and South Asia in general as it is the headquarters of SAARC Secretariat.

**Soni: When you talk of culture, is there a focus on the study of Buddhism as well?**
Shreshtha: Yes, a few years back there were some seminars on the issue of culture, but lately the Chinese scholars along with their Nepalese counterparts have established a center of learning and world peace in Lumbini. Several countries including India and other Buddhist Asian countries have cooperated for the development of Lumbini. This will help enrich the learning about Buddhist heritage sites. When I asked the Chinese as to why they were interested in the development of Buddhist heritage sites, they responded by stating that firstly, this was imperative for preserving Buddhist culture and secondly, for business as tourism would get a major boost.

The whole objective is to develop rail links and promote the flow of tourists from China. This way, Chinese and international tourists would have more places to visit in Nepal. Most importantly, since Lumbini is being developed as a world peace city, tourists from mainland China could visit there, and with India’s approval, they can directly go to the Buddhist sites in India like Kushinara, Bodhgaya and Sarnath. But we also need to materialize the concept of Buddhist Regional Tourism Circuit linking Lumbini in Nepal, Taxila in Pakistan, Kandy in Sri Lanka and Nalanda in India. I am sure, India can attract tourists who come to Nepal from China as well as other countries in Asia. This will also help develop India-China-Nepal trilateral relations.

Soni: What about the Tibetan issue? Is it a serious concern for China, especially with regard to Tibetan refugees in Nepal?

Shreshtha: Yes, this is a serious and vital issue. This issue is confined not only to Tibetan Autonomous Region (TAR) but within other regions of China as well as outside Chinese territory too. A few years ago, there was a meeting of trade representatives in Lhasa in which almost all the South Asian countries participated. Lhasa is a hub for commercial transactions between China and most of the South Asian countries.

Nepal and China have common borders and so it is natural that the TAR should get its priority as the first channel of interaction. In fact, China wants to integrate Tibet with the mainland through development. China is building the railway line up to Shigatse and in
the next phase it may be extended right up to the Nepal border, that is, to extend railway line up to the bordering areas to Kathmandu and also up to Lumbini. Such linkages will also benefit India.

**Soni:** Do you imply that Nepal would act as a bridge between India and China?

**Shreshtha:** Yes, of course, there have been discussions on the construction of Asian highways and thus, road and rail links will be instrumental in bringing India and China closer, that is to say, it would be in the nature of another Silk Route. As we all know, Buddhism went from India to China and South East Asia through Central Asia, and those days Silk Route played a major role in the development of cultural and trade links between various peoples and regions. In this modern age too, we can be benefitted through such developments.

**Soni:** What should be done to develop China studies in Nepal?

**Shreshtha:** There should be seminars, workshops, lectures and of course, more research on different aspects of China studies so that experts could provide inputs for policymaking. From the Nepalese point of view, Nepal desires a strong neighbor in the south as well as a strong neighbor in the north. It is our policy to support one China policy. We do not want to annoy one neighbor against another. We want to be neutral and keep the two large neighbors-India and China in harmony. This is in Nepal’s interest.

In this modern world, new realities have come up and we should change our thinking accordingly. Questions are often raised regarding China’s investment possibilities in hydel power projects in Nepal. In our opinion, since China is investing in other countries also including in India, this could be an important area for a trilateral partnership to emerge. So we need to take this through trilateral investment.

In the current times, foreign direct investment is not flowing into Nepal as it provides a very small market. Nepal is important in the context of economic rationality of its
neighbours. There is further need to link Nepal with different cities in China like Yunnan, Chengdu and Lhasa. So, research or feasibility study on these aspects would provide an impetus to China Studies in Nepal.

**Soni: What about Nepal-China relations?**

**Shreshtha:** Nepal and China enjoy very close friendly relations owing to geographical proximity and close cultural and economic bonds. The overall relations between the two countries have always been cordial, which have been marked by mutual support and understanding and appreciation of each other’s aspirations and sensitivities. In fact, the establishment of diplomatic relations between Nepal and China in 1955 basically formalized the centuries old traditional contacts and friendship. The recorded history of Nepal-China relations dates back to the days of Songtsen Gampo, in the first half of the 7th century, who is credited with introducing Buddhism in Tibet with the help of his two wives from Nepal and China. The relations have since then expanded to the economic, cultural and trade fields. China has always been a partner in Nepal’s progress.

**Soni: How do you gauge the state of relations in current times?**

**Shreshtha:** China has not only shown interest in Nepal’s peace process, but also in the drafting of a new constitution. It has also maintained frequent contact at state, party and people levels to stimulate the Nepalese political leadership to forge unity and cooperation. Unlike in previous years, China has in recent years pursued a pro-active foreign policy towards Nepal, and the two countries have been maintaining close coordination and cooperation on regional and international affairs. However, China and Nepal still need to promote a comprehensive framework of cultural diplomacy. Contents of this diplomacy should be entrepreneurially strategic, and guiding principles should be mutual trust and co-existence characterized by courage and devoid of any appeasement.

The landmark visit of Chinese Premier Wen Jiabao to Kathmandu on 14 January 2012 has helped broaden the basis of Nepal-China mutual friendship, understanding and
During his visit the talks were focused on increasing Chinese cooperation in diverse areas including Nepal’s hydro power generation, infrastructure development and financial assistance to the Armed Police Force of Nepal. Several agreements signed between the two countries included economic and technical assistance agreement as well as Chinese commitment of providing Nepal a grant assistance of 750 Yuan for the next three years which will be used for the development of mutually agreed projects.

**Soni:** Has the presence of anti-China activities in Nepal impacted its relations with China?

**Shreshtha:** In the last two years China has increased its interest in Nepal’s affairs for the protection of its security interests owing to a series of Tibetan provocative activities such as a month long anti-China demonstrations in Nepal by so-called Free Tibet groups during the Olympic Games in China. Such activities not only violate Nepal’s sovereignty and territorial integrity but also attempt to undermine China-Nepal friendly relations. Tibet, we believe, is an inalienable part of China and so, when anti-Chinese activities are organized on Nepalese soil by third party, China is going to increase its retaliatory measures. Nepal, on its part, would continue giving China staunch support on Taiwan and Tibet-related matters, apart from not allowing any forces to use its territory for any anti-China activities.

**Soni:** What can Nepal do to prevent such anti-China activities?

**Shreshtha:** Nepal needs to increase its security capacity to maintain law and order in the country. It is also desirable to develop capacity to prevent anti-China activities. In fact, several dozens of Chinese delegations that have visited Nepal in the last few months have been done so to remind the Nepalese leaders that verbal commitments towards the one China policy alone are not enough and that words need to be translated into practice.
The high level visits by Chinese leaders have been made with the objective of increasing Nepal’s capacity in security affairs and for consolidating the border regulations. In January 2010, the Chinese Liberation Army has provided the first installment of logistical support. The leaders of both China and Nepal have agreed to work together in bringing peace, progress and stability on the border and China has given almost 20 million rupees worth of vehicles and communication equipment to the armed police.

Recently, China has pledged financial and technical assistance worth 10 million yuan to enhance capability of Nepal Police, apart from extending a technical assistance package of 400,000 yuan for strengthening the Armed Police Force (APF). The border areas of Nepal including Mustang and Rasuwa have been visited by the Chinese ambassador and other officials of the Chinese embassy and the security arrangements in the border areas have been strengthened. For the last few years, exchange of visits between the senior military officials has been taking place regularly.

**Soni: What about Nepal’s interest in enhancing economic cooperation with China?**

**Shreshtha:** Nepal is interested in expanding economic cooperation with China and in bringing a trade balance in Nepal’s favour. Nepal also desires that China expands its investment in Nepal and increases the number of Chinese tourists to Nepal. China has been gradually increasing its assistance to Nepal from 80 million yuan in 2008 to 150 million yuan in 2010.

In terms of trade, Nepal wants that China should allow more than four thousand items to enter China as this will help Nepal correct its trade imbalance with China. I should also mention that in 2010 Nepal and China had already signed an accord that will allow zero-tariff entry facility to 4,721 Nepali exportable items in the Chinese market. The list of commodities enjoying the facility covers some 60 percent of total products that Nepal exports to China. The majority of them are agricultural produces like mushroom, orange, cherry, coffee, apple, ginger, tomato, onion, strawberry, honey, cauliflower, broccoli and grapes.
Soni: What about business delegations from China?

Shreshtha: The increase in investment and the inflow of Chinese tourists has helped the economy of Nepal. Visits have been made by business delegations from Tibet, Sichuan and Yunnan provinces and there have also been visits by the delegation of the Nepal Federation of Commerce and Industries. All this indicates that there are multi-channel avenues of economic cooperation between the two countries. These events are contributing to the gradual development of multi-dimensional relations.

Soni: Are Nepalese students going to China for further study?

Shreshtha: Yes, in fact, China is becoming a popular destination for Nepalese students wishing to pursue higher studies. The increase in the number of English medium universities in China and the success of China to lift the quality of education to global standards has led to an increase in the number of seats in Chinese universities for students from Nepal and other countries as well. At present, it is estimated that about 3,000 Nepalese students are studying in different Universities in China. In recent years, the number of non-resident Nepalese has increased in Hong Kong, Macau, Shanghai and Guangzhou.

Soni: Is this further increasing tourism and remittances of money?

Shreshtha: Yes, Nepalese people in China are remitting funds home and the number of cultural events has also increased. Several book exhibitions, interactions and cultural exchanges are taking place all the year round.

The other positive trend as explained earlier is that China is interested in the development of Nepal’s border areas, especially the border areas around Chinese territory. China is also providing assistance under the food for work program. In addition, China has agreed to allow Nepalese residing within 30 kms. of the international border to use the pasture and graze their livestock on the other side of the border.
China has already designated Nepal as one of the tourist destinations for its people. On the other side, Nepal has taken some important measures to attract tourists from China, such as Chinese Yuan has been made convertible for tourists and businessmen, Nepal has waived visa fee for Chinese tourists, and Nepal’s Tourism Ministry formed a joint committee with the local Government of TAR to promote tourism.

**Soni:** China was earlier engaging with the monarchy, but now it has to deal with different political parties. What changes occurred in the Chinese policy towards Nepal?

**Shreshtha:** Earlier China’s relations with Nepal were focused on the royalty but beginning 2010 changes were witnessed as Beijing began diversifying its relations with political parties and the people. In February 2010, Vice Minister Liu Jieyi of the International Department of the CPC Central Committee visited Nepal and attended the International Conference of Asian Political Parties. This was followed by a visit of Zhao Lei, Member of the CPC Central Committee and Secretary of the CPC Shaanxi Provincial Committee to Nepal in March 2010. However, it was in September 2010 that a 21-member high level Chinese delegation team led by He Yong, Vice-Premier and Secretary at the Secretariat of Central Committee of the Communist Party of China (CPC) visited Nepal at the invitation of the three major parties.

He Yong stressed that the CPC places great importance to developing friendly relations with the political parties of Nepal and is willing to deepen all forms of cooperation and friendly exchanges. He said, there was a need for deepening all forms of friendly exchanges and cooperation in order to promote sound development of state relations based on independence, complete equality and mutual respect for each other.

During this visit, the Chinese side expressed happiness that in addition to the China and South Asia Cultural forum, the China study centers and the Confucius centers have been
started in Nepal. China is also expanding people to people contacts which are evident from the fact that many people from Nepal are now visiting China.

**Soni:** Do you feel that China is a good neighbor and is helping the development of Nepal?

**Shreshtha:** China has evolved a proactive Nepal policy over a period of time and wants Nepal to achieve internal political stability. In terms of economic development, Chinese investment in Nepal is growing, and has potential for further growth. Chinese investors have shown keen interest in making investment in hotels and restaurants, electronics, radio paging services, readymade garments (pashmina), nursing home, hydropower, civil construction, etc. Improved law and order situation in Nepal could further increase Chinese investment. Thus, I can say that Nepal can benefit from its relations with China and India too, but only if Nepal remains peaceful, stable and politically sound.

**Thank you very much for the interview.**