

Project Title: **India and her Neighbour: Indo-Nepal economic cooperation through  
Uttar Pradesh**

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**Final report submitted**

August, 2014

In the era of globalization where the whole globe plays to be our home, has regionalization lost its importance? At least in the context of South Asian nations the answer can no way be a Yes. Regional and sub-regional integration play a vital role when it comes to South Asia, which once used to be the economic heartland of the British Empire in the continent. India with the ambitious vision of her multifarious development has always accorded high importance to maintaining close economic ties with the countries of South Asia and other parts of Asia as well. A strategic diagnosis of India's relations with its neighbours brings to light one of her closest and socio-culturally identical neighbor Nepal—a small landlocked country with huge geographical advantages. A recent study, in this regard, not only brings out the latest status of economic and social cooperation existing between India and Nepal but also draws attention towards the immense potential this inter-linkage offers with a lucrative promise of a win-win position for both the countries. Moreover the study, notably, justifies and highlights the prospective role of Uttar Pradesh in attaining the same. Based on both primary and secondary data sources the study has also taken into the account ground level scenario on the border, witnessed through field visits.

Nepal shares a 1590 kilometer long border with India, of which a considerable length of 845 kms is shared with the state of Uttar Pradesh (including Uttarakhand). About 29 percent of the total Indo-Nepal trade takes place through Uttar Pradesh. 9 out of 24 mutual trade routes and 6 out of 15 transit points between India and Nepal are located in Uttar Pradesh. Undoubtedly, the vicinity offers tremendous opportunities of taking the current trade to higher levels. However, as the study discusses, this 'vicinity' still awaits to be converted into real 'connectivity'. The study emphasizes the need of proper

infrastructural facilities at the border points and considers the lack of transport connectivity as the main constraint in smooth trade between Nepal and Uttar Pradesh. Although, the road traffic load is increasingly high throughout the year but it still runs on single lane roads waiting for suitable infrastructure to complement the traffic load. Besides this, the availability of supporting infrastructure such as warehouses, banks, cold storage, hotels etc. too fails to match the quantum of cross border movement of goods and people. Infrastructure, as is a prerequisite for trade and investment—a need also underpinned by the leading industry heads of India recently on the launch of ‘Make In India’ campaign—if alone improved suitably can lead to accrual of huge benefits for both the neighbours.

The study also points out the gravity of informal trade between India and Nepal, being undertaken through illegal economic activities, unregulated parallel markets and cross-border movements. Smuggling and unauthorized trade have been marked as a very serious issue so much so that the study goes on to calling this open border “a hub of smuggler’s place”. Not only this, Maoist insurgency and terrorism also get a shelter here taking advantage of the open border. This obviously poses severe security threats for Indian Territory. Every year the government of Uttar Pradesh has to deal with the disaster of flood, especially in the districts of Bahraich, Lakhimpur Kheri, Faizabad, Shrawasti, the blame of which is put on the release of unprecedented quantities of water by Nepal. Often, the release is done without any precautionary warning from the government of Nepal. The study suggests that to find out an amicable solution of this devastating (from the viewpoint of the loss of man and property it causes) problem, both the countries must come together but not without including Uttar Pradesh in the process. It further suggests that such issues even if they are of national status, the sub-national or the regional authorities who face the repercussions first-hand, too should be invited to deliberate on the probable solutions.

Nevertheless, such security and political considerations would only be tackled effectively and urgently once both the countries realize the growth prospects of this neighbourly cooperation. Hence, apart from discussing the ‘thorns’, the study keeps its focus on the ‘fruits’ which can be plucked from this Indo-Nepal relationship tree with Uttar Pradesh acting as the facilitator. Tourism is yet another such fruit which the study mentions while giving some feasible and attractive suggestions for making it mutually more beneficial. Given the natural beauty and the rich history of both the nations, this sector has remarkable commercial scope. The study proposes the construction/creation of “Buddha circuit” and “Ramayana circuit” between the two countries, as pilgrimage and religious tourism are a salient feature of the two. The famous Buddhist sites of Nepal and Uttar Pradesh can thus be connected and customized tourist products which would offer the trips/visit of all the sites of the circuit in one go can be developed. Similar approach can also be adopted for the places of importance of the Hindu religion. This will certainly seek collaboration of both the governments with an active and supporting cooperation from the state

governments bordering Nepal. But this, if done proactively, is set to take the mutual relationship of the two nations to a new horizon in terms of socio-cultural linkage, gains in foreign currency deposits and attracting investments. Moreover, availability of medical treatment facilities at comparatively lower costs than those of other countries also makes India a destination for health tourism, for the inhabitants of Nepal. This movement too provides immense opportunities to be explored.

Interestingly, the problems and the opportunities which the study has highlighted have been cited by some scholars and authors earlier also, but what makes this study unique is its enthusiastic optimism in suggesting mutual-mechanisms to embark upon capitalizing the potential benefits of this regional equation. Ignorance of States in policy decisions pertaining to border issues and the “inertia of implementation” are other longstanding and worthwhile concerns raised by the study. Hasten up governments, thy neighbor is waiting.