

## The Art of Neighbouring

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# The Art of Neighbouring

*Making Relations Across China's Borders*

*Edited by  
Martin Saxer and Juan Zhang*

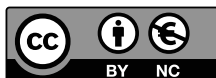
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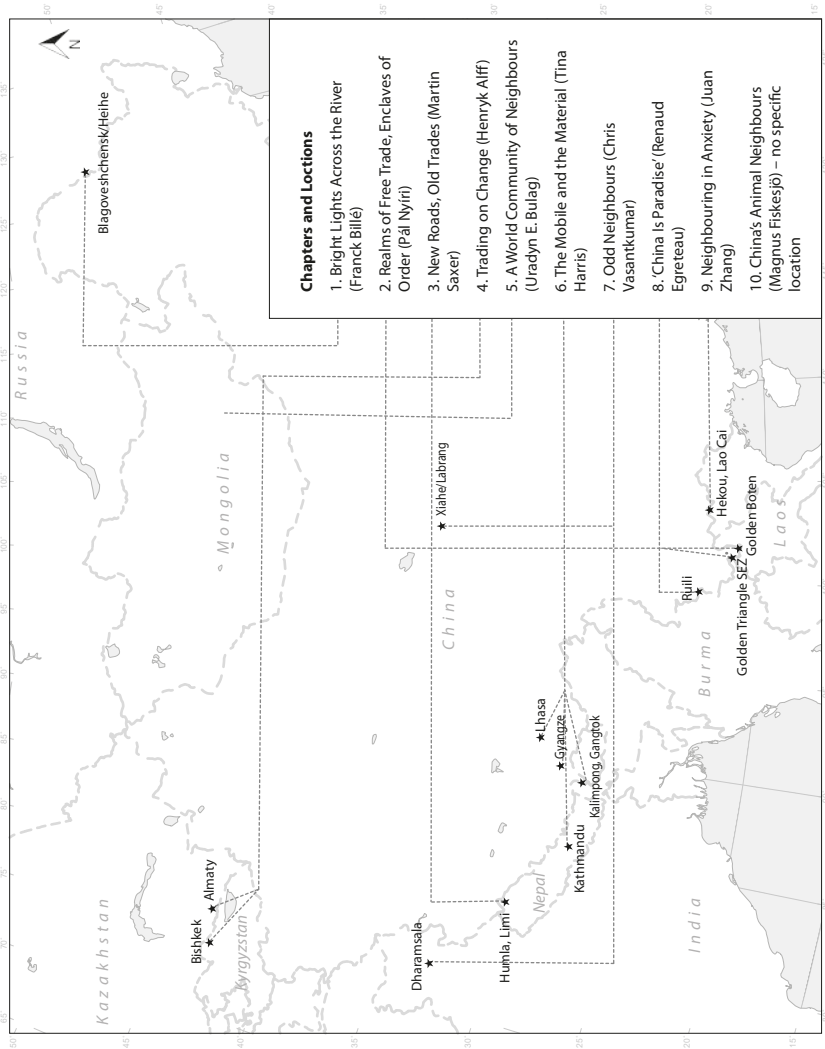
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# Chapters and Locations

Figure 0.1 Overview map of locations



Design: Martin Saxer, 2016



# Foreword and Acknowledgements

This book is the fruit of a long journey that started with a conference entitled “The Art of Neighbouring: Old Crossroads and New Connections along the PRC’s borders” held at the Asia Research Institute, National University of Singapore, in March 2012. This conference brought together scholars of different disciplines and regions and developed a comparative perspective on the ways in which China’s rapid economic growth, its strategic decisions to foster trade, secure influence, and access natural resources affect the lives and futures of the people living on both sides along its borders. China has in recent years embarked on a more assertive approach to redefine its role in the region. At the same time, China’s strategy to portray its rise as peaceful and benevolent continues to be relevant. These at times contradictory realities are the starting point for the contributors of this book to reflect on the common experiences and situated practices of neighbouring China.

Much of the current discussion on China’s rise and its growing global and regional influence concerns geopolitical and macroeconomic issues; it is largely based on state-centred policies and the various nuances of official rhetoric. Yet an important part that is missing in the discussion is the borderland itself and the people dwelling there. Borderlands are crucial junctures through which the increasing flows of raw materials, commodities and people are channelled. Looking from the borderlands back to the centres contributes to new insights into the region’s dynamic interconnectedness.

This book investigates the various meanings and modalities of neighbouring across Chinese borders. The title of this book suggests that neighbouring is an art of mediating relations against the background of peace and turmoil, hopes and fears. Neighbouring, as the contributors of this book show, helps us recognize evolving interactions between nations, territories, geo-political positionalities, historical connections, movements of people, as well as locally narrated identities.

This book would not have been possible without the efforts and patience of all contributors who have worked tirelessly over the years on this project. As editors, we wish to thank the Asia Research Institute for organizing the 2012 conference, and especially Prasenjit Duara and Brenda Yeoh for their support. Our thanks also go to Liang Yongjia, Malini Sur, Philip Fountain, Hyunjoon Shin, Max Hirsh, Dru Gladney, Oscar Martinez, Tom Cliff, Xiang Biao, Jeffrey Robin, Itty Abraham, T.G. Suresh, Thongchai Winichakul, Chris Lyttleton, Wang Gungwu, Michael Feener, and Johan Lindquist for

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Last but not least, work on this volume was supported by generous grants and fellowships from the Asia Research Institute, the Swiss National Science Foundation (PBSKP1\_134323), the European Commission (Marie-Curie Fellowship 'Neighbouring', 298595), and the European Research Council (ERC Starting Grant 'Highland Connections', 637764). Open access was facilitated by post-grant funding in the context of the European Commission's OpenAIRE project.

### 3 New Roads, Old Trades

Neighbouring China in Nepal

*Martin Saxer\**

#### Signs

On the wall of a rebuilt shepherd's shelter at the end of a remote Himalayan valley there is a trilingual signboard reading 'Karnali Gramin Trade Concern'. The signboard in English, Chinese, and Nepali belongs to a little shop that sells Chinese goods – batteries, beer, shoes, jackets, cigarettes, rice, flour, pots, etc. The shop is located at about 4,000 meters above sea level at the upper tip of the Limi valley in the district of Humla, Western Nepal. The place is called Tugling. The nearest airfield is several days' walk away. From November to May, the area is cut off from the rest of Humla. However, the Chinese border is close and a new road connects Tugling to Tibet.

A young entrepreneur, originally from a village nearby but based in Kathmandu, came back to establish the business. He bought a Chinese truck and installed a satellite telephone link. When I visited in autumn 2011, his younger brother was in charge of daily operations while he continued his business ventures throughout Asia. The trilingual signboard listed five telephone numbers in China, Nepal and India where he could be reached.

This shop with its cosmopolitan signboard has to be seen against the background of a larger and ongoing process in Nepal's Himalayas. Over the past decade, fervent road construction on the Tibetan Plateau has led to a situation in which access to many of Nepal's Himalayan border regions is now far easier from the Tibetan side than from Nepal's urban centres in the south. Several new Chinese roads lead to the northern border of Nepal, and some are currently being extended into Nepali territory.<sup>1</sup> As a consequence,

\* This chapter is based on field research carried out in Humla in September/October 2011 and October/November 2012 with grants from the Swiss National Science Foundation and the Asia Research Institute, National University of Singapore.

<sup>1</sup> Apart from the Friendship Highway, at least half a dozen roads now reach the Nepal border or end very close to it. Four of them extend into Nepali territory, and two of them cross the Himalayan range. In the east, one road leads from Sakya to the upper Arun valley and almost down to the border at Kimathanka. A branch of this road leads to Riwu and is motorable almost up to the Tipta pass on the old trade route to Walung (see [www.theotherimage.com/series/walung](http://www.theotherimage.com/series/walung)). This has become an extremely important border-crossing. A second road leads to the

**Figure 3.1** The shop in Tugling, Limi



Martin Saxer, 2011

many of the high valleys that traditionally served as pathways for exchange between the Tibetan Plateau and South Asia but fell into decline since the 1960s have seen a stark revival of cross-border trade. As these erstwhile crossroads of High Asia (Rizvi 1996) are, once again, becoming junctures of exchange, neighbouring China has come to shape many aspects of everyday life in the region. Road construction thereby plays a central, yet ambivalent, role.

Rongshar valley, with a side road branching off in the Everest region and leading to Gyaplung, just 6 km from the Nangpa pass that was the main trade route to Khumbu (International Campaign for Tibet 2003). West of the Friendship Highway, a new road connects Kyirong with Rasuwa, Syabru and Kathmandu. This connection, formally opened in 2012, is meant to become an alternative to the Friendship Highway (Campbell 2010, Tibet Information Network 2010). One road connects Mustang with the Brahmaputra valley and the east-west highway through Tibet; the stretch from the border to Lo Manthang has been completed in 2001 (Ghaley 2001). Since 2008 there is also a rough road down the Kali Gandaki to Pokhara and Kathmandu. Another road is planned through the Tsum Valley (Lama 2013) and there are at least two roads that end north of Dolpo; they are used by local traders and are visible on Google Earth. North of Mugu, there are no roads to the best of my knowledge. In Humla, there are two roads, one from Lake Manasarovar over Lapcha La through Limi (see [www.theotherimage.com/series/limi](http://www.theotherimage.com/series/limi)) and one from Hilsa through Yari and Muchu, finally planned to connect Simikot with the Tibetan border.

Roads receive uneven attention in public and in academia. Once built, as existing strips of gravel or tarmac, they are often just taken for granted and overlooked. The politics surrounding their construction and their value as signs of modernization and development, however, make the idea of the road a highly contested one. A road can stand for the promise of future connectivity and prosperity; at the same time, it can serve as a symbol for all that is wrong with modernity.

While big development organizations, including the World Bank and the Asian Development Bank, continue to have faith in the ultimately positive effects of road construction, especially in rural areas (Escobal and Ponce 2003, Jacoby 1998, Ren and van de Walle 2007), anthropologists have pointed to discrepancies between rhetoric and reality. Anna Tsing (2005), for example, describes abandoned logging roads in Kalimantan as the scars left behind by the ruthless transformation of a jungle into a 'resource frontier'. The desolate logging roads are an index of failed development – they lead nowhere. In a similar vein, Pedersen and Bunkenborg (2012) argue that despite the rhetoric of connectivity roads may, in fact, disconnect rather than connect. Looking at Sino-Mongolian border roads and the interaction between local Mongolians and Chinese workers in the oil industry, they show how roads can serve as 'technologies of distantiation' (Pedersen and Bunkenborg 2012: 563).

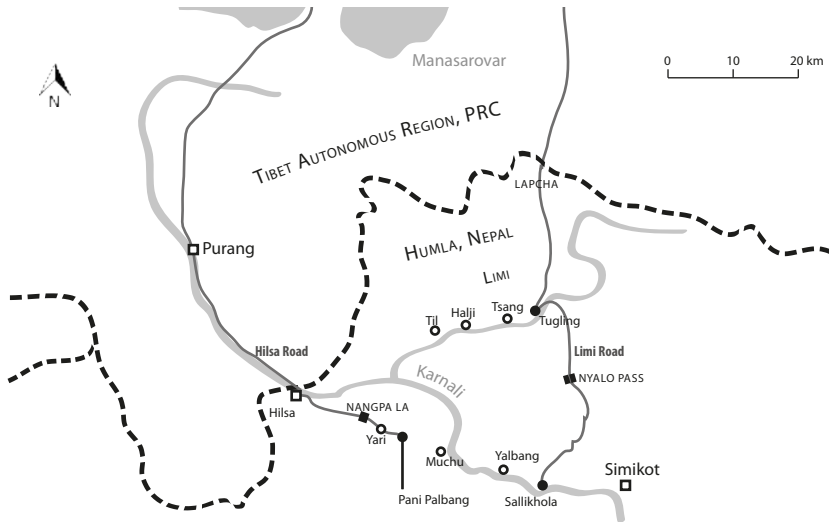
In the case of the Himalayas, Ben Campbell (2010) argues that a high-profile road project in Nepal has primarily remained a 'rhetorical route for development', which locals fear will not benefit them. Likewise, Jonathen Demenge (2013) shows for Ladakh that new roads to seemingly isolated places do not necessarily increase mobility.

The international press has been equally critical of Himalayan roads, although along slightly different lines: roads, it is assumed, will put an end to traditional ways of life. When a new road from China reached Upper Mustang, for example, Al Jazeera portrayed it as a fundamentally disjunctive event and ran a story entitled 'Mustang vs. China: A losing battle?' (Chao 2011); the Financial Times chimed in with a lead sentence stating '[a] new road is inching towards the capital of a hidden Himalayan "kingdom", bringing the modern world with it' (Grover 2011).

However, in a region that traditionally relied on intensive exchange with neighbours north and south, mountain tracks – and now roads – are the single most important infrastructures. The hopes they trigger, the socio-economic asymmetries they foster, and the opportunities they create are at the very core of social and political life in the Himalayas. The people I met during my research in northern Nepal neither necessarily fear the new

roads, nor do they believe that roads will bring ‘the modern world with them’, as the Financial Times assumes. Rather than leading to modernity (for good or for bad), the new roads are primarily conceived of as ways back to what is remembered as prosperous trans-Himalayan exchange. These may be new roads, but what they facilitate is an old trade: brokering between neighbours.

**Figure 3.2** Map of Humla



Design: Martin Saxer, 2016

In this chapter, I focus on two new Himalayan roads in Western Nepal (see map, figure 3.2). Both link the district of Humla in the far north-western corner of the country with Purang and the Kailash region of western Tibet. The first road leads from Purang (Tibet) via Hilsa to Yari. I will call it the Hilsa road. It is officially endorsed but construction, which already started in the 1990s, has been slow. The other road, called the Limi road, was privately initiated in 2010. It leads across the high plateau that belongs to Limi VDC,<sup>2</sup> passes Tukling (the camp described above), and crosses the Nyalo Pass. The two competing roads are designed to meet midway between the Tibetan border and Simikot, Humla’s district headquarters. The politics and

2 The VDC, short for Village Development Committees, is the smallest administrative unit in Nepal. Limi is one of 31 VDCs in Humla District.

agonistic intensities of neighbouring that surround these two road projects are the topic of this chapter.

In what follows, I will first provide some brief historical background and outline the contemporary constellation that puts the art of neighbouring at the centre of people's endeavours and ambitions. Second, I will describe these ambitions, the institutions they revive, and the skills they require, and thereby explore the unfolding dynamics of neighbouring China in north-western Nepal.

## Background

For centuries, if not millennia, the Himalayas were a zone of contact and exchange – a world of motion, rather than a realm of unbroken tradition. Hermit monks, outcasts, rebels and traders came to the mountain valleys. They were joined by waves of immigrants fleeing the rise of the Mughal Empire in India, Gelug power in Tibet, the expansion of the Ghoraka kingdom in Nepal or, more recently, Communist rule in China.

The high mountains not only promised refuge, but also opportunities for trade. Separating the arid Tibetan Plateau from the hills and fertile plains of South Asia, the mountain range creates a differential between ecological zones and their respective economies and resources; brokering between the different demands of Tibet and the Indian Subcontinent has long been a crucial source of income in the Himalayas, especially since the higher valleys and villages do not guarantee agricultural or agro-pastoral subsistence. Tibetan salt, yak tails, sheep and pashmina wool were profitably exchanged for food grains from the hills and lowlands, as well as manufactured goods from India and beyond. Consequently, in the high Himalayas, wealth is traditionally associated with business. Quite in contrast to the image of the poor, rural, and isolated periphery, the Himalayas were home to a number of comparatively wealthy trading communities (Fürer-Haimendorf 1975, van Spengen 2000, Vinding 1998).

A series of developments in the second half of the 20th century affected these established systems of exchange. Communist rule in Tibet set limits to private trade and the border demarcation between Nepal and the PRC in the early 1960s outlawed all but six border crossings. Although closure was far from universal and in many places only temporary, the entire border region was affected in one way or another. Well-established cross-border relations were severed and Himalayan valleys that once served as bustling trade routes of regional importance suddenly found themselves at the very

periphery. Furthermore, the introduction of heavily subsidized salt, fortified with iodine to combat goitre, undermined the profitability of the salt-grain trade in Nepal (Rauber 1980, Saxer 2013a). A phase of reorientation began and it seemed that the days of prosperous trans-Himalayan trade were over for good. In some areas mountaineering, tourism, and donor money gradually replaced trade as sources of income and targets of ambition; other areas simply impoverished (Bauer 2004, Fisher 1990).

When in the mid-1960s the so-called Friendship Highway, one of the two major routes between Kathmandu and Lhasa, was opened for motorized traffic, Nepali business people complained that Communist Tibet was poor and had nothing to offer. The *New York Times* cited a trader:

They are already getting a lot of our rice, maize and other grains, tobacco, cigarettes, sugar, matchboxes, oil, soap, biscuits, textiles. We get in return only wool and musk, for which there is no market, some salt and sheep. (New York Times 1964)

This asymmetry was even starker in Western Nepal. Throughout the 1960s and 1970s, western Tibet remained dependent on grain imported through Humla. Wealth was certainly not universal, but Humla was still home to several relatively well-off communities (Fürer-Haimendorf 1975, Goldstein 1975, Levine 1988, Rauber 1981). Since then, however, the situation has fundamentally changed. The rapid rise of China as an economic and industrial power, and the construction of new roads facilitating access to the goods produced by China's factories and agro-industries – among them the majority of the items listed by the complaining trader in 1964 – completely reversed the former trade imbalance. Today, Humla is one of the poorest districts of Nepal. Many households rely on government-subsidized rice and assistance by World Food Programme (WFP) to make ends meet. The region is attested levels of food insecurity comparable with the worst-affected areas in Sub-Saharan Africa (Nepal Khadya Surakshya Anugaman Pranali 2009, Regmi and Joshi 2008: 380, Roy et al. 2009).

The tales and memories of former trade-related prosperity, however, are very much alive. It is in the context of these memories that the majority of people I encountered during my research in the northern valleys of Nepal perceived the potential of the new roads.

I will now turn to the two roads that link Upper Humla with Tibet – the Hilsa road and the Limi road – and discuss how such memories of old trade shape the contemporary realities of neighbouring China.



## Paljor's Camp

In spring 2011, at the temporary head of the Hilsa road just below the village of Yari, a young man whom I will call Paljor, set up a tent shop to sell Chinese goods. I knew Paljor from my previous research when he was still the well-respected secretary of an NGO in Kathmandu. He was clearly a talented young man who skilfully managed to mediate between stakeholders, donor interests, local politics, and the curiosity of foreign researchers like me. I was surprised to learn that he left his job in order to sell Chinese merchandise in a green army tent at the end of a dusty road in Upper Humla.

Humla is not known to attract ambitious young people. Not only outsiders tend to imagine contemporary Humla as poor and desolate, the Humli themselves speak of their district as a difficult place to live. Leaving a good job in Kathmandu for a tent in Upper Humla thus seemed a rather unusual decision. But Paljor had analyzed the situation well: there was no road link between Humla and Nepal's centres in the south, and even the mule tracks were difficult to pass. Goods had thus to be flown into Humla and transportation costs were prohibitively expensive. Airfreight rates from Nepalgunj to Simikot, Humla's district headquarters five days south of the Tibetan border, varied between NRS 120 and NRS 240 per kilogram (US\$1.35 – US\$2.70), depending on fuel prices and seasonal demand. Shipping goods via the Chinese road network was much cheaper. Furthermore, Purang, the Tibetan town across the border, was booming. China's Great Western Development Strategy (*xibu dakaiifa* 西部大开发) brought investment to the region. Paljor reasoned that these developments, together with some recent progress on the Hilsa road, presented an opportunity.

Paljor was not the only one who saw this opportunity. While he planned to set up camp below Yari, a group of young local entrepreneurs bought a Chinese truck, pulled it across the river in Hilsa, and started offering transportation services on the 30-kilometer stretch between the border and the road head.<sup>3</sup> Using their truck, Paljor started importing goods from China and selling them in his tent shop.

His prices were moderately higher than in Hilsa or across the border in Purang, and in principle most of his customers would have been able to cross the border themselves. Residents within a 30-kilometer zone to both sides of the border are entitled to a so-called 'Entry-Exit Pass for

3 At the time of research in 2011 and 2012 the narrow suspension bridge across the Karnali River in Hilsa was the only link between the Chinese road and the road from Hilsa to Yari. However, in 2012 construction of a new bridge started.

Nepal-China Border Citizens', which facilitates free movement across the border within this zone.<sup>4</sup> Nevertheless, the tent shop at the road head offered a distinctive advantage. Further north towards Tibet there are practically no grazing grounds for pack animals, and buying fodder can quickly become more expensive than paying the moderately higher prices in Paljor's camp. Moreover, traveling across the border to Purang, finding accommodation, and dealing with shopkeepers from Xinjiang and Lhasa is strenuous and time consuming. Paljor's customers were usually not the big and well-connected traders but people who had fields to harvest and families to attend to back home. They were happy to avoid the hassle and preferred doing business with a trustworthy countryman rather than directly engaging in neighbouring relations across the border.

When Paljor started his business in 2011, the technicalities of cross-border trade were straightforward. On the Nepal side, state authority was mostly absent. Although there were several small police posts in the area, the police hardly interfered with trade. There was no customs office in Hilsa, trucks had no license plates (there was no authority to issue them) and ran on smuggled Chinese diesel. Only the Communist Youth League, present in Hilsa with a solemn red flag on one of the houses, distributed a pamphlet stating that the import of alcohol (and the export of timber) were not only reprehensible but also, in fact, illegal. This relative absence of state power contrasted sharply with the situation in Tibet where the Chinese state was pervasive and omnipresent. However, if anything, the Chinese authorities encouraged the export of consumer goods and the formalities required were minimal.

Trying to make use of the particular positionality between neighbours north and south, Paljor, himself from a well-known Humli trader family, assumed the traditional role of a broker. In this sense, establishing a roadside business was a continuation of an old family trade. But Paljor felt yet in another way the in-betweenness of the situation. As a former NGO employee he was sensitive to issues of benefit sharing, participation

4 A special provision for the movement of border residents has been in place since the early 1960s. However, neither the agreements of 1950 and 1960, nor the 1961 Border Treaty or the 1963 Protocol mention any specific rules. Furthermore, in some regions along the border, the absence of settlements within the 30 kilometer zone on the Tibetan side has made the arrangement impractical. A commission looked into the practical problems arising from settlements just outside the 30kilometer radius in 1966 and again in 1986. In practice, the arrangement has been handled in a variety of ways at different crossings and times. Finally, the 'Entry-Exit Pass for Nepal-China Border Citizens' was introduced in 2006 (Kansakar 2001, Office of the Geographer Bureau of Intelligence and Research 1965, Shneiderman 2013, Shrestha 2011).

and environmental conservation. The idea of profit for the sake of profit clashed with his ideals. It was very important for Paljor to see and portray his endeavour as ethically sound and beneficial for the community around him. He condemned, for example, the highly profitable trade in cheap Chinese liquor for its devastating impact in the villages, and he also strongly disapproved of collecting *yartsagunbu* (*Ophiocordyceps sinensis*, *dbyar rtswa dgun 'bu*), the fungus sold for very high prices to China, Hong Kong, and Singapore.<sup>5</sup> The promise of quick money that drove hordes of young people to the mountains in spring, regardless of the dangers involved in collection and trade, was neither good for the community nor for the environment, he argued.

Over the summer, a few other young men followed Paljor's example and started their own shops at the road head below Yari. The roadside camp grew. When I asked Paljor if he did not mind the competition, he denied and said that he even encouraged them to join him. Paljor honestly considered his venture to be much more than just a profitable enterprise. He saw a perspective for Humla in the fact that one could make a living from legally trading simple goods like clothes and shoes – rather than trafficking animal parts and other illegal items for which Humla has once had a reputation.<sup>6</sup> He wanted to be a fair and mindful businessman facilitating access to affordable consumer goods in cash-strapped Humla.

Paljor's ethical reasoning may not be shared by the majority of businesspeople in the region. However, in the eyes of many, access to affordable consumer goods was not just an economic issue but a moral right, yet one that the state continually failed to guarantee. This emphasis on morality bears many similarities with Henryk Alff's observations of a 'moral economy' in the bazaars of Bishkek and Almaty, which serve a similar purpose (Alff, chapter 4, this volume; Scott 1976, Thompson 1966).

That Paljor limited his business to such simple consumer goods, such as clothes, shoes, soap, household utensils, and staples like vegetable oil and

5 *Yartsagunbu*, known as *dong chong xia cao* (冬虫夏草) in China, is collected throughout the Himalayas and has a decisive socio-economic impact in the regions where it is found (Devkota 2009, Lama 2007, Olsgard 2009, Sulek 2009, Winkler 2008, 2010). See also Eric Valli's film *Himalayan Gold Rush* on the yartsagunbu boom in Dolpo (<http://www.ericvalli.com/index.php?/films/himalayan-gold-rush>).

6 With the declining revenue from the salt-grain trade, many Humli traders shifted their business to other goods in demand, and in the late 1980s and 1990s, trade with animal parts such as tiger bones and antelope pelts was highly profitable. These items were once common, legal, and licit merchandise. With the international ban, trade moved to 'remote' border crossings such as in Humla. For a more detailed discussion see Saxer 2013a.

wheat flour, did not mean that Paljor's profits were meagre, however. At the time of my visit, he made around NPR 6,000 (US\$80)<sup>7</sup> in an average day – about as much as he had earned in a month in his former NGO job in Kathmandu. His friends operating the truck between the border and the road head earned considerably more, he said. They made three trips per day on the 30-kilometer road between Hilsa and Yari. They charged NPR 20,000 (US\$266) per trip, and thus generated a turnover of NPR 60,000 (US\$800) per day. According to Paljor, net profits were around 50 percent – NPR 30,000 (US\$400) per day, or roughly NPR 900,000 (US\$12,000) per month. Given that a good second-hand truck cost about US\$14,000 in Tibet, the owners were able to recuperate their total investment in just 35 days. The season lasted for more than five months.

**Figure 3.3** Paljor's camp



Martin Saxer, 2011

These figures are rough estimates, based on people's best guesses. They may not be accurate. However, the tales of these profits spread like a wildfire and captivated the minds of many. The opportunities the road and relatively open border presented changed ambitions and orientations, especially among young men.

7 The exchange rate in September 2011 was approximately US\$1 to NPR 75, in November 2012 about US\$1 to NPR 85.

## The *Entrepôt*

When I came back a year later in October 2012, Paljor's camp had moved a few kilometres further down to a place known as Pani Palbang. Instead of a single truck and a few shops, I found a veritable tent city with more than 30 vehicles, around 50 shops, and even an improvised service station.

The collective ambition triggered by the success stories of the road head pioneers had revived an old Himalayan institution: the seasonal trade mart. Much of the erstwhile trans-Himalayan trade relied on such *entrepôts* set up during the summer months in order to barter Tibetan salt for Nepali grain. The salt was brought from the salt lakes on the highland plateau by yak caravans and reloaded onto pack animals better suited for the temperatures in Nepal's valleys. In Humla, dzo – cross-breeds of yaks and cows – as well as goat and sheep were used for this purpose. The locations of these *entrepôts* were shifting over time, but the names of the famous trade marts are still widely known. Although yaks have since been replaced by trucks in Tibet, the institution of the seasonal *entrepôt* seemed to lend itself well to the current constellation.

Among the new traders in Pani Palbang's tent city was Dorji, a former classmate of Rinzin, my friend and research assistant. Dorji's tent was one of the most spacious in Pani Palbang. It featured a stove, a sitting area, and two large shelves on which the merchandise was displayed: on one side clothes, footwear, household items, and sweets imported from Kashgar; on the other side beer, liquor, soft drinks and more expensive running shoes brought from Lhasa.

I had met Dorji the year before in one of the villages along the way, where he was working as schoolteacher. He struck me as unusually enthusiastic about his profession. He told me proudly that his students had passed the national exams with a much higher average than students from other rural schools. 'One day, we will beat Kathmandu!' he said. But just like Paljor's, his ambitions and dreams had changed. Over the winter, Dorji had married and come to the conclusion that his teaching job with a monthly salary of NPR 9000 (US\$106) was not going to be enough to cater for a family. Hearing all the success stories of his peers who had ventured into business – and ignoring all the stories of those who had failed – he decided to try his luck in trade himself.

Dorji offered us butter tea, Lhasa beer and Coca Cola. He had the habitus and posture of an experienced businessman. He smoked Chinese cigarettes and had gained some weight since we had last met him. Rinzin could not help commenting – as a compliment more than as a criticism – on this

striking transformation. Dorji proudly told us how he went to Purang, the town across the border, with nothing but a thousand rupees in his pocket (US\$11). As many fellow newcomers, he was dependent on other people's capital. His first step was thus to find potential investors. Friends introduced him to two businessmen, a Hui from Xinjiang and a Khampa from eastern Tibet. He convinced them to provide him with tent and an initial stock of goods worth a total of NPR 300,000 (US\$3,530) – without any form of security, he added with a smile.

Dorji's account made me think of the words of an elderly Humli trader who, remembering the situation in the early 1970s, told me how hungry Tibetans on the other side would beg his party in tears to barter salt for grain with them – despite the threat of punishment for breaking the government monopoly that ruled out private trade until the reforms of 1979-1980. Within a generation, the tides had turned and the Humli traders had become dependent on the capital, trust, and goodwill of their partners on the Chinese side. However, the neighbouring situation as such, and the skills required to make use of it, were not fundamentally different. It is worth noting that Dorji did not approach potential investors within his family or his village. He went straight to Purang to establish relations regardless of ties of commonplace or ethnicity.<sup>8</sup> What he was looking for was not just starting capital but potential long-term partners on the other side, people with knowledge and networks reaching beyond the immediate context of the borderland.

In the heydays of caravan trade, the ideal of ceremonial friendship, known as *miteri* in Nepali and *dropo* (*grogs po*) in Tibetan, was the model for such relations (Messerschmidt 1982: 275-278). Such friendships asserted in ritual were not exclusive and traders would rely on several such partnerships. Ceremonial friendship ties were instrumental in long-distance trade as they provided the partners with hospitality and inside knowledge away from home. Ceremonial friendship introduced a dimension of stability to the vagaries of border trade. Twenty-first century capitalism may require a different mode of partnership and, perhaps, rely on different forms of ritual; it remains to be seen whether the business relations Dorji established in 2012 will be stable. However, the fact that two businessmen from altogether different backgrounds decided that giving Dorji credit was a worthwhile venture may be taken as a hint that all parties involved envisioned at least the possibility of a longer-term engagement.

8 Despite being ethnically Tibetan, Khampa (people from Eastern Tibet) are not considered to belong to any form of in-group in this respect.

There are no houses or other permanent infrastructure that would require investment and bind people to a place, and thus there was always the risk that Nepali traders would simply decide to break camp and disappear without paying back their debts. The evanescence of the institution of the seasonal trade mart makes it not only adaptable to changing constellations; it also requires a high degree of trust.

This uncertainty and fragility grew with the size of the Pani Palbang trade mart. As an increasing number of people were investing their energy and money, and as more and more trucks and mule drivers were offering their transportation services, the basic parameters of the constellation were changing as well. While people like Paljor and Dorji made solid profits from simple goods like clothes, shoes, wheat flour and detergent, others started venturing into riskier and potentially more profitable domains, which in turn began to attract more scrutiny by the state.

In 2012, one of these highly profitable ventures was China-bound trade in Paris polyphylla (*qiyezhizhua* 七叶一枝花), a medicinal herb locally known as *satuwa*. The root of *satuwa* is used for treating fever, headache, and livestock poisoning. In China, a variety of other conditions, including ulcers, tonsillitis, rheumatism, are treated with a decoction of the root (Madhu, et al. 2010). The plant grows at medium altitudes throughout the greater Himalayan region and is also collected in Humla, although on a relatively small scale compared to other commercially traded species. In 2012, however, a Chinese businessman allegedly began buying large quantities of *satuwa* through a representative in Purang. Rumour had it that he was willing to invest RMB 30 million (US\$4.9 million) in one season alone.

Soon, demand outstripped local supply, and people started importing *satuwa* from the herb markets in Delhi and Amritsar. By late summer, these supplies dried up and *satuwa* roots were imported from Pakistan and allegedly even from Afghanistan. As there were no roads that connected Humla with the south, the roots had to be flown into Simikot. On a daily basis, chartered airplanes would land in the district headquarters and bag after bag of the herb would be strapped onto the backs of mules and transported up to the Tibetan border – a trip that takes five to six days. While in 2011, most of the pack animals I witnessed going up to the Tibetan border were empty; in October 2012 all of them were laden with *Paris polyphylla*. I witnessed caravan after caravan moving up to the border.

*Satuwa* is considered a rare and vulnerable species in several places, but it is not officially a threatened species. Neither the CITES appendices<sup>9</sup>

9 Convention on International Trade in Endangered Species, see [www.cites.org](http://www.cites.org).

nor IUCN's Red List<sup>10</sup> include *Paris polyphylla*. Thus, trade in *satuwa* is technically legal – given that all the customs procedures are followed and the plant is not collected in a protected area. Legitimate road transport via the Friendship Highway between Kathmandu and Lhasa would have been feasible and also cheaper than chartering aircraft and mule caravans. Nevertheless, the herb was channelled in massive quantities through the border crossing at Hilsa.

Apparently, there was a working agreement at the border that facilitated import without formalities, bypassing Chinese customs and import procedures. The latter would normally imply sampling, testing, and plant quarantine for medicinal herbs following the same strict rules as the import of vaccines or antibiotics. Although Chinese law does provide an exemption for locally traded herbs at remote border-crossings, *satuwa* bought in India or Pakistan would probably not fall under this provision (China's State Food and Drug Administration 2001, Saxer 2013b: 110-113). However, nobody I talked to was aware of any of these regulations. The arrangement simply worked, which was all that mattered. According to Dorji, net profits for Nepali traders – after all expenses, including charter flight and mule transport – were still around NPR 200 (US\$2.35) per kilogram. Demand seemed bottomless and the starting capital required to set up a deal was allegedly easy to find. The opportunity was so good that several people around me considered investing.

The combination of existing infrastructure (the road, trucks, airplanes and mules), an abundance of people willing to invest and take risks, a vibrant trade mart that functioned as *entrepôt*, a remote border crossing that promised a degree of illegibility, and a Chinese or Tibetan official willing to cooperate trumped the fully legal channel through the main highway between Nepal and Tibet – despite much cheaper transport. The constellation, however, was not to last. In early November, the arrangement bypassing Chinese import procedures came to an end. Entire shipments of *satuwa* were returned and people began stocking the herb in Hilsa, waiting for a chance to complete the transactions.

At the same time, another basic arrangement came under pressure. The traders in Pani Palbang used to import Chinese wheat flour beyond its official shelf life. On the arid and cold Tibetan Plateau, an expiration date means little anyway, and expired flour was much more affordable for the customers in Humla. Now, the Chinese authorities began enforcing a ban on the export of this wheat flour. Stocks in Pani Palbang quickly dried up

10 International Union for Conservation of Nature, see [www.iucn.org](http://www.iucn.org).



**Figure 3.4 Simikot airport**

Martin Saxer, 2011

and soon the mule caravans began coming back empty. I assume that the Chinese ban in the name of food safety and avoiding a potential health incident in Nepal was linked to the heightened scrutiny in the context of the now defunct *satuwa* arrangement.

Dorji, who had not invested in *satuwa*, was nevertheless affected by the wheat flour ban. However, the season was coming to an end and he considered his first year of business a success. He had sold his initial stock of goods, bought new supplies, and paid back his debts. Estimated net profit of somewhere between RNP 200,000 and 300,000 (US\$2,350-3,530) would result. Although nowhere as lucrative as Paljor's shop in the first year, this would still account for five to six times his former salary.

In summary, we see that the collective ambition to profit from the emerging trading opportunities triggered a revival of the old institution of the seasonal *entrepôt*, which serves as zone of engagement for intensive neighbouring. However, the case of *satuwa* also shows that the *entrepôt* lends itself well not only to the seasonality of trade but also to the boom-and-bust quality of larger-scale frontier capitalism (Tsing 2005). The temporality of the trade mart facilitates quick adaptations to changing circumstances. Similar to the situation at the Sino-Vietnamese border that Zhang describes in chapter 9 (this volume), continuous legal uncertainty

and confusion do not undermine the neighbouring situation – they have to be seen as generative aspects of neighbouring because they produce the shifting differentials that present themselves as opportunities.

The situation, as described up to this point, can be summed up as follows: the new road and a relatively permissive border regime created opportunities for those quick enough to capture them, and the *entrepôt* has emerged, once again, as zone of engagement, as a hot spot for active neighbouring. However, people did not benefit equally from this constellation. Asymmetries abounded – not only between China and Nepal, but also between those places along the main artery of trade and those further away from it. Road construction clearly amplified these asymmetries.

Dalakoglou and Harvey (2012: 460) note that despite the pervasive role that mobility plays in the contemporary lives of people around the globe, one could also argue that ‘never before have so many people felt so deeply the consequences of their exclusion from a condition where mobility is embraced as a correlate of freedom (to trade, to work, to travel, etc.)’. This assessment fully applies to the present case. The question is: what do those who feel this exclusion do? This leads us to the second new road in Humla’s north, the one through Limi.

## Building a Road

The Limi route was once equally or even more important for trade than the route which the Hilsa road now follows. Several places along this route are known as sites of former trade marts. Place names such as *tsongsa* – literally: the market place – are a testimony to this past. After the demarcation of the border in the early 1960s, however, the Limi route quickly fell into decline. As it was not included in the list of the six official border crossings between China and Nepal, trade via this route was no longer legally possible.

In 2010, Tsewang Lama, a former member of parliament and assistant minister from Humla came up with an ambitious plan to address this issue. He gathered a group of local business people, some from Limi, and some from other parts of Humla. They all witnessed the food crises in Humla and the beginning boom in western China, and they all agreed that progress on the official Hilsa road was painfully slow. Thus, they started exploring the possibility of an alternative road following the ancient trade route through Limi.

This route, they argued, offered a number of advantages for road construction. On the Chinese side, existing dirt roads used by the Chinese border patrols connected the border with the road along the shores of

Lake Manasarovar; the first section in Nepal would lead across a high plateau at about 4800 meters above sea level, where road construction was comparatively easy. From there, the route led down to Takche and Tugling (described in the opening vignette), then up a wide alpine valley to the Nyalo Pass (5000 meters above sea level) and finally down to Sallikhola, where it would one day meet with the projected Hilsa road, about half way from the Tibetan border to Simikot, Humla's district headquarters. Even with limited funds it would be possible to reactivate this former trade route. The benefits for the local population would be immediate because the road would make basic necessities of daily life – wheat flour, detergent, clothes, shoes, etc. – more affordable, not just in Upper Humla but also in the lower parts of the district. At the same time, the road would provide opportunities for trade and income generation in hitherto disadvantaged areas of Humla. And, as this was a collective local effort, the risk that rent-seeking officials or profit-oriented contractors would try to fill their own pockets seemed comparatively low.

Road construction is usually a business of states and major development banks; a local initiative to build a road across the world's highest mountain range may thus seem adventurous. However, given that the neighbouring situation with 'rising' China was quickly becoming a pervasive reality, and given that the question how connections are forged and maintained lay at the heart of socio-political life in Humla, the bold move of regaining control over the region's connectivity was also just the most logical thing to do. A Road Construction Committee was formed and with the help of Tsewang Lama, who was familiar with the jungle of Kathmandu politics, the Committee managed to obtain modest seed funding from the government. This was a good sign and raised hopes that the project had a chance to garner long-term state support.

With the government funding in hand and high hopes for more, the committee approached a major Nepali construction company and convinced them to put an excavator at their disposition – despite the fact that there would be no easy way to retrieve the equipment from Limi should the project stall. The committee also talked the Chinese officials into letting them ship the excavator via the Kathmandu to Lhasa and Lhasa to Ngari highways to western Tibet and finally across the border back to Nepal; furthermore, the Chinese side agreed to provide a limited amount of diesel to run the excavator and open the border crossing for limited local exchange and transportation of rice in the name of development aid.

In 2010, the year before Paljor started his tent shop on the Hilsa road, construction began on the Limi road, and by the end of the year the fist

section from the border to Tugling was successfully completed. An official Chinese delegation came to attend the inauguration ceremony, thereby giving their seal of approval to the revival of cross-border relations between Tibetan speakers on both sides. A year later, in early autumn 2011, the road had crossed the Nyalo Pass and in summer 2012 the last section to down to Sallikhola, the future intersection with the proposed Hilsa road, was completed.

The difficulties to overcome had been massive and more than once, the project's fate was in limbo. In the second year, it became clear that the seed funding originally earmarked for the project would not be easy to get released. There was a rule that said that local road construction was not to employ heavy machinery. Current legislation demanded that, if an excavator was to be used, the project had to undergo a proper e-bidding process. This rule, designed as anti-corruption measure, was introduced on suggestion by an international development organization. While funding was withheld, local business people stepped in with loans, knowing perfectly well that the risks were high. In the end, a pragmatic solution was reached and construction contracts for the final sections of the road went through the anonymous e-bidding process.

Despite such hiccups, more than 100 kilometres of road were built in less than three years – a considerable achievement compared to the mere 30 kilometres in 16 years on the Hilsa road. This achievement was a result of perseverance and skilful negotiations with Tibetan authorities, customs officials, and army commanders in the north as well as Nepali officials, construction companies, and the political establishment of Lower Humla and Kathmandu in the south. Relations with each of these parties followed their own script, their own style and temporality. In other words, the road was an outcome of intensive neighbouring.

The troubles in the final year of construction, however, also left their scars. The anonymous e-bidding process undermined trust among former partners; disputes about maintenance obligations, unequal benefits from the road, and the schedule for promised road-extensions to nearby villages eroded the sense of working towards a common goal. In addition, concerns about negative effects of the road became louder. Would the road open the door to deforestation? Wood from Humla was in high demand across the border in Tibet. Pack animals carrying wooden beams up to the border were a frequent sight on the trails. However, the length of the beams and the total volume transported were limited. Trucks and the road clearly had the potential to change this radically. What if the Limi Road became synonymous with a trafficking route for illegally cut wood or other illicit

items? The semi-open border could be sealed at any minute and all the work would then be in vain. Uncertainty and confusion were not over; maintaining the neighbouring relations required constant effort.

Rinzin, my friend and travelling companion, was a trained forester and saw these risks with sorrow. However, walking through Humla, we also kept meeting (or hearing about) old friends who had left school before graduation and were now seeking their fortune in trade. The new roads and the booming China business made many young people re-evaluate their options, and education, preferably in a college in Kathmandu or abroad, was now longer automatically considered to be the main avenue for upward mobility. Musing on these observations, Rinzin shook his head and said, 'Everybody is a businessman now'.

### **Conclusions: A Question of Orientation**

The stories of Paljor and Dorji, as well as the case of the Limi road construction, are expressions of a particular positionality between neighbours north and south. A border regime characterized by permissiveness (Kalir and Sur 2012), investment and infrastructure development in Tibet, and the two new Himalayan roads accentuate this in-betweenness. In this constellation, northbound relations across the border with Tibet are always in one or another way linked to southbound relations with Lower Humla and the rest of Nepal. The result is an entangled double neighbouring situation, which involves a variety of activities and processes: reviving the institution of the seasonal trade mart, securing loans in China, negotiating with local authorities in Tibet, lowland construction companies, Kathmandu bureaucrats or a village leader in the next valley, and dealing with rules and moralities introduced by NGOs and powerful development agencies ('third neighbours', as Bulag would call them, chapter 5, this volume) are all forms of contemporary neighbouring.

I have argued that the specific forms neighbouring have to be understood against the background of historical Himalayan brokering between the Tibetan Plateau in the north and the hills and plains in the south. Neighbouring is an old trade, or, more precisely, the contemporary form of neighbouring China has revived old trades. However, this does not mean that things went back to how they were before the 1960s. The contemporary asymmetries are clearly different from the old ones. The ecological differential between the salt-rich highlands and the grain-rich lowlands that was the basis of trade for centuries has been almost completely replaced by

differentials based on industrial production, transportation costs, and the geopolitical situation. Moreover, as the case of the *satuwa* boom shows, the remoteness of Humla has become an asset in a certain way, as it promises a degree of illegibility. These new asymmetries are arguably more prone to rapid change than the ecological differentials on which trade was traditionally based.

Some institutions, like the seasonal *entrepôt* as locus of active neighbouring, seem perfectly amenable to deal with these new and assumedly less stable asymmetries; other institutions, such as ceremonial friendship, may be superseded by new forms of establishing and maintaining trust. Furthermore, it remains to be seen whether the new roads continue to benefit local entrepreneurs in the ways they do now. Once the roads are completed, other financially more potent actors may appear on the scene. However, considering the trilingual signboard with the five telephone numbers on the rebuilt shepherd's shelter in Tugling, I doubt that this niche will soon disappear. Putting all the confusion and uncertainty to productive use requires much local experience and the social and linguistic skills of local entrepreneurs; the scope and reach of their networks give them a considerable edge. After all, one thing seems clear: unlike the abandoned logging roads left behind by ruthless frontier capitalism in Kalimantan, which Tsing (2005) describes so aptly as 'leading nowhere', the two Himalayan roads described in this chapter do lead somewhere – metaphorically and physically. These roads are hardly the last chapter in the history of trans-Himalayan neighbouring relations.