

INDO-BHUTAN RELATIONS

Historical Ties

- India and Bhutan have been sharing ties since 1910 when Bhutan became a protectorate of British India, allowing the British to “guide” its foreign affairs and defence.
- When India declared independence in 1947, Bhutan was among the first nations to recognise it. Since then, the relationship between the countries has become stronger, especially because Bhutan also has a historically tense relationship with China.
 - Besides sharing a 699 Kilometres border, India and Bhutan also share deep religious-cultural links. Guru Padmasambhava, a Buddhist saint played an influential role in spreading Buddhism and cementing traditional ties between people in both nations.
 - India opened an office of a Special Representative in Thimphu in 1968, Bhutan reciprocated in 1971. The two offices of special representatives were upgraded to full-fledged embassies in 1978
- The basis for bilateral relations between India and Bhutan was formed by the Indo-Bhutan Treaty of Peace and Friendship of 1949. However, Article 2 of the treaty critically gave India a role in guiding Bhutan’s foreign policy. Hence, some changes in the treaty were made in 2007.
- The new treaty says that Bhutan can import arms as long as Indian interests are not harmed and there is no re-export of the weapons, either by the government or individuals.
- Article 6 and 7 in the current treaty encompass the issue of ‘national treatment’ and equal privileges for citizens on each other’s soil.

Indo-Bhutan Treaty of Peace and Friendship, 1949

- The Treaty provides for, among other things, perpetual peace and friendship, free trade and commerce and equal justice to each other’s citizens.
- In 2007 the treaty was re-negotiated, and provisions were included to encourage Bhutan’s sovereignty, abolishing the need to take India’s guidance on foreign policy.
- The updated treaty, besides providing close cooperation on national issues, provides for stronger cooperation in cultural and economic fields.

BHUTAN’S SIGNIFICANCE TO INDIA

Geographical Significance:

- Bhutan shares border with four Indian States: Assam, Arunachal Pradesh, West Bengal and Sikkim.

- Nestled in the Himalayas, Bhutan serves as a buffer between India and China.
- Security of Bhutan's present borders especially its western border is very important for India.

Economic Significance:

- Bhutan provides a market for Indian commodities and is a destination for Indian investment.
- Also for India, Bhutan is a rich source of hydropower.

Political Significance:

- A politically stable Bhutan is important to India. An unstable and restive Bhutan can provide a safe haven to anti-India activities and anti-India militant groups.

Areas of Cooperation

Trade:

- The trade between the two countries is governed by the India Bhutan Trade and Transit Agreement 1972 which was last renewed in November 2016.
- The agreement establishes a free-trade regime between the two countries and also provides for duty-free transit of Bhutanese exports to third countries.
- India is Bhutan's largest trading partner. In the period from January- June, 2018, trade between two countries stood at Rs. 4318.59 crore.
- Major exports from India to Bhutan are mineral products, machinery and mechanical appliances, electrical equipments etc. whereas major items of import from Bhutan are electricity, ferrosilicon, Portland cement etc.

Economic Assistance:

- India is Bhutan's leading development partner. Since the launch of First Five Year Plan of Bhutan in 1961, India has been extending financial support to Bhutan's FYPs. India has allotted Rs 4500 crore to Bhutan's 12th FYP.

Water Resources:

- India is playing an important role in development of hydro-power projects. This not only provides Bhutanese with electricity for domestic use but also revenue from surplus electricity exported to India.
- So far, Government of India has constructed three Hydroelectric Projects (HEPs) in Bhutan. Currently, India is helping Bhutan in the development of power plant on Mangdechhu River.
- This hydropower cooperation comes under 2006 Agreement on Cooperation in Hydropower. Under a protocol to this agreement, India has agreed to assist Bhutan in the development of minimum of 10,000 MW of hydropower and import of surplus electricity from same by year 2020.

- Also, there is a Joint Group of Experts (JGE) on flood management between India and Bhutan.

Border Management:

- There is a Secretary-level mechanism on border management and security related matters between the two countries.
- There is also a Border District Coordination Meeting (BDCM) Mechanism between the bordering States and the Royal Government of Bhutan (RGoB) to facilitate coordination on border management and other related matters.

Educational and Cultural Cooperation:

- A large number of college going Bhutanese students study in India. Government of India provides number of scholarships to Bhutanese students.
- Regular cultural exchanges take place between the two countries. One of the basic objectives of India Bhutan Foundation established in 2003 is to enhance people to people exchange in cultural field.

Indian Community:

- About 60,000 Indian nationals live in Bhutan, employed mostly in the hydro-electric power construction and road industry.
- In addition, around 8000-10,000 daily workers enter and exit Bhutan everyday in border towns.

Multilateral Partnership:

- Both India and Bhutan are founding members of South Asian Association for Regional Cooperation (SAARC) that deals with economic, social and cultural development of South Asian Region.
- Both of them also share other multilateral forums such as BBIN (Bangladesh, Bhutan, India, and Nepal), BIMSTEC (Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation) etc.

Challenges

- There have been instances when India has meddled in Bhutan's internal affairs. This has led to negative perception of India in the minds of Bhutanese.
- There is a growing feeling in Bhutan that India's development of Bhutan's hydropower production is driven by self-interest as it is getting Bhutan's surplus power at relatively cheap rates.
- Bhutan's concern regarding profitability of its Hydropower projects in the wake of India's shift to renewable sources of energy like wind, solar etc.
- From internal security perspective, illicit establishment of camps by militant outfits in the dense jungles of south-east Bhutan is a cause of concern for both the nations.

- China's continuous claims to important border areas such as Chumbi valley and Doklam and its continuous efforts for establishing strong diplomatic and economic relations with Bhutan have been continuous source of concern for India.

Way Forward

- India needs to step up efforts to publicise the benefits that accrue to Bhutan from Indian projects.
- India continuously needs to explore new areas of cooperation with Bhutan. Decision of setting up of ISRO's ground station in Bhutan is a welcome step. The station will help Bhutan in providing weather related messages to its far flung areas.
- India should try as much as possible to remain out of Bhutan's internal matters, though it can act as a mentor.
- Safety of Border from China is a concern for both nations. Therefore, both sides need to work together on this issue. Also, it needs to be ensured that border areas remain militants free.
- Being neighbours, it is necessary that both nations continuously recognise value of each other. For this, regular high level visits from both the sides are necessary.

INDIA-BHUTAN TIES DEEP UNDERSTANDING

India Bhutan Relations is traditionally close as both countries share a special relationship based on culture and mutual interests. India remains influential over Bhutan's foreign policy, defence and commerce.

History of India Bhutan Relations

- Bhutan for much its history has preserved its sovereignty by being isolated from world events thanks to its mountainous geography.
- The first bilateral relation it established was in 1910 when it signed a treaty with the British Empire, allowing it to 'guide' its foreign affairs and defence.
- When India became independent in 1947, Bhutan was one of the first to recognise it.
- Both the nations fostered close ties from then on.
- Bhutan and India signed a Treaty of Friendship on August 8, 1949, calling for the two nations and non-interference in each other's internal affairs.
 1. The treaty also established free trade and extradition protocols.
 2. The treaty made Bhutan a protected state not a protectorate as it still has the power to conduct its own independent foreign policy
- China's annexation of Tibet brought the nation even closer, as India saw the relation with Nepal and Bhutan as the key to its 'Himalayan Frontier' security policy.
- In 1958 Prime Minister Jawaharlal Nehru visited Bhutan and reiterated support for Bhutan's independence and later declared that any aggression against Bhutan would be seen as an act of war by India

- The 1950s saw a significant increase in India's economic, military and development aid to Bhutan, which started on a programme to modernise its military.
- In spite of the good relations, India and Bhutan only completed demarcation talks between 1973 and 1984.
- Border demarcation talks with India generally resolved disagreements except for several small sectors, including the middle zone between Sarpang and Geylegphug and the eastern frontier with the Indian state of Arunachal Pradesh.
- In 2007 India re-negotiated the 1949 Friendship Treaty.
 - The new treaty replaced the provision requiring Bhutan to take India's guidance on foreign policy and not requiring India's permission to obtain arms.
- Prime Minister Narendra Modi chose Bhutan as its first foreign destination, prioritising regional co-operation before global co-operation.
- He inaugurated the Supreme Court complex in Bhutan promised further investments in the IT sector of the country.
- The present Indian Prime Minister Narendra Modi chose Bhutan as his first foreign destination, placing regional co-operation before global co-operation.

India-Bhutan Commercial and Military Relations

- In the 2012-2013 financial year, India's budgetary contribution to Bhutan stood around at INR 30 billion. It steadily rose over the years to reach INR 61.60 billion in 2015-2016 financial year. Making Bhutan the largest beneficiary to India's aid.
- India operates 3 hydropower projects, of 1,416 MW in Bhutan and 3 more of 2,129 MW are under construction.
- The third Prime Minister of Bhutan LotayTshering secured an aid package of about \$635 million for the 12th five-year plan in his first overseas visit to India in November 2018.
- India allows 16 entry and exit points for Bhutanese trade with other nations except for China and made an agreement with Bhutan to develop and import a minimum of 10,000 megawatts of electricity by 2021.
- In military relations, a 2000 **strong Indian Military Training Team (IMTRAT)** is permanently based in western Bhutan. Other units of the Indian Army also closely cooperate with the Royal Bhutan Army in matters of anti-insurgency and counter-terrorism.
- The Royal Bhutanese Army does not have a navy as it is the landlocked country a neither does it have an Air Force. Its air protection is provided by the Eastern Air Command of the Indian Air Force.

DOKLAM: A RECURRING CRISIS

What is the recent Doklam issue about?

- It started when Indian Army objected a road construction by the People's Liberation Army of China in the Doklam plateau.
- China claims it to be a part of its Donglang region. However, both India and Bhutan recognize it as Doklam and consider it to be a Bhutan territory.
- India accused the Chinese of destroying its bunkers and China accused Indian troops of entering into its territory.
- China stopped the passage of pilgrims toward Kailash-Mansarovar through the Nathu La pass in Sikkim.
- Both India and China increased the presence of their troops and there was a standoff between the two armies.
- Later there was the withdrawal of troops from Doklam.

Why is Doklam so significant?

- It lies in tri-junction of India, China and Bhutan.
- Strategically and geographically very important for all in foreign policy matters.
- China believes Doklam to be a disputed territory between Bhutan and China. Hence China considers the presence of Indian army in the region as interference and transgression.
- The disputed region is very close to India's Siliguri Corridor or Chicken's neck which connects the north eastern states to the Indian mainland.

Why is India supporting Bhutan in the Doklam issue?

- Bhutan and India have a very cordial friendly relationship whereas Bhutan and China do not have formal relations as it is.
- Bhutan has a very strategic position considering India's geography and its neighbours.
- India and Bhutan signed a Friendship Treaty in 2007 and have maintained it well since then.
- India is worried that if the road is completed, it will give China greater access to India's strategically vulnerable Siliguri Corridor which might prove harmful for India in the long run. This is because China is on preparatory stage for emphasizing its String of Pearls domain in the neighbourhood.

Other issues between India and China that triggered the Doklam incident

- China has been opposing India's entry into the United Nations Security Council and in the Nuclear Supplier's Group. This has bothered India since long.
- India has been opposing China's One Belt One Road initiative as it passes through the Pakistan Occupied Kashmir (POK) would mean undermining India's sovereignty. They are also interfering in internal affairs of Kashmir hence. This might hamper the already sensitive issue of Jammu and Kashmir.
- China is envious of India-USA relations. India supports the US and other countries in reaffirming the freedom of navigation in South China Sea. The Malabar Exercise between India, Japan and USA is also a matter to worry for China as it might get subsumed by these powers.

- The recent visit of Dalai Lama to Arunachal Pradesh has been a matter of conflict between the two sides as the present Dalai Lama is considered as a terrorist in China whereas he is considered a spiritual leader by Indians.
- India's bid to get Jaish-e-Mohammad chief Masood Azhar declared as a UN-designated terrorist has been blocked by China again and again. And hence this has been a subject of contention between both the countries.

Chinese Bullying Attitude

- China was playing a mind game and uses its Three Warfare's Strategy which got refined in 2010, and involves a triad of media war, psychological war and legal war.
- China wants to establish its hegemony in Asia. China is afraid of growing powers of India and Japan. However, India is a huge market potential for Chinese goods and China doesn't want to miss this opportunity of economic interest.
- India is against OBOR initiative which will provide China political and economic pursuits. Hence, China wants to keep India engaged in territorial dispute with it and its ally Pakistan. Doklam issue has been a good excuse for the same.
- China's strategy encompasses three concise objectives: safeguarding sovereignty, maintaining stability, and sustaining economic progress.

India's stand on Doklam issue

- It had moved its soldiers in the disputed region.
- It had announced that it was ready for diplomatic negotiations with China on the Doklam issue.
- India had never objected to Chinese patrol in the Doklam.
- But what India resisted to was the road construction activity in the strategic location. This is because road construction was explicitly prohibited by a 2012 agreement between China and India.
- In Astana Consensus, Prime Minister Modi met Xi in Astana and had agreed not to let the differences between the countries to evolve into disputes.

What does Bhutan's Say on Doklam Issue?

- The road construction activity inside the Bhutanese territory has been considered as a direct violation of the 1988 agreement between Bhutan and China. Hence Bhutan resists to this.

Analysis of the issue

- India's strategy gave China only two plausible options. The first option was the use of force which would set a bad precedent as India's image would be ruined in the global arena. The second option made available was to maintain Status Quo Ante.
- India acted as a mature and responsible status quo power and has reinforced its global image. India also gave China a face saving exit.
- The diplomatic victory of India will no doubt enhance its regional status in the neighborhood.
- Diplomacy has prevailed over the harsh military strategy.
- Both India and China have respected the wishes of the Bhutanese government, which wanted an early end to the crisis. Hence the sovereignty of third nation has also been respected.

Positives from the issue

- The recent initiatives including Dhola-Sadiya bridge is an endearing step as they help bring down the travel time and military response time.
- A Brahmos cruise missile regiment is being deployed in Arunachal Pradesh post this incident.
- Many abandoned airstrips in India are also being reactivated.

Negatives from this incident

- Only 21 out of the proposed 73 roads have been developed by India for the Indo-China border.
- China, on the other hand, developed and still developing its international borders.
- The Mountain Strike Corps of India, which is specially proposed to be raised to check the Chinese influence, has a strength which is much less than the proposed strength. In addition to that, is not yet equipped with advanced arms and ammunitions. Technology has not been upgraded in this sense.

What should India learn from the Doklam issue?

- India has to look into the relative strength of its military power as against that of China's. Hence military should be strengthened.
- Moreover, India's military preparedness is also weaker compared to that of China.
- The high density of infrastructure on the Chinese side has forced India to respond with the Line of Control mindset in a disputed territory where India has strong claims.
- There are high chances of resumption of the now cancelled Bhutan-China border talks. India should not ignore all these developments between China and Bhutan.
- India got considerable support from the many countries worldwide in the Doklam issue.
- Initiatives like Indo-Pacific Economic Corridor, Act East Policy and counter balancing strategies are steps in the right direction by India owing to its strategic diplomacy.
- Based on realistic threat assessment, national security policy needs clear articulation.
- A joint military doctrine is a sine qua non and tri service theatre commands are prerequisites for synergized application of the war waging potential.
- Strategic interests of all the involved nations should be seen.
- Military diplomacy is important.
- The border management mechanism needs to be revamped.
- The restraint shown by India during the Doklam crisis and its ability to stand up to China has been impressive.
- The long overdue political resolution of their outstanding boundary issues should be resolved.
- Deterrence is important in certain cases.
- Even if the nuclear-armed states are not expected to easily discard their deterrence-centric strategies, a global NFU will be an ideal measure to ensure a stable crisis management framework for conflicts involving nuclear powers.

- Discriminatory system like Non-Proliferation of Nuclear Weapons (NPT can never ever be totally universalized

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