

CHINA-BHUTAN RELATIONS AND IMPLICATIONS FOR INDIA

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Abstract

Bhutan is a country in South Asia. It shares border with both India and China or the PRC (People's Republic of China). Bhutan is a landlocked country. India has very good relation with Bhutan historically. Since China is an aggressor country and also wants to achieve regional power status, it continuously has been trying to increase its influence over the Indian neighborhood. It also has adopted "Debt Trap Policy" under which the PRC has been providing huge financial assistance to the debt taking countries in the name of loan and in return China is taking access to these markets. It is in this way China is trying to reduce India's influence in its neighborhood. Due to this Chinese aspiration, China-Bhutan relationship is one important cause of concern for India. It is in this background the study throws light on the dynamics of China- Bhutan relationship. The work is also an attempt to examine Implications of China-Bhutan relationship over India.

Keywords: China-Bhutan Relations, Bhutan, India, South Asian Politics

Introduction

Bhutan is a country in South Asia. It shares border with both India and China or the PRC (People's Republic of China). Bhutan is a landlocked country. India has very good relation with Bhutan historically. Since China is an aggressor country and also wants to achieve regional power status, it continuously has been trying to increase its influence over the Indian neighborhood. It also has adopted "Debt Trap Policy" under which the PRC has been providing huge financial assistance to the debt taking countries in the name of loan and in return China is taking access to these markets. It is in this way China is trying to reduce India's influence in its neighborhood. Due to this Chinese aspiration, China-Bhutan relationship is one important cause of concern for India. It is in this background the study throws light on the dynamics of China- Bhutan relationship. The work is also an attempt to examine Implications of China-Bhutan relationship for India.

Objectives

The study is based on two important objectives;

1. To understand the dynamics of China- Bhutan relationship.
2. To examine implications of China-Bhutan relationship for India.

Methodology

The present study is a secondary one and for collecting data researcher will rely on secondary sources. Secondary sources include books, journals, articles, thesis, internet sources and so on. To fulfill the objectives researcher will follow historical analysis and descriptive method of analysis.

Bhutan's landlocked location and its relation with India

Bhutan's geographic location of 38, 394 sq. km² is between, India and China where China lies in its north and India's north eastern part in Bhutan's south. For Bhutan, though a small country,

security has been a key aspect which has played an important role in determining its foreign policy. Bhutan is a landlocked country. In general view, being a landlocked country, which earlier was seen as a disadvantage, has proved to be an advantage. In fact, Paul Collier in his book *The Bottom Billion* has observed that “If you are coastal, you serve the world; if you are landlocked, you serve your neighbors.” Hence, being landlocked may actually be a blessing as it creates a ‘natural tariff barrier’ which protects the country from cheap imports. Bhutan, with this perspective may have been dependent on India till now for its economic growth but then seen from another perspective this has also been favourable for India as well. The relationship between India and Bhutan has always been constructive. Between both the countries free trade regime exists. India has been the biggest market for Bhutan’s products. Almost 94 per cent of total Bhutanese exports are to India and 78% of total imports are from India. India has been the largest donor of external aid to Bhutan and its main development (Talukdar, 2013).

India in Bhutan

Diplomatic relations between India and Bhutan were established in 1968 with the establishment of a special office of India in Thimphu. The basic framework of India-Bhutan bilateral relations is the Treaty of Friendship and Cooperation signed in 1949 between the two countries and revised in February 2007. The Golden Jubilee of the establishment of formal diplomatic relations between India and Bhutan was celebrated in the year 2018 (Brief_Bilateral_Brief_bhutan_Feb_2020.pdf). India and Bhutan share a unique and time tested bilateral relationship, characterized by utmost trust, goodwill and mutual understanding. The special relationship has been sustained by a tradition of regular high level visits and dialogues between the two countries. Government of India has consistently supported the socio-economic development of Bhutan. Hydro-power cooperation between the two countries is an example of win-win cooperation (India-Bhutan Relations).

India has been extending economic assistance to Bhutan’s socio-economic development since the early 1960s when Bhutan launched its Five Year Plans. India continues to be the principal development partner of Bhutan. For the 12th Five Year Plan, India’s contribution of Rs. 4500 cr. will constitute 73% of Bhutan’s total external grant component. The key areas of focus of GOI’s assistance include agriculture and irrigation development, ICT, health, industrial development, road transport, energy, civil aviation, urban development, human resource development, capacity building, scholarship, education and culture (BHUTAN: A SUCCESS STORY FOR INDIA).

Mutually beneficial hydro-power cooperation with Bhutan forms the core of bilateral economic cooperation. For Bhutan, hydro-power development continues to be a vital catalyst for socio-economic development. Cooperation in the hydropower sector between India and Bhutan is a true example of mutually beneficial cooperation, providing clean electricity to India, generating export revenue for Bhutan, and further strengthening the bilateral economic linkages. The two countries have successfully concluded several power project agreements. Indo-Bhutan hydropower cooperation began in 1961 with the signing of the Jaldhaka agreement. The Jaldhaka project is situated on the Indian side of Indo-Bhutan border in West Bengal. The major part of power produced at Jaldhaka hydropower plant was exported to southern Bhutan. Bhutan is endowed with

abundant water and hydropower forms an important sector of the Bhutanese economy. Construction of two major hydroelectric power projects is underway in Bhutan. The 1200MW Punatsangchu I is expected to be completed by 2024/2025 and the 1020MW Punatsangchu II is expected to be commissioned by 2022 (Bhutan-India Hydropower Relations).

India is Bhutan's largest trading partner. In 2018, total bilateral trade between the two countries stood at Rs. 9227.7 crores. Major exports from India to Bhutan are mineral products, machinery and mechanical appliances, electrical equipments, base metals, vehicles, vegetable products, plastics and articles. The major items of export from Bhutan to India are electricity, ferro-silicon, portland cement, dolomite, carbides of calcium carbides of silicon, cement clinkers, timber and wood products, potatoes, cardamom and fruit products (Indo-Bhutan Relations).

India is the most popular educational destination for Bhutanese students -almost 4000 Bhutanese students are enrolled in Indian Universities at any time, many of whom are also provided scholarship by Govt. of India. To bolster educational exchanges, the two countries have also signed an MoU in January 2020, to extend the prestigious Nehru-Wangchuck scholarship scheme for another five years. Further deepening the price-less spiritual heritage and bond of learning, the Indian government welcomes students of Buddhism from Bhutan to the much-celebrated centre of Buddhist learning in India, the Nalanda University (Realising 'Bharat to Bhutan' Vision: Exploring New and Evolving Areas of Diplomatic Ties between India and Bhutan).

There are vibrant cultural exchanges between the two countries. A number of Bhutanese pilgrims travel to holy Buddhist sites in India. Reflecting the special nature of Page 2 of 3 the relationship, the two countries share an open border with regular exchange of travelers in both directions for work, tourism, shopping, medical care etc (India-Bhutan Relations).

Recent visits

External Affairs Minister Dr. S. Jaishankar visited Bhutan on 07-08 June, 2019 in which both the counter parts discuss many issues of cooperation. Further Prime Minister of India Shri Narendra Modi paid a State Visit to Bhutan on 17-18 August 2019. In response, Bhutanese Prime Minister, Lyonchhen Tshering Tobgay visited Assam from 1-4 February, 2018. Further Bhutanese Prime Minister, Lyonchhen (Dr.) Lotay Tshering undertook his first official visit to India at the invitation of Prime Minister Shri Narendra Modi, from 27-29 December, 2018. Subsequently, Bhutanese Foreign Minister, Lyonpo Dr. Tandi Dorji visited India from 17-23 November 2019. All these endeavors are of great significance for improving bilateral ties between India and Bhutan (India-Bhutan Relations).

China and Bhutan: Bilateral Relations

In June 2012 Chinese Premier Wen Jiabao met Bhutanese Prime Minister Lyonchhen Jigmi Y. Thinley at the sidelines of the Rio summit and said that "China is willing to establish formal relations⁵ with Bhutan, resolve the border issue between the two nations at an early date, strengthen exchanges in all areas and advance Sino-Bhutanese relations to a new stage." He also said that China appreciated Bhutan's support for the "one China policy" which maintains that Taiwan and Tibet fall under China's sovereignty. Bhutan, which enjoys close diplomatic, political and military relations with India, has in recent years begun to widen its diplomatic engagement,

establishing relations with another country in the region, Myanmar, earlier in 2012. Bhutan also has diplomatic ties with Nepal, Bangladesh, Sri Lanka, Pakistan and the Maldives, but does not have formal relations with either the United States or the four other permanent members of the UN Security Council.⁶ Both the leaders along with other issues relating to bilateral issues of mutual interest and multilateral cooperation also discussed Bhutan's bid for a non permanent seat on UN Security Council for the term 2013-2014. Based on China's five principles of peaceful coexistence, Chinese Premier Wen had also expressed the willingness to open diplomatic ties with Bhutan (Talukdar, 2013).

Bhutan and China had long had differences with respect to the delineation of their common border, which follows natural features— the watershed of the Chumbi Valley in the northwest and the crest of the Great Himalayan Range of mountains in the north. China and Bhutan have two border disputes Kula Kangri Mountain and parts of Haa district of Bhutan, both controlled by China and claimed by Bhutan. Beijing's policy in the Himalayan frontier region was to claim disputed areas on the basis of usage by Tibetans. The two countries share about 470 km long contiguous borders and have held several rounds of talks to resolve the dispute and signed for the first time an agreement promising to 'Maintain Peace and Tranquillity on the Bhutan-China Border Areas,' in 1998. The two governments used the annual border consultations to exchange views on a wide range of bilateral issues (Bhutan China).

The Chumbi valley in the Doklam plateau is where the strategic interests of China, Bhutan and India collide. China's territorial demands could bring it 500 kilometers closer to India's narrow but extremely vital Siliguri corridor, which connects the NorthEastern region with mainland India. In December 2007, reports of a Chinese incursion into Bhutanese territory made headlines in Indian newspapers (China's move on Doklam could cut India's access to its northeastern states). The Chinese presence in the Doklam Plateau was an effort to push its claim to the region and may also be an effort to pressure the Bhutanese to establish more formal diplomatic relations with China. As the Chinese develop their infrastructure and presence in Tibet and southwest China, China will likely increase its pressure on Bhutan to be more receptive to Chinese regional engagement. India withdrew subsidies in 2013 to warn Bhutan against normalising relation with China. The China Bhutan Border Talks have been going on for decades. China has been quite sincere and mostly positive in conducting the international boundary negotiation with Bhutan. And Bhutan on the other hand has been trying to delay the progress for many years at the insistence of India. From August 23 to 26, 2015, Vice Foreign Minister Liu Zhenmin visited Bhutan to hold the 23rd round of talks on China-Bhutan boundary issue (Occasional Paper - ORF). The Chinese side pays high attention to the traditional friendship with Bhutan, stands ready to work with the Bhutanese side to propel bilateral exchanges and cooperation in various fields, and welcomes the Bhutanese side to actively participate in the "Belt and Road" initiatives and the Asian Infrastructure Investment Bank (AIIB), so as to join hands to seek common development. The talks on China-Bhutan boundary issue have made positive progress and entered a new stage.

China has been planned to extend a railway line linking Tibet with the rest of the country to the borders of India, Nepal and Bhutan (China's Policy of Conciliation and Reduction and its Impact

on Boundary Negotiations and Settlements in the Early 1960s). China opened the railway to Tibet's capital Lhasa in 2006, which passes spectacular icy peaks on the Tibetan highlands. The extension to Shigatse, the traditional seat of Tibetan Buddhism's second-highest figure, the Panchen Lama, formally opened in August 2014 (Bose, 2020). That link was scheduled for its own extension during the 2016-2020 periods to two separate points, one on the border of Nepal and the other on the border with India and Bhutan (China plans railway to India, Nepal borders by 2020).

Bhutan-China Relations: It's Impact on India

India has placed high emphasis on Bhutan's security because of its proximity to the Chumbi Valley, a tri-junction between Nepal and its long time rival China. Bhutan thus serves as a geostrategic buffer in India's northeastern frontier. India has a military base at Bhutan's Haa District. The importance of this valley is immense for India and also for China. The desire for a strong formal step in resolving the border issues with Bhutan indicates the importance of this valley. China claims approximately 300 square miles of Bhutanese territory, mainly in the Chumbi valley, the TorsaNala, and some areas opposite Haa (western Bhutan) along with some grazing areas in the north. The Chumbi valley is important to China also because of its shared borders with Tibet and Sikkim. For China, it has a strategic value. It is pertinent to mention that Mao Ze Dong had defined Tibet as the palm which had five fingers -- Ladakh, Sikkim, Nepal, Bhutan and Arunachal Pradesh. Chinese interest in Chumbi valley primarily stems from three reasons. First, China gains proximity to India's North-East and Siliguri Corridor, which connects North-Eastern states to India and Nepal to Bhutan. Second, with access to Chumbi valley, China gets closer to Bangladesh's periphery in the North since only a narrow stretch of land divides Bangladesh from Bhutan. Third, analysts have already pointed out the two important north-south strategic corridors on either side of India — first, the trans-Karakoram corridor extending to Gwadar and second, the Irrawaddy Corridor linking Yunnan to Myanmar. Further, with well laid out road/ railway infrastructure, China acquires advantage in military posturing. When China gets better access in Tibet and Bhutan then it would potentially weaken India's position at any given point of time. Although China always plays its reiterated stand of peaceful existence and indicates economic factors as the governing reason. India should focus on strengthening economic and diplomatic relations with Bhutan. This is necessary as China is promoting itself to become the largest trading partner with Bhutan (Talukdar, 2013).

Globalization has made small states (be it landlocked or coastal countries) prominent in the international arena. These small countries have begun to assert their independence and sovereignty. Bhutan has been active at international level through its membership in international organizations and also maintained its relations with India. In fact, both the countries renegotiated the 1949 Treaty in 2007. Both the countries agreed during 2007 to "reaffirm their respect for each other's independence, sovereignty and territorial integrity". India also gained the status of being Bhutan's largest trading partner. In turn, India's energy-hungry economy bought back the hydroelectric power funded by it in Bhutan. Bhutan has also cooperated with India troops in flushing out insurgents (Talukdar, 2013).

However, Bhutan, like all countries, has been concerned about its security and it would not be wrong to assume that it can establish deeper relationship with China not only economically but also militarily (in all the three sectors: army, navy and air force) in near future. In 1998 Bhutan and China signed an Agreement on Peace and Tranquility on the Bhutan-China Border. There are instances of China's intrusions into Bhutan but it seems that these intrusions from the Chinese side were more towards India than into Bhutan. The 2017 Doklam issue is an important example in this regard. In 1998, Bhutan and China signed a landmark agreement to seek a peaceful settlement to a four-decade old border dispute. In 1958, when China was trying to claim the Indian Territory, its maps also showed 200 sq miles of Bhutanese territory as part of Tibet. It is important to note that India's first Prime Minister Jawaharlal Nehru had said in the Parliament that any attack on Bhutan would be considered an attack on India. Later, India's defeat against China in the 1962 War had made Bhutan skeptical about the capability of India to look after its defense as well as Bhutan's security. But confidence restored after the Indian victory in 1971 when India defeated Pakistan and Bangladesh gained independence. The process of normalization of relations between India and China also made it possible for Bhutan to have direct bilateral talks with China on boundary issues, thus, providing Bhutan an extra space to implement its foreign policies. China, as mentioned above, is growing as an economic power and also as a military power whose influence is spreading far and wide (Talukdar, 2013).

Therefore, to prevent China's influence in Bhutan, India needs to improve its bilateral ties with Bhutan. India also needs to provide sufficient financial assistance and other aid to Bhutan so that it would never fall under China's debt trap. Along with this, India needs to promote its cultural and religious linkage with Bhutan which may play important role in improving ties between India and Bhutan. Besides, India also should focus on promoting air, rail and road connectivity with Bhutan. Finally India's military modernization in the northeastern territory and particularly near the Chumbi valley and "Siliguri Corridor" is very much important for ensuring India's northeast and Bhutan's security.

Conclusion

The above discussion reveals that it may seem like a mind game and China is continuously trying to increase its influence over Bhutan in order to reduce India's dominance in the South Asia. China's another motive in this regard is to come closer to India's strategically significant "Chicken's Neck" or "Siliguri Corridor" as it is the only landmass that connects Indian mainland with Northeastern corner of India. In this situation India needs to deepen its ties with Bhutan by promoting its diplomatic and economic relations with this landlocked country. Besides the above, India also needs to maintain close eye over its northeastern border and strategically significant Siliguri corridor and also Chumbi Valley in Bhutan. If any Chinese development occurs in this sensitive area India needs to respond it with strong hands by using peaceful negotiation technique. Rapid development in road and associated infrastructure opposite Chumbi Valley including rail network from Lhasa to Zangmu and cannot be overlooked. This expansion might point towards Chinese attempts at up gradation of operational posture. Since Bhutan is a buffer state for India any threat here from China will indirectly hamper India's security. Therefore, if Bhutan

diplomatically allies with China then its future implications will be danger for India. India in this regard also needs to focus on more military modernization near the northeastern border.

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