

Indo-Bhutanese Relations: From ‘Special Relationship’ to ‘Strategic Partnership’

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The relations between Bhutan and India have been traditionally close and both countries share a ‘special relationship’, making Bhutan a protected state, but not a protectorate of India. The peaceful and co-operative relationship between India and Bhutan offers a unique model of bilateral relationship in South Asia. They have sustained an emotionally unwavering and effectively workable relationship between them over the years.¹

Through the years Bhutan has cherished India for its economic assistance and the relationship between the two nations has helped Bhutan shape a unique developmental path based on gross national happiness. Bhutan’s economy has grown substantively in recent years.² However, the developmental relationship between the two countries can be meritoriously divided into three significant waves. The first wave (1960s-1970s) concentrated on building the social and physical infrastructure. The second wave (1980s—1990s) witnessed substantive efforts towards democratisation and decentralisation. The third wave (after 1990s) of the relationship focused on developing hydel projects, which has now expanded into other areas of cooperation such as information technology, disaster risk management, education and research.³

The geopolitical and geostrategic position of Bhutan - a landlocked Himalyan Kingdom covering an area of 46,000 sq km and has maximum extent (East-West) of 300 km and maximum depth (North-South) of 170 km - is important for India because it shares common borders with India and China - the two giant Asian nations in the post-second world war scenario.⁴ In addition to it, Bhutan is situated in close proximity to Nepal and Bangladesh with some geo-strategic possibilities. However, Bhutan has not developed so much of cordiality and warmth in its relationship with them as it has with India.⁵

The existence of Bhutan dates back to the 12th century when the immigrating Tibetans conquered the local tribals and established their supremacy. It took four centuries for the fending migrant Tibetans to delineate the geographical boundaries of the country and set up a politico-religious system of governance corresponding with that of theirs. Culturally, ethnically and politically, it emerged as a homogenous entity in the 17th century conducting its economic as well as political relations.⁶ The migrant Buddhist Lamas were responsible for the conversion of the Bhutanese to the Buddhist faith. Bhutan continued maintaining its tributary relationship with Tibet until its aggressive occupation by China in 1950-51. The impact of the occupation of Tibet or the loss of Tibet precipitated a significant change in Bhutan's perception vis-a-vis its new neighbour-China, which has now 470 km long common borders with this country. A close Bhutan was now apparent to be an open invitation to the Chinese subversive and expansionist strategies. The ruler of Bhutan was virtually forced to terminate the centuries - old secluded status of his country. The suppression of the Tibet Revolt of 1959 confirmed his anxiety and warranted an immediate decision on his part.⁷

Decidedly, Bhutan found itself in a difficult and dangerous situation in which it had to draw its own security parameters. It had a limited option too. It had to cultivate either of the two Asian giants - India and China for its relief and rescue. In 1958 China had not only claimed Indian Territory, its maps also showed 200 sq miles of Bhutanese territory as part of Tibet.⁸ Against this backdrop the Indian states of West Bengal and Assam bordering Bhutan were endowed with better resources and infrastructure. It was suitable to Bhutan for its trade and development. Bhutan has been dependent upon India with respect to its access to the sea, aid, trade, market which makes it a modern state.⁹ On the other hand, China, even eager to replace India in this connection, would prove unlikely to serve Bhutan's interests. Apparently, Bhutan decided to serve its national interest best by strengthening its relations with India. Another essence also operated in exercising its option in favour of India. India has always decisively believed in an independent, stable and prosperous Bhutan and taken keen interest in its multifaceted development. On the other hand, China had displayed a subversive and expansionist mind-set by forcibly subjugating Tibet. Thus, Bhutan decided to sever its ties with Tibet and through it with China and focus all its efforts on strengthening its ties with India.¹⁰

Historically, the British India had concluded the Treaty of Sinchula with Bhutan in 1865 which brought about a important change in the latter's status, almost reducing it to the level of a princely state of India. Later, the Treaty of Panakha of 1910 confirmed the British control of Bhutan's external relations and, in return, it was assured of non-interference in its internal affairs.¹¹ The Treaty of 1949 between India and Bhutan offers the basic framework for conducting their existing bilateral relations.¹² Once Bhutan conveyed its desire to conduct its foreign relations

independently, Jawaharlal Nehru, the then Prime Minister of India, had advised the King of Bhutan against it for it meant drawing that country into the whirlpool of politics. The question was debated in the National Assembly of Bhutan, where it was agreed to abide by Nehru's advice against conducting external relations independently.¹³ However, Bhutan was free to establish direct relations with other countries. In his reply to a question in 1960 in the National Assembly the then Bhutanese Prime Minister Dorji said, "We don't consider ourselves to be the protectorate of India. We consider ourselves independent. But we are not 100 per cent independent because of the 1949 treaty".¹⁴ After 1962, India virtually dragged Bhutan into the twentieth century. In this it was actuated more by its own strategic requirements than by any selfless concern for Bhutan's development. Its objective was to develop Bhutan so as to serve its own defence and political interests.

India has supported Bhutan to have an independent identity in the international forum and in building its bilateral relationship in other parts of the world. Its international journey began with becoming a member of the Colombo Plan in 1963. Bhutan's membership of the Colombo Plan was sponsored by India.¹⁵ In 1969, Bhutan's entry into the Universal Postal Union was supported by India. In 1971 Bhutan was admitted to the United Nations with full backing from India. In 1972 Bhutan became a member of Economic and Social Council for Asia and Pacific. It joined the Non-Aligned Movement in 1973 at the Algiers Summit.¹⁶ The process consequently continued and in 1985, Bhutan became a member of the South Asian Association for Regional Cooperation (SAARC), providing it another forum to expand and conduct its foreign relations and this time more effectively since SAARC is a grouping of only seven countries. Bhutan has, therefore, slowly and gradually expanded its international contacts and today it has diplomatic relations with many countries of the world.¹⁷

Bhutan is not only a landlocked country but also really backward. Two principal reasons account for Bhutan's greater tilt towards India. Firstly, Bhutan has remained heavily dependent upon India for its socio-economic development from the very outset. Secondly, India has been helpful to Bhutan in establishing its linkages with the outside world. India has emerged as the largest single donor ever since Bhutan launched its first five-year plan in 1961. Having decided to come out of isolationism, India helped it by totally financing the first two five-year plans. Presently, the Indian government is involved in many projects, which include hydropower plants, cement plants, roads, etc. India has financed the Bhutanese project on the setting up of petroleum storage at Deothang. India aided Project Dantak, launched in 1961, which made a major contribution to Bhutan's socio-economic development. It helped construct a comprehensive network of important infrastructure in roads, Paro airfield,

micro wave links with outside world, broadcasting station, elements of the Chukha project, and facilities in education and health.¹⁸

The 336 MW Chukha hydel project ensures power supply to parts of West Bengal and Assam. This one project provides nearly 40 per cent of Bhutan's national revenue. The 1020 MW Tala project would substantially increase Bhutan's national revenue. It would also solve the problem of shortage of power in India. India has been buying Bhutan's surplus power needed for its deficit states. 40 percent of the external revenue that Bhutan gets is presently from the sale of electricity to India.¹⁹

After the Janata Government came to power in March 1977, there occurred certain changes in Indo-Bhutanese relations. There was a marked improvement in these relations. The King paid a visit to New Delhi in April 1977, and the Minister for External Affairs of the Government of India returned the visit in November 1977. During his visit it was announced that "past irritants" had been removed and that the 'P' Form requirement for Bhutanese travelling overseas had been waived. In March 1978 the King again visited India, and for the first time India announced that it would allow Bhutan to diversify its trade. The status of Bhutan's representative in New Delhi was officially recognized as that of an Ambassador. In September 1978 it was announced that Bhutan would establish an airline with direct flights from Calcutta to Paro.²⁰ Despite good relations, India and Bhutan did not complete a detailed demarcation of their borders until the period 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.²¹

Bhutan has benefited immensely from assistance by India. Most significant, of the total aid given by India to other developing countries in 1996-97, the share of Bhutan was 52 per cent, which amounts to Rs.181 crore. There is a free trade regime between India and Bhutan not requiring even customs posts on the Indian side of the border. Being a landlocked country, India provides it with about 13 transit routes. Presently, Bhutan is very keen on sub-regional cooperation through the growth quadrangle which encompasses Bangladesh, Nepal and the north eastern parts of India. It is emphasising on the economic content in its relations with the SAARC member countries. Television came to Bhutan in 1999 and the first internet cafe was set up only in 2000. Earlier this decade, the former king, Jigme Singye Wangchuk empowered the national assembly to set up a council of ministers and gave them powers to run the government.²²

From 2003 to 2004, the Royal Bhutanese Army conducted operations against anti-India insurgents of the United Liberation Front of Assam (ULFA) that were operating bases in Bhutan and using its territory to carry out attacks on Indian soil. India renegotiated the 1949 treaty with Bhutan and signed a new treaty of friendship in 2007. The new treaty substituted the provision necessitating Bhutan to take India's guidance on foreign policy with broader sovereignty and not require Bhutan to obtain India's permission over arms imports.²³ In 2008, India's then Prime Minister Dr. Manmohan Singh visited Bhutan and expressed sturdy support for Bhutan's move towards democracy. India allows 16 entry and exit points for Bhutanese trade with other countries (the only exception being the Peoples' Republic of China) and has agreed to develop and import a minimum of 10,000 megawatts of electricity from Bhutan by 2021.²⁴

Building on the goodwill, Bhutan's fifth king, Jigme Khesar Namgyal Wangchuk, visited India from December 21 to 26, 2009. The visit, the King's first since his coronation in November 2008, points to the high priority that Bhutan accords to its relationship with India. The broad-based and high-level meetings signpost the seriousness of the two countries to engage in wide-ranging issues from internal security matters to economics and foreign policy.²⁵

In the recent years, regular visits have taken place between the two sides. In 2009 alone, the external affairs minister and the home minister visited Bhutan in June and August, respectively, to discuss issues of mutual interest and concern. The home minister's visit was the first ever to Bhutan. In September the foreign secretary, Nirupama Rao, visited Bhutan on her first official visit after assuming office. Likewise, the national security advisor, M.K. Narayanan, visited Bhutan in November 2009. Others like the prime minister's special envoy on climate change, Shyam Saran, chief election commissioner Navin Chawla, and comptroller and auditor general Vinod Rai also visited Bhutan in 2009. Clearly, a new thrust and momentum towards building a strategic partnership with Bhutan has developed.²⁶

During the king's visit, 12 memorandums of understandings were signed, ranging from issues like health, prevention of illicit trafficking of narcotic drugs, civil aviation, information technology and agricultural research, cooperation on search and rescue operations, to technical cooperation on environment-related issues. The energy sector received top priority: four standalone agreements were signed and the detailed project reports (DPR) for four hydroelectric projects - Amochu Reservoir, Kuri

Gongri, Chamkarchu-I and Kholongchhu—were commissioned. India also assured to help Bhutan towards the preparation of its National Transmission Grid master plan. Economic assurance to Bhutan towards creating a generation capacity of 10,000 MW of electricity by the year 2020, with a buy-back arrangement, was also guaranteed. Bhutan, in return, unequivocally assured that India's interest would be safeguarded. India also pledged full support for the SAARC Summit, hosted by Bhutan in April 2010. Although the visit was both symbolic and successful, certain challenges that have the potential to undermine the India-Bhutan partnership need to be highlighted.²⁷

The present Indian Prime Minister Narendra Modi decided on Bhutan as his first foreign destination, placing regional co-operation before global co-operation. He had inaugurated the Supreme Court Complex in Bhutan and also promised help to Bhutan on IT and digital sector. In 2014, Modi made his first foreign visit to Bhutan following an invitation by King Jigme Khesar Namgyel Wangchuck and Tobgay. The visit was called by the media as a “charm offensive” that would also pursue to check Bhutan-China relations that had recently been formalised. He also sought to shape business ties, including a hydro-electric deal. While speaking about the visit, Modi said that Bhutan was a “natural choice” for his first foreign destination because of the “unique and special relationship” the two countries shared. He supplemented that he was looking forward to cherish and further strengthen India's special relations with Bhutan.²⁸

In 2012–13 fiscal, India's budgetary support to Bhutan stood at INR 30 billion. It steadily rose over the years to reach INR 61.60 billion in 2015-16 making Bhutan the largest beneficiary of India's foreign aid. Bhutan's Prime minister, Tshering Tobgay, secured an additional aid package from India worth INR 54 billion for his nation during his visit to New Delhi in August 2013. Five-sixth of this amount (INR 45 billion) has been earmarked for Bhutan's 11th Five-Year plan. INR 4 billion was for the pending projects of the previous plan period. The remaining INR 5 billion was part of India's “Economic stimulus package” for Bhutan's slowing economy. India operates 3 hydro power projects, of 1,416 MW in Bhutan and 3 more of 2,129 MW are under construction.²⁹

In conclusion, it can be stated that India-Bhutan relations have a sturdy historical edifice and, in the past, both countries have retorted positively to each other's interests and concerns. It is in the larger interest of both countries to sustain their cooperation, as both are considered to benefit from a mutual, interactive and cooperative relationship. But given Bhutan's strategic location and proximity to sensitive conflict-prone border areas, India should be vigilant. It cannot afford to

ignore any development in its periphery, which can be disadvantageous to its national interest. India-Bhutan engagement started as a “special relationship” in the initial years is now evolved as a “strategic partnership”.

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