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# RECENT INDO-BHUTAN RELATIONS : NOSY IN INTERNAL OR BENEFICIAL IN REAL

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#### ABSTRACT

Bhutan is a landlocked Himalayan Kingdom in the eastern part of South Asia. The People's Republic of China is on its north and the country is surrounded by India on its South East and West. Bhutan is India's closest ally. Beyond establishing a close strategic, economic, political relation with Bhutan and attempting to give a message to China Narendra Modi rightly termed Indo-Bhutan Relations as ''examplanary'' in his visit to Bhutan as the Premier of largest democracy in the world second term. The motto of his visit was, '' catch the youth and charm them'' to focus on the Bhutanese youth. Bhutan has always India's closest ally and backtrack China's overtures for diplomatic and economic ties, though recently there are young voices in Bhutan that want it to engage with China. On the other hand Indian Prime Minister Narendra Modi in his second visit to Bhutan attaches high priority to Bhutan as its trusted friend which is the continuation of India's Neighbourhood first policy. Both the Government discussed to further strengthen and diversify the bilateral partnership including economic and development cooperation, hydropower cooperation, people to people ties. Therefore in this article we are going to analyse (a) the recent ups and downs of Indo-Bhutan Relations during Doklam Crisis and Beyond; (b) India's economic assistance to Bhutan—Hydro-electric cooperation; (c) India's assistance during COVID 19 period.

KEYWORDS: India, Doklam, Bhutan, Hydroelectricity, COVID 19 and Galwan Clash

#### INTRODUCTION

India and Bhutan enjoy special relations that extend far beyond geography to deep rooted religious, cultural, historical and economic ties since ancient times. In the early 20th century, Bhutan came into contact with the British rulers in India. After India's de-colonization, Bhutan retained strong bilateral relations with India. The country started shifting from absolute monarchy to constitutional monarchy through its elections in 2008. India's bilateral relations with small Himalayan state Bhutan have many ups and downs in the recent years especially after the establishment of party based democracy. As the process of democratization takes root in Bhutan, there will be certain sections wanting bilateral relations with China. Recently Bhutan completed its third National Assembly elections to the lower house of the parliament and the Druk Nyamrup Tshogpa (DNT) party won in the run-off election of the two phase system. Lotay Tshering the president of DNT forms the Government. India well come the new Government in a friendly manner but there were discussion in some quarters that China has backing some political forces in Bhutan to devoid Indian influence.

Politics in Bhutan and its foreign policy conduct significantly altered soon after the Druk King voluntarily abdicated his power to the democratically elected Government. Bhutan's first democratically elected Government led by Druk Phuensum Tshogpa (DPT) made a sudden shift in country's India centric foreign policy. According to analyst, PM-JYT'S meeting with the Chinese Premier Wen Jiabao in Rio in June 2012 ostensibly to deepen bilateral diplomatic and economic ties apparently irked New Delhi. In fact, stories revealed that no heavy items except for purchasing 20 busses from China was committed, but Thimpu faced the blame for having kept New Delhi in dark on PM-JYS'S pre-planned meeting with Wen Jiabao. However, New Delhi did make its displeasure explicit through official notes Thimpu for the lack of transparency and acquiring a habit of keeping India in dark even on matters impinging our common security. China was quite successful to spread the environment of mistrust between the two neighbors.

Bhutan's relations with India came under the spotlight following the June, 2013, decision by India to abruptly end subsidized kerosene oil and cooking gas to Bhutan. Coming just days before Bhutan's general election, the decision allowed the opposition PDP to target the outgoing Prime Minister for botched policies in the vital relationship with India. In the general elections, however, the PDP soared; winning 32 of 47 National Assembly seats garnering 55% of the vote to the DPT's 45 % Tshering Tobgay became the second Prime Minister of Bhutan. In the beginning PDP led Government declares its first priority will be to rebuild and strengthening Indo-Bhutan relations. But

slowly it has been starting criticizing the previous regime for pursuing a China policy at the cost of India's interest. In the past few years, ties came under a strain over India's sudden change in its power purchasing policy, rigid rates and refusal to allow Bhutan to join the national power grid and trade with third countries like Bangladesh. These issues are being addressed now. Another concern that could create differences is over Bhutan's worry that too much trade, transport and tourism from India could put its environment at risk. Earlier generations of Bhutanese students never looked beyond India, but in recent years young Bhutanese have shown a preference for education destination in Australia, Singapore and Thailand. More importantly, New Delhi will have to remain alert to strategic powers which are courting Bhutan assiduously, as is evident from high level visits from China and the U.S. In a world of growing options, it remains in India's and Bhutan's best interest to make each other's concerns a top priority. ( Something special: on Narendra Modi's Bhutan visit, 20<sup>th</sup> August, the Hindu)

During the UPA 2 Government Indo-Bhutan relations became bitterer than earlier. To change the circumstances Prime Minister Narendra Modi made his maiden visit to Bhutan to strengthen development cooperation and further economic ties. Modi has consciously decided to start his foreign sojourns with Bhutan in keeping with his neighbors outreach which played out recently in the form of invitations to all SAARC leaders to attend his swearing in May 26 Bhutan Prime Minister Tshering Tobgay attend Modi's oath taking.

India's plan for a sub-regional motor vehicle agreement faced a setback, as the Bhutan Government announced that it is not ready to go ahead with the process at present. It asked the other members of the BBIN grouping – India, Bangladesh and Nepal to continue to operationalise it without Bhutan. Bhutan Prime Minister Tshering Tobgay's decision to step out of the BBIN process comes on the back of severe domestic opposition to the motor vehicles agreement, primarily on fears of vehicular pollution and environmental degradation if trucks from neighboring countries are given access to Bhutan, a country that pride itself on its, 'carbon neutrality' and preserving the environment.

### DOKLAM CRISIS

Doklam, or Donglang in Chinese, is an area spread over less than a 100 sq km comprising a plateau and a valley at the trijunction between India, Bhutan and China. It is surrounded by the Chumbi valley of Tibet, Bhutan's Ha valley and Sikkim. (The Hindu, 27 January, 2018, Josy Joseph) In the early 1990s China is understood to have made Bhutan an offer that seemed attractive to the Government in Thimpu: a package deal under which the Chinese agreed to renounce their claim over the 495 sq km disputed land in the Pasamlung and Jakarlung valleys to the north, in exchange for a smaller tract of disputed land measuring 269 sq km, the Doklam plateau.

It flared up in 2017 when the Chinese were trying to construct road in the area, and Indian troops, in aid of their Bhutanese counterparts, objected to it, resulting the standoff. Doklam is strategically located close to the Siliguri corridor, which connects mainland India with its north-eastern region. The corridor, also called Chicken's Neck, is a vulnerable point for India.(The Hindu, 27 jan,2018, Josy Joseph)

India is concerned with recent actions of China in the Doklam area and has conveyed to the Chinese Government that the construction of the road in Doklam are would represent a significant change of status quo with serious security implication for India. Claude Arpi has written that the PLA has also built important infrastructure such as the road from Yatung to Phari in the Chumby Valley which cuts across the Doklam plateau.....By grabbing the Doklam plateau, Beijing considerably enlarged the Chumby valley and its access to Sikkim and Siliguri. The ministry of External affairs decided to respond in a firm but polite manner. In the Indian statement issued on June 30, reminded China that the two sides had agreed in 2012 that tri-junction points between India and China and third countries were to be finalized in consultations among the three and any attempts to unilaterally determine tri-junction points was a violation of this understanding. In Doklam, China violated this agreement both in letter and spirit.

The situation appears to be progressively deteriorating. The Chinese Foreign Ministry has now issued a map showing Doklam as Chinese territory. They have also issued photographs with nothing in Chinese stating Indian soldiers violated Chinese territory. This is for the first time in decades that soldiers of the two sides are standing eyeball to eyeball, though not with weapons pointing. Bhutan under pressure from Beijing to establish diplomatic ties, invoked 1949 and 2007 bilateral treaties with India- allowed Indian military to camp at Doklam. It further abided by 2012 Sino-Indian understanding that all trijunction points must be address trough trilateral dialogue and not bilateral between Thimpu and Beijing. (Bhutan plays big role in ending Sino-Indian military standoff in Doklam, Dipanjan Roy Chaudhury, Economic Times, 13<sup>th</sup> July, 2018) The good news for India is that in this crisis period Bhutan plays a role of good friend of India and remain firm on its position on territorial sovereignty, undertaking delicate balancing between India and China and withstanding diplomatic, political and military pressure from Beijing.

### HYDRO-COOPERATION

India and Bhutan enjoy a special, close and friendly relationship founded on trust, understanding and mutual

benefit. These relationships were further strengthened over the course of year through hydroelectric capacity. Bhutan with its snow and glacial fed river with steep slopes and abundant flows has a large hydro power potential. Presently, the Royal Government of Bhutan harnesses water resource for generation of hydro electric energy and consequently earning revenue by selling electricity mostly to energy hungry India and the neighboring countries.

Bhutan is a landlocked Himalayan Kingdom in the eastern part of South Asia with an area of 46,500 sq. km. The identified hydropower potential density is 237 KW per square Kilometer. (Tamang 2010, p 191) There are four major rivers in Bhutan the Torsa, Sankosh, Wangchu, and the Manas. The Manas is formed from other rivers the Tongsa Chu, Bumthang Chu, Kurichu, and Kulongchu and the main Manas tributary. In addition, there are other small rivers; the Jaldhaka, Mau, Badnadi, and the Dhansiri which originate in the Middle Hills. The Middle Hills have no permanent snow and ice but receive heavier rainfalls during the monsoon. As a result, these rivers, which run almost dry during the winter, are big and turbulent in the monsoon. (Dhakal 1990, pp291-300) Bhutan's main advantage in generating hydel power at cheap cost is the possibility of run-of-river schemes which does not need big reservoir dams. Bhutan is free from the fear of displacement not only because Bhutan is sparsely populated, but also for the run-of-river schemes. The hydel power is a renewable resource that is likely to last as long as the snow and rain continues on the Himalaya. (Raychaudhury 2000)

Electricity was introduced in Bhutan only in the 1960s, when diesel generating sets were installed in some major towns. In 1967, Bhutan started importing electricity through the Jaldhaka hydropower plant, located in West Bengal, India. The turning point in power cooperation came with the commissioning of the 336 MW Chukha Hydel Project in 1989, which was a significant test case in many ways and set the pace for future cooperation. (Bisht 2011, p2)

Another major hydropower project is the Tala Project (capacity of 1,020 MW) Started in 1996, the project was originally planned to be commissioned in June 2005. In addition to this three more Memorandum of Understanding (MoU) has been signed between Bhutan and India for the preparation of detailed project reports on the 870 MW Punatsangchu, the 992 MW Punatsangchu (Stage II) and the 670 MW Mangdechu hydroelectric projects. India has expressed its readiness to finance these projects as it needs power for meeting its rising energy demand. (Kharat 2009, p163) The year 2007 was a watershed in the relations between the two countries. It not only witnessed a successful end to the first phase of cooperation with the completion of the Chukha, Kurichu and Tala projects but also marked a new framework of cooperation with the signing of the India-Bhutan friendship treaty. Also, while projects like Punatsangchu were in pipeline, the commitment to generate 10,000 MW came up during the first empowered Joint Group of Minister held in New Delhi in March 2009. (Bisht 2009, pp7-8)

India has also assured co-operation towards preparation of its National Transmission Grid Master Plan. The Indian commitment to Bhutan towards creating a generation capacity of 10,000 MW of electricity by year 2020 is under progress (Bisht 2009) Bhutan and India have agreed to a final list of ten hydropower projects with a total capacity of 11,576 MW to be constructed in Bhutan by 2020. This was decided during the recent visit of Bhutan's Economic Affairs Minister Lyonpo Khandu Wangchuk to India.(Dorji, 2009) Tata power is also building a hydro electric dam. This dam will greatly develop the Bhutanese economy by providing employment and by selling electricity to India and fulfilling India's burgeoning needs. (Sankar 2013, p20)

As India has entered the global energy market, it has encountered an important competitor – the People's Republic of China. India's former Minister of Petroleum and Natural Gas, Mani Shankar Aiyar, a strong proponent of energy cooperation in Asia, enthusiastically proposed Sino-Indian energy co-operation to avoid the prospects of a conflict in their competition over sources of energy.(Parmanand 1990). Arum Kumar Shaoo, Director Nepal/Bhutan MEA, South Block, said that, both India and Bhutan Government are benefited by the hydroelectric co-operation. He said that Indian Government's aim to install hydroelectric plants in Bhutan was twofold - (I) Strengthening Bhutan and (ii) fulfill increasing energy demand of India. (Shaoo 2014)

In his maiden visit abroad as premier, Prime Minister Modi went to Bhutan to strengthen the development cooperation and further enhance economic ties. He described Bhutan as a natural choice for his first visit abroad as the two countries shared "special relationship" Modi Woos Thimpu ahead of Bhutan China dialogue' (TOI 16<sup>th</sup> June, 2014) According to Prime Minister Modi, hydro power cooperation with Bhutan is a classic example of win-win cooperation and model for entire region. During his visit he also laid the foundation stone of the 6000 MW Kolongchu hydropower project. He declared the expansion of bilateral ties as" Bharat to Bhutan Relations". (Labh 2016)

Modi's decision to choose Bhutan as the first destination assumes great significance keeping in mind that one of the worst foreign policy decisions the UPA 2 Government was perceived to have taken came in 2013 when it withdrew subsidy cooking gas and kerosene it supplied to Bhutan. It was a classic case of diplomatic overkills as the withdrawals hit Bhutan's poor the hardest. (TOI 6<sup>th</sup> June 2014) Using the situation China has been trying to win Bhutan over and reduce India's growing influence and woo

Thimpu to establish full diplomatic ties. To tackle the situation Indian Government uses the hydropower sector to strengthen relations with Bhutan. Officials of both the countries signed agreement calling for the Hydro projects including 770 MW Chamkarchu, 570 MW Wangchu and 180 MW Bunakha Plants. Through this hydro power cooperation, India continues to overcome the perceived mistrust of its small neighbour in the north. Recent meeting between Indian Prime Minister Narendra Modi and his Bhutanese counterpart Tobgay affirmed the countries commitment to constructing more than 2100 MW of additional hydroelectric power capacity in Bhutan. Officials of both the countries had signed on inter Governmental agreement calling for the four hydro power projects, including 600 MW Kholongchu, 770MW Chamkarchu, 570MW Wangchu and 180 MW Bunakha Plants. Hydro power cooperation with Bhutan is a classic example of win-win cooperation, providing clean electricity of India, generating export revenues for Bhutan and further strengthening our bilateral economic linkage. During Modi's visit he inaugurated the building of the Supreme Court of Bhutan. In a statement during his visit to Bhutan Indian president Pranab Mukherjee said," irrespective of which political party is in power in India, it will accord the utmost importance to relations with Bhutan. Mukherjee said the two countries must proactively explore new avenues for cooperation. One area identified is education and other area of cooperation is in the field of agriculture and livestock development. But this cooperation hindered due to domestic compulsion of Bhutan. DPT's closeness to Chinese lobby creates several complexities in relations especially in BBIN agreement in the South Asian region. HYDRO Another most important blow came from hydroelectric sector. According to the Bhutanese news paper a joint report by the Indian CAG and the Authority of Bhutan (RAA) indicates major problems in the awarding of the 1200 MW Punatsangchu I hydroelectric dam.. Along with this bad transmission and crisis in balance of payments creates new problems between India and Bhutan. Using the situation China has tried to enhance relation with Bhutan through social, cultural and sports field. There has always been a strong minority in Bhutan which has considered that the natural partner for Bhutan is China, not India. Henceforth, China is changing its soft power diplomacy to as its rich increasingly travel to Bhutan as tourists, and as the massive investments in Tibet make that area a possible access points for the nascent Bhutanese leaders. So hydroelectric cooperation which is cornerstone of Indo-Bhutan relations has a great set back during this situation.

During the recent visit to Bhutan the two strategic partners strengthen ties with the inauguration of the Mangdechhu hydropower project, rollout of the Rupay card scheme, and bolstering of educational exchanges. The focus

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of prime minister's visit was on Bhutanese youth and how educational linkages can be strengthened between the two countries. Both Prime Minister Modi and his Bhutanese counterpart jointly inaugurate the ground earth station build by ISRO. Foreign Secretary Gokhale said PM Modi's pet Rupay card scheme will be rolled out during this visit. Another key feature of this visit was to established India's national knowledge network and its Bhutanese counterpart. The prime minister will also make efforts to increase collaboration in the field of STEM (Science, Technology, Engineering and Math). India committed Rs. 5000 Crore development assistance to Bhutan's 12<sup>th</sup> five year plan. (PM Modi to visit Bhutan, India Today, 10<sup>th</sup> August 2019)

# PANDEMIC 2019 AND GALWAN CLASH

Bhutan continues to be India's closest ally during pandemic situation. Bhutan decided to seal their borders in March 2019 to prevent the proliferation of the virus. India also collaborating with Bhutan in developing Covid 19 vaccine and has gifted testing kits and medicines. To ensure trade and connectivity with Bhutan, India opened a new route through Ahlay. New Delhi adhees to non reciprocity principle an important feature of the Neighborhood first policy. Recently India made an exception bringing in an urgent notification allowing imports of potatoes and other agricultural products from Bhutan. This was after the Bhutanese peasants faced uncertainty over the sale of their produce, following Indian border security personnel turned back Bhutanese potatoes from entering India, citing procedural issues.

In this pandemic situation India and China military clash at Galwan Valley in 2020 creates a complex situation in South Asia. Bhutan as a closely ally of India does not have direct diplomatic relation with China. But throughout the dispute it remains close to India and supported India's initiative. When China expanding its territory, Bhutan responded emphatically rejecting China's claim and that the Sakteng Wildlife Sanctuaty was an integral and sovereign territory of Bhutan. India also reacted in favor of Bhutan. (Hindu 20<sup>th</sup> June 2020)

## CONCLUSION

Bhutan a small Himalayan Kingdom occupies a strategic position in India's northern border. As it is a buffer state between India and China, India has to play a cautious role maintaining friendly relation with Bhutan. A stable friendly peaceful Bhutan helps India to reduce political, economic and military burdens. India steadfastly stood behind Bhutan during early years of its journey as a nation. India never intervenes in its internal matter of Bhutan but helps its foreign policy matter through the Friendship Treaty of 1949. With the help of India Bhutan came out from its isolationist foreign policy and establish links with outer world. India's economic assistance helps Bhutan to adopting planned economy and takes the path of economic development and modernization. Even when the King was abdicating in favors of his son and tries to establish democracy India helps directly. Bhutan on its part plays the role of true friend during India's necessity and crisis. It never uses the China Card as like Nepal.

Bhutan dismisses Chinese claim of direct boundary talk. Bhutan stood firmly with India during Operation All Clear in 2003 to flash out the ULFA militants from Bhutanese soil. Even in the recent Doklam standoff between India and China, Bhutan plays a role of good friend of India. While India has rejected China's invite for Belt and Road Forum meet as it is undermining its sovereignty in the form of the China Pakistan Economic corridor that passes through Pakistan controlled Gilgit-Baltistan region of the state of Jammu and Kashmir. Following the footsteps of India, Bhutan skip from the meet unlike India's other South Asian neighbors. It is important for both India and Bhutan to understand each other's priorities, concerns, constraints and then design their policy responses accordingly. Even in this recent pandemic situation Bhutan rely on India from different aspects. When Srilanka and other small countries of South Asia cannot defend their economy, Bhutan remains stable just because of India's guidance and cooperation.

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