

November 9, 2009

Indo – Bhutanese Relations: A Historical Perspective

By

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Relations between nations have often been observed to harbour dormant political ambitions that are seldom made public. Incidents of nascent political ambitions invisible to the astute diplomatic eye is not a novel phenomenon. However, in the midst of such difficult conditions caused by intricacies of *realpolitik*, lie certain bilateral relations that are relatively free from the skirmishes of egocentric domestic political aspirations. The bilateral relations between India and Bhutan present a scenario of contentment in which two neighbouring countries coexist peacefully with political goals and democratic aspirations in harmonious equilibrium. Although, quite often it has been stated that India has played a game of one-upmanship with Bhutan, the veracity of the matter lies in the fact that both the countries have throughout the decades of mutual association played roles that have been complimentary to each other. This particular paper, which is in fact a segment of a series of articles based on Indo-Bhutanese bilateral relations, wishes to trace

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the historical antecedents of the same as well as analyse the political implications of a mutual relation based on the ideals of liberalism and democracy.

A Brief History of Bhutan and the Inception of Indo-Bhutanese Relations

Although a concrete knowledge of prehistoric Bhutan is yet to emerge through archaeological studies, stone tools and weapons, remnants of large stone structures, and other artifacts provide evidence of civilization as early as 2000 B.C. Historians have theorised about the state of Lhomon (southern darkness) or Monyul (dark land, a reference to the Monpa aborigines of Bhutan), possibly a part of Tibet that was then beyond the purview of Buddhist teachings. Monyul is thought to have existed between 500 B.C. and 600 A.D. The names Lhomon Tsendenjong (southern Mon sandalwood country) and Lhomon Khashi (southern Mon country of four approaches), found in ancient Bhutanese and Tibetan chronicles, may also have credence, and have been used by some Bhutanese scholars when referring to their homeland. Variations of the Sanskrit words Bhota-ant (end of Bhot, an Indian name for Tibet) or Bhu-uttan (meaning highlands) have been suggested by historians as origins of the name Bhutan, which came into common foreign use in the late nineteenth century and was used in Bhutan only in English-language official correspondence. The traditional name of the country since the seventeenth century has been Drukyul—country of the Drukpa, or the Land of the Thunder Dragon.

The introduction of Buddhism seemed to have had occurred in the seventh century, when Tibetan king Srongtsen Gampo, a convert to Buddhism, ordered the construction of two Buddhist temples, at Bumthang in central Bhutan and at Kyichu in the Paro Valley. Buddhism replaced, but did not eliminate the Bon religious practices that had also been prevalent in Tibet until the late sixth century. Instead, Buddhism absorbed Bon and its

believers. In 747 A.D., a Buddhist saint, Padmasambhava (known in Bhutan as Guru Rinpoche and sometimes referred to as the Second Buddha), came to Bhutan from India. According to tradition, he founded the Nyingmapa sect—also known as the Red Hat sect—of Mahayana Buddhism, which became for a time the dominant religion of Bhutan. Following this event, Indian influence played a temporary role until increasing Tibetan migrations brought in new cultural and religious contributions. Apart from such shared cultural and religious heritage, there were other areas of interaction which developed during the British rule in India, which included several Anglo-Bhutanese skirmishes and battles that were consequently followed by treaties and agreements. It was during this period of interaction with the British, that trade between Bhutanese and Indians was also recorded to have taken place for the first time (1873).

The Chinese invasion of Tibet (1910-12) and subsequent claims made on Bhutan resulted in the signing of the Treaty of Punakha in 1910 with British India. Although this treaty served to expel any claims that China might have tried to make, it did not define Bhutan's status technically or legally; for the Bhutanese, this was a source of uncertainty over its relations with India at the time that the British rule was nearing an end. After India's independence in 1947, standstill agreements with Sikkim, Nepal and Tibet were signed to continue existing relations until new agreements were made. Bhutan's status as a country with respect to India became clearer following Prime Minister Jawaharlal Nehru's invitation to participate in the Asian Relations Conference in 1947.

The Indo-Bhutan Treaty of 1949 and Subsequent Relations

The basis for bilateral relations between India and Bhutan is formed by the Indo-Bhutan Treaty of 1949, which provides for, among others, “perpetual peace and friendship, free trade and commerce and equal justice to each other's citizens.” The much speculated Article 2 in the Treaty, in principle, calls for Bhutan to seek India's advice in external matters, while India pledges non-interference in Bhutan's internal affairs. The geopolitics

of the entire Himalayan region and Indian sub-continent underwent a major change following the proclamation of the People's Republic of China in 1949 and the takeover of Tibet by the People's Liberation Army in 1950. These events, plus the presence of Chinese troops near Bhutan's border, the annexation of Bhutanese enclaves in Tibet and Chinese claims all led Bhutan to re-evaluate its traditional policy of isolation; the need to develop its lines of communications with India became an urgent necessity. Consequently, Bhutan was more inclined to develop relations with India, and the process of socioeconomic development began thereafter with Indian assistance. For India's own security too, the stability of Himalayan states falling within its strategic interest was a crucial factor to be considered.

With the border tensions between India and China escalating into military conflict in 1962, India could not afford Bhutan to be a weak buffer state. Indo-Bhutanese relations began to take on concrete form following state visits made by the third king, H M Jigme Dorji Wangchuck to India, and by Prime Minister Jawaharlal Nehru to Bhutan between 1954 and 1961. Besides emphasising on India's recognition of Bhutan's independence and sovereignty in his public statement in Paro, Nehru's visit in 1958 was also significant from the point of view of discussions initiated for development and cooperation in various spheres between the two countries.

Formal bilateral relations between Bhutan and India were established in January 1968 with the appointment of a special officer of the Government of India to Bhutan. The India House (Embassy of India in Bhutan) was inaugurated on May 14, 1968 and Resident Representatives were exchanged in 1971. Ambassadorial level relations began with the upgrading of residents to embassies in 1978. Bhutan gradually began to diversify its relations with the international community, thereby projecting its status as an independent and sovereign nation. With India sponsoring Bhutan's application for UN membership in 1971, the leaders of the two countries demonstrated that Article 2 of the Indo-Bhutan Treaty was not a restricting factor in the exercise of Bhutan's foreign policy.

Areas of Cooperation

Development Assistance and Mutual Economic Relations

Planned development in Bhutan began in 1961, with the first two Five Year Plans (FYP) wholly financed by the Government of India (GOI). Over the years, Indian assistance increased steadily from Rs. 107 million in the First FYP to Rs. 9000 million in the Eighth FYP. While Bhutan's source of foreign aid has diversified significantly since it became a member of the United Nations, India continues to be the major donor of external aid to Bhutan. Over the last four decades, India has provided assistance mainly in the social sectors such as education and human resource development, health, hydropower development, agriculture, and roads. In addition, India also provides partial or full grant assistance and gradually, economic relations have evolved with cooperation extending towards mutually beneficial projects such as in hydropower development and industrial projects.

Important projects invested in under Government of India-Royal Government of Bhutan (GOI-RGOB) cooperation include the Chhukha (336MW), Kurichhu (60MW), and Tala (1020MW) Hydro Power Projects; the Penden and Dungsam Cement Projects; and the Paro Airport Project. A Memorandum of Understanding (MOU) for preparing a detailed project report for the proposed 870 MW Puna Tsangchhu Hydropower Project was also signed between the two governments in September 2003. With the huge Indian market for electricity currently facing domestic supply difficulties, Bhutan has high potential to offer supply relief to India. Other mutual benefits include assured business opportunities in the manufacturing and other industries in both India and Bhutan.

Trade and Investment

A new era in Bhutan's foreign trade commenced following the closure of trade routes between Bhutan and Tibet in 1960, and the construction of roads linking the Bengal-Assam plains to Phuentsholing, and Phuentsholing to Thimphu and Paro in 1962. Over the period of 1981-2001, Bhutan's exports to India accounted for an average of 86.5 percent of its exports, and imports from India accounted for an average 79 percent of the total imports. Bhutan's main items for export to India are electricity, mineral products, product of chemical industries, base metals and products, and wood and wood products with hydropower generation being the most important area of comparative advantage. Imports from India include a wide range of items including machinery, mechanical appliances, base metals, electronic items, foodstuff and other basic necessities and consumer items.

Besides trade, Indian involvement extends into many other areas of Bhutan's private and public sector activities. In the area of Foreign Direct Investment, Bhutan has so far pursued a conservative policy, and the first and only foreign investor in Bhutan for almost two decades since 1971 was the State Bank of India (SBI). The SBI has worked in collaboration with the Bank of Bhutan (BOB) since its identification as partner in management and share holding in the capital of BOB, in addition to imparting banking expertise. In addition, Indian nationals operate a range of small-scale trading and service activities on licenses issued by the Ministry of Trade and Industry in Bhutan. Such ventures include small shops trading in a variety of products like grocery, auto parts and furniture, as well as scrap dealers, distribution and dealership agencies. On a larger scale, Indian investment in Bhutan exists in the manufacturing and processing industries, construction, service, engineering, steel and electronic industries, and consultancy. Similarly, many other Indian and Bhutanese companies (or joint ventures) benefit from the current requirements of massive power projects and manufacturing industries.

Other Areas of Cooperation

India's assistance towards Bhutan's security and defence arrangements, specifically in training and equipping the Royal Bhutan Army, was prompted by several factors that include Bhutan's geo strategic location, the Chinese occupation of Tibet, the 1962 border war between India and China, and perception of an increasing Chinese threat to the subcontinent. Besides training and courses for army personnel that have been conducted by the Indian Military Training Team (IMTRAT) in the past, Bhutanese army cadets continue to be sent to the National Defence Academy (NDA) in Pune, and the Indian Military Academy (IMA) in Dehra Dun, India. The headquarters of the IMTRAT in Bhutan is located in Haa District, which is adjacent to Tibet's Chumbi valley. In addition to building schools and hospitals in the country, an important defence consideration has been the construction of extensive roads by India's Border Roads Organization, called Project DANTAK in Bhutan.

The benefits of Indo-Bhutan relations are also prominent in other areas such as education and culture where there is a high level of interaction. The Indian government provides about fifty scholarships annually to Bhutanese students for their higher studies in India. A significant number of Indian teachers contribute to education in Bhutan with many of them posted to teach in remote areas in Bhutan. In addition, Sherubtse College in eastern Bhutan has developed into a premiere institution for education in Bhutan with its affiliation to the Delhi University in India. The exchange of cultural troupes and artists between Bhutan and India has also become a regular activity under the bilateral cultural exchange programme.

Other areas of cooperation include bilateral civil aviation dating back to 1983 when Bhutan's national airline Druk Air, began commercial operations to India with flights from Paro to Calcutta and later from Paro to Delhi in 1988. A Government of India

notification in 1998 qualified Druk Air to avail of fuel at bonded rates, and its fuel continues to be supplied by the Indian Oil Company. By 2000, Druk Air was also granted permission to use Bagdogra as a diversionary airport for refueling, technical halts and during bad weather conditions. With permission from the Department of Civil Aviation in India, Druk Air inaugurated flights on the Paro-Bodhgaya sector on November 11, 2003, thus offering services to Bhutanese making their annual pilgrimages.

In the international arena, India and Bhutan has been witnessed as mutually supportive partners. While Bhutan has not always voted identically with India on every issue, thereby expressing its own choices, it has maintained a consistent pattern of support to India on many occasions and significant issues. To name a few, these include the vote on the Comprehensive Test Ban Treaty (CTBT), the establishment of Nuclear Weapons Free Zone in South Asia, India's aspirations to be a permanent member of the UN Security Council, India's candidature to various international bodies, negotiations in the WTO, and the importance of India in the success of the SAARC. A strong tradition of official visits at various levels has further enabled views to be exchanged and areas of cooperation to be enhanced between the two countries. Besides, informal people-to-people contact is also an important feature in cementing mutual relations.

Conclusion

With the advent of democracy in Bhutan, there is hope that relations between the two countries would improve significantly. India renegotiated the 1949 treaty with Bhutan and signed a new treaty of friendship in 2007. The new treaty replaced the provision requiring Bhutan to take India's guidance on foreign policy with broader sovereignty and not require Bhutan to obtain India's permission over arms imports. In 2008, the Indian Prime Minister, Dr. Manmohan Singh visited Bhutan and expressed strong support for Bhutan's move towards democracy. Since then, Bhutan has indeed progressed favourably

towards democracy and has embraced the same in the most commendable manner possible. The historical nuances of this mutually benefiting role needed to be looked into for the purpose of understanding the various factors and forces that have played in order to bring these two countries together, as well as the myriad ancient traditions and democratic doctrines that have been instrumental in cementing a relation of friendship and understanding between these two South Asian nations.

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