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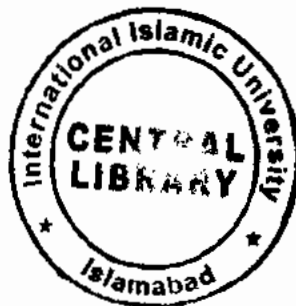
India's Relations with Bhutan Implications for Pakistan



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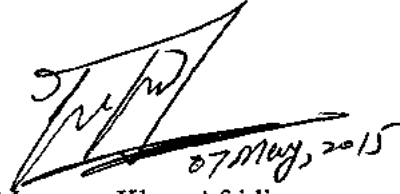
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- Bhutan
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DECLARATION

I hereby declare that this thesis, neither as a whole nor as a part thereof, has been copied out from any sources. It is further declared that I have prepared this thesis on the basis of my personal efforts under the guidance of my supervisor. No portion of the thesis has been submitted in support of any application for any degree or qualification of this or any other university or educational institute.

DEDICATION

This humble effort is dedicated to

My beloved homeland

The Islamic Republic of Pakistan

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First and above all, all praise goes to Allah (SWT), Who granted me the capability to carry out this research work.

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My thanks are for my parents and other family members who suffered the most during the period of my "mental absence" during the course of this study.

LIST OF ABBREVIATION

AGI	Attorney General of India
ASEAN	Association of Southeast Asian Nations
CENTO	Central Treaty Organization
CSA	Currency Swap Agreement
CTBT	Comprehensive Test Ban Treaty
DANTAK	Dantak-Border Roads Organization
DCP	Dungsam Cement Project
DGPC	Druk Green Power Corporation
DPT	Peace and Prosperity Party
ECO	Economic Cooperation Organization
EIC	East India Company
ESCAP	Economic & Social Commission for Asia and Pacific
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNH	Gross National Happiness
HEP	Hydro-electric Projects
ICS	Indian Civil Service
IFS	Indian Foreign Service
IMA	Indian Military Academy
IMF	International Monetary Fund

IMTRAT	Indian Military Training Team
KLO	Kamtapur Liberation Organization
MINUSCA	United Nations Multidimensional Integrated Stabilization in the Central African Republic
NAM	Non-Aligned Movement
NDA	National Defence Academy
NDFB	National Democratic Front of Bodoland
NSA	National Security Advisor
OIC	Organization of Islamic Conference (Cooperation)
PDP	People's Democratic Party
PM	Prime Minister
PRC	People's Republic of China
RBA	Royal Bhutan Army
RBG	Royal Body Guard
RBI	Reserve Bank of India
RBP	Royal Bhutan Police
RMA	Royal Monetary Authority
SAARC	South Asian Association for Regional Cooperation
SBI	State Bank of India
SEATO	Southeast Asia Treaty Organization
ULFA	United Liberation Front of Assam

UN and UNO	United Nations and United Nations Organisation
UNCTAD	United Nations Conference on Trade and Development
UNGA	United Nations General Assembly
UNHCR	United Nations High Commissioner for Refugees
UNPM	United Nations Peacekeeping Missions
UNSC	United Nations Security Council
UNTSO	United Nations Truce Supervision Organization
UPU	Universal Postal Union
USA	United States of America
USSR	Union of Soviet Socialist Republics
WTO	World Trade Organization
WWII	World War II

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1. Map Showing Bhutan, Nepal, Sikkim (India), Tibet (China), Bangladesh (former East-Pakistan) and parts of the India Chicken Neck

Abstract

Security is a main concern of any contemporary nation. Foreign Policy also serves as a tool for acquiring security in the international system. Some nations enjoy a variety of foreign policy options to choose from. But small nations like Bhutan are left with very few options. One such option available to such nations is aligning itself with any big power for security. Bhutan's identity as a nation is based on its religious affiliation and culture. It has throughout its existence been very sensitive about these two basis. This has kept Bhutan struggling for preservation of these for centuries. In line with this, sensitivity of national identity, Bhutan has adopted an isolationist approach towards the outside world. It was only engaged with few neighboring areas or with British Raj. Through this policy it has successfully kept itself away from the Super Power's games like Cold War, Great Game, New World Order and the War of Terror. But it could not keep itself isolated on regional level. Its fear of Communist China had forced it to stay aligned with India throughout the post British era. This Bhutanese closeness and dependence on India has made a deep impact on Bhutan's policies including its ignoring attitude towards Pakistan.

Chapter 1

Introduction

1.1 Introduction

Bhutan, the smallest nation of South Asia, has evolved from an absolute monarchy to a constitutional monarchy in recent years. This landlocked nation has remained isolated from the outside world for many decades. Its geographic conditions do not allow her luxury of choosing from a variety of options in terms of its external relations. Sandwiched between two major regional powers i.e., India and China, Bhutan could have enjoyed a good status between the two, if there were no fear of Chinese expansion. Due to its strategic location friendly or a dependent Bhutan is, for strategic reasons, a necessarily for both India and China. (Ahsan, 1993) To secure its sovereignty Bhutan was forced to choose India as a partner rather a “big brother”.

Geographic location of Bhutan has increased its significance for its neighbors. Its high altitude makes this small nation of value for both China and India. For this strategic reason both need a strong foothold in this part of the world. It would have been easier for either China or India to annex this tiny kingdom, if both were not balancing each other. So in the case of Bhutan its geography has served for her as a blessing.

Geography is not the only challenge that the small countries like Bhutan face. International political order and economic structure is what make them feel more insecure. Such nations have no option of making their decisions freely. They only try to adjust according to the demand of the global or regional structure. Bhutan too has been strongly influenced by this Global and regional political order. Globally it is facing the pressure as part of the global community but regionally it is under enormous pressure from the clash of interests between India and China.

This regional pressure has a vital role in Pakistan's relations with Bhutan. Before the creation of Bangladesh in 1971, Pakistan was one of the physically nearest and main countries to Bhutan. But the Indo-Pakistani rivalry has for the whole twenty four years kept both nations apart. Pakistan was getting closer to China while Bhutan was continuously taking refuge under India. During these days Pakistan was trying to strengthen its relations with the Muslim World and also became a close ally of the United States. Pakistan as regional actor played an active role by propagating that India was treating Bhutan as its colony. This may have played its role in Indian policy of keeping Bhutanese status completely independent and never posting its armed forces there.

In the pre-1971 era Bhutan's independent status as a nation was in doubt. India had a complete monopoly over its foreign relations. The decade of sixty saw many new nations emerging on global scene. Bhutan was also encouraged and started seeking Indian consent for its application for UN membership. Indian hesitation was most probably due to possibilities of Bhutan establishing direct diplomatic relations with countries like Pakistan and China. With the independence of Bangladesh, Bhutan was relieved from this Indian pressure. Since then it had started establishing diplomatic relations with a number of countries including Pakistan in 1988. It played an active role in establishment of SAARC and takes keen interest in its development. Pakistan also is a main member of SAARC and has good relations with all its members except India and Bhutan under Indian influence.

Small size and absence of economic resources has left Bhutan to focus on other options of soft power to maintain its independent status among the world nations. It has launched its unique concept of Gross National Happiness (GNH), which according to King Jigme Khesar Namgyel Wangchuk simply is "Development with Values (Wangchuck, His Majesty the King's

Madhavrao Scindia Memorial Lecture, 2009)". Bhutanese Monarch expressed his deepest concern that "as the world changes we may lose these fundamental values (qualities of a good human being – honesty, kindness, charity, integrity, unity, respect for Bhutanese culture and traditions, love for country and for God) on which rest our character as a nation and people (Wangchuck, His Majesty the King's Coronation Speech, 2008)". On another occasion the King said: "Keep in mind: ...our culture, traditions and heritage are the foundation of our nation (Wangchuck, King's Speech at the 3rd Convocation of the Royal University of Bhutan, 2009)". He repeated in his speech at the Convocation of Royal University of Bhutan in July 2011 by saying "culture, values, laws and the national interest" were the unique unifying Bhutanese characters as individuals and as a nation, which needs to be defended (Wangchuck, 2011).

In his two important speeches in July 2011 at the Convocation Ceremony of the Royal University of Bhutan and to the elected local government representatives the king stressed that their highest goal was "peace, prosperity, security and sovereignty of Bhutan."

Bhutanese King said about the GNH at a lecture in 2009 that the people of the "Kingdom of Bhutan...possess a unique experience from which they may offer ... something of value to the people of the world." He similarly called for a "universal wave of human empathy, desire and passion for the common good (Wangchuck, His Majesty the King's Madhavrao Scindia Memorial Lecture, 2009)."

Bhutan is becoming more independent in its foreign policy. It is preparing ground for establishment of its direct relations with China. Normalcy of Bhutan-China relations has a lot to offer in Pak-Bhutan relations. The Indian hegemony and Chinese fear have been the two main factors effecting Bhutan's foreign relations specially its relations with Pakistan. Pakistan and

Bhutan can come closer to each other and cooperate in all possible venues. Closer Pak-Bhutan contacts will pave way for more regional cooperation and strengthening of SAARC.

This study has tried to analyze the whole era of Indo-Bhutan relations and discussed its ups and downs and affect it had on Pakistan relations with Bhutan. Chinese approach towards Bhutan had also been examined. Efforts were made to explore more possible venues of bilateral cooperation. It has tried to explore how India has kept Bhutan under its complete influence without annexing it.

1.2 Statement of the Problem

India, Bhutan and Pakistan are members of the South Asian community. Normal and friendly relations between all the countries of the regions are vital for the progress of South Asian Association for Regional Cooperation (SAARC). India had disputes with all the countries of the region except Bhutan while Pakistan has friendly relations with all except India. Bhutan too has remained under Indian influence in regard to its relations with Pakistan. This Indian influence has kept contacts between both the countries to a very low level. Fear of China and its close relations with Pakistan has had further increased Bhutanese concerns. Scholars have rarely discussed Pak-Bhutan relations which have seen different trends during the past sixty eight years. Bhutan since past two decades has gradually started establishing contacts with the outside world. Being part of the same region what are the venues where both India and Bhutan are cooperating at one hand and at the other hand what are possible venues where Pakistan and Bhutan can cooperate.

1.3 Literature Review

Rose (1974) has produced an in-depth study of Bhutan's external relations since the British period. It mentions that British India was not interested in keeping Bhutan under its direct rule as it was not under threat from any foreign power. Instead of bringing Bhutan under its rule agreements were made and it was left as an independent state. The same agreement was renewed with India in 1949 after independence. No changes were made to the old agreement and thus giving India an upper hand as the British had. India took full advantage of this opportunity and may have continued with full annexation of Bhutan as it did in the case of Sikkim.

The proceeding years brought significant changes on the South Asian stage. With the emergence of People's Republic of China in 1949, Bhutan started seeking a source of support to secure its foreign policy goals of "the modernization, the protection of independence and the projection of Bhutan's international status". (Bhola, p. 312) China declared its claim on some parts of Bhutan and with its communist revolutionary ideology was seeking expansion. This brought serious security threats to Bhutan. India alternatively championed her policy of keeping independence of Bhutan intact and thus getting international support and good will of nations. Bhola believes that Bhutan and Pakistan relations are very unique in nature which is relations on bilateral level in the context of multilateral relations at the South Asian as well as international levels. (Bhola, p. 317)

Levi (1959) gives a detailed background of both Sikkim and Bhutan, and discusses that how delicate their situation had become after British Raj came to an end in India. He elaborates the historical events that are responsible for creating the tensions in this region. It is clearly mentioned that both India and China were at a brink of clash over these two areas. Both trying to extend their influence, Chinese approach was of expanding its physical presence in this region,

which was not easy during the British times. On the other hand, India is shown trying to maintain the status quo, which it inherited from the British Raj. Indian initiatives like building roads, providing financial assistance and developing inroads into Bhutan and Sikkim are discussed. It was the Chinese fear that prevented India from annexing Sikkim and Bhutan until that time.

Steiner (1959) discusses the events of 1959, which lead to tensions between India and China. Since Chinese appearance on the Tibetan scene, India has started looking at China with speculations. Chinese side engaged India with the agreement of mutual respect guided by the policy of *Panch Sheel* (Five Principles). This resulted in cordial relations between both countries for few years until the events of Tibet in 1959 brought back factor of hostility between them. The article discusses how PM Nehru came under pressure at home for not dealing with China with firm hands. Correspondence for handling the situation, between top political officials of both China and India, are discussed in detail. Bhutan as one of the disputed area in the Sino-India border dispute is also addresses. Indian commitment of not allowing China to cross its limits is proved.

Belfiglio (1972) in his article has discussed in detail the economic and political relations of Bhutan with India. He shows how India has funded development of infrastructure in Bhutan throughout its three five year's plans. Roads were constructed in Indian territories connecting Indian cities with Bhutan. Keeping in view Bhutan's poor economic condition India built a network of roads inside Bhutan. Many government building were constructed and Bhutanese military was trained. India has continued to provide a major portion of all of Bhutan's five year plans until then. He further discusses the role of China and Bhutan in the Indo-Pak war of 1971, when China sided with Pakistan and Bhutan supported India and rushed to recognize Bangladesh after the war. Belfiglio tries to prove that Bhutan and India are friendly nations and does not

mention any thing about India not giving Bhutan any option of choosing its friends. India by investing in Bhutan is in fact increasing its monopoly.

Choudhury (1981) has discussed how Bhutan started by passing India by establishing direct diplomatic relations with other world nations since its entry to the United Nations in 1971. This tendency started after Sino-Indian war of 1962 where Bhutan saw India in a weaker position. Inner circles of Bhutan's ruling elites started exploring option of dealing directly with China. Bhutan thus succeeded in starting directed border talks with China. Many rounds of these dialogues have taken place on annual basis since then. Indian worries are discussed in detail.

Ahsan & Chakma (1993) have discussed the nature of Bhutan's Foreign Policy. They have discussed how Bhutan succeeded in keeping herself independent by compromising its foreign relations to be guided by India. They believe that the situation gradually changed and Bhutan no longer carried the image of a protectorate of India in 1993.

Bray (1993) has tried to analyze the problems faced by Bhutan during the early 1990s. This small nation was facing enormous pressure in dealing with the wave of modernity and globalization and global economic actors, which were posing a threat to its domestic values and culture. Its intention of introducing democracy was also increasing its concerns of cultural preservation. The Indian insurgents escaped from Indian offensives have crossed into its territory and started consolidating their position. The Nepali minority of Bhutan, inhabiting Bhutan for many decades had been declared foreigners and operations for their expulsion were underway. This has created a tense situation between Bhutan, India and Nepal. After expulsion of the Nepali population Bhutan had to redefine its national inhabitants and their integrity.

Dash (1996) discusses that smallest nations of South Asia, i.e. Maldives and Bhutan are to benefit the most from all successes of SAARC. He also emphasizes that the bilateral disputes

between India and Pakistan have resulted in their less interest in regional affairs. Both countries have either focused more on bilateral relations or relations beyond their own region, for example Pakistani involvement in ECO.

Pakistan, during the initial years of its establishment, set before itself a goal of building its identity as an Islamic State, resulting in its focus on developing relations mainly with the Muslim world. According to Bhola (1996) India became the main pre-occupation of Pakistan's foreign policy and the main referent point in its relations with other countries. On one hand Pakistan remained neutral towards global affairs and on the other hand Bhutan too was pursuing policy of isolation to protect and preserve its existence, both geographical and cultural. Bhola opines that Pakistan and Bhutan meant nothing to each other at that time. Their relations were only to support either China or India.

Yahya (2004) has discussed Pakistan's relations with ASEAN and SAARC. He discusses how the Indo-Pakistan tensions have resulted in the slow growth of SAARC. Kashmir issue as the main cause of tension between India and Pakistan is also discussed and he declares Kashmir as the "Berlin Wall". Kemal (2005) explores the economic potential of Pakistan on regional level. He highlights how Pakistan can play an important role in economic cooperation among the South Asian nations. Pakistan is the 2nd largest economy of SAARC.

Hussain (1984) has discussed that Pakistan has always been a strong advocate of free access to sea of landlocked states. Pakistan's role through its delegations led by Zulfikar Ali Bhutto in international meetings on the issue was brilliant. Our study will focus to explore why Bhutan and Pakistan were hesitant to extend bilateral contacts. He does not make mention of any specific nation in this regards. He also does not elaborate in detail the opinion of Pakistan role in resolving their problem.

Esty (2004) has discussed views of some prominent scholars who have same opinion of judging development through other social means other than counting the economic figures of a nation. He supports Bhutan's concept of Gross National Happiness (GNH) as a better concept of examining development of any nation.

Mazumdar (2005) has focused on the event of Bhutan's military action of 2003 aimed at uprooting the Indian insurgents who have established their firms footing on the Bhutanese soil for almost one decade. Background of the insurgent organizations like ULFA and NDFB is presented. The insurgents were initially engaged in hostile activities against India but did no harm to Bhutanese interests. With the passage of time, they emerged as a threat for Bhutanese security itself. This was the time when under frequent Indian pressure Bhutan went on to launch its own military action, which successfully uprooted the insurgent groups. This *Operation All Clear* served as a test of the capabilities of the Bhutanese armed forces, in which it stood successful. Bhutan was able to keep the direct Indian military interference away from its soil. But in fact it was an Indian war, and the biggest gainer was India itself.

Joseph (2012) has given a detailed account of Bhutan relations with China. Ancient Tibetan-Bhutanese relations; the British Raj; Chinese annexation of Tibet; Chinese tension with India and Bhutan; Chinese attempts to keep Bhutan away from Indian influence; Commencing of direct Sino-Bhutanese border talks and its annual meetings are all discussed. The writer himself says that his paper "is an attempt to understand and explain the relations between Bhutan and China in the context of solid bilateral relations between Bhutan and India". As the study is carried by an Indian scholar, it could not produce the Chinese point of view of the events covered.

Works of several other scholars has been analyzed to produce this study. No direct study on Bhutan Pakistan relations was available. Substantial amount of studies carried out by Indian writers are available which are either carried out for think-tanks or are under great influence of national interest. Few available works of Bhutanese scholars only advocate the benefits of Bhutan's alliance with India and threats from China. Literature produced by Chinese scholars also tries to play down Indian role, and portraying China as the best option for Bhutan. No direct material was available dealing with Bhutan-Pakistan relations or showing why a neighboring country is being ignored by Bhutan. Bhola (Bhola, 1996) is the only available writer to address the topic of Pakistan-Bhutan relations. His study though quite neutral, but could not address concerns of Pakistani side.

The current study has tried to fill the gaps between materials related to Pakistan-Bhutan relations and pointed out to various linkages from Bhutan-China-India relations that has influenced, keeps influencing and will keep on influencing the bilateral relations between the two nations. This study has also updated reader on the Bhutan-Pakistan engagements till the end of 2014 and also reached the conclusion that no big change is expected in this approach, at least for the coming 4-5 years while the current government continues ruling Bhutan and Mr. Modi holds in India.

1.4 Theoretical Framework

Many philosophers have tried to define the international relations from different approaches. These scholars are divided into the groups of realists and idealists. This research study will use the realist point of view. One of the main theorists of Realism Kenneth Waltz, in his book *Theory of International Politics* (1979) presented a new theory of Neorealism or

Structural realism. He states that a structure of anarchy exists on international level which forces all states to seek power for their survival. States are not subordinate to each other; therefore, there is a continuous struggle to acquire power. This security quest is not for power maximization but only to acquire relative power. Not all countries are struggling to maximize their power but are only seeking a level of power in relation to other states or hostile countries. This power can be acquired by a nation on its own or by forming alliances with other states. So this balancing act is taking place both internally and externally. Not many countries have the capability to gain power themselves through internal balancing. They thus join hands with other states to enhance their strength for ensuring external balancing.

According to this theory in absence of any centralized authority in the world politics the nations are thus trying to bring balance of power to the system. This is done through establishing alliances with other states. This alliance formation or alignment of nations is to balance their power with any hostile nation. Such alliances are always taking place with any change in the world scenario and every nation is focusing on its own national interest, security and survival. Foreign policy is thus an evolving process which requires adjustments with any new change on the global or regional scene. The global or regional structure of international system forces any state to restructure itself and that's why this theory is also called Structural Realism.

Indo-Bhutan relations could be discussed in view of this Neorealist theory of International Relations. British Raj was a balancing power of the region. No Chinese or Russian aggression was feared at that time. After the partition of India, the situation changed and now both China and India were trying to maximize their gains. Bhutan has taken refuge from the Chinese threat by making strong alliance with India and thus securing its sovereignty. This shows how Bhutan opted for external balancing of power. Bhutan's approach of confinement to

India and not trying to establish direct contacts or alliances with other global powers further supports the neorealist stance that not all states try to maximize their power, but they only try to seek power for survival and balancing. Its goal was not power but security from Chinese aggression. By coming closer to India, Bhutan was successful in preventing any Chinese aggression but as a result it had to face a new problem of Indian monopoly. Bhutan had then to re-adjust itself. New approach of openness was adopted and Bhutan started expanding its international contacts by joining UNO and establishing diplomatic relations with other states. First such change was visible in the Bhutanese move of establishing diplomatic relations with the newly established state of Bangladesh. In the old regional structure as long as East Pakistan existed, Bhutan had never considered any such move. This process got further acceleration when in 1975 India annexed the state of Sikkim. This structural change on regional level combined with Chinese side showing respect for Bhutanese sovereignty, encouraged Bhutan to take a bold step of starting direct negotiations with China. During this period Bhutan also started exploring international and regional partners, other than India. This shows its feeling of insecurity over overdependence on India. Bhutan tried to balance this situation by opening itself from its only India policy. This approach is again in accordance with the neo-realist theory of International Relations.

Demands were also made from India for renewal of its treaty with Bhutan. It took India many years to give up to this Bhutanese demand. As soon as the treaty was renewed in 2007, Bhutan has rapidly tried to expend its international role in different world forums, to receive an independent recognition and minimize Indian influence. In 2012 Bhutan applied for the Asian seat of the United Nations Security Council (UNSC) only to enhance its independent role. Bhutan celebrated its candidacy for the Security Council seat as its independent and sovereign

status was confirmed and its annexation was no longer possible as the Indian annexation of Sikkim in 1975.

Bhutan's keen interest in the establishment of South Asian Association of Regional Cooperation in the early eighties and its active role in all its activities can also be explained in the framework of its quest for security. SAARC membership has given Bhutan equal status with all other South Asian nations guaranteeing its independence within the region and securing it from any foreign threat.

Making strong relationship with Bhutan, Pakistan can help bring Bhutan out of Indian influence and secure its independent status. But India too seems ready to go to any extreme to contain any Chinese or Pakistan advances towards Bhutan. This is visible from the current policies of the new Bhutanese government and Modi led government of India.

1.5 Justification for the Study

Pakistan and India are two main nations of the South Asian region and its regional block South Asian Association for Regional Cooperation (SAARC). Since its establishment in 1985, this regional platform has seen very slow progress and little success largely because of the Indo-Pakistani distrusts. Both India and Pakistan have tried to focus more on bilateral relations with the SAARC member nations and many core issues like security and economy are given less attention on the regional forum.

India has had tensions with all its neighboring countries except Bhutan. This special Indo-Bhutanese relationship has resulted in making barriers for Pak-Bhutan cooperation. Despite its importance in the region, Pakistan was the last country of South Asia to see establishment of diplomatic relations with Bhutan. Until 1971, Bhutan's foreign relations were carried out by

India but since then Bhutan's policies had always strong Indian influence that make them against Pakistani policies in most of the instances.

Bhutan has started to focus more openly of its foreign policy goal of "projection of its international status" in recent years. It has held 22 rounds of direct border talks with China and is now considering establishing formal diplomatic relations with it. Until 2013, Bhutan had diplomatic relations with 52 countries of whom relations with 24 countries was established in the last four years. Bhutan was striving for non-permanent Asian seat in the United Nations Security Council (UNSC) in 2013. Bhutan did not succeed in acquiring the seat but was proud of the fact that "the Security Council campaign has further strengthened the sovereignty of the country and enhanced the respect and goodwill of the international community for Bhutan and its people" (Ministry of External Affairs, Bhutan, 2012).

Pakistan too is shifting its focus on regional issues where Bhutan is not of any less significance and it was in 1950s. Bhutan's openness and freedom of decision combined with its recent contacts with China offered Pakistan a good opportunity to explore more venues of bilateral cooperation. This study has tried to identify such venues for strengthening of these relationships.

1.6 Objectives of the Study

The main objective of the study is:

1. To explore the nature of India Bhutan Relations.
2. To explore impact of Bhutan's closeness to India and fear of China on its relations with Pakistan
3. To explore venues of further cooperation between Pakistan and Bhutan

4. To assess if Bhutan's recent openness towards China will bring any change in its relations with Pakistan
5. Is there any role of religion in Bhutan relations with India and Pakistan

1.7 Research Questions

2. What are the major trends of Indo-Bhutan relations?
3. What are the future prospects of Pak-Bhutan relations?
4. Does Bhutan enjoy freedom of an independent Foreign Policy?
5. Is Bhutanese policy influenced by religion?
6. How is the Indian factor affecting Pak-Bhutan relations?

1.8 Hypothesis

Chinese fear of expansion and export of communist ideology forced Bhutan to be closed with India which resulted her keeping away from Pakistan. The gradual openness of Bhutan, its ongoing understanding with China and role in SAARC have bridged Bhutan with Pakistan and is showing enthusiasm for more cooperative bilateral relationship in future.

1.9 Methodology

This study mainly involved qualitative research method. Analysis is made through the data collected mainly from secondary sources like books, research articles and reports. Historical

research method was also followed to examine events helpful in concluding related observations. However, efforts made to conduct interviews or exchange correspondence with diplomats and scholars from both countries to obtain primary data were not successful. Bhutan's new elected government, has started taking back steps in its foreign relations. Possibilities of establishment of diplomatic relations with China, which indirectly would have also given Pakistan an opportunity to expand its relations with Bhutan, have died with the attitude of the new government. The political elite of Bhutan seem divided into pro-India and pro-openness blocks. Furthermore, recently the Bangladeshi government awarded the former foreign minister of Bhutan with its special award for his assistance during the Bangladesh independence war fought against Pakistan. With such close relations with both India and Bangladesh, and unfriendly attitude towards China, not much was to be expected in reference to Pakistan.

The data however obtained from different sources is interpreted to investigate how Bhutan's closeness to India has minimized options for Pakistan to enhance its relations with it. The study of the available secondary sources has helped to comprehend the trends in Bhutan's relations with India and Pakistan and its future prospect.

1.10 Structure of the Thesis

This thesis comprises five chapters and a conclusion.

The first chapter is an introduction to the whole study, its significance, theoretical framework used for it and a review of some previous literature produced by different scholars.

The second chapter is a general overview of Bhutan's foreign relations which helps the readers understand foreign policy of this nation. Efforts are made to cover most of the related events of the history of this tiny nation, which could have an impact of its foreign policy.

The third chapter is the most important part of the study. It gives an overall view of Indian interaction with Bhutan.

The fourth chapter of the study explores Bhutan's foreign relations from another angle, and that is its relations with another giant, China. It was the Chinese fear that had always kept Bhutan so close to India.

The fifth chapter has tried to study the bilateral relations of Pakistan and Bhutan and the role of India as well as China in it.

In the last part a conclusion is produced discussing the findings of the study and giving some suggestions for future researchers, academicians and policy makers.

In order to understand the foreign policy of Bhutan it was deemed very important to have access to the treaties of Bhutan with British Raj, India and China. These were not easily available and the writer had to take some extra pain to found them. They are produced as appendixes to this study for the benefit of future studies and better understanding of Bhutan's external relations.

Chapter 2

Bhutan's Foreign Relations

2.1 Bhutan's Foreign Policy

Geography plays an important role in Bhutan's Foreign policy. Other important determinants as referred by Rajeesh (2013) include its very small population, landlocked nature, the fact that it was never colonized, that it was traditionally a monarchy (now a constitutional monarchy), is predominantly a Buddhist state with a close link between society and religion, and is a very poor and underdeveloped state and has a negligible military power.

Bhutan has set its official foreign policy document in recent times. Describing its guiding principles in international relations it states (Ministry of Foreign Affairs, Bhutan):

As a principle of state policy, the Royal Government of Bhutan strives to promote goodwill and cooperation with nations, foster respect for international law and treaty obligations, and encourage settlement of international disputes by peaceful means in order to promote international peace and security.

Bhutan has had few foreign policy options to follow as Rajeesh (2013) states: "alliance, neutrality, equidistance or becoming militarily powerful to inflict unacceptable damage to adversaries". Out of these options gaining military strength was unimaginable for it. Of the remaining options one can also observe some sense of neutrality in Bhutanese external relations, but with very limited option. Bhutan can remain neutral in matters which are not

affecting Indian interests. The option of equidistance was never used by Bhutan. In 1960s there were some factions among the ruling elite, who favored to stay at an equal distance from both India and China, but these voices were eliminated. The Nepal example is also not so encouraging for Bhutan to follow. So it has opted for the option of alliance, which could be understood in line with the Neo-Realist theory of International Relations. Bhutan has acquired Indian backing to face foreign threats.

Bhutanese PM Tshering Tobgay, reaffirmed during Indian Prime Minister Narendra Modi June 2014 visit to Bhutan that “India is the cornerstone of Bhutan’s foreign policy” and that his government was “committed to this policy.” He further asserted that the bilateral relations of both countries allows them to adapt according to change and time and could be simply declared as example of good neighborly relations and nothing short of excellent relations (2014).

2.2 History of Bhutan Foreign Relations

Bhutan’s relations with the outside world have for centuries remained limited to its contacts with Tibet and Cooch Bihar. Tibet was the region to which it looked for trade, cultural and spiritual matters. This trade was carried out through “the Phari valley in Paro” (Bisht, *An Agenda for the New Government: Policy Options for India in Bhutan*, 2012, p. 59). Some trade activities were also carried out with the east. On this sector “the Kameng district of Arunachal Pradesh, earlier known as the Tawang tract, was extensively used (Bisht, *An Agenda for the New Government: Policy Options for India in Bhutan*, 2012, p. 59). Cooch Bihar has remained free from Mughal domination thus we don’t find enough relations between Bhutan and the Mughals. Some historical records tell us of some indirect Mughal control during 1682-1685 (Pommaret, 2000, pp. 25-26) Before the British

annexation of this region Bhutan had established its control over Cooch Bihar as kingmaker for some time especially during 1770-1774. Pommaret (2000, p. 26) mentions silver coins being minted by Cooch Bihar for Bhutan until 1789, for which it took a commission. The then East India Company had development some intentions of gaining access to Tibet and Central Asian trade through Bhutan. The Bhutan-Cooch Bihar connections of this time brought it into direct contact with the British Raj.

2.2.1 Treaty of Peace between East India Company and Bhutan 1774

Some internal strife was seen among the ruling elite of Cooch Bihar in 1770s. Bhutan as a kingmaker had effectively played its role. This opposing faction invited the East India Company to interfere. By 1765, Bengal had come under the rule of East India Company (EIC). Cooch Bihar was also “under their technical dependency” (Pommaret, 2000, p. 26) but Bhutan had a free hand in the political affairs. The Company’s government favorably replied to the request of intervention as this gave it direct access to the region. This resulted in the first Bhutan War of 1772-74. A military detachment was sent to Cooch Bihar in 1774. The Bhutanese were defeated and a treaty of peace was signed between East India Company (EIC) and Bhutan.

British interests in Bhutan developed after the East India Company’s Annexation of Assam in 1826. Desire to control trade and agricultural revenues of the fertile lowlands bordering led the British to annex much of Bhutan’s *duar* region over the subsequent decades. Until then, “the whole stretch of plains measuring 3000 square miles along the present India’s border called Duars was under Bhutanese sovereignty (Penjore, Security of

Bhutan: *Walking Between the Giants*, 2004, p. 111). But the British annexed all 7 Assam Duars in Darrang and Kamrup, in 1841 (Penjore, *Security of Bhutan: Walking Between the Giants*, 2004, pp. 111-112).

2.2.2 Treaty of Sinchula 1865

After the Bhutanese defeat in 1774, tensions grew between Bhutan and the rulers of Cooch Bihar. These tensions resulted in the Second Bhutan War also known as the Duar War in 1864-65. Bhutanese were again defeated and after annexing all their Assam and Bengal Duars their “border was fixed in the foothills” and this was the end of Bhutanese role in the internal affairs of Sikkim and Cooch Bihar. (Penjore, *Security of Bhutan: Walking Between the Giants*, 2004, p. 112)

At Sinchula, on November 11, 1865, a treaty was concluded whereby Bhutan agreed to cede all the 18 Duars to the British. Penjore (2004) has correctly described this as a “humiliating treaty” (p. 112). In lieu of the cession of territory, the Government of India promised an allowance of Rs. 25,000 annually, a figure which was three years later raised to Rs. 50,000 (Sharma, 2005, p. 146).

The second article of this treaty stated that “the whole of the tract known as the Eighteen Doars, bordering on the Districts of Rungpoor, Cooch Behar and Assam, together with the Talook of Ambaree Fallacottah and the hill territory of the left bank of the Teesta... is ceded by the Bhootan Government to the British Government for ever (Malhotra, 2009, p. 215).”

Seven Bengal Assams duars were already annexed in 1841. To them were now added 11 more duars in Bengal from river Testa to Manas, including districts of Ambari, Falakata and Jalpesh. (Penjore, 2004, p. 111)

Penjore (2004) opines that this treaty of 1865 provided institutionalized basis for the relations between the two countries for the first time (pp. 112-113). Since their first contact in the second half of eighteenth century Bhutan and British Raj did not have any formal basis for relationship.

2.2.3 Treaty of Punakha 1910

The second half of the nineteenth century saw a lot of activity from the British Empire to contain Russian expansion. They engaged Afghanistan and Chitral on one hand and also tried their best to secure the Himalayan region. They entered into agreements, signed treaties or tried to bring areas under their direct control. This resulted in securing the whole region from Russian presence.

According to Sharma (2005, p. 146), “by the end of the nineteenth century, British rule of the Himalayas was a mosaic of territories directly administered by the Indian Civil Service (ICS) and semi-feudal dependencies or “princely states”. Only Nepal and Bhutan were successful in resisting British intrusion in the internal affairs.... (Sharma, 2005)”.

The region might have been secured from external threats, but internal stability was also of British concern. British annexation of 18 duars from Bhutan has created strife among the regional rulers.

According to English (1985), “despite the compensation provided by the government in the form of an annual subsidy, the cession of the *duar* dealt a disastrous blow to the Bhutanese economy and exacerbated the struggles between the country’s provincial governors” (p. 73).

Thus with British support and some facilitation a hereditary monarchy was established in Bhutan in 1907. At this time Britishers were enjoying full control of India and Burma. If they had desired, Bhutan could have been made part of its Indian Empire but preference was given to keep its status as a buffer state. As English (1985) mentions that “weary of Bhutan’s chronic instability and anxious to create a secure buffer between its northern territories and Tibet, the Government took steps to establish a durable, centralized rule by establishing a hereditary monarchy in 1907 (English, 1985, p. 73)”.

Although, Russian threat was contained, but at the eve of the twentieth century another regional power was emerging. China was showing strong activity in its forward policy. This increased Chinese presence in the Himalayas especially Tibet, had forced the British to make new arrangements. According to Penjore (2004), the “British wanted to stop the Chinese expansion by keeping Tibet, Bhutan, Nepal and Sikkim as buffer states” (p. 113).

Chinese have regained control of Tibet and were now trying to expand their sphere of influence to Nepal, Sikkim and Bhutan. To contain this Chinese advance the British Raj was in need of new regional arrangement.

In the Bhutanese case some modifications were thus brought forward and the Treaty of Sinchula was renewed in the form of an amended Treaty of Punkha in 1910.

Economic incentive was main part of this treaty. The annual allowance paid to the Government of Bhutan was raised from Rs. 50,000 to Rs. 100,000 (English, 1985, p. 218)

Article Nine of the old treaty was also modified by adding: “The British Government undertaken to exercise no interference in the internal administration of Bhutan. On its part, the Bhutanese Government agrees to be guided by the advice of the British Government in regard to its external relations” (English, 1985, p. 218).

2.3 End of British Rule in India

Prior to the partition of India, Bhutan had a settled pattern of relationship with British India. It had nothing to worry about its territorial integrity as it was bounded in agreements with British India on one hand and China not been strong enough to challenge the status quo on the other hand. Indian boundary with Bhutan was undisputable as representatives of both the Government of India and Bhutan had studied the whole of Bhutan's eastern boundary with India during 1936-38 and their joint recommendations were formally accepted by both the governments (Gupta, 1968, p. 266). Tibet was a natural option with which Bhutan enjoyed close cultural, economic and familial relations. However, after the departure of British rulers from the Indo-Pak Subcontinent and defeat of Japanese forces in WWII, China started to emerge as a new power. There was a political vacuum in the region, with two powers struggling to fill it. India considered herself heir of British India, while China was struggling to challenge this notion and grab its share and create a new regional order. Bhutan was not prepared to face such a situation as it had remained isolated from the outside world keeping itself fully associated with Tibet alone. The situation was alarming as its sole partner Tibet was gradually falling into the Chinese sphere. For the first time in history Bhutan found itself sandwiched between two regional giants, who "have been competitors, not partners in the region" (Penjore, 2004, p. 109). This was the time that Bhutan took a conscious decision of getting closer to India. Relationship between Bhutan and India has since grown to the extent that External Affairs Secretary Sujatha Singh said in June 2014, that "our historical and cultural linkages make us natural friends and partners (Modi leaves for Bhutan on first Foreign Trip, 2014, 2014)

2.4 Indo-Bhutanese Friendship Treaty, 1949

After the partition of India, Bhutan opted to remain independent instead of joining the Union of India. Bhutan was still internally debating its future course of action while India as a new nation was engaged in consolidating its grip over local government structure and settling its tensions with Pakistan. There was no formal contact between Bhutan and India to discuss the status of existing treaties signed between the British rulers of India and Kingdom of Bhutan for almost two years. China was keenly observing this political vacuum and tried to expand its sphere of influence. These Chinese actions made both Bhutan and India conscious about Chinese interests in the region. China was going through an historic stage of transition. In 1949, the communists took control of the country and declared creation of the People's Republic of China (PRC). The first to fell prey to Chinese ambitions was Himalayan nation of Tibet. Bhutan's "twin foreign policy objectives of preserving its sovereignty and protecting its territorial boundary" (Bisht, 2012, p. 58) were at stake. These developments necessitated interaction between India and Bhutan who entered into a friendship treaty in August 1949.

India initiated the process and convinced Bhutanese rulers to end their isolationist approach and join hands with her. The new treaty was too much of the same nature with Bhutanese earlier treaties with the British rulers. Only matters of external relations and defense were to be controlled by India. Bhutan was satisfied by this approach as it has always been concerned about "ensuring that external powers have minimum involvement in its internal affairs" (Bisht, 2012, p. 58).

Second article of this treaty states: “The Government of India undertakes to exercise no interference in the internal administration of Bhutan. On its part the government of Bhutan agrees to be guided by the advice of the Government of India in regard to its external relations (Malhotra, 2009, p. 220)

Article Six of this treaty was also of importance as long as the independent status of Bhutan is concerned. It gave Bhutan freedom “to import with the assistance and approval of the Government of India, from or through India into Bhutan, whatever arms, ammunition, machinery, warlike materials or stores may be required or desired for the strength and welfare of Bhutan” but with the condition that the “Government of India is satisfied that the intentions of the Government of Bhutan are friendly and that there is no danger to India from such importations (Malhotra, 2009, p. 221)

Formal diplomatic relations with India were established in 1968 “with the appointment of a resident representative of India in Thimpu (India-Bhutan Relations, 2015)”. Before that India carried out engagements with Bhutan through its Political Officer in Sikkim (India-Bhutan Relations, 2015). When in the 1963, on the request of the King of Bhutan, India sent one of her civil servant, Nari Rustomji, to act as an advisor to the Government of Bhutan, a segment of Bhutanese elite opposed this move calling it as “Indian interference in the Bhutan’s internal administration” (Choudhury, 1981, p. 476). Many circles were calling for setting new principles for Bhutanese alienation with India. Mr. Rustomji, served in the capacity of Advisor from 1963 to 1966, when he was transferred to some other assignment. These four years saw internal instability in Bhutan along with “assassination of Prime Minister Jigme Dorji in April 1964” (Rose, 1974, p. 199) and “an abortive assassination attempt on the King himself in July 1965 (Rose, 1974, p. 199). Considering the opposition to

the Indian Advisor, this post was abolished and no other Indian Advisor replaced Mr. Rustomji.

In 1959, D. K. Sen, the Constitutional Adviser to the Bhutanese Government, stated that Bhutan was intending to establish direct diplomatic relations with some big Powers like the U.S.A., Britain and the Soviet Union (Rose, 1974, p. 205)

In 1960, Bhutan's Prime Minister Dorji said: "We consider that if we want to enter into any negotiations with any foreign country, we would seek the advice of the Government of India but we would conduct our own external relations (Rose, 1974, p. 205)

The Bhutanese King also said on January 30, 1961: "Bhutan is a sovereign and independent State. If Bhutan desires, she can have direct negotiations with China (Rose, 1974, p. 205)

There were even reports that two Western Powers were approached by Bhutanese agents for direct diplomatic relations, but India politely warned those Powers that such a move would be treated as an unfriendly act (Rose, 1974, p. 205)

In 1963, the Government of India made the Bhutanese, like the Nepalis of Nepal, eligible for Government posts in India with the exception of Indian Foreign Service (IFS) (Khanna, 1998, p. 187).

On August 9, 1964, Mr. Lhendup S. Dorji, the acting Prime Minister of Bhutan, stated: "Bhutan is contemplating having independent relations with foreign countries... there is no bar to Bhutan's participation in independent foreign relations since it is a sovereign country."

He added that he would be visiting Britain, France, Canada, New Zealand, Australia and Japan soon in this connection (Khanna, 1998, p. 205).

Ministry of Foreign Affairs was established in 1972. Prior to this a Foreign Affairs Department had been established within the Development Ministry in 1970.

King of Bhutan himself voiced for a change to the 1949 friendship treaty with India. While returning back after attending the 6th Non-Aligned Movement (NAM) summit in 1979, he expressed need for updating of the Indo-Bhutanese treaty of 1949 on the ground that the “situation had changed since it had been signed over 30 years ago” (Khanna, 1998, p. 481).

India ignored Bhutanese demands for the renewal of their treaty for many decades. The treaty was finally renewed in 2007 only one year before introduction of Constitutional Monarchy in Bhutan. Article two of this treaty states: “In keeping with the abiding ties of close friendship and cooperation between Bhutan and India, the Government of the Kingdom of Bhutan and the Government of the Republic of India shall cooperate closely with each other on issues relating to their national interests. Neither Government shall allow the use of its territory for activities harmful to the national security and interest of the other” (Malhotra, 2009, p. 225) Article Four of the treaty reaffirmed Indian willingness to allow Bhutan to develop its own defense structure until “Government of India is satisfied that the intentions of the Government of Bhutan are friendly and that there is no danger to India from such importations” (Malhotra, 2009, p. 225)

2.5 Role of Religion in Bhutan’s Foreign Policy

Buddhist religion has always remained a main identity of Bhutan as a nation. Religious similarities with Tibet has for centuries kept Bhutan closer to Tibet in the North, as compared

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to other nations like India, Nepal and even China. These centuries old religious ties continued as long as 1959 until when according to Bisht (2012, p. 59), young Bhutanese lamas went to Tibet, especially to the Dzokchhen monastery in Kam in eastern Tibet.

In most of the official documents stress is given to culture of the country. Many rules and laws of the nation evolve around the concept of its unique culture. Religion is not mentioned so frequently. But it should not be misunderstood as Bhutanese culture in itself is deeply rooted in its religious identity. As Bisht (2012) has correctly stated that the roots of its cultural identity go back to pre-1907 monastic institutions, which contained the seeds of the Drupka-Kagyupka sect of Mahayana Buddhism (p. 58).

End of total contacts with Tibet was a serious blow to Bhutan. Bhutan was forced to close its centuries old contacts with Tibet. Religion was also one of the factors, among many, for Bhutanese decision of choosing India instead of China. China was emerging as a communist revolutionary nation which was aiming at acquiring role of a great Asian nation. The way it treated the religious segment of Tibetan society after its occupation was an eye opener for Bhutan, which itself was so much religious. According to Rutland (1999) the grass-roots rural Bhutanese society is profoundly traditional, and religion too is deep-seated in the minds of the people (p. 287). The Buddhist sects of Tibet and Bhutan were in a danger of elimination.

Similar religio-cultural threats were emerging in late seventies. Immigrants of Nepali origin were posing a threat to this tiny Buddhist kingdom. This group of Nepali origin has rapidly grown in number and influence over decade. The ruling elite of Bhutan became conscious of this threat when they saw Sikkim losing its sovereignty in 1975 and becoming part of India. Groups struggling for a Greater Nepal were also active. Bhutan started taking

many actions, including amendment in 1977 of Bhutanese Citizenship Act of 1958. This act was later renewed in the form of a new Bhutan Citizenship Act of 1985. The following decade saw increased stress on “land, race and faith” (Kumar, 1999, p. 218).

Bhutan as a nation feels its responsibility as a custodian of the endangered Buddhist sects after Tibet lost its sovereignty. They believe that they “are the sole serving custodians of a social and cultural system that extended beyond the eastern Himalayas to embrace a large part of Eastern and South East Asia” (Upreti). This sense of responsibility has been visible inside Bhutan as well as abroad.

In 1980 King Jigme Singye took an initiative towards the study of Buddhist philosophy by making a generous contribution for the establishment of Nagarjuna University in Andhra Pradesh. A Buddhist Temple was constructed at Bodh Goya, India (Khanna, 1998, p. 188).

Even the notion of Gross National Happiness (GNH) itself is rooted in the traditions of Mahayana Buddhism whose philosophy is that the ultimate goal of every human being is to attain happiness. (Upreti, p. 5)

2.6 Reasons of Bhutan’s Isolationism (1947-1971)

Bhutan and India did not sign a standstill agreement as such but both governments operated as if they had. The Bhutan Agent in India continued to function in his previous capacities and the Indian Political Officer in Gangtok was still accredited to Bhutan as well (Rose, 1974, p. 193).

Bhutan was keeping itself almost isolated even from India, as it had kept itself “aloof from the political developments to the south” during British rule. Bhutanese elite had no idea that “what Bhutan could expect from them (Indian nationalist leaders)” (Rose, 1974, p. 193)

The situation however changed soon, when in 1949 Chinese forces stepped into Tibet and starting claiming some parts of Bhutan as a Chinese territory.

It was for the first time in history that Bhutan had come in direct contact with Chinese land. The hostile Chinese attitude increased Bhutan's sense of insecurity. At this time when India approached Bhutan for support, Bhutan had no option but to comply. Negotiations were followed between Delhi and Thimphu, and when Bhutan was assured about "recognition of its independence and the restoration of the Dewangiri hill strip on the frontier with India" (Rose, 1974, p. 193), finally the treaty of friendship was signed between the two nations. Bhutan appears to be lucky that while the negotiations with India were carried out in 1949, Chinese intentions were not clear. After Chinese claims of reuniting Tibet appeared on scene India fear of China was more apparent from its treaties with Nepal in 1950 and Sikkim in 1951.

Considering its political aims and the need to preserve its cultural and institutional identity, Bhutan opted for India's guidance and protection rather than choosing the Nepali model which has kept both the giants, India and China, "at arms length either by wooing them or by other means of political opportunism" (Choudhury, 1981, p. 481). Although a pressure group at Thimphu had worked assiduously to impose the Nepali model on Bhutan, too, the former King, Jigme Dorji Wangchuk (1952-72), and his Prime Minister, Jigme Dorji, successfully withstood that pressure.... (Choudhury, 1981, p. 481)

This pressure group "composed of diverse elements" (Choudhury, 1981, p. 478) including, Lendhup Dorji, the brother of Jigme Dorji, even blamed Indian involvement in the 1964 "assassination of Jigme Dorji", for the "alleged non-aligned policy of the Dorji family"

(Choudhury, 1981, p. 479) which was shortly “followed by an assassination attempt on the King of Bhutan” (Choudhury, 1981, p. 478).

2.7 Bhutan’s Gradual Openness (1970s till date)

On the very first occasion where we see Bhutan, taking its own decisions, was in 1960 when “it imposed a total ban on trade with Tibet, several months before New Delhi declared its own embargo on trade across the Himalayas” (Rose, 1974, p. 196) This was the time when its economic isolationism came to an end with introduction of its economic policy “from barter to industrial economy” (Misra M. &., 1996, p. 274) After the Tibetan episode of 1959 and following the Chinese assurances that it had no intention of any hostility towards Bhutan, Bhutanese elite were feeling that they could discuss their issues with China. But India under the 1949 Indo-Bhutanese treaty believed that Bhutan could not establish any such direct contacts. The Sino-Bhutanese negotiations could not accelerate in such a scenario, however, it did open “an academic question in the 1960-62 period” (Rose, 1974, p. 197) to interpret the 2nd clause of the 1949 treaty.

Consistent Chinese rejection of Indian desire to negotiate on behalf of Bhutan had also played an indirect role in securing Bhutanese status as an independent state. Had China accepted Indian authority, Delhi would have been in a much favorable position to keep a firm grip over Bhutan. Bhutanese willingness to enter in direct talks with China in the early 1960s could not move forward for it was “not disposed to insist on its own interpretation” of the 1949 treaty with India.

Bhutan remained neutral during the Indo-Chinese war of October 1962 because of its uncertainty of “China’s ultimate objectives and to India’s capacity to assist Bhutan....” (Rose, 1974, p. 197)

China’s unilateral withdrawal during 1962 further supports that China did not have any intention of aggression in Bhutan. Indian defeat in the war served as an eye opener for India and Bhutan regarding the ability of India to ensure security of Bhutan. The balance of power had completely shifted in favor of China. Bhutanese ruling elite started exploring other foreign policy options. India, too, was now concerned about slipping of Bhutan away from its hands or falling into the Chinese side. She “could not afford Bhutan to be a weak buffer state” (Bandyopadhyay, 2009) She, therefore, started encouraging Bhutan to make selected contacts with some other regional and global nations “without undermining India’s regional and security interests” (Rose, 1974, p. 199)

Gradually, on India’s initiative, Bhutan became the member of the Colombo Plan in 1962, of the Universal Postal Union (UPU) in 1969, and finally, of the United Nations in 1971 (Choudhury, 1981, p. 477). As a result of its membership, Bhutan received technical assistance from Japan, Australia, India, Canada, New Zealand and England (Murthy, 1999). In the 1966 and 1967 sessions of the Assembly, widespread support was voiced for Bhutan’s participation in the United Nations.... (Rose, 1974, p. 201) Prior to becoming full member Bhutan has remained as permanent observer of UN since 1968, for almost three years. With Bhutan’s admission to the United Nations in 1971 and the establishment of a Bhutan mission in New York, a new channel of communication was opened with other UN members, enabling Bhutan to bypass Indian mediation (Choudhury, 1981, p. 480).

On January 06, 1972 Bhutan became the member of Economic & Social Commission for Asia & Pacific (ESCAP) (ESCAP Member States).

In 1971, Bhutan raised its representation in India to ambassadorial level. This was followed on August 8, 1978, by changing the name of its diplomatic office in New Delhi from Royal Bhutan Mission to Royal Bhutan Embassy.

After the assumption of power by King Jigme Singye Wangchuk, the Foreign Minister Dawa Tsering, said in November 1972 that Bhutan was not interested in having diplomatic relations with other countries except India and Bangladesh (Muni, 1984, p. 514).

In 1973, it joined the Non-Aligned Movement (NAM) which helped her succeed “to express freely its particular difficulties as a land-locked country” (Choudhury, 1981, p. 477).

The urge for independent decision making first found expression in the United Nations in 1973 when Bhutan assumed an attitude different from that of India. Subsequently, at the UN General Assembly in 1975 and at the Havana summit conference of non-aligned nations in September 1979, Bhutan chose, on the Kampuchean issue, a completely independent stance differing substantially from India's. Bhutan's policy at the 37th annual conference of the Economic and Social Commission for Asia and the Pacific (ESCAP) in Bangkok in March 1981 and at the Foreign Ministers' conference of the non-aligned nations in New Delhi in February 1981, too, has been in keeping with its new aspirations towards more self-reliance and a desire to project its image on the international scene (Choudhury, 1981, p. 480).

Bhutan opened its first diplomatic mission outside India in 1978 in Bangladesh (Misra M. &., 1996, p. 281). More steps were taken to strengthen Bhutan's position as an independent sovereign state by becoming a full member of the World Bank and the IMF in 1981 and establishing 'non-resident' diplomatic relations with Nepal in 1983. Bhutan played an active

role in the establishment of South Asian Association for Regional Cooperation (SAARC) since its initial meeting in 1981 till its official declaration in 1985.

Another initiative was taken in February 1984, when King Jigme Singye Wangchuk visited Bangladesh. Agreements relating to economic and cultural cooperation were signed between the two nations (Muni, 1984, p. 515).

With the normalization of Sino-Indian relations since mid-seventies, followed by the resumption of diplomatic ties between the two countries in 1976, and exchange of high level official visits in 1979 and 1981, Bhutan too found it a suitable time to approach China. The first ever meeting between the two sides was held in Beijing between 17 and 20 April 1984 (Muni, 1984, p. 515).

In past few decades, Bhutan has even tried to expend its international role in different world forums, to receive an independent recognition and minimize Indian influence. In 2012 Bhutan applied for the Asian seat in the Security Council only to enhance its independent role. Bhutan celebrated its candidacy for the Security Council seat as its independent and sovereign status was confirmed and its annexation was no longer possible as the Indian annexation of Sikkim in 1975.

The latest move of openness came in the shape of Bhutanese decision to start contribution in personals in UN peace keeping mission. This historic move as reported by Bhutan Broadcasting Service (BBS) came when two officers from the Royal Bhutan Army Lt col Ngawang Jigme and Major Ugyen Wangchuk and one officer Lt col Kinley Wangdi from the Royal Body Guard left the country in September 2014 to serve as peacekeepers in the Middle East and Africa. These officers were to serve as military observer to the UN Truce Supervision Organization (UNTSO) mission in the Middle East and as staff officers with the

UN Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA) (Dorji G. K., 2014).

Although Bhutan has shown some openness in its foreign relations it has continued its policy of not keeping diplomatic relations with major world powers like USA, Russia, France, Britain and even China. It has established working partnership without establishing residential diplomatic relations with some other nations like “Japan, Scandinavia, Denmark, Austria, Switzerland and Netherlands... which are seriously engaged in Bhutan’s development in recent years (Upreti)”. Among these nations Japan had announced its intention of opening its own diplomatic mission in Thimpu by 2014 (Singh, 2012)

2.8 Importance of Bhutanese Culture and Gross National Happiness (G.N.H)

In spite of its close ethnic and cultural identity with India and Tibet, Bhutan maintained a distinct character of its own over the years. Maintenance of separate identity for herself was considered very important to preserve Bhutan as a nation (Naidu, 1986, pp. 533-534)

Small size and absence of economic resources has left Bhutan to focus on other options of soft power to maintain its independent status among the world nations. Its consciousness could be seen in the fact that it was the last country of the world to allow introduction of television in 1999. Preservation of its cultural uniqueness and identity has become part of its security concerns. This tiny nation, surrounded by two giants, has never been colonized. This feeling has increased the sensitivity of Bhutanese society to the “issues of security, and preserving its sovereignty, independence and territorial integrity has historically been a constant challenge” (Penjore, 2004, p. 109) .

Out of such security concerns, of loosing its territorial integrity and preventing cultural assimilation; which its small population of 750,000 (2013 est.) faces from the huge Chinese and Indian population of 2.6 billion people, Bhutan has “been able to carve out a distinct cultural identity for itself” (Bisht, 2012, p. 58)

Bisht (2012) further elaborates that “this cultural factor has played an important role in establishing a unique political culture which include *Tsa-wa-Sum* (the King, the country and the people) and *Driglam Namzha* (Code of conduct) among others.” (p. 58)

For Bhutan security has also its own meanings. According to Bisht (2012, p. 58) its security consists of three elements: sovereignty, territorial integrity and preservation of culture. This cultural consciousness was visible in 1974 at the time of the annexation of Sikkim by India, when “Bhutan described this event as the loss of the cultural identity of a neighboring Himalayan kingdom” (Bisht, 2012, p. 62).

This concern is echoed in many official documents such as the eighth development plan of 1997 which states that for Bhutan “lacking military might or economic strength, cultural identity is a means to give security” (Rutland, 1999, p. 287).

Influenced by this concern, Bhutan adopted harsh attitude towards the issue of Tibetan refugees and its population of Nepali origin. Strict laws were introduced and these communities were asked to assimilate into the Bhutanese society. But Bisht (2012) reports that the Tibetans refused to accept citizenship of Bhutan stressing on keeping their separate identity in order to take their struggle against China forward. The second reason was that they looked at Dalai Lama as their political and spiritual leader and could not accept the

Bhutanese King in his place. This resulted in the expulsion of 100 Tibetans from Bhutan in 1974 and in 1989 another 1544 Tibetans opted to leave the country (Bisht, 2012).

Nepalese, known as *Lhotshampas* or southerners, were also not ready to assimilate. They followed Hinduism and spoke Nepali language. Although this Nepali population according to Rutland (1999) has for a hundred years formed a minority of the Bhutanese population, however, many more have arrived as contract workers on development projects over the last twenty years and settled illegally in the south of the country on the expiry of their contract (p. 291). They had established links with peoples abroad and started opposing the government moves. Bhutan was facing serious threat as it had seen the people of Nepali origin successfully making Sikkim part of India in 1975. So Bhutan's attempts of bringing "various ethnic groups within the fold of its national culture brought it in conflict with the people of Nepali origin living in Bhutan"(Upreti). The result was a strong operation against them which left thousands of them living in refugee camps in Nepal.

Kumar (1999) has described that "in their project of constructing a homogeneous state, the Drukpas as the ruling group found the Bhutanese of Nepali origin conspicuously different from themselves as well as the Sarchops and the people living in Duars, and numerically larger with the possibility of posing threats to the monarchy, the Lamanist tradition, religion and the law of the land as well (p. 217)."

With a background of such consciousness and sensitivity for its cultural security Bhutan has launched its unique concept of Gross National Happiness, which was "coined in 1972 by the fourth King, Jigme Singhye Wangchuk" (Bisht, 2012, p. 62). According to King Jigme Khesar Namgyel Wangchuk the concept of GNH simply is "Development with Values". In a

speech he expressed his deepest concern that “as the world changes we may lose these fundamental values (qualities of a good human being – honesty, kindness, charity, integrity, unity, respect for Bhutanese culture and traditions, love for country and for God) on which rest our character as a nation and people.” On another occasion he said: “Keep in mind: ...our culture, traditions and heritage are the foundation of our nation”.

Bhutanese King said about the GNH at a lecture in 2009 that the people of the “Kingdom of Bhutan,...possess a unique experience from which they may offer ... something of value to the people of the world.” He similarly called for a “universal wave of human empathy, desire and passion for the common good.”

He repeated in his speech at the Convocation of Royal University of Bhutan in July 2011 by saying that “culture, values, laws and the national interest” were the unique unifying Bhutanese characters as individuals and as a nation, which needs to be defended.

In his two important speeches in July 2011 at the Convocation Ceremony of the Royal University of Bhutan and to the elected local government representatives the king stressed that their highest goal was “peace, prosperity, security and sovereignty of Bhutan.”

Gross National Happiness is thus a concept of alternative development. It according to Upreti (0000) underlines that the economic growth is a means to achieve the goal of happiness, peace, sustainability and identity, and not an end itself. It is according to Bisht (2012) “an important element of Bhutan’s economic policy and has been the major factor delaying Bhutan’s membership of the World Trade Organisation (WTO).” (p. 58)

It is not clear, however, whether such a model, even if is successful in Bhutan, is transferable to other countries and societies (Zurick, 2006, p. 663). Scholars also debate the

concept as Bhutan “is a multi-ethnic state, with three major groups of people --- the Ngalong in the west, the Sharchop in the east, and the Lhotshampa in the south, each with linguistic and historical subdivisions” (Zurick, 2006, p. 664).

Bhutan has successfully used its notion of Gross National Happiness as a foreign policy tool. Several International conferences have been held on the Concept of Gross National Happiness in recent years. Bhutan was able to attract remarkable attention from the United Nations when on its initiative resolution 65/309, titled “Happiness: Towards a Holistic Approach To Development” was approved on July 19, 2011 (UN News Center, 2011). Subsequently another resolution 66/281 was passed on June 28, 2012 proclaiming 20 March as International Day of Happiness (United Nations Official Website, 2012). These are indeed great achievements for a small country like Bhutan.

Chapter 3

Bhutan-India Relations

3.1 Bhutan's Relations with British India

Bhutan's relations with British India have already been discussed in Chapter II of this study. Bhutan had contacts with Cooch Bihar and Assam before the East India Company (EIC) gained access to this region. Upon their arrival as trader-cum-rulers to the region Bhutan also came under their indirect control after facing defeat in two Duar Wars. The English economic interest in Bhutan developed into a political interest when the region saw Russian and Chinese advances. To avoid direct physical contact with these powers British Raj successfully kept the areas like Nepal, Bhutan, Tibet and Sikkim as buffer states until their departure from the Indo-Pak Subcontinent. All these areas were ruled by indigenous rulers but their external affairs and defense was monitored by the Indian rulers of that time.

3.2 Post Independence Bhutanese Indian relations

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 (Bandyopadhyay, 2009, p. 4).

In 1954 the third king Jigme Dorji Wangchuck was invited as chief guest to the republic day celebrations of India. The fourth king Jigme Singye Wangchuck was invited as chief

guest to the Republic Day celebrations in 1984 (Muni, 1984, p. 515) and 2005. The King also paid more visits to India in July 1999 and in September 2003 (Baruah, 2003). The fifth king Jigme Khesar Namgyel Wangchuck visited India in December 2009. His next visit was in October 2010 and then in October 2011. In January 2013 he visited India as chief guest of the republic day celebration. He again visited India in January and then in October 2014. It is indeed a matter of great honour for the Kings of this tiny kingdom to be invited four times as chief guests at the national ceremony of a powerful nation like India.

Bhutanese P.M. Lyonchhen Jigmi Y. Thinley paid 9 visits to India during his tenure as PM. He visited India twice in July and November 2008. He continued his visits on regular basis and visited India in July 2009, September 2010, September 2011, December 2011, September 2012, and February 2013. P.M. Tshering Tobgay visited India in August-September 2013.

High level visits from India have also continued since the first visit of Pandit Jawaharlal Nehru in 1958. P.M Indira Gandhi visited Bhutan in May 1968. P.M. Rajiv Gandhi visited Bhutan in October 1985 and September 1988. Prime Minister, P.V. Narasimha Rao, visited Bhutan in October 1996 (Baruah, 2003). Dr. Manmohan Singh visited Bhutan twice in May 2008 and April 2010. This followed the final visit by Narendra Modi in 2014.

Indian President V.V. Giri visited Bhutan twice in April 1970 and June 1974. President Venkataraman visited in October 1988. Indian President Pratibha Devisingh Patil visited Bhutan in November 2008. President Pranab Mukherjee paid a visit to Bhutan in November 2014.

Indian Prime Minister Narendra Modi in his first visit to Bhutan in June 2014 stated that "A strong and prosperous India is necessary for the neighborhood,

especially SAARC nations (2014)”. External Affairs Minister Sushma Swaraj made addition by stating that “strong and stable governments in the neighborhood were also in the interest of New Delhi (Agencies, 2014).”

3.3 Bhutan as an Indian Colony?

The British Raj in India has preferred to keep Bhutan, Tibet and Sikkim as buffer states in order to counter any Russian and Chinese advances. They have avoided direct physical contacts with these nations. Since then Bhutan has remained isolated from the outside world and maintained very limited contacts with British India. In the post-1947 era, Union of India inherited the British Raj. In this time of power vacuum, China and India both were seen contesting for their monopoly. India was worried about its North-eastern region access to which was in danger unless Sikkim and Bhutan were under India’s influence.

Bhutan was interested keeping its old policy of isolationism, but the emergence of the People’s Republic of China in 1949 threatened its security. Both India and Bhutan shared threats of Chinese aggression, as China was claiming Sikkim, Bhutan, Tibet and parts of Eastern India as its territory. This sense of insecurity brought Bhutan to the decision of siding with India. A treaty of friendship was signed in 1949, which was very much similar to the previous treaty of 1910 signed between British India and Bhutan. Bhutan surrendered its external relations and defense in Indian favor, only to get monetary compensation and freedom in internal affairs.

The two proceeding decades saw Bhutan remaining as an Indian colony with India controlling everything except internal affairs and foots on ground. Bhutan, had no options and was happy with the status quo. Bhutan was not free of Indian fear, and has been trying to

make all efforts to keep Indian influence away from further growth. The political map of India attached to the White Paper No. II issued by the Government of India in 1959 showed the boundary between Bhutan and India as internal to which the Bhutanese naturally protested against the cartographic error and informed India that the error should be corrected and that the boundary line should be shown as an international boundary. Even the Official Report (AGI) contained such a map with errors uncorrected. In contrast to this, the Chinese maps attached to the Official Report have shown the Bhutanese boundary with India and China as an international boundary (Poulose, 1971, p. 202).

In the decade of 1960 there emerged in Bhutan a group among the ruling elites who advocated same distance policy from both China and India. Some were even asking for good relations with China.

In 1967 while the Bhutanese Assembly was calling for its country's participation in the United Nations, India on the other hand "proposed the appointment of an officer of its External Affairs Ministry on full-time deputation to Bhutan". This Indian move was faced by "hostile reception" in the Bhutanese Assembly. The matter was later settled by an agreement on establishing missions in their respective capitals, headed by "Special Officers". (Rose, 1974, p. 201)."

During these years Indian influence on the other hand grew dramatically in neighboring Sikkim. Bhutan was following these incidents with concern, and started seeking more freedom as a nation. Under pressure of Bhutan, India helped it get membership of the United Nations in 1971.

Bhutan's status as a state has been always topic of debate during that time. According to Muni (1984) "under international law when one State assumes control over the foreign

relations of another, the latter ipso facto become a semi sovereign state. Perhaps it is for the same reason that India has not registered her Treaty with Bhutan at the UN Secretariat. (pp. 203-204).

India sponsored Bhutan entry into the UN, not by its own will. It actually acted in compliance with the continuous demand made by Bhutanese citizens and state. New Delhi was sure that “in the changing regional and international context had India not taken into consideration the aspirations of Bhutan, some other country would have” (Murthy, 1999).

In the early 1970s India signed several boundary agreements with Bhutan and accepted “adjustments in the alignment of Tashigang-Tawang boundary”, and transferring Devathang to Bhutan (S. K. Khanna, 1998, pp. 187-188).

Although, Bhutanese entry to the United Nations gave it great strength, but it could not enjoy freedom of expression without Indian influence. Bhutan has on almost all issues sided with India, where India is a party. This according to Kuei-hsiang Hsu includes supporting India on the international scene, taking side with India in the United Nations, SAARC, and other international conventions (Hsu, 2004). Moreover, Bhutan has been seen supporting India in, the vote on the Comprehensive Test Ban Treaty (CTBT), the establishment of Nuclear Weapons Free Zone in South Asia, its aspirations to be a permanent member of the UN Security Council, its candidature to various international bodies, negotiations in the WTO, and the importance to India in the success of the SAARC (Bandyopadhyay, 2009, p. 8).

Bhutan’s independent decision making at international level seems to be limited either to support India or express its independent view only when India is not a direct party. Some of such issues where Bhutan dared to differ with India include its difference with India at the

Non-Aligned Movement (NAM) summit in Havana in 1979 on the issue of the Republic of Kampuchea's admission to the UN; the issue of landlocked countries at the United Nations Conference on Trade and Development (UNCTAD V) in Manila in 1979; it abstained from voting at the UN on the Afghanistan issue as it was against the presence of Soviet troops in Afghanistan (Bisht, 2012, p. 61). The very same year Bhutan openly expressed its desire to amend the 1949 treaty with India. This demand was however, only actualized in 2007 with signing of a new treaty between India and Bhutan.

India has also helped Bhutan in its transition to democracy. It extended full cooperation during the first Bhutanese parliamentary elections in 2008. In line with this cooperation about 250 election officials, staff, and observers, as well as security personnel from Bhutan, have been given access to Indian electoral system. In addition, 70 Bhutanese officials observed assembly elections in the Indian states of Punjab and Uttarakhand to get a firsthand experience. Indian legal experts have helped draft the Bhutanese constitution and election laws (Cartwright, 2009, p. 412).

3.4 Fields of Cooperation Between India and Bhutan

India has been trying to fulfill each and every requirement of Bhutan in order to keep it away from searching other venues. Bhutan also has remained very much selective in accepting assistance especially avoiding any contact with regional or big powers. Throughout the cold war era, Bhutan continued its policy of neutrality by “extending diplomatic relations to neither USA nor Soviet Union to avoid being swept into power struggle between superpowers (Hsu, 2004, p. 3). Its engagements have remained limited to Japan, Denmark and Switzerland to name a few.

3.4.1 Defense

Bhutan did not have its proper armed forces, though if it were there, even then it would have been unable to defend its territory from any mighty Chinese aggression. Bhutan was now for the first time compelled to seek and accept Indian assistance for defense. As a result in 1961, “the training of the Bhutan Army was formally entrusted to the Indian Army (S. K. Khanna, 1998, p. 196).”

India could not afford Bhutan to be a weak buffer state (Bandyopadhyay, 2009, p. 4) because that meant weak buffer state or “extended frontier” with China (Penjore, 2004, p. 122).

Indian defeat in the Indo-Chinese war of 1962 convinced Bhutan to doubt Indian capability to defend it from any foreign aggression. However, its victory in the 1971 Indo-Pakistan war restored its confidence.

Indian Army was entrusted to establish an Indian Military Training Team (IMTRAT) in Bhutan for training the Royal Bhutan army (S. K. Khanna, 1998, p. 187). The first batch of this military team included its commander and some 10 officers (Hsu, 2004, p. 10). This team was established in October 15, 1962. The number of armed forces members was increased to 4,850 in 1963. This was further increased to 6000 by 1990.

Until today the Indian Army maintains a military base in the Haa valley to maintain security against incursions from China. 78% of Haa district is covered with forest which provides a good cover for such activity.

Besides their training inside Bhutan by IMTRAT, Bhutanese army cadets continue to be sent to the National Defence Academy (NDA) in Pune, and the Indian Military Academy

(IMA) in Dhera Dun, India (Bandyopadhyay, 2009, p. 7). Lieutenant General Lam Dorji, remained Chief Operation Officer of the Royal Bhutan Army for a long time of 41 years from 1964-2005. During this time he proudly saw 15 Chiefs of Staff of the Indian Army. He was also graduated from IMA in 1954. The current Chief Operation Officer Major General Batoo Tshering, is also an IMA graduate who graduated in 1971.

Unlike the war of 1962, now Bhutan does not seem fearful of Chinese annexation or Indian annihilation. Its membership of the United Nations in 1971 has given it confidence of an independent sovereign state. Furthermore its 1998 agreement with China and the renewal of its Treaty with India in 2007 has given it more strength.

During the period of 1991-2003 Bhutan was feeling security threats from Indian insurgents encamped on its soil. With strength of 6000 soldiers Bhutan launched its All Clear operation against these insurgents. There were serious threats of retaliation from the uprooted insurgents. Bhutan continued to increase its armed forces which stood at 9,021 soldiers in June 2007 (Bhutan to reduce army strength, raise militia force, 2007). However, now when there are no visible threats of any foreign aggression, it is considering reducing this number. This policy of reduction of armed forces was announced in 2005.

Bhutan was also the first international destination for India's new army chief. From November 1 to 3, 2014, General Dalbir Singh Suhag visited senior officials in Bhutan on what was billed a "routine" visit (Lee, 2014).

On December 6, 2014, Bhutanese King promoted two Brigadiers to the rank of Major General. Major General Karma Tshering graduated from IMA in 1972 and Major General Chencho Dorji graduated from the same institution. (His Majesty promotes two brigadiers, 2014)

Bhutan Regarding Trade & Commerce)". Since then it has seen a good progress on the economic front. Quoting Rutland (1999) its per capita GDP has risen over tenfold from US\$51 in 1961 to US\$645 in 1998, from considered lowest among the world to one of the highest in South Asia (p. 288). Recent reports from the World Bank for 2013 give figure of US\$2,460 for its per capita GDP (The World Bank (IBRD - IDA), 2014).

Most important, 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 (Murthy, Indo-Bhutan Relations: Serving Mutual Interest, 1999).

The first and only foreign investor in Bhutan for almost two decades since 1971 was the State Bank of India (SBI) (Bandyopadhyay, 2009, p. 6).

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 (Bandyopadhyay, 2009, p. 6). In 2001, total exports to India were 4.2 billion Bhutanese ngultrum, while imports from India were 7 billion Bhutanese ngultrum. Table No. 3:1 shows figures of import export between the two countries in Indian billion rupees.

Table 3:1 Imports & Exports between Bhutan and India

Year	2007	2008	2009	2010	2011	2012	2013
Imports from India	15.09	17.33	19.84	29.30	35.2	41.8	43.89
Exports to India	22.72	21.48	22.41	26.0	26.4	27.8	28.98

Bhutan was able to "renegotiate the unit price for electricity exports with the government of India from 1.00 IR to 1.5 IR (Rutland, 1999, pp. 289-290)".

India continues to be Bhutan's major trading partner. During 2010-11, total Indian exports to Bhutan were \$176 million while total imports from Bhutan were \$201.57 (Bhasin, 2012) accounting for 78.8% of Bhutan's imports and 93.69% of Bhutan's exports in 2012. In order to boost trade and investment, Bhutan has allowed FDI from India in Indian Rupees (Agreed minutes of the Bhutan-India bilateral meeting on trade and transit, 2014).

Indian continuous assistance for development of Bhutan is given in the following table (Economic Cooperation With Bhutan, 2014):

Table 3:2 Indian Assistance to Bhutan's Development Plans

Plan	Years	Total Allocation	Actual Disbursement	Completion
1 st Five Year Plan	1961-66	10.72	10.72	100%
2 nd Five Year Plan	1966-71	20.22	20.22	100%
3 rd Five Year Plan	1971-76	47.52	42.66	90%
4 th Five Year Plan	1976-81	110.62	85.30	77%
5 th Five Year Plan	1981-87	444.05	134.00	30.2%
6 th Five Year Plan	1987-92	950.00	400.00	42.1%

Plan				
7 th Five Year Plan	1992-97	2350.00	750.00	31.9%
8 th Five Year Plan	1997-2002	4000.00	1050.00	26%
9 th Five Year Plan	2002-08	8900.00	2610.00	29.33%
10 th Five Year Plan	2008-13	14900.00	3400.00	23%
11 th Five Year Plan	2013-18	21300.00	4500.00	21%

India also agreed to provide an additional Rs. 500 Crore as Economic Stimulus Package in the 11th Plan (11th Five Year Plan, 2013). Economic cooperation between the two countries has evolved from a donor-recipient in the early decades of cooperation to equal partner relationship in the near past (Penjore, 2004, p. 119). Although, Bhutan has gained in monetary terms but it had according to Penjore (2004) paid a very high price of “erosion of culture and tradition, dilution of people’s faith, weakened communal and social solidarity and widening gap between the rich and poor (pp. 129-130).”

3.4.3 Roads Construction

It is interesting to note that there were no motorable roads in Bhutan and Indian Prime Minister Jawaharlal Nehru had to travel on horseback when he visited Bhutan in 1958

(Penjore, 2004, p. 122). The first road connections were made by construction of a jeep track from Bhutanese town of Phuentsholing on the Bhutan-India border and Thimphu in 1961-63 (S. K. Khanna, 1998, p. 186). These roads linked Bengal-Assam plains to Phuentsholing, and Phuentsholing to Thimphu and Paro (Bandyopadhyay, 2009, p. 6). And at the end of 1966 agreement was signed between the two nations giving “Indian Border Roads Organization of the Ministry of Defence the entire responsibility of road construction in Bhutan (S. K. Khanna, 1998, p. 187)”. This project is called Project DANTAK in Bhutan (Bandyopadhyay, 2009, p. 7).

Until 1960 Bhutan only had footpaths and mule tracks. With an absence of motorable roads, primary importance was given to these sectors during the first three Five Year Plans of Bhutan. Total grant of development of roads was 58.7% in First Five Year Plan, 34.9% in Second Five Year Plan, 17.8% in Third Five Year Plan, 11.6% in Fourth Five Year Plan, 15.3% in Fifth Five Year Plan, 9.3% in Sixth Five Year Plan and 7.8% in Seventh Five Year Plan (Dantak). According to official website of (Dantak) over the years, Project Dantak has constructed 1500 Km of roads, airfield at Paro and Yangphula, number of helipads, Paro Air Control Tower, telecommunication network, Indo-Bhutan Microwave link, Bhutan Broadcasting Station, the prestigious India House Complex, Chukha Hydrel Housing Complex, Kurichu Hydrel Project, Tala Hydrel Project, Hydrel Sub-stations, Dungsum Cement Plant, river training works, Schools and Colleges, Bulk Petroleum Storage Installation and many bridges (Dantak).

3.4.4 Hydroelectric Projects

Bhutan has four major river systems. The master plan, developed with the World Bank's assistance, estimates that the four major rivers- Ammochu (Torsa), Wangchu (Raidak), Punatsangchu (Sankosh) and Manas- alone have the potential to economically generate around 23,760 MW of hydroelectricity (Bisht, 2012, p. 58).

As a small nation with no resources Bhutan was not in a position to launch any mega project. India thus extended its helping hand to contribute to its development. In the First Five-Year Plan, the Hydel Directorate of India has sponsored in the construction of 400kw Hydel Projects at Thimpu to serve the capital and another to serve the western Bhutan at Paro of 400kw (First Five Year Plan).

The first major initiative that Bhutan and India undertook to develop jointly Bhutan's hydropower was in March 1974, when the two governments signed an agreement for the construction of the 336MW Chukha hydroelectric project (Palden, 2014).

The two governments signed a MOU for preparation of a detailed project report for 870MW Puna Tsangchhu Hydropower Project in September 2003 (Bandyopadhyay, 2009, p. 5).

The Founding stone of the 600MW Kholongchhu Hydroelectric Project was laid on June 16, 2014 by Indian PM Modi during his visit to Bhutan (Foundation Stone Laying for the 600MW Kholongchhu Hydroelectric Project, 2014).

The two countries signed implementation agreements for Punatsangchhu-II and Mangdechhu hydroelectric project with a combined capacity of 1710 MW in April 2010

during the visit of Manmohan Singh to Bhutan (PM Manmohan Singh wraps up three-day Bhutan visit, 2010).

Three Hydro-electric projects (HEPs) totalling 1416 MW (Chukha, Tala and Kurichu) are already operational. Three more HEPs [Punatsangchu I (1200 MW), Punatsangchu II (1020 MW) and Mangdechu (720 MW)] are under construction. They are scheduled to be commissioned in 2017-18.

In April, 2014, the two countries had signed a framework agreement on four more JV-model HEPs totaling 2120MW. Of these, pre-construction activities for the 600MW Kholongchu HEP as a JV-model HEP between Satluj Jal Vidyut Nigam (SJVN) and Druk Green Power Corporation (DGPC) will commence soon.

This hydroelectric cooperation is of extreme importance to both nations. Indian officials believe that this cooperation “is a classic example of win-win cooperation” which “generate export revenues for Bhutan, cement our economic partnership and provide clean and low-cost electricity to India” (Narendra Modi lays foundation stone of Kholongchu hydro-power project in Bhutan, 2014).

During the visit of PM Tsering Tobgay to New Delhi, both the countries agreed to extend the power cooperation, “with India committing to develop another 10,000 MW by 2020 (Bisht, 2014).”

Hydroelectric projects have now become the main point of interaction between the two countries. Both are anxiously waiting for the completion of the ongoing projects which will be of a great relief to India for its power demand and give Bhutan a very good source of regular income.

3.4.5 Industrial Cooperation

Bhutan has also seen Indian assistance in mega industrial projects. This mainly included industries which were required for the completion of the development projects. Penden Cement factory in southern Bhutan began operating in 1981 (Penden Cement Authority, Bhutan). Dungsam Cement Project (DCP) was initiated by the Royal Government of Bhutan in 1982 with assistance from the Government of India in Nganglam. Development work started on Dungsam Cement Plant in 2007 and started commercial production in August 2013 (Dungsam Cement to go commercial, 2013).

On 7th March, 2013, the Royal Monetary Authority (RMA) of Bhutan and the Reserve Bank of India signed the Currency Swap Agreement (CSA) of Rs. 5.4bn. The currency swap facility allows the RMA, the central bank of Bhutan to withdraw INR 5.4 bn from RBI for six months at a fixed interest rate of 6.5 percent. This will help in easing the INR liquidity shortage in the country (Economic Cooperation With Bhutan, 2014).

In the 9th Five Year Plan, development of “five new industrial estates at Paskha, Jigmiling, Shangkazuli, Bondeyma and Tingtibi” were approved (Department of Planning, 2004).

In the 11th Five Year Plan, Industrial estates were being planned in the Southern belt with support from the Government of India (2014, p. 1).

3.4.6 Supreme Court Building

Indian Prime Minister Narendra Modi chose Bhutan as the destination for his first foreign visit. This visit was termed as “extremely successful” by the Indian External Affairs Minister Sushma Swaraj while expressing her extreme satisfaction (Agencies, 2014). He inaugurated the new Supreme Court building in Hejo, which was constructed with funding from the Indian government (Jacob, 2014). The foundation stone of this building was laid in 2005 but the construction could only start in 2008. Along with the Supreme Court building, the Indian Government has assisted with construction of eight sub-district courts (India’s PM inaugurate new Supreme Court building, 2014).

3.4.7 Educational Cooperation

Education is another field of cooperation between India and Bhutan. Most of the ruling elite have had their education in different institutions of higher education in India. India also extended its support to develop and upgrade Bhutanese institutions. Sherubtse College in eastern Bhutan has developed into a premiere institution for education in Bhutan with its affiliation to the Delhi University in India (Bandyopadhyay, 2009, p. 7).

The Nehru-Wangchuck Scholarship scheme was announced by PM Dr. Manmohan Singh during his visit to Bhutan in 2008. According to this scheme Indian government provided about fifty scholarships annually to Bhutanese students for their higher studies in India (Bandyopadhyay, 2009, p. 7).

Indian Prime Minister Manmohan Singh laid the foundations stone of Bhutan Institute of Medical Sciences during his visit in April 2010. (PM Manmohan Singh wraps up three-day Bhutan visit, 2010) P.M. Modi suggested doubling the scholarships provided to Bhutanese students in India and offered help in setting up a digital library of two million books and periodicals during his visit in 2014. He stated that Bhutan and Bharat were “made for each other” and their relationship are “B2B or Bharat to Bhutan” relations (PM talks of good neighbours, B2B ties in Bhutan, 2014).

The proposed library project will include establishing e-libraries in each of the 20 districts of Bhutan so that two million books become available to the youth of the country (India extremely satisfied with Bhutan visit: Sushma Swaraj, 2014).

3.4.8 Cultural and Social Engagements

Bhutan gives great importance to culture. During its whole sole relationship with India, culture has also been an area of engagement. Nehru-Wangchuck Cultural Centre was inaugurated on 21 September 2010 by India (Nehru-Wangchuck Cultural Centre, Thimphu, 2014). The library at the Centre houses more than 6,000 books (Nehru-Wangchuck Cultural Centre underutilised, 2014).

India has also shown her interest in establishing a specified University level institution for studies of Himalayan Affairs. This proposal was given by Indian PM during his visit to Bhutan in 2014.

3.4.9 Technology

India has extended its support to Bhutan on many occasions. The Survey department of India has helped Bhutan in surveying its boundaries for border talks with China. Most recently in 2014 P.M. Modi offered Bhutan to use Indian satellite technology for its development (Education strengthens democracy, says Narendra Modi, 2014).

3.4.10 Civil Aviation

In 1983 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 (Bandyopadhyay, 2009, p. 7). In 2003 another sector was added to facilitate Bhutanese making their annual pilgrimages to religious sites in India. Flights were inaugurated on the Paro-Bodhgaya sector on November 11, 2003 (Bandyopadhyay, 2009, p. 8).

3.5 Indian Care or Chinese fear?

China's Strategy in South Asia has been to suffocate India from the two sides flanked by Pakistan and Bangladesh. This seems apparent from the Chinese proposal to share with Pakistan the Gwadar naval base, on one hand and to get access to strategically vital Chittagong port in the South East of Bangladesh, on the other (Khan, 2008, p. 35).

But the one lesson India learnt from the border war with China is that the entire border with China is vulnerable. Whatever influence India may have over the Himalayan kingdoms will be of no avail if China is determined to violate its borders.

Thimpu understands the limitations of playing the China card against India, and has observed the failure of this strategy in Nepal (S., Bhutan's How to Deal with China Policy, 2013).

Bhutan did not take India into confidence since annexation of Sikkim. Although, the decisions were Bhutan's internal matter with which India has no right to interfere, but, the way Bhutan dealt tens of thousands of the Hindu Nepalese, was not so easy for India to tolerate. Indian intelligentsia are very quick to respond to any harm caused to Hindus abroad especially Pakistan. But in the case of Bhutan, India remained silent. This may be because of the hydroelectric projects that it had initiated with Bhutan and also due to its security concerns from the militants camped in 30 camps inside Bhutan during this time.

This scenario gave Bhutan freedom of action, with no worries of opposition from any front. It held prolonged talks with Nepal on the issue of these Nepali refugees who were sheltered in the United Nations camps inside Nepal. Talks between both the countries took place between 1993 and 2003 (Bisht, 2012, p. 64). No progress was seen and a total of 89,740 refugees were living in 8 UNHCR camps inside Nepal in 1995 (Pattanaik, 1999).

3.6 Recognizing Bangladesh, But why no relations with East Pakistan?

Bhutan and Pakistan has remained neighbors for almost 24 years. During this period of a quarter century we could not found a single Bhutanese action for making any contact with Pakistan. During this period it saw its "big brother" fighting three wars with Pakistan, i.e. in 1948, 1965 and 1971. Bhutan has successfully avoided contacts with Pakistan on the ground of having no direct boundary with it.

Several factors, besides proximity, made Bangladesh an attractive country for Bhutan with which to establish bilateral relations. There had been a strong sympathy in Bhutan for Bangladesh during its war of independence in 1971...Bangladesh provides Bhutan with an alternative, easily accessible market and source of supply as well as another outlet to the rest of the world through its two major seaports. (Rose, 1974, p. 206)

In the context of the strategic vulnerability of two of India's eastern provinces, West Bengal and Assam, Bhutan's common frontier with Tibet and its proximity to East Pakistan (now Bangladesh) have been main considerations for its inclusion in India's defense plans (T. K. Roy, 1981, p. 477).

With the defeat of Pakistani forces in the liberation war of 1971, Bhutan was the first nation, even before India to recognize Bangladesh as an independent state on December 6, 1971. This was ten days before the original surrender took place. The then King of Bhutan sent a wireless message of recognition to the Acting President of the to-be free Bangladesh. India was the second nation which recognized Bangladesh the same day but after Bhutan already had done (Bhutan first nation to recognise Bangladesh, says foreign secretary, 2014).

Bhutanese King paid a visit to Bangladesh in February 1984 and signed agreement deemed at enhancing economic and cultural cooperation. India facilitated Bhutan, expanding its trade with Bangladesh when it signed its own Indo-Bangladesh Memorandum of Understanding in 1984.

Bangladesh did not forget this Bhutanese support. This was visible when on March 27, 2012 the late Third King of Bhutan, Jigme Dorji Wangchuk, was bestowed the Bangladesh Liberation War Honour, 40 years after his demise in 1972 (Tshewang, 2012). This recognition continued when former Secretary of Ministry of Economic Affairs, Dasho Karma

Dorji and Bhutanese Foreign Minister Ugyen Tshering, were included among the 60 non-Bangladeshi people who were awarded “Friends of Liberation War Honour” by Bangladesh in 2012 and 2013. On the occasion of receiving the award on January 31, 2013, Foreign minister Ugyen Tshering, could not hide neutrality of his tiny country’s isolationism. His expressions were as follow:

I'm happy receiving this award. It means a lot both to me and my wife... I was involved, for about three to four weeks, as a volunteer in a camp registering refugees... I did that faithfully, and also played an active part building camps... The experience in Bangladesh taught me to commit to peace. (Norbu, 2013)

Prime Minister Tshering Tobgay paid a three-day official visit to Bangladesh from December 6 to 8, 2014. During this visit the bilateral trade agreement between the two countries was extended for ten years and Bangladesh gifted a piece of land for construction of Bhutanese permanent embassy in Baridhara diplomatic enclave in Dhaka (Correspondent, 2014).

3.7 Bhutanese Support in hunting Indian Insurgents

India has a history of secessionist movements that include groups fighting in its states of Assam and Western Bengal. In November 1990 the Indian army launched Operation Bajrang against the militants of the United Liberation Front of Assam (ULFA). Few months later a new operation was launched labeled as Operation Rhino. These operations were neither able to crush the movement nor arrest any of its top leadership. However, militants of this group escaped the military advances and slipped to bordering Bhutan. They were also accompanied

by militants of other factions who later regrouped in the form of National Democratic Front of Bodoland (NDFB) and Kamtapur Liberation Organization (KLO). These militants encamped in the plains of southern Bhutan comprising seven districts including “Samdrup Jongkhar, Sarang, lower Zhemgang, Kalikhola Dungkhag and Samtse district (Routray, 2004)”, which at that time was going through an operation against the Nepali population of Bhutan. For the fears of these groups extending their support to the fleeing Bhutanese of Nepali origin, Bhutan turned a blind eye to their activities. Their setup grew very fast as they had found a safe haven in the form of southern Bhutan. Their strength grew to the extent that after few years now they were posing a threat to the security of Bhutan itself. Bhutanese neglect had also served its interest of keeping India neutral during the expulsion process of Nepalese from Bhutan. Later on when Indian pressure for action grew, and the militants started becoming threat for Bhutan, the Government of Bhutan initiated steps to handle this issue.

Since 1998 Bhutan started engaging these groups in dialogue, but with no success. Finally during the 81st session of the National Assembly held from June to August 2003, the government was assigned to make a final attempt for peace or crush the militants. Meetings were held with UFLA and NDFB during October and November 2003. Thus a total of five rounds of talks were held with the ULFA and three with the NDFB since 1998 (Banerjee, 2004, p. 1), but of no avail.

On December 15, 2003 the Bhutanese army finally launched its famous Operation All Clear against the thousands of Indian insurgents camped inside its territory. According to sources of Bhutanese army, there were a total of 30 camps inside Bhutan. Of these 13 camps belonged to the United Liberation Front of Bhutan (ULFA), 12 belonged to National

Democratic Front of Bodoland (NDFB), and 5 camps belonged to Kamtapur Liberation Organization (KLO) all having their roots in West Bengal and Assam. An official Bhutanese estimate put the total number of militants to be 2730 (Hsu, 2004, p. 11).

Within a short span of three weeks the RBA was able to uproot all the 30 camps from its soil. This was the first military action taken by the 6000 strong Royal Bhutan Army since its inception in 1950s. Bhutan became the first neighbor to fight on behalf of Indian interest. (Rose, 1974) Bhutan also punished more than a hundred of its own citizens who had collaborated with the Indian armed groups (Hsu, 2004, p. 11). This was the most insecure time of Bhutan's history when due to absence of adequate infrastructure and manpower to guard 266 kilometer Bhutan-Assam border, it had to increase its security agencies like Royal Bhutan Army (RBA), Royal Body Guard (RBG), and Royal Bhutan Police (RBP) which together employed 14,209 personnel in 2004 (Penjore, Security of Bhutan: Walking Between the Giants, 2004, p. 124).

Chapter 4

Bhutan-China Relations

4.1 Bhutan-China Relations

There is no clear historical evidence to support direct Chinese control over Bhutan. The only signs we find are of that short time when Bhutan has come under greater Tibetan influence. Bhutan, Sikkim and Tibet have been traditionally associated with each other with the bonds of the special sect of Buddhism that they represent. It was Tibet that fell directly in the way of any Chinese advance. Chinese advances southwards over the passage of time have brought it in conflict with Tibet. These conflicts have on some occasions developed into wars which if resulted in Tibetan defeat, had increased Chinese inference in the region. Such Chinese influences over Tibet had indirectly reached Tibetan spheres of influence like Bhutan. China has based its claims over Bhutan on such historical facts.

With the appearance of East India Company (EIC) and the British rule in India, the Chinese influence was minimized not only in areas like Bhutan and Sikkim, but also in Tibet itself. The government of India was successful in keeping Sikkim, Bhutan and Nepal as fully independent buffer states; however, Tibet saw some Chinese offenses. One such offensive was in 1910-12, when the Manchu Government of China invaded Tibet (Jha, 2013). Except for this brief fling, China was in no position to exert any influence in this region. The overthrow of the Ch'ing dynasty in 1911 also signaled the end of China's physical presence in Tibet for more than four decades (Rose, 1974, p. 192).

The partition of India, and British departure from this region created a new power balance in the Himalaya. There was no big powers' threat to prevent Chinese advances. Both India and China stood on same footing in this region. India was trying to consolidate whatever it had inherited from the British Raj, while China after emerging as a revolutionary republic in 1949 was struggling for its space. Its first advance was towards Tibet in 1950. Tibetan defenses collapsed and it was forced to sign a treaty in May 1951 guaranteeing a limited autonomy for the Dalai Lama's government and also theoretically restricting the Chinese presence in Tibet (Rose, 1974, p. 194). This Chinese advance compelled India and Bhutan to join hand to face this threat. Outcome of such understanding was signing of the friendship treaty of 1949.

India was also a party to these political changes taking place in the region. After initial Chinese capture of Tibet in 1949, relations between China and India improved in 1952 with the conclusion of an agreement that allowed New Delhi to maintain a Consul-General in Lhasa, and even more dramatically in May 1954 with the signing of a treaty based upon the five principles (Panchshila) of peaceful co-existence (Rose, 1974, p. 194).

Bhutan also had its representative in Tibet during this period. This representative at Lhasa, the Tibetan capital, continued to function in a near-normal fashion. Both countries maintained their trade and political relationships without any obstacle from China (Rose, 1974, p. 194).

This calm in Tibet did not last long and the Tibetan first rebelled against the Chinese occupation in some parts of Tibet in 1955-56 contributing to the deterioration in Sino-Indian relations (Rose, 1974, p. 195). By 1958, the stronghold of the rebellion had shifted from Eastern to Central Tibet and the rebels had also established a stronghold in the area around

Tsona, a short distance directly to the north of the Bhutan border. It was at this time that Nehru decided to make a personal visit to Bhutan in 1958 to discuss the situation with the King (Rose, 1974, p. 195).

In March 1959, a massive popular uprising against the Chinese in Lhasa was finally suppressed after several days of hard-fighting, but by this time virtually all of Central Tibet was in revolt, and the Dalai Lama with thousands of his followers fled to India. Chinese offensive against the Tibetan rebels continued during 1959 and in 1960 it was extended to Tsona district, near Bhutan. By the end of 1960 almost all the major accessible passes were patrolled by Chinese forces (Rose, 1974, p. 195).

The rebellion was forcefully crushed by Chinese forces stationed in Tibet. This was the first time in history that Bhutan had come into direct contact with China. As earlier discussed that Bhutan was part of the sphere of influence of the Dalai Lama, it was thus also considered part of Tibet by the Chinese revolutionary government. Several claims were made over Bhutanese territories on different forums and in different ways. This seems to be the time when China started openly challenging Indian influence in Sikkim and Bhutan. China continued its refusal to accept Indian suggestion of including “the boundaries between China and Sikkim and between China and Bhutan” (Gupta, 1968, p. 261), in the boundary talks between the two nations. Chinese maps were officially released showing “about 300 square miles of territory” (Gupta, 1968, p. 264) belonging to Bhutan “including eight villages of Khangri, Tarchen, Tsekhori, Diraphu, Dzong Tuphu, Jangehe, Chakip and Kocha” (Gupta, 1968, p. 266) as part of Chinese Tibet.

These Chinese actions gave India a chance to convince Bhutanese authorities that they “should realize the fundamental identity of their interests with India. It is in friendship with

India that their ultimate hope of survival lies, for China would reduce them to the status of Tibet” (Gupta, 1968, p. 270).

Until that time Bhutan had kept an isolationist approach in its external relations. This Chinese threat brought a change in this stance in Indian favor, and since then Bhutan remained confined to India until it became 132nd member of the United Nations. China voted in favor of the membership of Bhutan to the United Nations. Chinese officials were invited to the coronation of the New King in 1974 (Thierry, 2003, p. 399)

Penjore (2004) has compared China-Bhutan and Bhutan-India relations in an excellent way by stating that its “relations with China remains frozen like Himalayan ice itself, while Bhutan-India relations burns like heat of Indian tropics” (p. 109).

4.2 Indian controlled Foreign Relations (1947-1971)

When India got independence in 1947, it inherited a running government structure from the British rulers. This also included the management of external affairs of India. In the Himalayan region India had to deal with countries like Tibet, Sikkim, Bhutan and Nepal. Immediately after taking control of the country the Indian government renewed its agreements with these countries except Bhutan and Nepal. Bhutan was the only part of this region that was not “either under direct Indian administration or with which India had some security arrangement (Rose, 1974, p. 196).”

This was the time when under Indian pressure and for her own security Bhutan decided to fully side with India. According to (Misra M. &., 1996) “a Close Bhutan was now perceived to be an open invitation of the Chinese subversive and expansionist strategies in the

Himalayas” (Misra M. &, 1996, p. 280). Bhutan did not have any proper road linking it with India. A major road project linking central Bhutan with India was immediately launched (Rose, 1974, p. 196).

India assured Bhutan that it will always be available to defend its territory from any foreign aggression. Indian Prime Minister was seen stating that “an attack on Nepal or Bhutan would be interpreted as an attack on Indian territory” (Rose, 1974, p. 196).”

First Indian Prime Minister Jawaharlal Nehru once remarked:

“The Government of India is the only competent authority to take up with other government matters concerning Bhutan’s external relations. As such if any rectification was to be made regarding their boundary it must be discussed along with the boundary of India” (Misra M. &, 1996, p. 281).

But China continued with claiming parts of Bhutan on one hand and also raising voice against Indian monopoly over Bhutan. Indian side believed that China was “deliberately and mischievously encroaching in a matter with which she had absolutely no legal or political right to interfere with” (Gupta, 1968, p. 265). India claims that its boundary with Bhutan is already “known and recognized” since it was “studied jointly by representatives of the Government of India and the Government of Bhutan during 1936-38” and the recommendations jointly given “were formally accepted by the two Governments concerned” (Gupta, 1968, p. 266).

This Indian influence was always of trouble for China. That’s the reason we observe that the consistent goals of China has been to draw Bhutan away from its special relations with India. For this it used various pressure tools including refusal to discuss about Bhutan during Sino-Indian border talks, providing incentives to Bhutan for establishing direct

bilateral contacts and linking Sino-Bhutan relation as a condition for normalizing relations with India. China even linked Bhutan's issue with Indian policy on Tibet question (Penjore, 2004, pp. 127-128).

4.3 Fear of China or only “Communist China”?

At the time when on one hand India was extending its cooperation with Bhutan with each passing day, China also changed its approach. Beijing also assured Bhutan on several occasions that they had “no aggressive intentions against Bhutan” (Rose, 1974, p. 197) and they were ready to enter into direct bilateral dialogue with Bhutan “to settle all outstanding disputes” (Rose, 1974, p. 197). Bhutanese direct engagement with China was opposed by India, which was therefore requested by Thimphu “to raise the various issues in dispute between Bhutan and China in the series of Sino-Indian border talks in 1961” (Rose, 1974, p. 197). China always declined to discuss boundary issue of Bhutan with India, for it didn't recognize it as Indian mandate to deal on behalf of Bhutan, even when authorized by the Royal Government” (Rose, 1974, p. 197).

During the Sino-Indian war of 1962 and Pak-India war of 1965, Bhutan was in serious threats of Chinese aggression. But as mentioned earlier that China was no longer claiming Bhutan as its own territory. Its strict attitude was part of the carrot and stick policy to release Bhutan of Indian influence. China had an upper hand during both these wars, but it never attacked Bhutan.

China has had its own lobby within Bhutan, who either propagated pro-China approach or favored the model adopted by Nepal of non-alignment and giving consideration to both

India and China. In the 1960s, a lobby within the Bhutanese ruling elite was opposing the only India policy of Bhutan. This lobby included Lendhup Dorji, the brother of Jigme Dorji, the then Prime Minister of Bhutan (assassinated in 1964), and his sister, who were in 1965 forced to seek “political asylum in Nepal along with some other military officers. They also had support from some members of the Songdu (National Assembly) who advocated the Nepali model for Bhutan (Choudhury, 1981, p. 478). This lobby found some more support in the shape of some Tibetan refugees “led by Gyalo Thondup, the elder brother of the Dalai Lama, Baba Hishey, a high-ranking Tibetan leader living in Kathmandu, and Mrs Yanki, the Tibetan Mistress of the late King of Bhutan” (Choudhury, 1981, p. 479).

Influenced by the anti-Indian segment of the Bhutanese elite, in 1968, Bhutan took a sudden decision to restrict the entry of Indians. But this decision, however, could not last long due to the protest of the government of India (Choudhury, 1981, p. 479).

Although, Bhutan has been cooperating very closely with India, it was never free of fears of annexation. In absence of many options, Bhutan could have only chosen to establish relationship with China or secure itself from both the giants, China and India, if it could become member of UNO. Bhutan therefore started demanding from India to support in entry to the UN. Chinese had no objection for this would result in freedom of Bhutan from Indian clutches.

Bhutan too, had never showed anti-Chinese approach in its policies. One such example was voting in favor of giving to the Peoples Republic of China (PRC) the Chinese seat in the UN. Since 1995, Bhutan had supported China in defeating anti-China drafts at the UNHCR Conference. Thimphu, also supports “One-China Policy” on the Taiwan question. (Rajeesh, 2013).

From the above discussion it is clear that China has not remained consistent with its demand of claiming Bhutan as its territory. According to Jha, (Issue Brief # 233, 2013) its “tone changed from claim over Bhutan...to accepting Bhutan as a sovereign state after the 1960s.” Its only demand since then has been to deal directly with Bhutan without Indian mediation and thus bring Bhutan out of Indian influence.

Bhutan sided with India in all issues yet it never act to harm China or invite its anger. Bhutan is believed to have refused allowing Indian boots on its soil during the 1962, 1965 and 1971 wars. It has also kept itself away from the Tibetan question. Surprisingly enough, the Dalai Lama, who travels a lot, has never visited Bhutan. Bhutan has sympathy for modern Tibet; however, it has never advocated a pro-active policy on the international scene in favor of the Tibetan question (Rajeesh, 2013). Many of the Tibetan refugees started fleeing to Bhutan in 1959. In 1973 the Tibetan community in Bhutan represented approximately 6,300 refugees. In 1979, the National Assembly decided that Tibetans, who had arrived in Bhutan after 1959, had to choose between becoming Bhutanese citizens and leaving the country. About 2,300 people accepted to make allegiance and therefore became Bhutanese citizens. The situation of the remaining 4,000 refugees proved to be a difficult question to be solved. In the early 1980s, the Dalai Lama regularly touched this issue while visiting Western countries. Some members of the National Assembly proposed to expel refugees who refused to become Bhutanese. Such a drastic solution was not consistent with Bhutan’s principles and tradition. Therefore, Bhutan preferred to negotiate their departure with India. Half of the refugees eventually settled in India, while the others scattered in the west, mainly in Europe and North America (Rajeesh, 2013).

It is therefore, visible that Bhutanese care for its traditional values, culture and the Mahayana Buddhist sect on one hand had come into conflict with a Chinese nation which has rebelled against its traditional system and revolted against religion by acquiring the new ideology of communism. Threats of Chinese land grab had been further increased by threats of its system being coming to crush the world view of Bhutanese people. The way their sect fellows were initially treated in Tibet by the Chinese security forces, served as an eye opener which left deep impression on Bhutan as a nation. In the words of Foreign Minister Lyonpo Ugyen Tshering that “Bhutan as another Buddhist country, could not accept the damage to the Buddhist heritage in Tibet” (Andelman, 2010, p. 106).

4.4 Chinese Response to Sikkim Annexation

The Indian action of making Sikkim part of its territory in 1974 was of serious concern for Bhutan which urgently started taking measures to safeguard its own sovereignty. It feared same fate like that of Sikkim unless serious steps were taken. Some of the precautionary actions followed included the “Citizenship Act of 1977 and 1985 and the Marriage Act of 1985” (Bisht, 2012, p. 64).

The Nepali population of Bhutan and the tens of thousands more illegal immigrants were considered a potential threat to security of the nation. Many Tibetans living in Bhutan were also not trusted. Actions were followed against both the communities and majority of them was expelled from its soil. Furthermore according to Bisht (2012) the National Assembly in 1996 in its resolution underlined the need to ban employment of Nepalese nationals in government and private organizations. (p. 64)

Sikkim's accession to India became the object of strong Chinese criticism (Jayapalan, 2001, p. 217). China started pressuring Bhutan by intrusion into its territory. Such intrusions through the Tibetan grazers were very high in 1979 as compared to previous years. China was trying to push Bhutan to start direct talks. Such Chinese actions "built up domestic pressure in Bhutan to resolve the dispute with China" (Bisht, 2012, p. 65). It again asked Delhi to define its frontiers with China, which had not been done in the past (Rajeesh, 2013). China was no longer ready to allow Indian interference in this issue. After its inclusion into the UNO, Bhutan was also feeling confidence in directly dealing with China. Its National Assembly thus in 1979, "deliberated on normalizing relation with China and initiating a direct talk to resolve the problem" (Penjore, 2004, p. 117). Formal direct border talks between China and Bhutan thus started in 1984.

4.5 Bhutan-China Economic Cooperation

Tibet was the main trade partner of Bhutan for centuries. After its inclusion in Peoples Republic of China in 1960, Bhutan closed all its trade contacts with Tibet and established new routes for trade with India. Since more than five decades India is the only major trade partner of Bhutan. Although, Japan, Bangladesh and some other SAARC countries put some share in this trade but not of any considerable level. China on the other hand is one the largest global economy. It has tremendously developed its economy during the past few decades. China has the ability to cater for all needs of this tiny nation, but due to the indirect Indian influence, Bhutan has never approached China. Since holding more than 20 rounds of border talks and meeting the Chinese Premier in 2012, Bhutanese rulers do not enjoy the

freedom of acting on their own will. Penjore (2004) states that “India’s assistance is indirectly tied to Bhutan’s refusal of China’s assistance (p. 122)”.

Some trade contacts have been established between the two nations. In 2002, China’s export and import from Bhutan amounted only US\$ 637,000 including US\$ 616,000 for Chinese exports (Rajeesh, 2013).

Chinese companies have been given contract to construct the world’s tallest Buddha Statue in Thimphu. Beijing is exporting farming and telecommunication equipment and has also offered to invest in projects related to health and education services (Singh, 2012).

The other visible recent trade link between both the countries was when in 2012, Bhutan imported 20 buses from China. This was enough to alarm India, which reacted and its influence was visible in the results of 2013 elections. In 2012, Imports from China were \$ 2.1 million (Bureau, 2013). Official figures from the Bhutanese Ministry of Finance reported that Bhutan’s Imports from China were \$1.72 million, while its exports to China were \$24,600 in 2013 (Finance, 2014)

4.6 Bhutan - China Border Dispute

Talks on resolving the dispute of borders started with a delay of almost 25 years due to the reason that India insisted to take up the issue on behalf of Bhutan with the Chinese government to which China never agreed. Finally the talks started in 1984 where India was not a direct party. Since then the talks have been held almost annually with few exceptions. Until the 12th round of these border talks both the countries were successful in creating an atmosphere of trust by agreeing to sign Agreement on the Maintenance of Peace and Tranquility in 1998 (Penjore, 2004, p. 117).

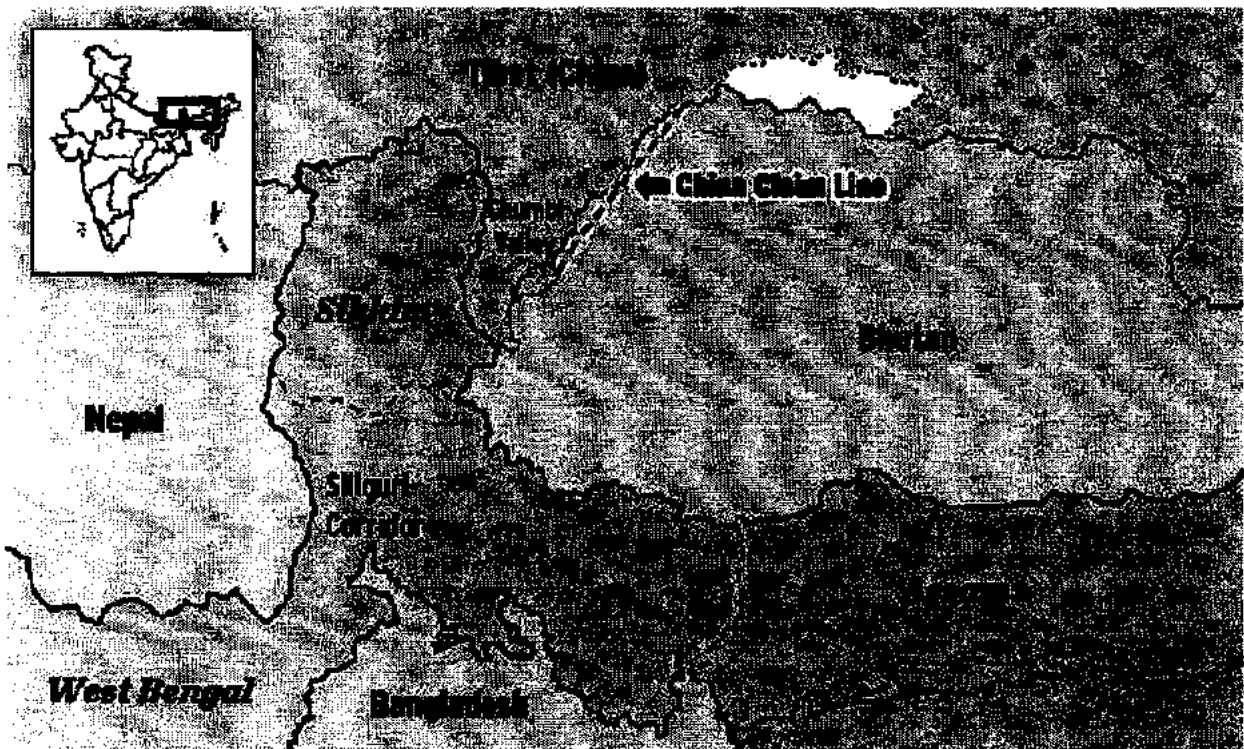
In 1996, China offered a package deal to Bhutan in which it was ready to renounce its claim over the 495 sq kms of disputed land in the Pasamlung and Jakarlung valleys in exchange for the Doklam Plateau, a smaller track of disputed land measuring a total of 269 sq. kms located in the Northwestern part of Haa District. It should be mentioned here that the Doklam Plateau is extremely close to India's 'chicken neck' area (The Chumbi Valley) and the Siliguri corridor connecting the Northeast to the rest of the country. (Rajeesh, 2013) Furthermore, Indian military is stationed in the Haa district, for training and other defense purposes. This offer does not seem to carry any threat for Bhutan, but the main reason Bhutan could not accept it, is that it threatens Indian interests.

In June 2000, Bhutanese Ambassador to India visited China. This was the first ever formal contact between the two countries other than the boundary talks (Rajeesh, 2013).

In 2009, the secretary of international boundaries, Dasho Pema Wangchuk, had told members of Bhutanese parliament that the main reason why Bhutan has been unable to successfully demarcate the northern border with China, even after many years of dialogue, was because of the differences of views and positions of the boundary between Bhutan and China. He added that "at present, we have four areas which are disputed in the western sector – Doklam, Charithang, Sinchulumpa and Dramana pastureland. As far as the disputed area of 495 sq km in Bayul Pasamlung is concerned, China had conceded to Bhutan as part of a package deal, and their position in this area has been consistent since 1990" (Reporter, 2013).

On August 9, 2013 the Indian National Security Advisor (NSA) Shivshankar Menon visited Thimpu accompanied by Indian Foreign Secretary, Sujatha Singh. It soon became clear that the NSA's main purpose was to advise the Bhutanese Government on how to handle border talks with China (Arpi, Chinese incursions: Bhutan suffers alongside India,

Map Showing Bhutan, Nepal, Sikkim (India), Tibet (China), Bangladesh (former East-Pakistan) and parts of the India Chicken Neck



2014). This was soon followed by the 21st round of the border dialogue meeting between the two nations held on August 22, 2013 in Thimpu. The 22nd round of the boundary talk between the two countries was held on July 25, 2014 in Beijing. Chinese State Councilor, Yang Jiechi, expressed his country's willingness "to reach a fair, reasonable solution that is acceptable to both sides at an early date so as to push forward bilateral exchanges and cooperation in various fields (PTI, 2014)."

This dispute is however "not so much a contest over territory as it is China's desire to punish Bhutan for allying with its regional rival India" (Penjore, 2004, p. 116).

4.7 Bhutan's 1st Elected Government and China

After renewing its treaty with India in 2007, constitutional monarchy was established in Bhutan in 2008. First ever national elections were held in March of the same year. Two parties contested these elections with Bhutan Peace and Prosperity Party (Druk Phuensum Tshogpa) winning 45 out of 47 seats. The remaining two seats were won by People's Democratic Party. Jigme Yoser Thinley, who was leading the DPT took charge as the first ever democratically elected leader of the nation.

In his five years tenure as a Prime Minister he fully exercised the freedom that he has received after the 2007 treaty with India especially regarding its external relations. Thinley thus established diplomatic relations with 32 new countries in just five years. It was apparent that such relations were also being extended with China, and the leaders of both countries have met on sidelines of an International Conference in Brazil in June 2012. To this meeting the Bhutanese side attached "great historic significance as it marks the first meetings between

the heads of the two governments (Official Press Release of the Cabinet Secretariat of Bhutan, 2012)”. India was not happy with these developments and tried to punish Bhutan by delaying assistance during rupee crunch and by removing subsidy on cooking oil to Bhutan. These actions effectively conveyed Indian message to Bhutanese public and Mr. Thinley’s party was unable to secure more than 15 seats in the 2013 elections.

4.8 Sino-Bhutanese closeness: Opportunities for Pakistan

One of the few objectives of Beijing to normalize its relations with Thimphu is that it is aspiring to become a world power. An important characteristic of any world power is that it has few or no border disputes (S., Bhutan's How to deal with China Policy- Blog, 2013). Normalization of relations between the two countries will allow cross-border movement of people which would help in legitimizing Chinese rule in Tibet (S., Bhutan's How to deal with China Policy- Blog, 2013).

In 1974, China, along with few other countries, was invited to the coronation of King Jigme Singye Wangchuck. The Chinese delegation was led by Ma Mumin. This Bhutanese step was of inviting Chinese delegation was a clear message showing that Bhutan was ready to normalize its relations with China. Since 1979 Bhutanese and Chinese leaders started to exchange annually congratulatory messages on the occasion of National Days (Rajeesh, 2013).

India-China border war, Beijing was not too happy when the Bhutanese authorities permitted some Indian troops to retreat through southeastern Bhutan (Arpi, Chinese incursions: Bhutan suffers alongside India, 2013).

The first elected government of Bhutan tried to move closer to China. After meeting the Bhutanese leader in Brazil, the Chinese side forwarded a proposal of establishing formal diplomatic relations. There were very positive signs of both countries coming closer. Had this happened, Pakistan would have also been in a position to forward its own relations. But India could not afford these developments in the region and the process was halted.

According to Bisht (2012) Bhutan has tried to adopt a middle path, to calibrate its interaction with China on the border issue on one hand and balance Indian security concerns on the other (p. 58). Both China and Bhutan had made good progress in the 21st round of their border talks. Some observers believe that this was the point of concern for New Delhi. Indian suspension of the petroleum subsidy to Bhutan during that time was a message to Bhutanese elite and the whole nation of the consequences of moving closer to China. This was echoed again in the parliamentary elections of July 2013 when the ruling Peace and Prosperity Party (DPT) was defeated by the main opposition People's Democratic Party. The PDP had heavily campaigned on the issue of neglecting of India by the previous government.

Indian PM Narendra Modi selected Bhutan for his first foreign visit in June 2014. A day after his visit the Bhutanese Premier Tshering Tobgay, stated in a televised interview that Bhutan does not have diplomatic relations with China and in such a situation how can one open an embassy (Bhutan Not Open to Chinese Embassy in Thimpu, 2014).

Chapter 5

Implications for Pakistan

5.1 Pakistan Bhutan Relations

Pakistan and Bhutan are part of the South Asian family. They may not share direct borders but had been geographically close until 1971. Pakistan being second largest country of the region in terms of area, population and resources had never received due attention it deserves from Bhutan. Bhutan had tried to get its needs addressed by India or from other outside sources other than Pakistan. All other nations of the region like Maldives, Sri Lanka, Nepal and even Bangladesh have good working relationship with Pakistan. But in case of Bhutan it sees a very cold attitude. Both countries only agreed to the establishment of diplomatic relations and exchange of ambassadors on December 14, 1988 (Ahmed, 1989, p. 125), many years after the creation of South Asian Association for Regional Cooperation (SAARC). Pakistan was the last SAARC nation with which Bhutan established diplomatic relations. Until 1994, Bhutan's ambassador to New Delhi was accredited to Pakistan, since then it has been transferred to the Ambassador of Bhutan to Bangladesh (Choden, 2004, p. 72).

Even since then, the relations are cold and have not seen much activity. Bhutanese side can give many reasons for this approach. That can include that Bhutan had adopted a policy of isolationism until 1971. This may also include that Bhutan has preferred neutrality in external relations and has not joined any bloc, but Pakistan was an active member of the Capitalist bloc. They may also say that Pakistan was close ally of China and Bhutan was against China. This may also include that Pakistan was an ideological state and Bhutan did

not feel comfortable in establishing relationship with it. Another factor may also include that both countries did not share direct border and therefore “meant nothing for each other (Bhola, 1996, p. 312)”. All the above reasons may have some affect but the main and foremost reason was that Indo-Pakistan rivalry has put a limit to its option of engagement with Pakistan. Had there been no platform like SAARC these relations would have been at a much smaller level or totally no relations.

The forum of SAARC provided a good opportunity to both nations to cooperate. In absence of many bilateral visits, the Prime Minister of Bhutan visited Pakistan to attend the 12th SAARC Summit in Islamabad from 4-6 July, 2004. This visit was paid back by the Prime Minister of Pakistan, who attended the 16th SAARC Summit in Thimphu on 28-29 April 2010.

Any other high level visit, without using the platform of SAARC, is seen by India suspiciously. Pakistan could not avoid this Indian suspicion even when as the Chairman of SAARC; Prime Minister Shaukat Aziz visited Bhutan in November 2004, along with visiting Nepal and Bangladesh. Foreign Minister of Pakistan Shah Mahmood Qureshi visited Bhutan to attend the 32nd Session of SAARC Council of Ministers on April 27, 2010. On this occasion he extended an invitation to a parliamentary delegation from Bhutan to visit Pakistan (Foreign Minister meets with Bhutanese and Sri Lankan Foreign Ministers, 2010). As discussed in other chapter of this study, Bhutan’s first elected government played an active role on international front. Pakistan considered this Bhutanese openness an opportunity and extended a formal invitation to Bhutanese Prime Minister to visit Pakistan. Foreign Secretary Salman Bashir visited Bhutan in February 2011 to re-submit a formal invitation from the Pakistani Premier (Affairs, 2011).

The Bhutanese Prime Minister Lyonchhen Jigmi Yoezer Thinley led a delegation for three-day visit to Pakistan from 18-20 March 2011. The Prime Minister of Bhutan was accompanied by Lyonpo Khandu Wangchuk, the Minister for Economic Affairs and Minister in Charge of Foreign Affairs, Dasho Tashi Phuntshog, Cabinet Secretary, Dasho Daw Penjo, Foreign Secretary, Dasho Bap Kesang, Ambassador of Bhutan to Pakistan and other senior officials. Both leaders agreed that there was tremendous potential to transform the goodwill that existed for each other into substantive bilateral relations by undertaking cooperation in areas such as culture, health, education, environment, tourism, human resource development and cottage industries. In this regard, the two leaders acknowledged the importance of engaging in regular consultations at various levels for strengthening bilateral relations. The delegation visited Parliament House in Islamabad and Taxila, a world heritage site (MOFA, 2011).

People to people contact are also very limited. According to the Statistical Yearbook of Bhutan 2012 and 2013, only 24 Pakistani tourists visited Bhutan during the period of 2007-2012. The number of Pakistani tourists visiting Bhutan in 2013 was only 6 (2014, p. 22).

Very little trade engagement takes place between the two nations. Table compiled from data obtained from Statistical Yearbooks of 2006, 2007, 2008, 2009, 2010, 2011 and 2012 gives the figures of import-export as following (Pakistan Bureau of Statistics, Pakistan):

Table No. 5:1 Imports and Exports between Bhutan and Pakistan (figures are in thousand rupees)

Year	Imports	Exports
1996-97	11348	-
1997-98	4165	-

1998-99	10533	16263
1999-2000	31709	12631
2000-2001	15253	16320
2001-2002	23794	19593
2002-2003	41880	6254
2003-2004	9228	21709
2004-2005	30354	6404
2005-2006	15330	11056
2006-2007	3644	2070
2007-2008	7286	1292
2008-2009	14715	195
2009-2010	282	-
2010-2011	1586	-
2011-12	-	3608
2012-13	-	165

The following table compiled from Trade Statistics of SAARC Secretariat gives data of Import and Export on Yearly basis (SAARC Group of Statistics):

Table 5:2 Ten Years Imports and Exports between Bhutan and Pakistan (figures are in million US Dollar)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Imports	0.1583	0.0826	0.5717	0.2501	0.0713	0.0424	0.1861	0.0185	0.1005	0.0308
Exports	0.2848	0.1727	0.2424	0.0507	0.0304	0.0192	-	-	-	0.0005

With so minimum contacts and little trade relations, there is not much left for bilateral relations. But when there is a call of humanity all humans are same. Bhutan contributed Nu. 5 million to the Pakistani Prime Minister's Flood Relief Fund in September 2010 after the country saw devastating floods. (Nu. 5 million contribution for Pakistan, 2010).

5.2 Bhutanese reservations or Pakistani neglect?

Both Pakistan and India were part of the British India before partition in August 1947. After a long freedom struggle the British rulers were compelled to leave India and handover rule to the natives. India inherited the government of British India while Pakistan emerged as a newborn state on the world stage. This partition of India was not peaceful, millions were displaced and hundreds of thousand killed during the process. This also resulted in a hostile attitude between the two states on official level. In the very early stages they had to engage in war in 1948.

Pakistan, at that time was a small and weak state with no structure as a government. It had to develop each and every thing from ground zero. In such a situation it was always under threat from a hostile neighbor which was almost ten times larger in population, area and resources. It also had tense relationship with Afghanistan, another neighbor to the West. With such a hostile neighborhood Pakistan found friends in the shape of China and Iran. Iran was the first country to recognize Pakistan as an independent nation. Relations with China were established as early as 1950-51. Among many similarities, both countries had one thing in common, which was enmity with India. According to Zulfikar Ali Bhutto, China is the

plus –factor that Pakistan need for coping with India (Bhutto, Awakening the People, 2006, p. 138)

Quaid-e-Azam Mohammad Ali Jinnah, the founding father of Pakistan has outlined the goals of Pakistan's foreign policy in the following words (Guiding Principles of Pakistan's Foreign Policy):

Our foreign policy is one of friendliness and goodwill towards all the nations of the world. We do not cherish aggressive designs against any country or nation. We believe in the principle of honesty and fair play in national and international dealings and are prepared to make our utmost contribution to the promotion of peace and prosperity among the nations of the world. Pakistan will never be found lacking in extending its material and moral support to the oppressed and suppressed peoples of the world, and in upholding the principles of the United Nations Charter.

Pakistan tried to pursue policy of neutrality in its first three years (Naseer, 2011, p. 2). With hostile neighbors and no enough military strength, unlike Bhutan, Pakistan did not have option of remaining neutral in its foreign relations for long. At that time neither Iran nor China were strong enough to help Pakistan against any Indian aggressions. Moreover, Pakistan has emerged as an ideological Muslim nation. Its goal was to build itself as an Islamic State and to develop fraternal ties with Islamic countries (Bhola, 1996, p. 311). On global level, Cold War has already started between the United States of America and the Soviet Union. Geographically Pakistan was close to the Soviet Union, but its roots of Islamic ideology had made its alliance with Soviet Union impossible. At that time Pakistan tried to

unite the Muslim world but in the words of Zulfikar Ali Bhutto (Bhutto, Foreign Policy of Pakistan, p. 20):

Relying too literally on the Islamic precept that all Muslims are brothers, we sought to create a brotherhood of Muslim peoples at a time when the force of Arab nationalism was in full flood; and its ideological basis was different from that of our own nation. The Arab States were under various types of political regimes, and were divided amongst themselves. They could not unite even in the face of the Israeli menace. How then could they have been expected to collaborate with the new-born non-Arab nation of Pakistan in the pursuit of an ethereal ideal?

Another reason for ignoring USSR was that after the WWII it was exhausted and could have been unable to support Pakistan. In search of big support for deterrence against India, Pakistan was left with no option but to side with the United States. With this background Prime Minister Liaquat Ali Khan paid an official visit to the U.S. in 1950. The US included Pakistan in its scheme of containing Soviet expansion. By gaining this support Pakistan, indirectly found a source to strengthen its own defenses against India. Pakistan furthered these relations by joining SEATO and CENTO in 1954 and 1955 respectively. As a result of this alliance Pakistan received huge amount of US economic and military assistance from 1953 to 1961 (Naseer, 2011, p. 4). In the words of Zulfikar Ali Bhutto with this, Pakistan's critical and dangerous period of isolation was over and it was now aligned with nations which were prepared to come to its assistance in the event of any Communist aggression (Bhutto, Foreign Policy of Pakistan, p. 25). Pakistan remained against the Soviet bloc during

the Korean and Vietnam Wars while Pakistan and China have remained close friendly nations throughout the past six decades.

Before December 1971, the area today known as the country of Bangladesh was East Pakistan. Bhutan was one of its close neighbors only separated by some area of India. But this little distance has become a big distance due to the nature of Indo-Pakistan relations. Both the countries had fought two wars in 1948 and 1965, and third one was to result in the split of the nation. This period of twenty four years since the partition of India in 1947 to the split of Pakistan in 1971, carried some special features. Firstly, with the emergence of the People's Republic of China and its claims over Bhutan, Sikkim and Nepal, the region has become insecure. Secondly, Chinese advances and increased influence in the region was threatening Indian interests. Thirdly, India and Pakistan had developed deep hostilities. Fourthly, Pakistan and China have developed good friendly relations. Countries like Bhutan, Sikkim and Nepal were small players of this game with no power of their own. These small landlocked and resource less countries were in no way able to develop their own defense capabilities. The only option available to them for survival was to make alliance with any of the two blocks. They had either to choose China and also make friendship with Pakistan or choose India and ignore China and Pakistan. Nepal chose a middle path and thus established diplomatic relations with India in 1950, with China in 1955 and Pakistan in 1960. But the case for Sikkim and Bhutan was not simple. Sikkim relations with the British India were very close and it was their protectorate. So for Sikkim to look beyond India was unimaginable. Bhutan on the other hand had internal sovereignty and was free to choose between the two options available. It however, chose India for the many reasons already discussed in previous chapters of this study.

This Bhutanese decision of siding with India indirectly closed the doors of good relationship with both China and Pakistan. It also invited Chinese anger which since then has always tried to pressurize Bhutan by different means to establish bilateral relationships with it.

As discussed earlier, the Bhutanese treaties with British India and the Union of India were especially meant at controlling the defense and external relations of this nation. For a long time, Bhutan remained under the clutches of this treaty and was unable to look beyond India. China and Pakistan both were advocating that Bhutan has been made an Indian colony. Prime Minister Liaquat Ali Khan expressed such views in his speech of July 1951 (Bhola, 1996, pp. 312-313). This pressure was one of the few reasons India never found it easy to annex Bhutan. However, India didn't want to lose the chance in the case of Sikkim which was made part of India in 1974. Bhutan's case was little different but still doable. Bhutan was well aware of this threat and thus took many steps during the late sixties and early seventies including its demand of joining the UNO. Had India not facilitated Bhutan's entry to the UN, China would have done it. It could be thus said that pressure of China and Pakistan has played its role in Bhutan's entry into the UN and remaining an independent country. The Pakistani and Chinese pressure grew more in the early 1970s and that was the time Bhutan also started giving a different version of its understanding on the article of 1949 treaty relating to Indian advice on foreign policy matters.

Bhutan's friendship with India and its fear of China had forced it to develop an unfriendly attitude towards Pakistan. Formally it had adopted the policy of isolationism and never tried to approach any other country. But this approach becomes questionable when an observer sees that Bhutan did not contact Pakistan for 24 years on one hand, but on the other

hand in the war of 1971 its rulers were visiting Calcutta camps to assist people fleeing from East Pakistan. Bhutanese behavior becomes further questionable when it becomes the first nation to recognize Bangladesh even before its formal independence. Recently the then King of Bhutan and some top Bhutanese government officials were awarded for this support by Bangladesh, already referred elsewhere.

After defeat in the 1971 war, Pakistan was on the back foot. Indian attitude has become more aggressive and it had accelerated work on its nuclear weapons. Pakistan, at that time, started proposing to keep South Asia a Nuclear Weapons Free Zone. The main architect of this idea, proposed in 1972 was Prime Minister Zulfikar Ali Bhutto (Nanda, 2207, p. 279). A proposal to this effect was endorsed by Foreign Ministers of 37 Muslim countries at the OIC meeting in Kuala Lumpur, on 26 June 1974. A similar proposal came before the United Nations General Assembly (UNGA) in September 1974. The General Assembly approved the Pakistani proposal on 20 November 1974 by 82 to 2 votes. Only India and Bhutan voted against it (Chaudhri, 1978, p. 88). This was followed by adoption of Resolution 3265 B (XXIX) by the UN on December 9, 1974.

The Post 1971 period also saw a strong Pakistani activity in establishing relations with the Muslim World. Establishment of the Organization of Islamic Conference (OIC) served as a mean in this regard. Afterwards, Soviet invasion of Afghanistan in 1979 further diverted Pakistani attention from other foreign policy initiatives. Pakistan thus throughout its history has been subject to threats of security and defense. It had to fight three full scale wars of 1948, 1965, 1971 with India, engage with a ten year proxy war with Soviet Union in Afghanistan and then again see India in Kargil dispute. A small nation with a huge

population and economic and security concerns, Pakistan was unable to focus its attention to other more smaller nations like Bhutan.

Pakistani struggle continued and on 12 December 1984, Pakistan's draft resolutions for a nuclear weapon-free zone in South Asia and strengthening the nuclear guarantees to non-nuclear states were approved. Both resolutions were previously adopted by an overwhelming majority at the Assembly's Political and Security Committee on 21 November 1984. This was the 11th time the assembly affirmed its endorsement in principle of the concept of a nuclear weapon-free zone in South Asia. India, Bhutan and Mauritius voted against the resolution which received 100 votes in favour with 42 abstentions. On December 15, 1983 resolution 38/65 of same nature was passed by 94 votes in favour to 3 votes against with 46 abstentions (Jamil, 1985, p. 10).

5.3 Areas of Mutual interest

There are many areas where Pakistan can be of a help to Bhutan other than India or China. In sports especially cricket; Pakistan can play a role to assist Bhutan in improving its cricket team. Renowned Pakistani cricketers conducted coaching camps and workshops on two occasions for cricket enthusiasts in Bhutan in 2001 and 2002 and an exhibition match was also organized in 2002 (Choden, 2004, pp. 73-74).

People to people contact are very low. One of the main reasons is of acquiring visa and the limit of daily expenditure of \$ 200 to \$ 250 per head per day imposed by Bhutan on foreign tourists. Pakistan also seeks permission for International Airlines to have direct flights to Bhutan like all other SAARC countries.

Culture is something where both countries can find way to cooperate. Pakistan has got some very ancient Buddhist sites including the second most sacred place of Buddhism in Swat, which might be of interest for the country like Bhutan which takes pride in its religious roots. Guru Padma Sambahawa, the second Buddha and the most reverent Buddhist personality of the Buddhist faith in Bhutan was born in Swat. On Pakistani invitation a first group of 12 Bhutanese monks led by Lopen Kunzang Wangdi, Chief Monk of the Central Monastic Body of Bhutan and accompanied by Dasho Bap Kesang, the Bhutanese Ambassador to Pakistan paid a weeklong visit to Pakistan in June 2012. The delegation visited Buddhist historical sites in Mardan, Swat, Taxila and Lahore Museums. Minister of State for Foreign Affairs Nawabzada Malik Amad Khan presented a real-sized replica of “Fasting Buddha” to the visitors (Meeting of Buddhist Delegation with Minister of State, 2012). On the visit of Bhutanese Prime Minister, he was invited by P.M. Yusuf Raza Gilani to visit Swat on his next trip to Pakistan (Bhutanese Prime Minister hold formal talks with the Prime Minister, 2011).

Other fields include possibilities of sharing information and good practices as both of them have huge potential of hydropower generation as well as on preservation of environmental and natural disaster management. Pakistan seeks exchange of cultural entourage, youth groups as well as tourists and research scholars between the two countries on discovering the common historical and cultural heritage. Pakistan have many times offered cooperation in the fields of education and human development by offering increased number of scholarships for the Bhutanese students particularly in medicine and engineering fields. It has also offered training of Bhutanese diplomats in Pakistan’s Foreign Service Academy (Bhutanese Prime Minister hold formal talks with the Prime Minister, 2011).

Although, no reference could be produced for defense, however, the Bhutanese Prime Minister especially thanked Pakistani Premier for his country's assistance in Bhutanese cottage industry (Bhutanese Prime Minister hold formal talks with the Prime Minister, 2011). This indicated that some sort of cooperation exists in that field. Keeping in view that cottage industry hold important position in the country's economy after hydropower, this cooperation carries much significance for Bhutan.

Pakistan can also extend cooperation in education by donating books to the Bhutanese libraries. As a gesture of goodwill, it can also help in construction of school buildings and libraries. As an instance, the Jigme Dorji Wangchuck Public Library has a collection of 26,956 books. Officials of the library had planned for the construction of a new building replacing the old single storey building which was constructed in 1978. The library officials were demanding for a new building since 2002. A proposal of \$ 0.79 million was submitted to the government which only approved a budget of \$ 0.425 million in 2014 to be used for the procurement of books and furniture. Government of Pakistan can bear the remaining cost of this project.

5.4 Indo-Chinese factor in Pak-Bhutan Relations

Keeping in mind the historical background of Bhutan's dependence on India, the high level Pakistani visit to Bhutan in November 2004 could be termed as a diplomatic mistake. This Pakistani move cannot be considered an appropriate action for two reasons. Firstly, the tiny nation of Bhutan, which is also in total control of India, was not in a position to afford such a direct move. The Pakistani delegation flew in three Pakistan Air force jets. Such a large delegation visiting a tiny state keeping in mind that Pakistan-Bhutan bilateral trade

amounts to less than US\$25 million was enough to stir Indian objection (Maitra, 2004). Secondly, less than a year ago in December 2003, the Bhutanese armed forces have conducted a military operation against Indian militants operating from inside Bhutan for almost 13 years. It has been an old Indian style to blame Pakistan and its ISI for all anti-state activities inside India. Pakistani side approaching Bhutan at such a delicate time gave India chance to repeat its suspicion. This made Bhutan to become more cautious and did not respond to any of the Pakistani offers. During the visit the two countries had decided to enhance cooperation in the field of security, education and health. Prime Minister Shaukat Aziz said that the existing goodwill between Bhutan and Pakistan needed to be translated into closer economic and cultural co-operation through more trade and investment by the private sector. He also said that he would be happy to appoint a representative in Bhutan to promote trade, travel and economic relations. Pakistan offered training facilities to Foreign Service officials and security personnel of Bhutan, besides export credit facilities for purchase of goods from Pakistan (Editor, 2004). This was an indirect move to request opening an embassy in Bhutan.

Unlike its relations with India, Pakistan offers Bhutan interaction “on the basis of equality, mutual respect and mutual benefit (Bhutanese Prime Minister hold formal talks with the Prime Minister, 2011)”. But once again India has shown its influence by helping bring a pro-India opposition party into power through the 2013 elections. The new government announced that they were suspending all efforts of expanding Bhutan’s diplomatic relations and will not entertain any country willing to establish relations or open an embassy. The reason given for this decision was economic problems at home, from which the government

did not want to divert its attention. The first country to get effected from this decision was Japan, which was considering opening its embassy by April 2014 (Dorji G. K., 2014).

Hence, from the examination of the relationship between Bhutan and Pakistan, it becomes clear that their relations are influenced by two giants of the region. Bhutan has been kept away by India from engaging with China, and its ally Pakistan. Pakistan has a history in which it played a role in bringing China and USA closer to each other. New Delhi fears that Bhutan becoming closer to Pakistan, if not a problem in itself, could create problem for India by indirectly bringing Bhutan and China closer. That's why; it was the same time that we see high level engagements between Bhutan, China and Pakistan in 2011, 2012 and 2013. This situation was enough to alarm India which used its indirect influence to bring a halt to this process. India is believed to give a simple excuse of its fear that Pakistan may support, sponsor or give patronage to any anti-India element from the soil of Bhutan.

Conclusion

Findings

Geography plays an import role in foreign policy of any nation. Geographic location can be a blessing as well as curse for any nation. Large area can be a source of big population and many natural resources. Access to sea and proximity to trade routes normally adds enormous benefits for such nations. Big population, if properly utilized, can be a great source for any nation. This human resource can help explore the natural resources and huge area available at the disposal on that nation. Large area can also result in borders with big number of countries which increases the importance on regional and international level. On the other hand small area, land locked status, remoteness and small population minimizes role of such nations on international forum.

Small countries like Bhutan, therefore, do not have much foreign policy options available at their disposal. Its remoteness combined with its small area and population and little natural resources leaves it, as a nation isolated from the world. It does not get any global attention, good or bad, which some other small countries like Kuwait, Bahrain, Cuba and Brunei get due to their geography.

This geographic factor has played a vital role in Bhutan's foreign policy for centuries. Its remoteness has supported its ability to maintain an isolated status and preserve its religious and cultural uniqueness. Because of its geographic location, it was kept a buffer state and no British interference in its internal affairs was noted. Again due to its location, Tibet or China could not dare to attack it until 1947. Since then, for its geographic location, it has attained

great Indian attention and support. But again because of its geography, it has been allied with India, and does not enjoy full freedom as a nation.

This study was aimed at examining the nature of the “special” relationship between India and Bhutan. The subject has been studied in detail by focusing on these relations especially after the arrival of East India Company (EIC). The period of almost 250 years was covered to observe different trends of Bhutan relations with the independent states, the East India Company, the British Raj and finally the Union of India. It is seen that throughout this period Bhutan has existed as an independent country, although with some foreign influences. The policy of the ruling elites of Bhutan has been to protect its national integrity and its identity as a nation. This is seen in the policies of its regional rulers, the monarchs since 1907 and has continued into the period of constitutional monarchy since 2008. India and Bhutan were both united amid threats from a common enemy, China. Previously Russia and then China, especially since the late nineteenth century, has an indirect role in keeping Bhutan an independent state. Had there been no Chinese pressure, Bhutan would have been made part of the British India and would have seen inclusion in the Union of India in the post 1947 era. India, in the presence of a mighty hostile neighbor like China, could not dare take any action against Bhutan, as it did against some states including the state of Jammu & Kashmir in 1947 and Sikkim in 1975. Creation of Pakistan doubled this pressure on India. Both Chinese and Pakistani stand have been that the small nation of Bhutan is suffering from Indian hegemonic designs. Initially Bhutan felt relief by joining hands with India, against Chinese threats, but later on at times, it felt worried for its existence. This trend was seen in the period after mid sixties. Bhutan started considering establishing contacts with other nations to ensure its sovereignty. Its demands were met and was allowed to join the United Nations in 1971. This

was a new opening for Bhutan, but Indian dictation guided its policies. The concept of Regionalism gave Bhutan a big opportunity of regional exposure without driving any Indian anger. Bhutan took a very active part in creation of SAARC. Under this platform it got the first chance of interaction with Pakistan.

Bhutan soon realized that the distrust between two major countries, India and Pakistan would not allow smooth realization of the ideals of SAARC. Indian influence was countered by Pakistani involvement in the case of Sri Lanka, Nepal and to some extent even Bangladesh and Maldives. But Pakistani card was useless for Bhutan. At this stage Bhutan explored further opening to the outside world and successfully handled the issue of its Nepali citizens. It was the Chinese and Pakistani pressure combined with economic and Indian insurgents' issue that India did not directly intervene in Bhutan as it did in the case of Bangladesh Freedom War and in Tamil dispute in Sri Lanka.

India resisted Bhutanese demands of renewing its treaty with India during this period for almost three decades. China continued its pressure through border dispute by engaging Bhutan in a series of annual dialogues on the issue. Pakistan, during this period, has lost relevance after it lost its Eastern Wing and its relations with Bhutan were now confined to few interactions through the SAARC forum.

This situation has continued until 2007, when finally the Indo-Bhutanese treaty was renewed. Bhutanese excitement of feeling liberated from India was soon seen in establishment of diplomatic relations with more than 25 countries by its first elected government during 2008-2013. It could be observed that Bhutanese concerns in the recent past, were not of safeguarding itself from China but from its "special friend" India. Bhutanese worries of security and staying independent from India are visible from its efforts

of trying to gain international attention. Limited resources of this small nation do not help it get any international status. Its idea of Gross National Happiness (GNH) and its recent move to contest for Asian seat of the U.N. Security Council and contribution to U.N. Peace Keeping Missions (UNPM) are seen as such moves to attract international attention as an independent sovereign state.

China could not be neglected while studying Bhutan's foreign policy or its relations with either India or Pakistan. That's why a detailed study has been carried out of Bhutan's relations with India, China and Pakistan in this thesis. As already discussed that Chinese pressure has prevented India from annexing Bhutan, but this is one side of the picture. Likewise, India has saved Bhutan from any Chinese occupation too. China has been aggressively claiming to make Bhutan part of its territory. However, this claim was soon given up and since then Chinese policy had been to engage Bhutan as a friendly neighbor and to balance, if not reduce, Indian influence in the region. This study has concluded that Bhutan too does not feel any threat from China and both nations are ready to interact as friendly neighbors once Indian interference is minimized.

This study also found that being a religiously motivated state, with deep roots in its Buddhist traditions and culture, Bhutan does not allow much room for religion in its foreign policy. Security and territorial integrity associated with its cultural heritage are its major concerns instead of religion. Its cool attitude towards relations with Pakistan are much to be blamed on the Indo-Chinese factor, and its policy of non-alignment and isolationism rather than its identity as a Buddhist nation.

Recommendations

Pakistan's Relations with Bhutan have a potential of improvement in all fields. But the nature of Bhutanese dependence on India does not allow any improvement. Relations with Bhutan should not be seen from same lenses as relations with any other country are seen. The policy makers in Pakistan must focus on engaging Bhutan on small and lower level. Visits of high level like the 2004 visit of Pakistani Prime Minister can only close the doors for further interaction. There does not seem any change in the Indo-Bhutanese relationship and its relationship with China. Pakistan has to engage itself with Bhutan on lower but extensive level. Chinese approach offers Pakistan a best example in dealing with such an issue. China has steadfastly been raising its concerns and objection at all possible forums and levels, on Indian subjugation of Bhutan for many decades. Since the start of border talks, it has extensively engaged itself with Bhutan in more than twenty annual talks, and when in 2012 there was a chance for direct advance, the Chinese side grabbed the opportunity and floated the proposal of establishing full diplomatic relations. This was a good opportunity for both China and Pakistan to approach Bhutan. But this chance of betterment of Pak-Bhutan relations, as seen from the closeness of Bhutan and China in 2012-13, was "vetoed" by India. The new government holds firms to its older policy of alignment with India. Pakistan can thus focus of micro level engagements with Bhutan.

Pakistan, as a big nation of the region, has many things to offer to Bhutan. It should not surrender its abilities of providing assistance to Bhutan in the wake of huge Indian assistance. Bhutan as a small and hard pressed country could not take any such initiative. Pakistan should be the one to initiate such projects on smaller level, which can provide a platform and opportunity of interaction to the businessmen, academic communities and local populace of

both the countries. Scholarships should be awarded to Bhutanese nationals at all important Pakistani universities. The Department of Comparative Religions at the International Islamic University in particular can engage scholars of Buddhism from Bhutan through different scholarship schemes or seminars and conferences.

As a general recommendation to the academic community and policy makers of Pakistan, the writer would like to suggest that there is a grave negligence on their part, regarding the foreign policy failure. Very few studies are conducted in the field of foreign relations. Though the country has relations with more than 120 countries of the world, no studies are available about these relations. Of the little literature available, most is focused on India, USA, Afghanistan, Iran and some on Central Asia. Rest of the countries including small nations like Bhutan, are ignored by the policy makers as well as the academic community. The faculties of International Relations across the country should focus on this issue and encourage their students to conduct researches in this field which can serve as a guideline and helpful material for policy makers in different decision making processes of foreign policy making.

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Appendix A: Treaty of Sinchula 1865

Treaty between His Excellency the Right Honourable Sir John Lawrence, G.C.B., K.S.I., Viceroy and Governor-General of Her Britannic Majesty's possessions in the East Indies, and Their Highness the Dhurm and Deb Rajahs of Bhutan concluded on the one part by Lieutenant-Colonel Herbert Bruce, C.B., by virtue of full powers to that effect vested in him by the Viceroy and Governor-General, and on the other part by Samdojey Deb Jimpey and Themseyrensey Donai according to full powers conferred on them by the Dhurm and Deb Rajahs, 1865.

Article 1

There shall henceforth be perpetual peace and friendship between the British Government and the Government of Bhootan.

Article 2

Whereas in consequence of repeated aggressions of the Bhootan Government and of the refusal of that Government to afford satisfaction for those aggressions, and of their insulting treatment of the officers sent by His Excellency the Governor-General in Council for the purpose of procuring an amicable adjustment of differences existing between the two states, the British Government has been compelled to seize by an armed force the whole of the Dooars and certain Hill Posts protecting the passes into Bhootan, and whereas the Bhootan Government has now expressed its regret for past misconduct and a desire for the establishment of friendly relations with the British Government, it is hereby agreed that the whole of the tract known as the Eighteen Doars, bordering on the districts of Rungpoor, Cooch Behar, and Assam, together with the Talook of Ambaree Fallcottah and the Hill territory on the left bank of the Teesta up to such points as may be laid down by the British Commissioner appointed for the purpose is ceded by the Bhootan Government to the British Government for ever.

Article 3

The Bhootan Government hereby agree to surrender all British subjects, as well as subjects of the Chiefs of Sikkim and Cooch Behar who are now detained in Bhootan against their will, and to place no impediment in the way of the return of all or any of such persons into British territory.

Article 4

In consideration of the cession by the Bhootan Government of the territories specified in Article II of this Treaty, and of the said Government having expressed its regret for past misconduct, and having hereby engaged for the future to restrain all evil disposed persons from committing crimes within British territory or the territories of the Rajahs of Sikkim and Cooch Behar and to give prompt and full redress for all such crimes which may be committed in defiance of their commands, the British Government agree to make an annual allowance to the Government of Bhootan of a sum not exceeding fifty thousand rupees (Rupees 50,000) to be paid to officers not below the rank of Jungpen, who shall be deputed by the Government of Bhootan to receive the same. And it is further hereby agreed that the payments shall be made as specified below:

On the fulfillment by the Bhootan Government of the conditions of this Treaty Twenty Five Thousand Rupees (Rupees 25,000).

On the 10th of January following the first payment, thirty-five thousand rupees (Rupees 35,000).

On the 10th January following, forty-five thousand rupees (Rupees 45,000).

On every succeeding 10th January, fifty thousand rupees (Rupees 50,000).

Article 5

The British Government will hold itself at liberty at any time to suspend the payment of this compensation money either in whole or in part, in the event of misconduct on the part of the Bootan Government, or its failure to check aggression of its subjects, or to comply with the provisions of this Treaty.

Article 6

The British Government hereby agree, on demand being duly made in writing by the Bootan Government, to surrender, under the provisions of Act VII. Of 1854, of which a copy shall be furnished to the Bootan Government, all Bootanese subjects accused of any of the following crimes who may take refuge in British dominions:- The crimes are murder, attempting to murder, rape, kidnapping, great personal violence, maiming, dacoity, thuggee, robbery, burglary, knowingly receiving property obtained by dacoity, robbery or burglary, cattle stealing, breaking and entering a dwelling house and stealing therein, arson, setting fire to a village, house, or town, forgery, or uttering forged documents, counterfeiting current coin, knowingly uttering base or counterfeit coin, perjury, subornation of perjury, embezzlement by public officers or other persons, and being accessory to any of the above offences.

Article 7

The Bootan Government hereby agree, on requisition being made by, or by the authority of Lieutenant Governor of Bengal, to surrender any British subjects accused of any of the crimes specified in the above Article who may take refuge in the territory under the jurisdiction of the Bootan Government, and also any Bootanese subjects who, after committing any of the above crimes in British territory, shall flee into Bootan, on such evidence of their guilt being produced as shall satisfy the local court of the district in which the offence may have been committed.

Article 8

The Bhootan Government hereby agree to refer to the arbitration of the British Government all disputes with, or causes of complaint against, the Rajahs of Sikkim and Cooch Behar, and the British Government hereby engage to enquire into and settle all such disputes and complaints in such manner as justice may require, and to insist on the observance of the decision by the Rajahs of Sikkim and Cooch Behar.

Article 9

There shall be free trade and commerce between the two governments. No duties shall be levied on Bhootanese goods imported into British territories, nor shall the Bhootan Government levy any duties on British goods imported into, or transported through the Bhootan territories. Bhootanese subjects residing in British territories shall have equal justice with British subjects and British subjects residing in Bhootan shall have equal justice with the subjects of the Bhootan Government.

Article 10

The present Treaty of ten Articles has been concluded at Sinchula of the 11th day of November 1865, corresponding with the Bhootea year Shim Lung 24th day of the 9th month, and signed and

sealed by Lieutenant-Colonel Herbert Bruce, C.B., and Samdojey Deb Jimpey and Themseyrensey Donai, the ratifications of the same by His Excellency the Viceroy and Governor-General in Council and by Their Highnesses the Dhurm and Deb Rajahs shall be mutually delivered within thirty days from this date.

H. Bruce

Lieutenant-Colonel

Chief Civil and Political Officer

Appendix B: Treaty of Punakha 1910

Whereas it is desirable to amend Articles IV and VIII of the Treaty concluded at Sinchula on the 11th day of November 1865, corresponding with the Bhutia year Shing Lang, 24th day of the 9th month, between the British Government and the Government of Bhutan, the undermentioned amendments are agreed to on the one part by Mr. C. A. Bell, Political Officer in Sikkim, in virtue of full powers to that effect vested in him by the Right Honourable Sir Gilbert John Elliot-Murray-Kynynmound, P.C.G.M.S.I., G.M.I.E., G.C.M.G., Earl of Minto, Viceroy and Governor-General of India in Council, and on the other part by His Highness Sir Ugyen Wangchuck, K.C.I.E., Maharaja of Bhutan.

The following addition has been made to Article IV of the Sinchula Treaty of 1865.

The British Government has increased the annual allowance to the Government of Bhutan from fifty thousand rupees (Rs. 50000) to one hundred thousand rupees (Rs. 100,000) with effect from the 10th January 1910.

Article VIII of the Sinchula Treaty of 1865 has been revised and the revised Article runs as follows

The British Government undertakes to exercise no interference in the internal administration of Bhutan. On its part, the Bhutanese Government agrees to be guided by the advice of the British Government in regard to its external relations. In the events of disputes with, or causes of complaint against, the Maharajas of Sikkim and Cooch Behar, such matters will be referred for arbitration to the British government which will settle them in such manner as justice may require and insist upon the observance of its decisions by the Maharaja named.

Done in quadruplicate at Punaka, Bhutan, this eight day of January in the year of Lord one thousand nine hundred and ten, corresponding with the Bhutia date, the 27th day of the 11th month of the Earth-Bird (Saja) year.

- Ratified at Calcutta on the 24th March 1910.

Appendix C: Treaty of Friendship 1949

The Government of India on the one part, and His Highness the Druk Gyalpo's Government on the other hand, equally animated by the desire to regulate in a friendly manner and upon a solid and durable basis the state of affairs caused by the termination of the British Government's authority in India, and to promote and foster the relations of friendship and neighbourliness so necessary for the well-being of their people, have resolved to conclude the following treaty, and have, for this purpose named their representatives, that is to say Sri Harishwar Dayal representing the Government of India, who has full powers to agree to the said treaty on behalf of the Government of India, and Deb Zimpon Sonam, Tobgye Dorji, Yang-Lop Sonam, Chho-Zim Thondup, Rim-Zin Tandin and Ha Drung Jigmie Palden Dorji, representing the Government of His Highness the Druk Gyalpo, Maharaja of Bhutan, who has full powers to agree to the same on behalf of the Government of Bhutan.

Article 1

There shall be perpetual peace and friendship between the Government of India and the Government of Bhutan.

Article 2

The Government of India undertakes to exercise no interference in the internal administration of Bhutan. On its part the Government of Bhutan agrees to be guided by the advice of the Government of India in regard to its external relations.

Article 3

In place of the compensation granted to the Government of Bhutan under Article 4 of the Treaty of Sinchula and enhanced by the treaty of the eighth day of January 1910 and the temporary subsidy of Rupees one lakh per annum granted in 1942, the Government of India agrees to make an annual payment of Rupees five lakhs to the Government of Bhutan. And it is further hereby agreed that the said annual payment shall be made on the 10th day of January every year, the first payment being made on the tenth day of January 1950. This payment shall continue so long as this treaty remains in force and its terms are duly observed.

Article 4

Further to mark the friendship existing and continuing between the said Governments, the Government of India, shall within one year from the date of signature of this treaty, return to the Government of Bhutan about thirty-two square miles of territory in the area known as Dewangiri. The Government of India shall appoint a competent officer or officers to mark out the area so returned to the Government of Bhutan.

Article 5

There shall, as heretofore, be free trade and commerce between the territories of the Government of India and of the Government of Bhutan; and the Government of India agrees to grant the Government of Bhutan every facility for the carriage, by land and water, of its produce throughout the territory of the Government of India, including the right to use such forest roads as may be specified by mutual agreement from time to time.

Article 6

The Government of India agrees that the Government of Bhutan shall be free to import with the assistance and approval of the Government of India, from or through India into Bhutan, whatever arms, ammunitions, machinery, warlike material and stores may be required or desired for the strength and welfare of Bhutan, and that this agreement shall hold good for all times as long as the Government of India is satisfied that the intentions of the Government of Bhutan are friendly and that there is no danger to India from such importations. The Government of Bhutan, on the other hand, agrees that there shall be no export of such arms, ammunition, etc., across the frontier of Bhutan either by the Government of Bhutan or by private individuals.

Article 7

The Government of India and the Government of Bhutan agree that Bhutanese subjects residing in Indian territories shall have equal justice with Indian subjects, and the Indian subjects residing in Bhutan shall have equal justice with the subjects of the Government of Bhutan.

Article 8

- (1) The Government of India, shall on demand being duly made in writing by the Government of Bhutan, take proceedings in accordance with the provision of Indian Extradition Act, 1903 (of which a copy shall be furnished to the Government of Bhutan), for the surrender of all Bhutanese subjects accused of any of the crimes specified in the first schedule of the said Act who may take refuge in Indian territory.
- (2) The Government of Bhutan shall, on requisition being duly made by the Government of India, or by any officer authorized by the Government of India in this behalf, surrender any Indian subjects, or subjects of a foreign power, whose extradition may be required in pursuance of any agreement or agreements made by the Government of India with the said power, accused of any of the crimes, specified in the first schedule of Act XV of 1903, who may take refuge in the territory under the jurisdiction of the Government of Bhutan, and also any Bhutanese subject who, after committing any of the crimes referred to in Indian territory, shall flee into Bhutan, on such evidence of their guilt being produced as shall satisfy local court of the district in which the offence may have been committed.

Article 9

Any differences and disputes arising in the application or interpretation of this treaty shall in the first instance settled by negotiation. If within three months of the start of negotiations no settlement is arrived at, then the matter shall be referred to the Arbitration of three arbitrators, who shall be nationals of either India or Bhutan, chosen in the following manner:

- (1) One person nominated by the Government of India;
- (2) One person nominated by the Government of Bhutan;
- (3) A Judge of the Federal Court, or of a High Court in India, to be chosen by the Government of Bhutan, who shall be Chairman

The judgment of this Tribunal shall be final and executed without delay by either party.

Article 10

This treaty shall continue in force in perpetuity unless terminated or modified by mutual consent.

Done in duplicate at Darjeeling this eighth day of August, one thousand nine hundred and forty-nine, corresponding with the Bhutanese date the fifteenth date of the sixth month of the Earth-Bull year.

Harishwar Dayal

Political Officer in Sikkim

Deb Zimpon Sonam

Tobgye Dorji

Yang-Lop Sonam

Chho-Zim Thondup

Rim-Zin Tandin

Ha Drung Jigmie Palden Dorji

* Ratification done by J. Wangchuck, Druk Gyalpo of Bhutan at Tongsa on the fifteenth day of September 1949.

* Ratification done by C. Raja Gopal Achari, Governor General of India at Delhi on the 22nd day of September 1949.

Appendix D: India Bhutan Friendship Treaty 2007

The Government of the Republic of India and the Government of the Kingdom of Bhutan;

Reaffirming their respect for each other's independence, sovereignty and territorial integrity;

Recalling the historical relations that have existed between our two countries;

Recognizing with deep satisfaction the manner in which these relations evolved and matured over the years into the model of good neighborly relations;

Being fully committed to further strengthening this enduring and mutually beneficial relationship based on genuine goodwill and friendship, shared interests, and close understanding and cooperation;

Desiring to clearly reflect this exemplary relationship as it stands today;

And having decided, through mutual consent, to update the 1949 Treaty relating to the promotion of, and fostering the relations of friendship and neighborliness between India and Bhutan;

Have agreed as follows:

Article 1

There shall be perpetual peace and friendship between India and Bhutan.

Article 2

In keeping with the abiding ties of close friendship and cooperation between Bhutan and India, the Government of the Kingdom of Bhutan and the Government of the Republic of India, shall cooperate closely with each other on issues relating to their national interests. Neither Government shall allow use of its territory for activities harmful to the national security and interest of the other.

Article 3

There shall, as heretofore, be free trade and commerce between the territories of the Government of Bhutan and the Government of India. Both the Governments shall provide full cooperation and assistance to each other in the matter of trade and commerce.

Article 4

The Government of India agrees that the Government of Bhutan shall be free to import, from or through Indian into Bhutan, whatever arms, ammunitions, machinery, warlike materials and

stores as may be required or desired for the strength and welfare of Bhutan, and that this agreement shall hold good for all times as long as the Government of India is satisfied that the intentions of the Government of Bhutan are friendly and that there is no danger to India from such importations. The Government of Bhutan agrees that there shall be no export of such arms, ammunition and materials outside Bhutan either by the Government of Bhutan or by private individuals.

Article 5

The Government of Bhutan and the Government of India agree that Bhutanese subjects residing in Indian territories shall have equal justice with Indian subjects, and that Indian subjects residing in Bhutan shall have equal justice with the subjects of the Government of Bhutan.

Article 6

The extradition of persons wanted by either state for crimes and for unlawful activities affecting their security shall be in keeping with the extradition agreements between the two countries.

Article 7

The Government of Bhutan and the Government of India agree to promote cultural exchanges and cooperation between the two countries. These shall be extended to such areas as education, health, sports, science and technology.

Article 8

The Government of Bhutan and the Government of India agree to continue to consolidate and expand their economic cooperation for mutual and long-term benefit.

Article 9

Any differences and disputes arising in the interpretation and application of this Treaty shall be settled bilaterally by negotiations in a spirit of trust and understanding in consonance with the historically close ties of friendship and mutually beneficial cooperation that form the bed-rock of Bhutan-India relations.

Article 10

This Treaty shall come into force upon the exchange of Instruments of Ratification by the two Governments which shall take place in Thimphu within one month of the signing of this Treaty.

The Treaty shall continue in force in perpetuity unless terminated or modified by mutual consent.

In witness whereof, the undersigned being duly authorized thereto by their respective Governments, have signed this treaty.

Done at New Delhi on the Eighth Day of February, Two Thousand and Seven, in two originals each in Hindi, Dzongkha and English languages, each text been equally authentic. However, in case of difference, the English text shall prevail.

Pranab Mukherjee

Minister of External Affairs

For the Government of Republic of India

H. R. H. Trongsa Penlop

Jigme Khesar Namgyel Wangchuck

The Crown Prince of Bhutan

For the Government of the Kingdom of Bhutan

Appendix E: Agreement of Peace and Tranquility Between China and Bhutan, 1998

The Government of the People's Republic of China and the Government of the Kingdom of Bhutan (hereafter known as "both sides"), in accordance with the five principles of mutual respect for each other's sovereignty and territorial integrity, mutual non-aggression, mutual non-interference in each other's internal affairs and peaceful co-existence and for the purpose of maintaining peace and tranquility along the Sino-Bhutanese border, have reached the following agreements:

Article 1

Both sides hold the view that all countries big or small, strong or weak are equal and should respect one another. The Chinese side reaffirmed that it completely respects the independence, sovereignty and territorial integrity of Bhutan. Both sides stand ready to develop their good-neighborly and friendly cooperative relations on the basis of the Five Principles of Peaceful Co-Existence.

Article 2

Both sides are of the view that during the ten rounds of talks that have been held so far, they have reached consensus on the guiding principles on the settlement of the boundary issues and narrowed their differences on the boundary issues in the spirit of mutual accommodation, mutual trust and cooperation and through friendly consultations. The mutual understanding and traditional friendship between the two countries have been deepened. Both sides stand ready to adhere to the above-mentioned spirit and make joint efforts for an early and fair solution of the boundary issues between the two countries.

Article 3

Both sides agreed that prior to the ultimate solution of the boundary issues, peace and tranquility along the border should be maintained and the status quo of the boundary prior to March 1959 should be upheld, and not to resort to unilateral action to alter the status quo of the border.

Article 4

Both sides reviewed the progress made after ten rounds of border talks. As both sides have already expounded each other's stand on the disputed areas, both sides agreed to settle this issue through friendly consultations.

Article 5

This agreement will come into force on the date of signing.

This agreement was signed on December 8, 1998 in Beijing, done in two copies in the Chinese, Bhutanese and English languages, all three languages are authentic. If differences arise, the English text will be the standard text.

Representative of the Government of the People's Republic of China

Representative of the Government of the Kingdom of Bhutan

Appendix F: Foreign Relations of Bhutan

Sl. #	Country	Year
1	India	Jan 1968
2	Bangladesh	12/04/1983
3	Kuwait	23/05/1983
4	Nepal	03/06/1983
5	Maldives	03/06/1984
6	Netherlands	10/06/1985
7	Denmark	13/08/1985
8	Sweden	27/08/1985
9	Switzerland	16/09/1985
10	Norway	05/11/1985
11	Japan	28/03/1986
12	Finland	01/05/1986
13	Sri Lanka	13/05/1987
14	South Korea	24/09/1987
15	Pakistan	15/12/1988
16	Austria	08/05/1989
17	Thailand	14/11/1989
18	Bahrain	06/01/1992
19	Australia	14/09/2002
20	Singapore	20/09/2002
21	Canada	26/06/2003
22	Belgium	21/01/2009
23	Brazil	21/09/2009
24	Afghanistan	20/04/2010
25	Spain	11/02/2011
26	Cuba	26/09/2011
27	Fiji	18/11/2011
28	Morocco	21/11/2011
29	Luxembourg	01/12/2011
30	Czech Republic	02/12/2011
31	Serbia	09/12/2011
32	Indonesia	15/12/2011
33	Mongolia	18/01/2012
34	Vietnam	19/01/2012
35	Myanmar	01/02/2012
36	Argentina	14/03/2012
37	Costa Rica	21/03/2012
38	Andorra	23/03/2012
39	Mauritius	02/07/2012
40	Swaziland	21/08/2012
41	United Arab Emirates	13/09/2012

42	Slovenia	Europe	13/09/2012
43	Slovakia	Europe	26/09/2012
44	Armenia	Europe	26/09/2012
45	Turkey	Asia	26/09/2012
46	Egypt	Asia	14/11/2012
47	Kazakhstan	Asia	20/11/2012
48	Poland	Europe	29/11/2012
49	Colombia	South America	21/12/2012
50	Tajikistan	Asia	24/01/2013
51	Azerbaijan	Asia	07/02/2013
52	Oman	Asia	15/03/2013

Source: Ministry of Foreign Affairs, Kingdom of Bhutan.