



# CURRENT AFFAIRS PROGRAM

## PRE CUM MAINS 2024

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## 1. GENERAL STUDIES – 2

### 1) BHUTAN: BASIC GEOGRAPHY FACTS

- Located in eastern Himalayas, it is bordered by China in the north and India in the south.
  - » **Indian states touching Bhutan:** Sikkim, West Bengal, Assam and Arunachala Pradesh.
  - » **Thimpu** is the capital and the largest city.
  - » **Phuntsholing** is its financial center.
- **Enduring Independence**
  - » The independence of Bhutan has endured for centuries, and the territory was never colonized in its history.
- **Polity**
  - » In 2008, it transitioned from an absolute Monarchy to a constitutional Monarchy and held the first election to the National Assembly of Bhutan, that was a two-party system characterizing Bhutanese democracy.
- **Geography**
  - » 72% of land area under forest. Committed to stay carbon neutral for all the times to come.
- **Religion**
  - » Vajrayana form of Buddhism is practiced here as in Tibet.
- **Welfare**
  - » Healthcare and primary and secondary education are free in Bhutan and aid is provided on the basis of merit for higher education also.



A map of Bhutan showing its borders with Tibet and India as of 2015.



### 2) INDIA-BHUTAN

## A) EVOLUTION OF INDIA-BHUTAN RELATIONS

- India and Bhutan enjoy long-standing and exceptional bilateral ties characterized by utmost trust, goodwill, and mutual understanding at all levels.
- **The Treaty of Punakha, 1910:**
  - Under this treaty, Britain (British India) guaranteed Bhutan's independence, granted increased stipend to Bhutan Royal Government and got control over Bhutan's foreign relations and defence. Thus, Bhutan had become a protectorate of British India.
- **1949 Treaty of Friendship:** After Independence of India, India and Bhutan came together for a new Treaty:
  - » The treaty called for peace between two nations and non-interference in each other's internal affairs.
  - » Bhutan agreed to let India "guide" its foreign policy and both nations would consult each other closely on foreign and defence affairs.
  - » The treaty also established free trade and extradition protocol.
  - » **Analysis**
    - The treaty had more or less succeeded in keeping India and Bhutan together.
    - On India-China issues, Bhutan has stood with India. This was seen in the 1962 war or later when Bhutan has not accepted the "package deal" for solving the boundary dispute between China and Bhutan.
- **Annexation of Tibet by China**
  - » **Brought India-Bhutan closer.**
    - Bhutan allowed India to build its first motorable road connecting Indian border to the country's capital Thimphu.
    - The period after this has seen increase in India's economic, military and development aid to Bhutan, which has also embarked on a programme of modernization to bolster its security.
  - » Indian leaders on a number of occasions have declared in the parliament that any aggression against Bhutan would be seen aggression against India.
  - » Further, both India and Bhutan have border disputes with China and thus are vary of China's misadventure in their territories.
- **Establishment of Direct Diplomatic Relations**
  - » Diplomatic relations between India and Bhutan were established in 1968 with the establishment of special office of India in Thimphu. Before this our relations with Bhutan were looked after by our political officer in Sikkim.
    - So in 2018, we have completed **50 years of diplomatic relations**.
- **Continuous Indian Support for Bhutan**
  - » Since 1960s, India has played a crucial role in infrastructure development of Bhutan. India constructed roads (under project Dantak by BRO), Bhutan's first airfield at Paro and provided grants/loans for a number of hydel power projects.
- **India-Bhutan Friendship Treaty of 2007**

» **Need of the new treaty**

- There was an increasing view among Bhutanese people that **the 1949 treaty was an unequal one** and that India may hold Bhutan hostage for its own geo-political interests under the treaty. This was creating friction in India-Bhutan relations.

» **Key Highlights**

- The treaty reaffirmed the two country's respect for each other's independence, sovereignty and territorial integrity.
- It has removed the provision requiring Bhutan to take India's "guidance" on foreign policy matter.
- The treaty also provides that India and Bhutan shall cooperate closely with each other on issues relating to national interest. Neither government will allow the use of its territory for activities harmful to the national security and interest of others.

» **Significance**

- The treaty has been good for India too as India had never invoked the "guidance" provision but the provision was used as an argument by our adversaries to portray India as a hegemon.
- Since this treaty, Bhutan has followed a more open foreign policy and have established diplomatic relations with many countries.

- **2007: Constitutional Monarchy** from absolute monarchy.

- **Efforts to strengthen Political Ties:**

▪ **Bilateral Visits:**

- Bhutan was the destination of **PM Modi's first foreign visit** in 2014. It showed the importance India gave to the political relations to our neighbouring countries and specially with Bhutan. The visit was seen as a '**charm offensive**' that sought to check Bhutan-China relations that had recently been formalized. A number of steps were taken to strengthen India Bhutan relations. For e.g. India increased annual aid to Bhutan, increased scholarships to Bhutanese students and signed several agreements related to border infrastructure.
- In Nov 2014, **the President of India visited Bhutan** after a gap of 27 years. Agreements related to increased cooperation in the field of education and infrastructure was finalized.
- Visit of His Majesty, **the Bhutanese King Jigme Khesar Namgyel Wangchuk to India** (April 2023)
  - India and Bhutan discussed the "**entire gamut**" of bilateral cooperation and issues of national and regional interests, and that the two countries share an "exemplary" relationship of "trust, goodwill and mutual understanding".
- Visit of **His Majesty, the King of Bhutan to India** (Nov 3-10, 2023)
  - **Key highlights:**
    - The visit saw discussions on the entire gamut of bilateral cooperation on regional and global issues of mutual interest.

- The two sides assessed the expanding partnerships between the two countries, including in new areas of **connectivity** in its broadest form, **cross border trade infrastructure, trade and mutual investments, energy, Health, Education, Skill Development, Space technology, environment conservation**, and close **people to people contact**.

## B) IMPORTANCE OF INDIA FOR BHUTAN

### 1. Security

- India acts as overall security provider for Bhutan.
  - E.g. In the Doklam crisis issue, India had stayed with Bhutan
- The Indian Military Training Team continues to train Bhutanese soldiers.
- The 2007 agreement legally obliges both countries to respect each other's interest.

### 2. India's support for Socio-Economic Development of Bhutan:

- India is committed to Socio-economic development of Bhutan and is Bhutan's biggest development partner. For the 12th five year plan of Bhutan, India contributed Rs 4,500 crores which constituted 73% of Bhutan's total external grant component.
  - India has also committed to continue the support for Bhutan's 13th five years plan.
  - During his visit in Nov 2023, His Majesty Jigme Khesar Namgyel Wangchuk **conveyed appreciation for the invaluable support that the government of India continues to provide for Socio-Economic development of Bhutan**.  
Bhutan also thanked India for the timely release of development assistance to ensure smooth and uninterrupted conclusion of crucial projects.
- India has funded a number of infrastructure projects through grants/loans in Bhutan.

### 3. India is Bhutan's most important economic and trading partner: :

- India accounts for about 80% of imports and 80% of exports of Bhutan.
  - The bilateral trade between the two countries has increased from 94 billion in 2020 to 134 billion in 2022.
- Bhutan's currency, the ngultrum, is only exchangeable with Indian rupee.
- Further, Bhutan trades with other countries through India.
  - For e.g. in Nov 2023, the two countries agreed to facilitate Bhutan's trade with Bangladesh by allowing Bhutanese trade items to be carried further from Haldibari in WB to Chilhati in Bangladesh.

### 4. India's assistance with hydropower projects and Bhutan's hydropower exports form a significant component of the win-win relationship between India and Bhutan.

### 5. Socio-Cultural significance of India

- The two countries share a strong cultural tie. India in the past have provided assistance to Bhutan in preserving various cultural heritage.
- India also provides scholarships and facilities for Bhutanese students to come and study in India.

### C) WHY IS BHUTAN SIGNIFICANT FOR INDIA?

#### 1. Strategic Importance: Combating China

- **Bhutan's Geographical location** is very strategic for India.
  - **Bhutan's border dispute with China** on the western sector includes Doklam plateau which lies immediately east of Indian defences in Sikkim. This piece of dominating ground not only has a commanding view of the Chumbi valley, but also overlooks the Siliguri Corridor (Chicken Neck) further to the east.
    - **Bhutan in past has not accepted generous package deals of China** in 1996, that offered larger disputed areas, in exchange for sections of the 269 sq km of Doklam plateau.
      - India **thus needs strong ties with Bhutan to prevent this area ever going to China.**
    - During **Doklam standoff in 2017**, Bhutan allowed Indian troops to enter Bhutan to resist Chinese incursions.
  - **Bhutan** also acts as a buffer between India and China.
- **Increasing Chinese Presence in Bhutan**
  - India is concerned over increased Chinese presence in Bhutan and its security impact for India

#### 2. Internal Security

- Bhutan has taken action against North East Insurgent Groups
  - In the past, Bhutan undertook Operation All Clean (Dec, 2003 - Jan, 2004) to flush out thousands of BODO and ULFA militants from the jungles of southern Bhutan.

#### 3. Energy Partnership in Hydro and non-hydro renewables:

- Hydropower cooperation is an important pillar of Indian Bhutan bilateral economic partnership.
  - For e.g. during the visit of King of Bhutan to India, the two sides welcomed export surplus power by Basochhu hydro power project through the Indian Energy Exchange beginning Oct 2023 paving the way for access to another energy market. The two sides also expressed satisfaction with the progress in construction of the 1020 MW Punatshangchhu-II hydro power project and looked forward to its early commissioning in 2024.
- In Nov 2023, the two sides **agreed to extend the existing India-Bhutan energy partnership** in hydro and non-hydro renewables, such as solar as well as green initiatives for hydrogen and e-mobility.
- **Importance of Hydroelectric Projects:**
  - More capacity will help Bhutan reduce its trade deficit with India.
  - Cheap Power is imp for dev of North-East and reduce floods in Assam valley.

#### 4. Regional Connectivity and Sub-Regional Integration

- Nov 2023 visit of Bhutan's King Jigme Khesar was an important marker towards more bilaterally driven regional initiatives:



- A joint statement speaks of completing surveys for the Kokrajhar-Gelephu rail link that connects Bhutan to Assam, beginning discussions on another Bhutan to West Bengal rail link, while also facilitating Bhutan-Bangladesh trade, with yet another rail link, and upgrading checkpoints along the India-Bhutan border.
  - These plans can contribute a lot in development of West Bengal and north-east India other than ensuring better regional connectivity.
  - **In past, there was a plan for BBIN MVA** (Moto Vehicle Agreement).
    - But, **Bhutanese Parliament decided not to endorse the plan** over sustainability and environmental concerns. Therefore, In 2022, **Bangladesh, Indian and Nepal** moved ahead on Motor Vehicle Agreement without Bhutan. **BIN-MVA**.
      - **ADB** has supported the project as part of its South Asian Sub-Regional Economic Cooperation program.
      - **World Bank** has also announced its interest in supporting the infrastructure project.
  - Though Bhutan is not participating in BBIN, its significance in improving regional connectivity can't be ignored. It is key to India's plan to push for subregional cooperation.
5. **Support at various international forum**
- Bhutan has regularly supported India at various international forums.
  - It is also the only country which has not joined China's OBOR Summit (it doesn't even have diplomatic ties with Nepal)
6. **New Areas of Partnership:** It now encompasses Startups, Space and STEM education.
- Both sides recognize the progress made in the space sector including the launch of the first satellite jointly developed by India and Bhutan and inauguration of the satellite's ground earth station in Thimphu in 2023

## D) SOME KEY ISSUES IN INDIA-BHUTAN RELATIONS

1. **China's Growing economic and military influence in Bhutan** poses a threat for India.
  - » In October 2023, Tandi Dorji became Bhutan's first foreign minister to visit China and concluded 25th round of border negotiations. This visit underscores increasing signs of normalization of relations between the two countries.
  - » India is currently observing the border negotiations carefully to ensure that the negotiations don't harm India's strategic interest.
2. **Growing and Unsustainable Trade Balance:**
  - » Trade deficit of Bhutan in its bilateral trade with India has been seen as a cause of concern. Thus, Bhutan has been seeking more access to Indian markets which could reduce the trade deficits.
  - » Bhutan trade deficit has worsened with GST which makes export cheaper and imports from Bhutan more expensive, putting at peril Bhutan's industrial sector.
3. **Concerns related to Hydropower projects:**

- » Bhutan has raised concerns that the terms associated with hydropower projects tend to favor India's interests. This has also led to negative public opinion regarding involvement of India in the hydro-projects in Bhutan.

#### 4. Other Issues

- » There are other issues like delay in project completions, finalization of tariffs and the impact of GST on these projects.
- » GST has also impacted India-Bhutan trade.
  1. For e.g. GST has brought Bhutan's Cardamom export to India to a halt.

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#### E) WAY FORWARD AND CONCLUSION

- **Engaging with Political Dispensation on all sides of the spectrum**
  - The perception that India is close to PDP (People's democratic party) who ruled from 2013-18 and not very close to DPT (Bhutan Peace and Prosperity Party) who rules from 2008 - 2013 and came to power again in 2018, **needs to change**.
- **Keep a close eye on Bhutan-China border negotiation** and keep **Bhutan engaged** so that India's interest are not hampered in border settlement.
- **Intensify Economic Cooperation:** India needs to invest more in infrastructure development of Bhutan. This will help Bhutan revive its economy, become self reliant and create employment opportunities for its people. This will also protect Bhutan from the carrot of economic support by China.
- **Increased Connectivity:** Sub regional integration will be crucial for all the countries of the region. It will not only contribute to integration of South Asian market, but will also keep China out of the region.
- **Efficient and time-bound execution of various agreements and infrastructure projects** is another key for strong bilateral relations.
- **Conclusion**
  - » India-Bhutan ties are built on spiritual underpinning, and imperatives of geography, economy and connectivity. The key to strengthening India-Bhutan relationship is for India not to show any insecurity about this relationship, or in any way attempt to stifle differing voice, but to **pursue this relationship with trust and complete faith**.



### 3) BHUTAN-CHINA BORDER ISSUE

- The main area of dispute between China and Bhutan are:

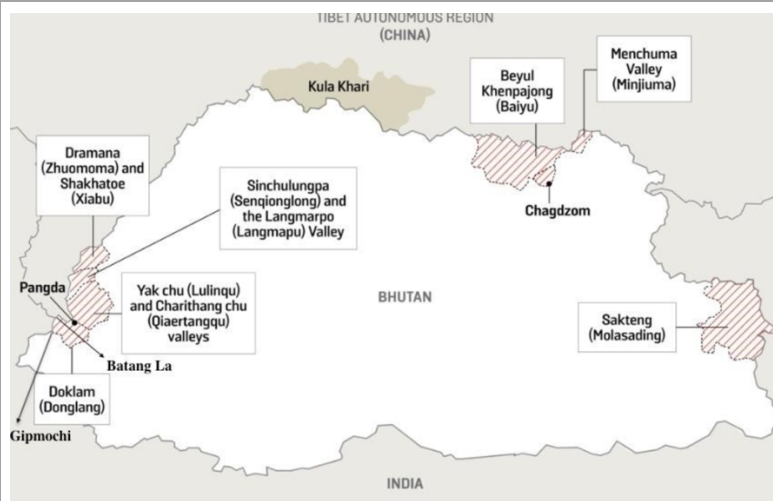
**Disputed region in West:** In the Western sector, China and Bhutan dispute are in Dramana and Shakhaote, Sinchulungpa and Langmarpo valley, Yak chu and Charithang valleys, and the **Doklam region**.

- These disputed regions are **adjacent to China's strategic Chumbi valley** - a narrow triangle between India and Bhutan.
- **Doklam** is the only trijunction area of the sector where the borders of China, India and Bhutan meet.
- Going by its current claims (Map-1) China intends to broaden and deepen the triangle, which will enable it to improve its offensive positioning against India.
- Having control over Doklam offers China an in-depth presence in the valley, and strengthens its surveillance capabilities across India's Siliguri corridor.

**Jakarlung and Pasamlung** - the two northern areas with a total area of 495 sq km. (See Map-2)

- Geographically this sector is considerably larger than the Western sector and is culturally crucial to Bhutan. But it **holds very little geopolitical and strategic importance** for China and India.
- As a result, China attempted to settle the dispute by unsuccessfully asking Bhutan to retain this region and cede the strategically crucial western sector. In the past **Bhutan has rejected this package deal**.

In the east, the **Sakteng (See Map-1)** region stands disputed. The assertion was made only in 2020 and presumably originates from Beijing's claim over Arunachal Pradesh. The region doesn't border China and hasn't been discussed in earlier negotiations.



- **Why is India concerned about China-Bhutan Border dispute?**
  - » **If Doklam is ceded to China in the border dispute settlement**, it would enable China to overlook the **sensitive Siliguri Corridor** that links mainland India to the north-eastern region.
- **Background of China-Bhutan bilateral relations:**
  - » Bhutan's relationship with China is determined by its long-standing reservations about opening up to the world and becoming embroiled in great power politics.
    - China's annexation of Tibet in the 1950s, and the subsequent seizure of eight Bhutanese enclaves exacerbated these concerns.
    - As a result, **Bhutan had cutoff diplomatic relations** with China and was hesitant to have diplomatic relations with the P5 countries.
    - It also **embraced a special relation with India.** China's perception of **Bhutan being part of Tibet's five fingers** continued to push Bhutan towards India.
  - » It was only with the beginning of bilateral talks in 1984 that China explicitly narrowed the disputed region to two sectors: In the north of Bhutan and in the West of Bhutan.
- **Why did China need to bring Bhutan on negotiating table?**
  - » For its **status as an Asian power:**
    - Bhutan is the only neighbouring country of China to have no diplomatic relations and 2nd out of 14 countries (other than India) to have unresolved border disputes. This **challenges China's status as a rising power and Asian hegemon.**
  - » Improving its **offensive position vis-a-vis India.**
- **Stick and Carrot strategy of China** to convince Bhutan to end the border dispute and establish diplomatic relations.
  - » **Stick:** China has continued to intimidate Bhutan by releasing new maps, encouraging border intrusions, weaponizing Tibetan herdsmen to drive away Bhutan grazers, and promoting settlements within Bhutanese territory. Further, in recent years, China has continued **building new border villages in Bhutan's disputed North and Western sectors** and has made new claims in Bhutan's Eastern sector.
    - **In response, Bhutan has sped up its border dispute negotiations.**
  - » **Economic problems in Bhutan has also made Bhutan go close to China:**
    - **China's export to Bhutan** have increased from 2 billion in 2020 to 15 billion in 2022.
    - **Youth exodus** triggered by structural issues and lack of opportunities has further necessitated the need for reforms.
    - For these reasons Bhutan see China has an inalienable partner for its path to recovery and reform.
- **In 2020, following the Galwan clashes - both Bhutan and China negotiated the three-step roadmap to demarcate borders on the table. 10th expert group meeting in 2021 and 11th, 12th and 13th in 2023 eventually culminated in 25th round of their border talks in Oct 2023.**
  - » IN 2021, Bhutan and China signed the **3-step Roadmap MoU.**
    - It involves:
      - a. Agreeing to the border "on the table"
      - b. Visiting the sites on the ground

c. Formally demarcating the boundary

- » **A Joint Technical Team (JTT)** on the delimitation and demarcation of Bhutan China border was established in Aug 2023.
- » It can be noted that since 1984, Bhutan and China had held 24 rounds of talks to resolve the disputes until 2016. But the 25th round couldn't start due to Doklam standoff in 2017 and later due to Covid-19 pandemic.
- » The 25th round of talks held in Oct 2023 in China marked the end of 7 years of impasse. It was led by Bhutanese Foreign Minister Lyonpo Tandi Dorji and Vice Foreign Minister of China Sun Weidong. The talks also marked the first ever visit of a Bhutanese Foreign Minister to China.
- » **Key outcomes of the 25th round of border talks:**
  - The two sides signed a Cooperation Agreement detailing the function of the Joint Technical Team (JTT)
  - Both sides also expressed interest in ending the border dispute at the earliest and also exploring opportunities to establish diplomatic relations.

- **Analysis:**

- » **Bhutan realizes that it can no longer afford to ignore a swiftly changing world order** - where an assertive and economically mighty China plays a crucial role.
  - Bhutan is plagued by a number of challenges on economic front including dwindling foreign reserves, increasing trade deficit, weak private sector, looming debts etc. **China has hinted at prospects of cooperation and trade concessions for Bhutan with the establishment of diplomatic relations**.
- » At the same time, **Bhutan also needs to keep interest of its most trusted partner, India, in mind**.
  - Given Bhutan's unique dependence on India, there is little doubt that Bhutan will try to keep New Delhi on board in its efforts to normalize relations with China. One key redline will involve **keeping China away from southern Doklam's ridges that overlook India's Siliguri corridor**. **Infact, Bhutan has indicated that negotiations over the Doklam region would be a trilateral issue**. Similarly, in the East, it is unlikely that the concessions will include the Sektang sector - as it would open a new theatre of threat for India and also legitimize Chinas' claim over Arunachal Pradesh.
- » **India continues to watch the developments between China-Bhutan very closely:**
  - Closer ties between China and Bhutan (one of India's closest neighbours) is a cause of concern for India.
  - Despite the developments, New Delhi hasn't made any public statements demonstrating its trust in this special relationship and understanding Bhutan's security and economic challenges. India has understood Bhutan's' reasoning in Thimphu's talks with China.

- India's interest will be best served by taking Bhutan on board and aligning strategies rather than by expecting acquiescence from a sovereign nation that will understandably pursue his own.

- **Conclusion:**

- » India should approach the border negotiations between Bhutan and China with a greater understanding of Bhutan's reasoning, and with confidence that India's long-trusted neighbor will take both India's interests and its own consideration before any final agreement.