India-Bhutan Relations: Cooperation and Challenges

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Syllabus: India's Neighbourhood

Source: MEA

Context: India and Bhutan recently strengthened their close ties with a visit from Bhutan's Prime Minister to India. The discussions led to the signing of several agreements between the two nations.

Key Highlights of the recent India-Bhutan Bilateral Talks:

- 1. <u>Petroleum Agreement:</u> Both nations signed an agreement ensuring a reliable supply of petroleum products from India to Bhutan
- 2. <u>Food Safety Collaboration</u>: Bhutan's Food and Drug Authority and India's FSSAI signed an agreement to enhance cooperation in food safety measures, facilitating trade and reducing compliance costs.
- 3. <u>Energy Efficiency and Conservation</u>: An MoU on energy efficiency and conservation reflects a commitment to sustainable development, with <u>India assisting Bhutan in enhancing energy efficiency</u> and promoting the use of energy-efficient appliances.
- 4. **Border Dispute Resolution:** Ongoing discussions between China and Bhutan to resolve their border dispute were discussed, particularly **in the Doklam region**, with implications for regional security.
- 5. <u>Bhutan's Regional Economic Hub in Gelephu:</u> Plans for a regional economic hub in Gelephu aim to foster regional development and connectivity

Various dimensions of cooperation between **India and Bhutan** with examples:

Dimension	Examples
Strategic	Bhutan serves as a buffer between India and China , protecting the Siliguri Corridor (also known as Chicken's Neck). The Doklam standoff (2017) has re-established Bhutan's strategic significance for India. Bhutan does not have any formal diplomatic relations with China.
Historical	The Indo-Bhutan Treaty of Peace and Friendship of 1949, is the bedrock of India and Bhutan's relationship

Economic	India is Bhutan's largest trading partner (mostly in electricity). Also, increased trade with Bhutan benefits landlocked states like Assam and Arunachal Pradesh. India has decided to support Bhutan's upcoming 13th Five-Year Plan (for 12 FYP, India had provided 4500Cr)
Assistance	As per India's 'Neighbourhood First' policy, the largest share of the aid portfolio was granted to Bhutan in the interim budget 2024-25
	For Bhutan's 12th Five-Year Plan, India's contribution of Rs 4,500 crore constituted 73% of Bhutan's total external grant component
Cultural and Educational	Buddhism. India also offers various scholarships for Bhutanese students through Nehru-Wangchuck Scholarships, Ambassador's Scholarship
Energy	India has constructed three Hydroelectric Projects in Bhutan (and exporting surplus power to India)— <u>Chhukha HEP, Kurichhu HEP, and Tala HEP.</u> India is also building Mangdechhu, Punatsangchhu 1 and <u>2</u> Hydroelectric Power Projects in Bhutan. Also, India will expedite the <u>proposed Kokrajhar-Gelephu rail link project</u> .
Regional	Both nations cooperate in regional forums such as BIMSTEC and SAARC.
Technological	E.g., the E-Library project and the India-Bhutan satellite , India's Vaccine Maitri Initiative
Environmental	India is supporting Bhutan in its efforts to become carbon-negative.

Issues between the two countries:

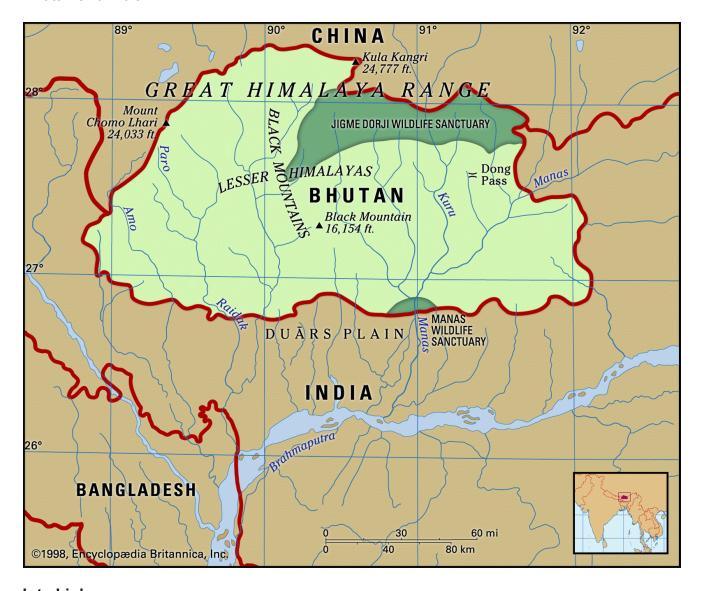
- 1. **Border Dispute:** Disputes over the exact demarcation of the border between the two countries.
- 2. <u>Hydropower Projects</u>: Concerns in Bhutan over environmental and social impacts from the project. Also, Bhutan has sought greater revenue from these projects
- 3. **Trade Imbalance:**Bhutan is heavily dependent on India for its imports.
- 4. <u>Cross-Border Movement</u>: Bhutan has restricted the cross-border movement of Indian workers, citing concerns over the impact on Bhutan's culture and society.
- 5. **Political Interference:**Bhutan has accused India of interfering in its internal affairs, particularly during the 2013 elections.

Conclusion:

India-Bhutan relations have remained strong and friendly, characterized by a deep sense of trust and understanding. Both countries must enhance connectivity which is a central pillar of India's 'Neighbourhood First' and 'Act East' policies.

About Bhutan:

It is a landlocked country nestled between India and China and is known for its mountainous landscape dominated by valleys. Thimphu serves as its capital city. After democratic elections in 2008, Bhutan transitioned into a democracy, with the King serving as the Head of State. It's referred to as the 'Kingdom of Bhutan' or Druk Gyal Khap, translating to the 'Land of the Thunder Dragon'. The longest river in Bhutan is the Manas River, spanning over 376 km and flowing through the Himalayan foothills between southern Bhutan and India.



Inta Links

India-Bhutan

Mains Link:

Border management is a complex task due to difficult terrain and hostile relations with some countries. Elucidate the challenges and strategies for effective border management. (UPSC 2016)