



EDITORIAL ANALYSIS

Time: 10 min

Date: 08-11-2023

India-Bhutan talks and the plans ahead

Syllabus: GS2/ India & Foreign Relations

In News

- Recently, Bhutan's 5th King Jigme Khesar Namgyel Wangchuck and PM Modi held discussions on bilateral cooperation and regional and global issues of mutual interest.

India-Bhutan Bilateral Relations

- **Bhutan shares its border with four Indian states:**
 - Assam, Arunachal Pradesh, West Bengal and Sikkim with a length of 699 km and serve as a buffer between India and China.
- **Treaty of Friendship and Cooperation:**
 - The basic framework of India-Bhutan bilateral relations was the **Treaty of Friendship and Cooperation signed in 1949** between the two countries.
 - It called for **peace between the two nations** and **non-interference** in each other's internal affairs.
 - The Treaty was **revised in 2007**.
 - However, **Bhutan agreed to let India guide its foreign policy** and both nations would consult each other closely on foreign and defence affairs.
- **Diplomatic relations:**
 - The **diplomatic relations** were established in **1968** with the establishment of a special office of India in Thimphu.
 - **Institutional mechanisms:**
 - There are a **number of institutional and diplomatic mechanisms** between India and Bhutan in areas such as security, border management, trade, transit, economic, hydro-power, development cooperation, water resources etc.
- **India has constructed three Hydroelectric Projects (HEPs) in Bhutan:**
 - Chukha HEP,
 - Kurichhu HEP

- Tala HEP which is operational and exporting surplus power to India.
- Recently, India completed a 720 MW **Mangdechhu Hydroelectric Power Project** and both sides are in process of expediting the completion of other ongoing projects including the 1200MW **Punatsangchhu-1** & 1020MW **Punatsangchhu-2**.
- **Trade:**
 - The trade between the two countries is governed by the **India-Bhutan Trade and Transit Agreement 1972**.
 - **India is Bhutan's largest trading partner.**
- **Maitri Initiative:**
 - Bhutan is the first country to receive the Covishield vaccines under India's Vaccine Maitri Initiative.

Recent developments in bilateral cooperation

- **Connectivity Projects:**
 - A decision was made to go ahead with the final survey for the 58 km cross-border rail link between **Gelephu and Kokrajhar** in Assam to be built by India.
 - The two sides agreed to explore a **second rail link for about 18 km** between **Samtse in Bhutan** and **Banarhat in the West Bengal tea gardens** area.
 - Rail connectivity could in the future assist air connectivity for Indians in the northeast as well, as Bhutan plans to build an international airport at Gelephu as part of the larger Sarpang district Special Economic Zone
- **Trade:**
 - India also agreed to allow Bhutanese trade items to be carried further on from **Haldibari** in West Bengal to **Chilahati in Bangladesh**.
- **Upgradation of Check points:**
 - India and Bhutan agreed to designate the **Darranga-Samdrup Jongkhar border crossing** between Assam and Bhutan's less-developed South Eastern district as an immigration check post.
 - This will allow third-country nationals to enter and exit as well for enhancing connectivity and promoting tourism.
 - In particular, the two sides agreed **to strengthen trade infrastructure** with the upgradation of an **existing land customs station** at **Dadgiri** (Assam) to a **modernised "Integrated Check Post" (ICP)** along with "development of facilities on the Bhutanese side at **Gelephu**".
 - This also indicates India's support to the Bhutanese SEZ project.

Significance

- **Holistic development plans:**
 - The decision by India and Bhutan to focus on infrastructure and connectivity is an important marker towards more bilaterally-driven regional initiatives.
 - These plans foretell a future that could well **change the development story of the region**, including **West Bengal and the northeast**, Bhutan's south and east **dzongkhags (districts)**, as well as **Northern Bangladesh**.
- **Developing opportunities for Bhutan:**
 - Bhutan's economy has been dependent on hydropower and tourism revenues and has been particularly hit by the COVID-19 pandemic as well as worries over global warming.
 - A lack of opportunities has also led to the emigration by educated youth and professionals.
 - Easing travel between the two countries, and allowing further exchanges to Bangladesh is expected to **help raise Bhutanese opportunities for trade and travel**, and bring in much needed tourism revenues for the neighbouring country.
- **Creation of sub-regional market:**
 - In addition, **Bangladesh's** signing of a **Preferential Trade Agreement with Bhutan in 2020** could increase Bhutanese export of local produce and build more markets for **Indian and Bangladeshi producers** in the sub-region.
- **Bridging the economic gap with the northeast:**
 - **India's "energy exchange"**, which is bringing more Bhutanese and Nepali hydropower suppliers online, while planning to distribute energy to Bangladesh and Sri Lanka, will drive intra-regional growth and revenues.
 - This would also power New Delhi's attempt at **bridging the economic gap with the northeast** while drawing development partners like the World Bank and donor countries like Japan into the **creation of a "sub-regional hub"**.

Challenges

- **Threat of swapping Doklam:**
 - Bhutan and China have signed a cooperation agreement outlining the functioning of a new joint technical team for the **delimitation and demarcation of the boundary**.
 - There are concerns in India that a deal between Bhutan and China could include swapping Doklam – located close to the tri-junction between India, Bhutan and China – **for disputed territories in the north**.

- With Doklam under its control, China could exert more pressure on India; Chinese forces could easily sever India's connection to the eastern part of their disputed border.
- **Bhutan's issue of brain drain:**
 - The Bhutanese government is worried about the number of **Bhutanese migrating overseas** as youth unemployment in 2021 reached 21%.
 - **India too needs to pay more attention to this brain drain**, as, in the past, Bhutan's elite would have been educated in India.
 - India stands to lose its edge in Bhutanese policy-making and public narrative, and thus the projects outlined stand to benefit Delhi and Thimphu in keeping the talent within.
- **Negative sentiments:**
 - Much of the **negative sentiments, wrong information about India**, are on **social media in Bhutan**. Some in Bhutan feel that Indians are using security issues as an excuse to keep Bhutan under India's control.
 - Parallely, **China is employing all kinds of tools, instruments, methodology to attract the Bhutanese** — through trade, their modern cities, and scholarships.

Way ahead

- Efficient and time-bound execution is, therefore, key to such ambitious plans.
- Given India's problems with Pakistan and sanctions on Myanmar for the 2021 coup blocking the path for trade and land connectivity to the East, working with other countries on India's periphery to build connectivity, markets and energy links is the most sustainable way forward.

Daily Mains Question

[Q] Analyse the significance of India's developing bilateral relationship with Bhutan. Note the challenges and suggest the way out.