

※ Special Discussion ※

A Preliminary Study of the Triangular Relationship between Bhutan, China, and India

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Abstract

Bhutan is located between China and India, two heavy-weight players in the international arena. Bhutan has always been following India's footsteps in terms of foreign policy. Not until 1984 did Bhutan begin its boundary negotiation with China. However, after seventeen rounds of negotiation no concrete result has been obtained. This paper aims to explore the root causes of the failure of the negotiation and the present situation of the triangular relationship, as well as the interaction and development between Bhutan, India, and China through analyzing the relationship of the strategic triangle since 1950.

Keywords: Bhutan, China-Bhutan boundary negotiations, China-India
boundary negotiations

Bhutan, also known as Land of the Thunder Dragon,¹ is a small-sized kingdom located in the south of east Himalayas. It borders with China in the northeast, connects with Sikkim in the west, and links with Arunachal Pradesh, Assam, and West Bengal of India in the east and the south. It is a landlocked country between China and India, measures 46,500 square kilometers, and has a population of about 730,000.² Population consists of 70% Bhutanese and 30% Nepali. The Bhutanese, who refer to themselves as

¹ The Bhutanese people refer to their country as Druk Yul, which means Land of the Thunder Dragon.

² See Bhutan Portal website, <http://www.bhutan.gov.bt>.

Drukpa, are descendents of Tibetan people and share the same cultural tradition, language, and religion with the Tibetans. The national language is Dzongkha, also derived from the Tibetan language.³ The Buddhism religion entered Bhutan via Tibet in 8th century A.D. By the 17th century, Drukpa Kagyupa had already established itself as the ruling religion in Bhutan, and is still revered as the state religion. The current political system of hereditary monarchy was established by the 1st king of Bhutan Ugyen Wangchuck on December 17, 1907. Under the “closed-door” regime of the 1st and the 2nd kings, Bhutan rarely had contact with the outside world. The 3rd king made the choice of opening-up, but the pace was very slow. The incumbent 4th king Jigme Singhye Wangchuck succeeded the throne in 1972, when he was merely 17 years old. He carried on with the policy of cautious opening-up and introduced political reform in 1998, passing his administrative power to the Council of Ministers and proposing a draft version of Constitution which will see the country moving from hereditary monarchy to constitutional monarchy. The royal family of Bhutan attaches great importance to environmental protection. Export of lumber and planting of tee trees are strictly banned in order to maintain forest coverage.⁴ Selling of cigarette has been banned nationwide since December 17, 2004.⁵ Through the efforts, the country is listed as one of the top ten best environmental protection countries in the world.

The 18th century (1773) saw the invasion of the British, who went on to sign the Treaty of Sinchula with Bhutan in November 1865. According to the Treaty, Bhutan offered some 2,000 square meters of territory east of Tista River which include Kalimpong in exchange for annual financial assistance from the British. The British forced a revision of the Treaty in January 1910 in Punakha, which saw Bhutan’s foreign relations under the

³ Population in south and southwest Bhutan is complicated and mixed, with Hinduist Nepal immigrants constituting the majority. The Nepali entered Bhutan in late 19th century, and many of them now possess Bhutanese citizenship. Entry of Nepals has been banned since 1959, and Bhutanese citizens with Nepali origin are not allowed to live in central Bhutan. This caused an exodus of many Nepals. Despite the fact that many Nepalis have lived in Bhutan for decades, the population census held by Bhutan in 1988 still expelled many “illegal” Nepali immigrants. In 1989, Bhutan introduced the One Nation, One People policy aimed at strengthening national identity and preserving cultural tradition. The expelling of Nepalis sparked anger from Nepalis in the south. Tension between Nepalis in the south and Bhutanese led to demonstrations and departute of thousands of Nepalis in 1990. More than a hundred thousand expelled Nepalis were settled in refegee camps in the Bhutan-Nepal border. No solution has surfaced despite countless negotiations, and the issue has become a headache between Bhutan and Nepal and drawn attention from the international community, with the United Nations, USA, UK, and the European Union all tried to intervene to strike a solution. For more information on the Bhutanese see Francoise Pommaret, *Bhutan* (Singapore: 1999, the Third Edition) , pp.12-19.

⁴ People's Daily, December 25, 2003, p.3, December 24, 2003, p.3. Global Times, November 26, 2003, p.2, December 5, 2003, p.19, December 5, 2003, p.9.

⁵ "Tobacco ban from December 17th, " Kuensel Online, November 13, 2004, <http://www.kuenselonline.com/article.php?sid=4695>.

“supervision” of the British government. India, following its declaration of independence, also signed a treaty with Bhutan in August 1949 offering to “supervise” Bhutan’s foreign relations and agreeing to provide annual financial assistance.⁶ Not until early 1960s did Bhutan manage to gradually rid itself of the status as the princely state under Britain and India and walk away from closed-door policy. Bhutan took a step further in 1971 and became a member of the United Nations.

Bhutan’s geopolitical importance as a nation located between superpowers China and India has a heavy influence in its foreign policies. The treaty with India, its high dependence on India for economic survival, and its landlocked geographical position all pose obstacles to the road to establishing independent foreign relations. There are currently 4 main objectives in Bhutan’s foreign policies, namely national security, sovereignty, territorial integrity, as well as economic development, cultural heritage preservation, and improvement in relationship with India. Before the year 1972, when Bhutan finally established the Ministry of Foreign Affairs, foreign relations had been under the jurisdiction of the Ministry of Development. During mid 1970s, most of Bhutan’s foreign policies were centered on internal affairs as well as India. Major structural change in Bhutan’s foreign policies occurred between late 1970s and early 1980s, as Bhutan opted for economic multilateralism. Stable but restricted foreign relations did not surface until 1980s,⁷ and in 1985 Bhutan became a member state of the South Asian Association for Regional Cooperation (SAARC).⁸ Currently only 22 nations have formal diplomatic ties with Bhutan.

Bhutan stuck to its neutral stance during the Cold War, extending diplomatic relations to neither USA nor Soviet Union to avoid being swept into power struggle between superpowers. Bhutan cautiously maintained relations with countries including India in exchange for more aid, better conditions for national economic development, and

⁶ H.N. Misra, *Bhutan: Problems and Policies* (New Delhi : Heritage Publishers, 1988) , P.20.

⁷ "Foreign Policy & Relations, " May 2, 2003, Bhutannews Online, <http://www.bhutannews.com/foreign-relations.html>.

⁸ SAARC was created in 1985 by India, Pakistan, Bangladesh, Nepal, Sri Lanka, Bhutan, and Maldives with the purpose of accelerating economic growth, social progress, and cultural development of the region. See "South Asia Economic and Trade Cooperation Set and Ready," Chinese Academy of International Trade and Economic Cooperation, http://caitec.mofcom.gov.cn/article/200312/20031200165930_1.xml.

protection of its independent status.⁹ A small number of foreign travelers have been permitted in Bhutan since 1974 and strict measures have been adopted to control the number of foreign travelers in Bhutan, which include high taxes imposed on foreign travelers. The country welcomes no more than 6,000 foreign travelers each year, and is also dubbed a country “furthest away from the world and closest to the blue sky.”¹⁰

I . Bhutan-China Border Negotiations

470 out of Bhutan’s 1,075-kilometer border are adhered to China and the rest 605 to India. Bhutan was once the bridge between Tibet and the east part of South Asia, and shares intimate religious, political, economic, and cultural bonds with Tibet. The Tibetan people cross the Himalayas along the Manas Chhu in east Bhutan and Paro Valley in west Bhutan to Assam, Bangladesh, and Bihar for religious, cultural, and trade activities. The twice-per-year bazaar fair in Bumthang, east Bhutan is a huge attraction for many Tibetan people. The Tibetan caravans offer wool, brick tea, edible salt, and musk in exchange for Bhutan’s rice, paper, and dried pepper. Local governments of Tibet deploy officials in areas near Bhutan to purchase rice. It has been a ritual for Tibetans to travel a long distance along the Manas Chhu to embark on pilgrimage at monasteries near Guwahati, Assam.¹¹ The influx of Tibetan refugees forced Bhutan to close its border with China in 1959, shutting down all cross-border trade activities. No formal trade or commercial relations has been established between Bhutan and China since then.

As a large part of Bhutan-China border is unclear, the focus on China-Bhutan relationship is to resolve border dispute. Border issues between Bhutan and China used to be incorporated into China-India border discussions. In 1959, then PRC Premier Zhou Enlai issued a letter to India Prime Minister Jawaharlal Nehru expressing China’s wish to stage direct bilateral talk with Bhutan. The letter suggests Zhou’s intention to separate China-Bhutan border issue from China-India border negotiations. Yet direct border

⁹ Tan Renxia, *Land of Thunder Dragon—Bhutan*, from Nashan et al, *Neighbors of China* (Xian: Shanxi Peoples Publications, 1994), p. 131-132.

¹⁰ Richard Read, "Bhutan – A Limited-Entry Shangri-La, " Newhouse News Service, October 19,2004, <http://www.newhousenews.com/archive/read101904.html>.

¹¹ Tan Renxia, *ibid*, p. 133.

negotiations between China and Bhutan did not begin until 1984. Since then, the capital cities of Beijing and Thimphu have been taking turns hosting the annual border negotiations. By 2004, 17 rounds of talk had been conducted, with the 17th round being held in Bhutan.¹²

Core issues in China-Bhutan border disputes are as follows:

In the 10th round of border talk held in 1996, China proposed to exchange 495 sq km area of Pasamlung and Jakarlung valleys in the northern borders of Bhutan for Sinchulumpa, Dramana and Shaktoe with an area of 269 sq km in the north-west Bhutan, which share borders with Sikkim, India, but no final decision was taken.¹³

The 12th round held in Beijing in December 1998 centered on establishment of diplomatic and trade relations and ended with the signing of the Agreement between PRC and Kingdom of Bhutan on Peace and Stability in China-Bhutan Border Areas. The five-article agreement demands mutual respect and equal status regardless of the territory and power of a nation. In the agreement, China states its complete respect for Bhutan's independent status, sovereignty, and territorial integrity. The first article provides basis for friendly and good neighborly cooperation between the two under the five principles of peaceful coexistence. It is understood between the two that differences in border issues had been alleviated and guiding principles for border issue settlement had been established through friendly negotiations in the previous 11 rounds based on the spirit of mutual understanding, mutual trust, and cooperation. The talks have deepened mutual understanding and strengthened traditional friendship between the two, and China and Bhutan are willing to strive together toward the shared objective of settling border disputes in fair and reasonable ways as soon as possible under the principles above (Article 2). China and Bhutan hereby agree to maintain the status quo of the border as prior to March 1959 and ensure peace and stability of border region before a final solution is reached, and oppose unilateral efforts by either side to change the status quo (Article 3). As for the progress in the last 11 rounds of border talk, as both sides have made clear their stance,

¹² "Bhutan King Meets Wang Yi, Expressing Support in Taiwan Issues," People, last retrieved April 14, 2004, <http://www.people.com.cn/GB/guoj/1029/2447698.html>.

¹³ "Bhutan-China Relations, " <http://www.bhutannewsonline.com/bhutan-china.html>.

both hereby agree to resolve the issue through friendly negotiations (Article 4).¹⁴

While both sides agreed on the need to maintain peace and stability in border region, no final decision was taken on territory exchange. The King of Bhutan once nodded his head on territory exchange in 1997. China again offered the above-mentioned 495 sq km area in the northern border of Bhutan in exchange for the 269 sq km in the north-west Bhutan. The talks came to a halt when the subject of territory exchange was raised.¹⁵ However, following the signing of agreement, Beijing immediately responded to the issues of mule routes and lumber exploration in Pasamlung, and assisted the Tibetan after they were harshly punished by Bhutanese border security troops in Pasamlung for entering Bhutan to collect Tibetan medical herbs. At that time, China was a little bit displeased with Bhutan's mentioning of new issues following years of border negotiations, and therefore agreed to let Bhutan's specialists determine the territory boundary and draw the map of both countries' territories, and also agreed to the use of standard names for areas under dispute to avoid confusion. The King of Bhutan once told the National Assembly that there are 4 areas under dispute, starting from Doklam in the west, along Gamothen at the border, to the river divide at Batangla and Sinchela, and down to the Amo Chhu River.

- (1) Up to 89 sq km in Doklam are under dispute.
- (2) Approximately 180 sq km in Sinchulumpa and Gieu are under dispute. The border line stretches from Langmarpo Zam along the river up to Docherimchang, through the river divide to Gomla, along the river divide to Pangkala, and finally down to the Dramana River.
- (3) Starting from Dramana, along the border line up to Zingula, and along the line of river divide down to Gieu Chhu River, and finally to Lungkala
- (4) Starting from the middle of Pasamlum, along the border line and the river divide to Dompala and Neula, going from Neula along the border line and the river divide to Kurichhu Tshozam, along the river divide to Genla then to Mela, and go all the way to the east¹⁶

¹⁴ "Agreement between PRC and Kingdom of Bhutan on Peace and Stability in China-Bhutan Border Areas," Ministry of Foreign Affairs of the People's Republic of China, last retrieved November 6, 2001, <http://www.chinaembassy-canada.org/chn/wjb/zzjg/yzs/gjlb/1216/1217/t5536.htm>.

¹⁵ "Bhutan-China Border Talks, " December 24- December 31, 1998, The People's Review, <http://www.yomari.com/p-review/1998/12/241298/bhut.html>.

¹⁶ "Bhutan-China Relations, " Bhutannews Online, http://www.bhutannewsonline.com/bhutan_china.html.

By 1999 China and Bhutan had yet to resolve their border disputes. China sent delegation to Bhutan to carry on with border talks and managed to settle most of the major border disputes. The talks ended satisfactorily for both sides and China, for the first time, expressed their wish to provide financial assistance to Bhutan.¹⁷

The 14th round of negotiation held in December 2000 saw Bhutan extending their border line further on the one provided by the China government. Bhutan also suggested that technical discussions between experts from both sides be held using maps. In July of the following year (2001), the King of Bhutan said to the National Assembly that border between Bhutan and China should stretch further along Doklam, Sinchulumpa and Dramana. The King also expressed faith that the border dispute between a small nation of Bhutan and a powerful, friendly nation of China would come to a successful settlement in the near future.¹⁸

Several official interactions between China and Bhutan took place in 2001. The Bhutanese cultural delegation visited China in April, in July the Bhutanese delegation visited Beijing to conduct border talks, and in November the 15th round of border talk was held in Thimphu, capital of Bhutan. However, no final decision was reached with regard to the 3 places (Doklam, Sinchulumpa and Dramana) in question.¹⁹

In July 2002, the Bhutanese Minister of Foreign Affairs revealed to the National Assembly that China had claimed to be in possession of the license of ownership of the 3 places. Bhutan asked China to extend the generosity of a superpower to a small country like Bhutan, but China replied that it cannot afford to be generous to every single neighbor considering that it has 25 other neighbors.²⁰ Both sides agreed in the 16th round held in Beijing in October of the same year to create a mechanism in which the border would be examined by map experts from both sides.

No border talk was held in 2003.

The 17th round, held in Thimphu in April 2004, saw both sides agreeing to assemble a team of specialists as soon as possible to examine the border. Both sides expressed wish to

¹⁷ Leo E. Rose, "Nepal and Bhutan in 1999," *Asian Survey*, vol. XL, no.1, January/February 2000, P.193.

¹⁸ "National Assembly Discusses the Bhutan-China Border Talks," July 14, 2001, <http://www.kuenselonline.com/print.php?sid=325>.

¹⁹ Thierry Mathou, "Bhutan in 2001," *Asian Survey*, vol. XLI, no.1, January/February 2002, P.197.

²⁰ "Bhutan-China Relations," Bhutannews Online, http://www.bhutannewsonline.com/bhutan_china.html.

determine the border as soon as possible and decided to assemble a team of experts to examine the border as proposed by each.²¹

Mutual visits continued, though not on a regular basis. During his visit to Bhutan in April 2003, Hua Junduo, PRC Ambassador to India, reiterated China's friendly, good neighborly stance toward Bhutan. While there is no formal diplomatic ties between Bhutan and China, said Hua, the relationship is developing in a positive way, and actual relationship is more important than formal diplomatic ties.²²

Of all countries in Asia and China's neighboring countries, Bhutan is the only one that has yet to establish formal diplomatic ties with China, preferring to keep a cautious distance from this powerful neighbor. The lack of formal ties has never affected Bhutan's support for China on the international scene. Examples of support include casting a vote in 1971 to keep China's place in the United Nations, inviting the PRC Ambassador to India to the coronation ceremony of King Wangchuck in 1974, speaking repeatedly in favor of China in the United Nations Human Rights Council meetings since 1995, and speaking against Taiwan's bid to host the 2002 Asian Games and the bid to join United Nations. Since 1979, leaders of both sides have been exchanging congratulatory messages on each side's National Day.²³ In the 17th round of border talk held in 2004, King Wangchuck, during his meeting with head of Chinese delegation Wang Yi, reiterated Bhutan's friendly stance toward China, complimented China on its successful reform and opening up, and thanked China for its friendly and good neighborly stance toward Bhutan. The King also pledged Bhutan's support for China in issues related to China's sovereignty such as Taiwan, human rights, and Tibet.²⁴

II . Bhutan-India Relationships

While Bhutan shares borders with both China and India, its relationships with the two

²¹ "Boundary Talks Going Well, " April 17,2004, Kuensel Online, <http://www.kuenselonline.com/print.php?sid=3969>.

²² "A Goodwill Visit, " April 19, 2004, Kuensel Online, <http://www.kuenselonline.com/print.php?sid=2738>.

²³ Qian Feng, "Visiting Mysterious Bhutan: "Shadows" of Dragon Everywhere," People, last retrieved November 28, 2003, <http://www.people.com.cn/GB/guojj/14549/2216557.html>

²⁴ "Bhutan King Meets Wang Yi, Expressing Support in Taiwan Issues," People, last retrieved April 14, 2004, <http://www.people.com.cn/GB/guojj/1029/2447698.html>.

are not of equal length and depth. It is a lot closer to India, and the two share intimate bonds in the areas of foreign affairs, economy, trade, education and technology, and national defense and security.

Bhutan used to build its foreign relations completely around India. The two signed the Treaty of Perpetual Peace and Friendship Between the Government of India and the Government of Bhutan in Darjeeling, India on August 8, 1949. The treaty does not mention Bhutan's status as a sovereign state. Article 2 says that, "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."²⁵ This means that Bhutan needs to seek "advice" from India in foreign relations in exchange for India's recognition. Bhutan is heavily dependent on India for financial assistance and foreign relations. India agrees to provide 500,000 INR to Bhutan every year, which is much higher than the 200,000 INR a year from Britain, and also offers to return the 32 square mile of land at Dewangiri to Bhutan as a friendly gesture.²⁶ India and Bhutan established formal diplomatic ties on August 8, 1978, but support from India came long before that, as India has been showering Bhutan with financial and technical assistance since 1960s, helping Bhutan set up highways as well as water and power stations. Bhutan has always supported India on the international scene, taking the side with India in the United Nations, SAARC, and other international conventions.²⁷ Examples include Bhutan's support for India to become a permanent member of the United Nations Security Council. The Bhutanese Minister of Foreign Affairs Lyonpo Khandu Wangchuk, on the 59th United Nations Conference in September 2004, explicitly expressed Bhutan's support for India and Japan to become permanent members of the United Nations Security Council.²⁸

India is Bhutan's leading provider of economic assistance. The majority of investment

²⁵ "Treaty of Perpetual Peace and Friendship Between the Government of India and the Government of Bhutan," <http://www.bhutannewsonline.com/treaties.html>.

²⁶ A.C. Sinha, *Himalayan Kingdom – Bhutan: Tradition, Transition and Transformation* (New Delhi : Indus Publishing Company, 2001) ,p.124.

²⁷ "Foreign Policy & Relations," Bhutannews Online, May 2, 2003, <http://www.bhutannewsonline.com/foreign-relations.html>.

²⁸ "Foreign Minister Addresses the 59th Session of NU General Assembly," September 29, 2004, Kuensel Online, <http://www.kuenselonline.com/print.php?sid=4559>.

in Bhutan's successive five-year economic development projects (hereinafter "five-year projects") comes from India. Under the suggestion of India Prime Minister Jawaharlal Nehru, Bhutan launched the first five-year project in 1961. The first and the second five-year projects were completely funded by India. The third to eighth saw India providing 90% to 27.6% of the funds. India recently agreed to subsidize Bhutan's ninth five-year project.²⁹

India is Bhutan's biggest trade partner in terms of import and export. Take year 2001 as an example, Bhutan's export to India in that year amounts to 4.7 billion Bhutanese ngultrums (including electricity), accounting for 94% of Bhutan's total export. Bhutan's import from India in that year amounts to 7 billion Bhutanese ngultrums, accounting for 77% of Bhutan's total export.³⁰

Each year, India provides scholarship to 50 Bhutanese students studying medicine, law, engineering, computer science, science, humanities, and business at universities in India. Bhutan has two higher education institutions, namely the Royal University of Bhutan (established in June 2003) and Sherubtse College, which shares close relationships with University of Delhi in India. Many Indian teachers work at Sherubtse College. A lot of Bhutanese students study at India at their own expenses.³¹

As for national defense and security, in July 1960 the Indian army dispatched the first Indian Military Training Team commander and some 10 officers to Bhutan. In May 1961, the Indian army sent a training team to Bhutan on scouting missions. So far the training team has set up 1 military academy and 2 hospitals in Bhutan in addition to its base.³² Bhutan is safe under India's protective umbrella as India is responsible for Bhutan's security, provides training for Bhutan's security troops, covers all of Bhutan's military expenses, and offers military equipment to Bhutan.

Bhutan and India have also joined hands in clearing anti-government organizations in India. There is a 380-kilometer border between Bhutan and Assam and West Bengal in India. Indian rebel troops have occupied southern borders of Bhutan for a long time,

²⁹ "India Commits Support for 9th Five Year Plan, " October 13, 2004, Bhutan Broadcasting Service, <http://www.bbs.com.bt/IndiaFM.htm>.

³⁰ "Trade Show, " Kuensel Online, May 24, 2003, <http://www.kuenselonline.com/article.php?sid=2878>.

³¹ "Bhutan-India Relations, " Bhutannews Online, http://www.bhutannewsonline.com/india_bhutan.html.

³² IMTRAT website, <http://www.indianarmy.nic.in/arimtrat.htm>.

causing a headache for India and Bhutan. There are tens of various anti-government armed forces in northeast India, some have existed for half a century, and some are in their teens. These armed forces resort to the use of force to pursue greater extent of autonomy and even independence in their regions. The India government tried to solve the problem with negotiations, with little progress.³³ The three largest anti-government forces in India are United Liberation Front of Asom (ULFA), National Democratic Front of Bodos (NDFB), and Kamtapur Liberation Organization (KLO), all declared illegal by the India government. The ULFA, founded in 1979, is the largest of the three, and pursues independence of Assam just like the NDFB, whereas the KLO are basically people of the Kamtapur tribe seeking to establish their own homes in West Bengal. The ULFA survived large-scale attack from Indian troops in 1990s and some of its members went on to team up with nearby anti-government forces to set up a base in southern Bhutan.³⁴ According to statistics, these rebel groups have set up 19 or 20 bases in Bhutan.³⁵ They use the strategies of attack and retreat, crossing the India-Bhutan border and attacking targets in India, causing a serious headache for the India government. For 6 years, the Bhutan government has repeatedly asked the two anti-government forces to leave Bhutan and even held talks with them, but has been able to find a peaceful resolution. Continuing pressure from the India government made Bhutan send troops in December 2003 to clear out the rebel forces, destroying some 30 bases³⁶ and subjecting more than a hundred Bhutanese citizens who assisted the rebel groups to legal punishment.³⁷ The rebel groups scattered everywhere and

³³ "India—Long Way to Go in Anti-Terrorist Battle," People, last retrieved October 2, 2004, <http://www.people.com.cn/GB/guojiji/1030/2898123.html>.

³⁴ For example, the Andhra Pradesh proposed to talk to the leaders of the illegal Naxalite rebels for the first time in September 2004 in order to seek peaceful resolution of conflicts. The Assam Pradesh, in late September of the same year, proposed to conduct peace talks with ULFA, but was turned down by the latter on the ground that they would only talk to the central government and would not accept cease-fire agreement with local governments, see "Bhutan Attacks Anti-India Guerrilla in the South," NewsTom, last retrieved December 15, 2003, <http://news.tom.com/1002/20031215-523392.html>.

³⁵ According to Bhutanese officials, ULFA has 8 bases and 1560 members in Bhutan, the NDFB has 8 bases and 740 members, and the KLO has 3 or 4 bases and 430 members, see "Bhutan-India Relations," Bhutannews Online, http://www.bhutannewsonline.com/india_bhutan.html.

³⁶ "Bhutan to Build Wall along Assam Border," July 11, 2004, IANS, <http://www.newkerala.com/news-daily/news/features.php?action=fullnews&id=1743>.

³⁷ "111 Bhutanese Sent to Jail for Helping ULFA," The Sentinel, September 6, 2004, <http://www.sentinelassam.com>.

sought assistance from other countries, and were turned down by China.³⁸ India, fearing that the rebels would seek asylum in places like Bangladesh and Myanmar and that Pakistan would supply them with weapons and training, resorted to diplomatic channels to put pressure on these countries.³⁹ Bhutan's attack on rebels was well received by the India government, which immediately extended an invitation to the King of Bhutan to be the guest of honor in the Republic Day celebrations on January 26, 2005.⁴⁰ Both India and Bhutan have their own worries for the moment. India fears that rebels would remain in Bhutan or scatter elsewhere and still pose threat to India's security. India also fears that Nepali refugees in Bhutan would join the rebels and make them stronger. Bhutan worries that Mao rebels in Nepal would join the Indian rebels. India and Bhutan constantly discuss their worries to think of ways to protect themselves from the rebels.⁴¹

III. Strategic Triangular Relationship between Bhutan, India, and China

This section aims to analyze the relationship between Bhutan, India, and China with the concept of strategic triangle. The concept of strategic triangle has been widely applied by the academic circle since early 1970s in the analysis of the relationship between USA, Soviet Union, and PRC. Professor Lowell Dittmer of USA and Professor Wu Yu-shan of Taiwan have used the concept to form a theoretical structure for analysis of international relations and have applied it to the study of strategic triangular relationships of USA-Soviet Union-PRC and Taiwan-USA-PRC. Professor Dittmer classifies strategic triangular relationships into three types, namely *menage a trois*, romantic triangle, and stable marriage. *Menage a trois* refers to symmetrical amity between 3 action-takers. Romantic triangle refers to the state in which amity is shared between an action-taker in the pivot and two other action-takers in the wings, while there is enmity between the two action-takers in

³⁸ "Indian Rebels Fled to Tibet Border to Seek Beijing Assistance," Xizang-Zhiye, last retrieved January 2, 2004, <http://www.xizang-zhiye.org/b5/xzxinwen/0401/index.html>

³⁹ "New Northeast Policy on the Anvil," NDTV website, October 17, 2004, <http://ndtv.com>.

⁴⁰ "India to Focus on Neighborhood Diplomacy," October 18, 2004, <http://www.newkerala.com/india-news/?action=fullnews&id=37213>.

⁴¹ "Border Talks Focus on Rebel Movement," October 19, 2004, The Telegraph, <http://www.telegraphindia.com/1041019/asp/others/print.html>.

the wings. Stable marriage refers to a situation in which amity exists between two action-takers, and there is enmity between the two and a third action-taker.⁴²

In his analysis of strategic triangular relationships, Professor Wu pointed out that in a triangular relationship, the relationship between any two action-takers are determined by external factors and internal factors. Internal factors refer to the interplay of security, economy, and ideology between two action-takers which causes effect on the relationship. External factors refer to the influence of the two action-takers' individual relationships with the third party on their mutual relationships. The level of impact of internal and external factors varies from case to case, and there is no universal standard. Six roles exist in a strategic triangular relationship: pivot, friend, partner, wing, foe, and outcast. Pivot is the best position to be in. It shares amity with the other two action-takers and holds out enmity with two wings. If there is amity between two action-takers, and their relationship with the third action-taker is that of enmity, then the two which share amity are called "partners," and the one hated by them is called "outcast." In a strategic triangular relationship, the role with the most amity relationships stands in the best position. As such, the outcast is the worst position to be in, as it has to erase enmity with at least one partner to break free from isolation and break down the alliance of opponents. It would be difficult to change the status quo if enmity between the outcast and partners are based on long-standing internal reasons. Flexibility in the outcast's attitude would be the key in shattering the state of isolation.⁴³

Bhutan is a landlocked buffer state located between China and India, and is of strategic importance as it controls several important passes of the Himalayas. Since the British invasion to Bhutan in the 18th century, Bhutan has been in the hands of the British Empire and post-independence India. Bhutan has been acting on the "advice" of Britain and India with regard to foreign relations since early 20th century. Even now, Bhutan still depends on India for national defense and security. In addition to historical background, religious belief also ties India and Bhutan closer. Being a Buddhist kingdom, Bhutan is under heavy influence from religion, and it's only natural that it has a closer relationship to India than to the atheist PRC. India has been the

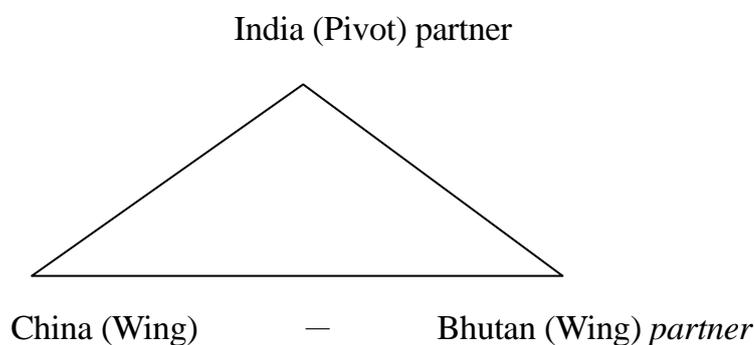
⁴² Lowell Dittmer, "The Strategic Triangle: An Elementary Game-Theoretical Analysis," *World Politics*, vol. XXXIII, no.4 (July 1981), pp.485-490.

⁴³ Wu Yu-shan, *Confrontation or Submission—A New Definition of Cross-Strait Relations: the Relation between China and Taiwan from the former Soviet Perspective* (Taipei: Cheng Chung Book, 1997), p.172-207.

biggest provider of economic assistance to Bhutan and the major force behind Bhutan's eight five-year projects. In a way, India is the "big brother," and Bhutan is the "little kid," together they form a close alliance. Alliance is one of the many ways in international politics to maintain the balance of power.⁴⁴ In the case of Bhutan-India alliance, it is obvious that they are uniting against China.

In trying to apply the theory of strategic triangular relationship in analyzing the Bhutan-India-China relationship, the development of the relationship between the three countries for the past five decades can be divided into four phases:

(1) Chart 1: The 1950s: Romantic Triangle



India established formal diplomatic ties with the PRC in 1950, and became the first non-socialist country to do so. India was well received by the PRC. PRC Premier Zhou Enlai's 4 visits to India resulted in the signing of "Agreement on Trade and Transportation between India and the Tibet Region of China" in 1954 which established 5 principles of peaceful coexistence. The signing of agreement and mutual visits between premiers and prime ministers deepen the bilateral relationship. Mutual visits between officials were frequent in 1950s. While border issue almost became a threat to the relationship, both sides had been toeing the line. Generally speaking, the bilateral relationship had been seeing rapid progress.

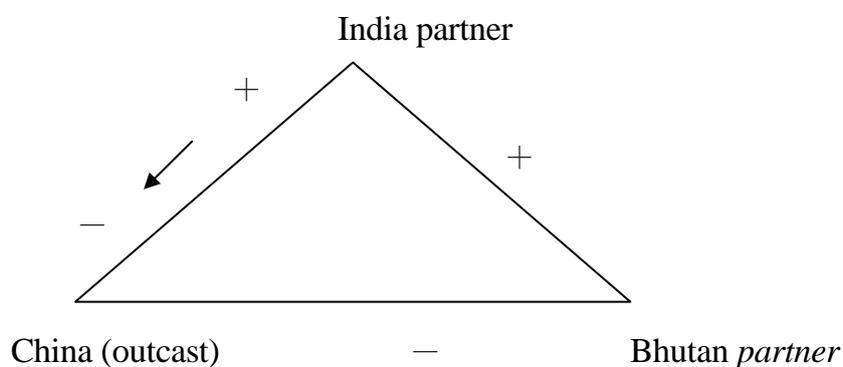
As for Bhutan-India relationship, based on the Treaty of Permanent Peace and Friendly Relationship signed by Bhutan and India in 1949, Bhutan agrees to follow the advice of India with regard to foreign relations. As there is no formal diplomatic relation between Bhutan and China, turmoil in the Tibet region in late 1950s sounded the alarm

⁴⁴ The eleven Common ways to maintain to resume balance of power in international politics include divide-and-conquer, principle of compensation, buffer state, alliance, power territories, intervention, diplomatic trade, legal and peaceful resolution of disputes, arm control, arm race, and war. See Lee Deng-ker, Lin Wen-cheng, Lin Cheng-Yi, Liu De-hai, and Deng Zhongjian, *International Politics* (Taipei County: National Open University, 1996), p. 248.

across Bhutan. Anti-violence movement in the Tibet region forced Bhutan to shut down its border trade activities with China completely in 1959.

India's relationship with China and Bhutan had been friendly during this time, with Bhutan accepting economic assistance, foreign relations advice, and protection from India based on the treaty. In this triangular relationship, China and Bhutan are the wings of India. The relationship between India and Bhutan was that of partner, and India was in desirable pivot position.

(2) Chart 2: The 1960s to Mid 1970s: Stable Marriage



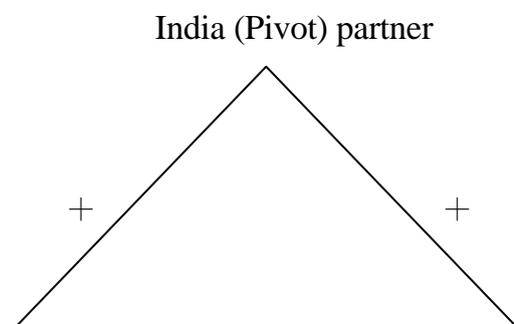
While the relationship between China and India had been friendly in 1950s, there existed serious differences in the MacMahon line introduced in early 19th century, and either was willing to give in. India, seeing that the PRC had yet to occupy the whole Tibet region, sent troops to occupy the Xikang and Tibet region south of the MacMahon line. It was time when border disputes between the two started to surface.⁴⁵ By the time of the Korean War in 1951, the Indian troops had entered Tawang. In 1954, India introduced a revision of its official map, incorporating the MacMahon line in the east, and 2,000 square kilometers of land in southern Ngari Prefecture in the center, and Parigas in the west into its own territory. China renovated the Xinjiang-Tibet Highway in 1956-1957, which travels

⁴⁵ The MacMahon line was introduced during October 1913 and July 1914 when Britain and India (then under British occupation) were holding border talks with Chinese and Tibetan representatives in Simula, a summer resort town in northwest India. Sir A. Henry MacMahon, representative of Britain, secretly co-designed the line with Chadral, head of Tibetan delegation on March 24, 1914 in Delhi, assigning the territory to the ownership of India. See Kuei-hsiang Hsu, "A Study on Development of Sino-India Relations—focusing on border issues and Tibet issues," *Bimonthly Journal on Mongolian & Tibetan Current Situation*, Vol.12, No. 4 (Taipei: Mongolian & Tibetan Affairs Commission, July 2003), p. 38.

through Xinjiang to undetermined territories of Tibet. Large-scale anti-violence movement broke out in Tibet in 1959, the troops sent by PRC successfully removed Indian forces out of Tibet. In August of the same year, armed conflict broke out for the first time in the China-India border region. On the other hand, the fact that India provided asylum to the exile Dalai Lama after joining the anti-violence forces in Tibet certainly does not help in improving Sino-India relations. In May 1962, China and Pakistan issued separate communiqués claiming that both would reopen talks on border issues and sign a treaty after the Kashmir disputes between India and Pakistan are settle. (The Sino-Pakistan Border Agreement was signed later in March 1963.) This sent shockwaves across India, which refused to accept the Sino-Pakistan border agreement which hands Kashmir to Pakistan, creating even more tension between itself and China. The tensions eventually led to full-scale border war between China and India in October 1962, which ended in defeat for India. All these create severe damage to the development of Sino-India relationships. Hatred between the two led to 14 years of “cold war.” Not until 1976 did signs of improvement begin to surface.

During this time, Bhutan shut down all border trade activities with China following anti-violence movement in Tibet and China’s occupation of Tibet. There was no interaction between Bhutan and China. In the year that follows (1960), India dispatched military officers to Bhutan, and in 1961 the base for the Indian Military Training Team was set up in Bhutan. In addition to conducting scouting missions in Bhutan, India provided military training and defense equipment, and generously provided funds and technical staffs for Bhutan’s five-year projects. India also exercised influence over Bhutan’s foreign relations through its protection and economic assistance. In this triangular relationship, as China and India entered the phase of cold war, Bhutan, being an ally of India, naturally took India’s side. The relationship between India and Bhutan was still that of partnership, and China assumed the worst position of outcast in the triangular relationship.

(3) Chart 3: Late 1970s to Mid 1980s: Romantic Triangle



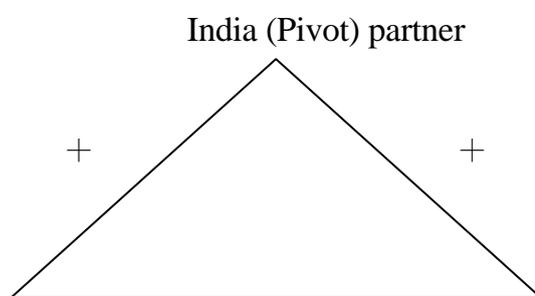
China (Wing) — Bhutan (Wing) *partner*

In 1976, China and India resumed the exchange of ambassadors. In 1979, India Minister of Foreign Affairs Atal Behari Vajpayee visited China, officially breaking 17 years of ice during which there had been no visit between the leaders of both sides. Beijing and New Delhi have been taking turns to host Sino-India border talks since 1981, with little progress.

Prior to 1980s, diplomatic contacts between China and Bhutan had been hindered by the fluctuating Sino-India relationship. India remained an obstacle in Sino-Bhutan relations. At the same time, the most controversial region in the east in Sino-India border talks, the Doklam highlands under the control of Bhutan, had direct effect on the Chumbi valley of India. Tawang was another touchy issue. Bhutan, being close to Tawang in the east and Sikkim in the west, became a hotcake in the eyes of China and India. China proposed the idea of “east for the west” in border talks with India, namely acknowledging the MacMahon line as the border line in exchange for control over Aksai Chin in the west. In talks with Bhutan, China offered the 495 square kilometer in the northern borders of Bhutan in exchange for the 269 square kilometer in northwest Bhutan. In its attempt of break down the Bhutan-India alliance, China tried to separate the Sino-Bhutan border issues from Sino-India border talks in order to talk to Bhutan separately and extend diplomatic relations. The attempts had not been successful until 1984.

During the period, Bhutan did not develop independent relationship with China and maintained the close and important relationship of partnership with India. As Sino-India relationship began to unfreeze, India was back to its favorable pivot position, with China and Bhutan being in the wings.

(4) Chart 4: Late 1980s to Early 2000s: Romantic Triangle



China — —(→ +) Bhutan *partner*

As for China-India relationship, in February 1987 India upgraded the status of Arunachal from union territory to pradesh, making the Arunachal Pradesh India's 24th pradesh and providing legal status to this controversial region. The action sparked strong protest from China, and relationship between the two was still under the influence of border issues. In December of the following year (1988), India Prime Minister Rajiv Gandhi visited China, setting a turning point for Sino-India relationship. In 1992, Burang County of China and Kungri of India opened to each other, resuming border trade activities after a 30-year hiatus. The two countries went on to sign the "Agreement on Maintaining Peace and Stability in the Line of Control Region of China-India Borders" in 1993 and "Agreement on Establishing Mutual Trust in Military Affairs in the Line of Control Region of China-India Borders" in 1996. With both sides exercising restraint in border issues, Sino-India relationship took a turn for the better. While the Bharatiya Janata Party-led coalition government of India came up with the "argument of China threat" in 1998 for the purpose of conducting nuclear tests, relationship between the two soon recovered after a while of unpleasant ripples. Up to October 2004, officials from China and India had conducted 15 rounds of border talk and 12 meetings of specialists, with no final solution accepted by both sides. The current relationship is the best since 1960s. Following the visit of former India Prime Minister Vajpayee to China from June 22 to 27, 2003, China and India signed the "Statement of Guiding Principles for Relations and Full-Scale Cooperation between the People's Republic of China and the Republic of India" and 10 other major documents on the subjects of justice, education, culture, technology, energy, quarantine, and simplification of visa procedures as well as extension of border trade. In the joint statement, India acknowledges for the first time that the Tibetan Autonomous Region is part of the PRC territory and reiterates that ant-China political activities launched by the Tibetan people are strictly banned in India. As for the most important factor in Sino-India relations—border issues, 4 rounds of talks have been conducted between representatives of both sides, with

no positive progress.⁴⁶

This period sees more frequent mutual visits between Bhutanese and Chinese officials, though mostly of lower positions. China proposed establishment of formal diplomatic ties and economic assistance to Bhutan, only to be replied that as usual, Bhutan needs to seek the “advice” from India first. While there is domestic approval for China’s proposition, Bhutan is refrained from establishing diplomatic ties with China before securing the go-ahead from India.

In a strategic triangular relationship, if the relationship between two allies is not symmetrical, the third party can persuade or lure the weaker one to establish a more beneficial balanced relationship with it.⁴⁷ In this triangular relationship, India is still in the favorable position of pivot. The relationship between China and Bhutan improved after 17 rounds of border talks and numerous mutual visits, but China needs to break down the partnership between India and Bhutan and establish independent formal diplomatic ties with the latter if it is to strengthen its relationship with Bhutan. China still has a long way to go to achieve the purpose. Despite India’s pivot position, it still has to deal with the possibility of Bhutan being lured away by China’s offers. If this becomes reality, a new triangular relationship would be formed, with China being in the pivot and India and Bhutan becoming wings. This would be the situation China loves.

Conclusion

Bhutan is located between China and India, bordering with Arunachal Pradesh of India in the east, with its Doklam highlands linking with Sikkim of India in the west. The two regions of Arunachal Pradesh and Doklam are the center of Sino-India border disputes, and their strategic importance is realized by both China and India. After 17 rounds of border

⁴⁶ Following the signing of “Statement of Guiding Principles for Relations and Full-Scale Cooperation between the People’s Republic of China and the Republic of India” in 2003, China and India both dispatched representatives to conduct border talk. The Chinese representative was Deputy Minister of Foreign Affairs Dai Bingguo, and the Indian representative as National Security Adviser Brajesh Mishra. The two held talks on October 23-24, 2003 in Delhi and January 12-13, 2004 in Beijing. Following the parliamentary election in May 2004, India had its cabinet reshuffled by the United Progressive Alliance (UPA) led by the Congress Party. On June 1 of the same year, National Security Advisor J.N. Dixit was named special representative of India in border talks. Dixit met with Chinese representatives in Delhi on July 26-27, 2004 and later in Beijing on November 18-19, 2004.

⁴⁷ Lowell Dittmer, p.490.

talks between China and Bhutan, the impasse is caused by China's offer of the land in the northern borders of Bhutan in exchange for the territory in northwest Bhutan, and these territories happen to be related to the heated and complicated border debate between China and India. Border talk between Bhutan and India is closely related in various aspects with border talk between China and India. History has connected Bhutan to India (since it was under British control). Close relationship with India has earned Bhutan security and economic assistance. In the Bhutan-India-China triangular relationship for the past five decades, Bhutan had always opted for teaming with India in the south against China. India was the pivot of the three, with Bhutan being its partner. Following the Sino-India war, China's position once lowered from wing to outcast, and later back to the wing, with the country still trying hard to replace India as the new pivot. China's top priority for the 21st century is economic development, and its Western Development Program has caused it to turn its eyes to the west and southeast, and to the possibility of teaming up with Bhutan.

The trend of globalization is making its marks on Bhutan. With its political reform and opening-up, Bhutan is bound to be exposed to greater influence from the international community. The treaty signed with India in 1949 set the tone for the diplomatic and defense relationships between the two. From Bhutan's point of view, establishing diplomatic ties with China without inviting the anger of India is an interesting test for Bhutan's ability as a sovereign state.⁴⁸ Judging from the current triangular relationship, it can be seen that Bhutan does not wish to change its policy of alliance with India, leaving China still in the undesirable position. Yet more large-scale diplomatic operations of China toward south and even Southeast Asia are a testimony to its increasingly ambitious intentions, and the future development of the Bhutan-India-China triangle remains to be seen.

(This paper was submitted on January 28. Review began on February 21 and was completed on March 15. Revision was completed on April 11.)

⁴⁸ Thierry Mathou, "Bhutan in 2000," *Asian Survey*, vol. XL, no.1, January/February 2001, P.137.

Appendix Kings of Bhutan and Their Reigns

	Name	Year of Birth	Reign
First	Ugyen Wangchuk	1861	1907 – 1926
Second	Jigmi Wangchuk	1905	1926 – 1952
Third	Jigme Dorji Wangchuk	1928	1952 – 1972
Fourth	Jigme Singye Wangchuk	1955	1972 –

(Sources: Sinha, A.C., *Himalayan Kingdom—Bhutan: Tradition, Transition and Transformation* (New Delhi : Indus Publishing Company, 2001) pp.72-94)

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