



## **China factor in Bhutan**

**Speaker:** Amb.VP Haran

**Chair:** Nalin Surie

**Date:** 25 April 2018

**Venue:** Conference room, ICWA, Delhi

Ambassador VP Haran spoke at the Wednesday Seminar hosted by ICS on 25<sup>th</sup> April and gave insights on the “China Factor in Bhutan”. The Ambassador stressed on the fact that Bhutan still maintains its policy of “self imposed isolation” and according to him it is due to the past annexation by British India and Tibet which resulted in loss of Bhutan’s territories. Hence, till today Bhutan does not have any diplomatic relations with any of the P5 countries. Ambassador Haran discussed the relation of Bhutan with India and China by highlighting the layered relationship among three nations and brought to the core the different claims on the border.

He threw some light on the complex relations between Tibet and Bhutan, two nations that have historically been at war. Although the war officially ended in 1960, Tibet still claims authority over Bhutan. However, the relations between the two started to change after Col. Younghusband’s mission. In 1890 there was a convention between the Qing dynasty of China and British India to demarcate boundary between Sikkim and Tibet, even though Tibet refused to accept the demarcation that they felt was “arm twisting” Tibet and made them accept it.

The Ambassador went on to discuss the intricacies of the relation between China and Bhutan. Both the nations do not have any diplomatic relations and in speaker’s view it is due to China’s efforts to claim suzerainty over Bhutan. Interaction between Chinese and Bhutanese officials began only in the early 18th century, when the Qing dynasty extended its rule to Tibet and sent its ambans (resident commissioners) there. He mentioned that there was no evidence of payment of

any kind of taxes or tributaries to China, and several attempts were made by China to exercise historic rights over Bhutan and the first attempt was in 1930. In 1958, new maps in China started showing large parts of eastern Bhutan as part of Chinese territory, and China went on to occupy around 300sq km territory in northeastern Bhutan. In 1960s China declared Bhutanese, Sikkimese and Ladakhis perceived subjects of China to form one united family in Tibet. Bhutan and China have a 470 km border which is still not demarcated officially, both the nations have issues over the border, China had made several geographical intrusions and the latest being in Doklam which sparked tensions between both the nations.

Bhutan and its southern neighbour have maintained cordial relations and also have friendship treaty. India played an active role in the Doklam issue. India and China initiated bilateral talks regarding Sino-Indian border in 1959 when Chinese PM Zhou Enlai wrote to PM Nehru. In 1981 boundary commission was setup in Bhutan and relations were established through Delhi. Around ten rounds of talks took place successfully and the latest 24<sup>th</sup> round happened in 2016 in China.

The speaker mentioned that some construction activity in the Doklam region was visible from 8<sup>th</sup> June 2017, and road construction started on 16<sup>th</sup> June 2017. He attributed India's role in the issue to two factors, first because of the bilateral treaty between India and Bhutan, according to which each country shall cooperate for national security of the other. Second due to 2012 agreement between India and China which provides that a trijunction should be decided among all the three countries involved. Since, the above points were violated by China, India got involved in the situation at the behest of Bhutan. Amb. Haran also briefed the audience about the scaling down of conflict where Indian troops completely withdrew with all bags and baggage but Chinese did not remove all the equipments and all of their troops. In his view, recent reports of a build-up are accurate and that much of the Chinese concentration is in Chumbi Valley.

The Ambassador also pointed out that inhibitions such as the Himalayas acting as a natural barrier, Douchanala being uninhabitable in winters were both proved wrong. Finally, Bhutan's assumption that China would offer it a good deal was also misplaced.

The speaker then reflected on the current status between China and Bhutan. The key feature is that Bhutan is flooded with Chinese products even though there is no direct trade, mostly these goods come via India and other South Asian nations. He mentioned that China is keen to have full diplomatic relations and insists on opening the embassy and have direct flights between the two nations, but Bhutan still seems to be sceptical about it and wants border issue to be resolved first.

The fact that China has increased its involvement in religious affairs in Thimpu, Lung-Chen, and Phuentsholing is also a point of concern.

He also pointed out that as per 2016 estimates, China is the most sought after destination for Bhutanese tourist. He further suggested that the perception regarding China is evolving in Bhutan. While the youth of the country is more inclined towards China due to its economic potential and opportunities, the older generation seems to still favour India. With respect to India's interest in Doklam issue, the ambassador mentioned that India is primarily concerned with border related matters and gives security a prime role. He concluded by pointing out that India should encourage and support Bhutan to have relations with China and the traditional friendly relation should not be hampered in the future.

## **Discussion**

During the discussion the queries that came forward were regarding the future relations between Bhutan and China and the other being tourism. According to the speaker with regard to tourism, Bhutan is making newer and flexible reforms. For instance, even if the tourist limit is over, they still charge \$250 per day as tourist fee except for citizens of India, Bangladesh and Maldives who do not have to pay in dollars. In certain cases like in 2017 South Koreans were not required to pay the tourist fee and other rules too were relaxed. With regard to the future of China-Bhutan relations, the speaker maintained that it was dependent entirely upon how the border issue is resolved by all actors involved.

## **About the Speaker**

**Ambassador VP Haran** joined the Indian Foreign Service in 1980 after working in the private sector in finance and accounts. He studied Russian in Moscow, 1982-83. He was then posted in Kabul, Colombo, Brussels followed by his appointment as the Deputy Permanent Representative to WTO, Geneva in 2000. In 2003, Amb. Haran moved to Kathmandu as DCM. He was Ambassador of India to Syria (2009-14) and to Bhutan (2013-14). His interests include relations with neighbours, developments in West Asia, primarily Syria, and international trade. He writes occasionally on Syria and Bhutan.

*Report prepared by Archana Bajpai, Research Intern, ICS.*

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