

Bhutan: US Indo-Pacific Strategy at One Year

By **Gopilal Acharya**

When President Joe Biden outlined his vision for the Indo-Pacific region at the Quad Leaders' Summit in September 2021, the event was not seen as terrifically newsworthy in Bhutan. For a landlocked Himalayan country, bordered by India in the south and China in the north, the Indo-Pacific region, as defined by the maritime map, perhaps is a veritable outback.

Gopilal Acharya, Senior Freelance Journalist from Bhutan and creative writing student at Curtin University in Australia, explains that "The idea of the Indo-Pacific appears remote from Thimphu" as "the US-led Strategy clearly brands itself a tool of political resurgence" and "Bhutan does not have official diplomatic relations with the United States."

The idea of the Indo-Pacific appears remote from Thimphu, even if one factors in the country's sketchy diplomatic spaces. For one thing, the US-led Strategy clearly brands itself a tool of political resurgence. And for the other, Bhutan does not have official diplomatic relations with the United States, or for that matter, with any of the other permanent members of the UN's Security Council—France, the United Kingdom, Russia, and China.

However, what makes the Strategy relevant to Thimphu is what the United States has put at the center of its Indo-Pacific ambition—shrink China's sphere of influence in the region, especially by strengthening the Quad and intensifying bilateral engagements. Therefore, the Strategy must be viewed vis-à-vis Bhutan's relations with India and China.

Bhutan and India

Bhutan and India are good friends despite their geographical sizes. The two South Asian countries have had a strong geopolitical bond. It is a win-win relationship nurtured delicately over many decades by both Indian and Bhutanese leaders. The dividends have been mutually satisfying, at least for now. India has helped Bhutan make huge socio-economic strides, primarily through budgetary support to the country's development plans. Bhutan, on its part, has been deferential to India's security concerns stemming from the open northern borders that Bhutan buffers naturally.

Bhutan's official friendship with India started with the visit of Prime Minister Jawaharlal Nehru in 1958, and formal diplomatic ties were established in 1968. The Indian statesman seemed to have understood the importance of Bhutan for India's political future. Arriving in Bhutan a year before China placed Tibet under its direct rule in 1959, Nehru wooed the Bhutanese with this famous line: "Freedom of both Bhutan and India should be safeguarded so that none from outside can do harm to it."

When Bhutan began planned development in 1961, the country's first three five-year development plans were entirely funded by the Indian government. India continues to commit a considerable share of resources to Bhutan's development even today, although Bhutan has sought to mobilize resources internally as well as from other development partners.

Bhutan and China

Bhutan does not have official diplomatic relations with China, although the two countries share a 475-mile-long border along the Himalayas. The Chinese embassy in New Delhi liaises with its Bhutanese counterparts occasionally. Visits by Chinese diplomats to Thimphu are rare and immediately raise Indian suspicions. In fact, these dynamics led India to place some of its most experienced career diplomats as ambassadors in Thimphu.

Bhutan has had minimal interactions with the Chinese government. Until recently, interactions were limited to discussions on border issues. However, bilateral trade has deepened over time, with Bhutan's imports from China rising incrementally in recent years. Bhutan imported Chinese consumer goods worth \$30.33 million in

2020. Similarly, large numbers of Chinese tourists started visiting Bhutan from 2010 onwards. Official statistics show that 9,399 Chinese visited Bhutan in 2015. The number, however, dropped to 7,353 by the end of 2020.

Bhutan engages with China mainly to discuss border issues. Bhutan and China have several disputed border areas. Boundary negotiations between Bhutan and China began in 1984 and the two sides have held 24 rounds of boundary talks. The negotiations are guided by the 1988 Joint Communiqué on the Guiding Principles for the Settlement of the Boundary and the 1998 Agreement on Maintenance of Peace and Tranquility in Bhutan-China Border Areas. During the 10th Expert Group Meeting in Kunming in April 2021, the two sides agreed on a Three-Step Roadmap that aims to build on the 1988 Communiqué and expedite ongoing boundary negotiations. It is expected that the implementation of the Roadmap will successfully bring the boundary negotiations to a mutually agreeable conclusion.

China's Encirclement Strategy and Territorial Advances

Beijing's belligerence and its expansionist intentions under President Xi Jinping have never been clearer. China continues to use its incursions into Taiwan, by air and sea, as a show of its indignation. In fact, the Indo-Pacific Strategy calls this open bullying by China. So, when China unveiled its new villages on the disputed land between Bhutan and China, geo-political commentators in India said Xi Jinping was taking his South China Sea strategy to the Himalayas.

China's territorial advances in the South China Sea and its interest in strategic port facilities across the Indian Ocean—from Sittwe and Kyaukpyu in Myanmar, Chittagong in Bangladesh, Hambantota and Colombo in Sri Lanka, to Gwadar in Pakistan—has strengthened the Chinese presence in the region. The so-called “string of pearls” or encirclement strategy is generally understood as China's attempt to establish naval bases and intelligence stations throughout littoral South Asia, thereby encircling the subcontinent.

The Chinese grip on the region, despite a couple of recent setbacks, therefore, becomes immediately relevant to Bhutan. And perhaps, this is where the Indo-Pacific Strategy becomes relevant too. While India views Bhutan's security concerns as its own, the country's regional influence, despite being the region's economic giant, has not been consistent. Perhaps, this is the reason why New Delhi overreacts when its smaller neighbors assert their diplomatic strength. This was precisely the case with the recent public statement made by Bhutan's Prime Minister when he said [China was an equal partner in resolving the Doklam dispute](#). It is worth recalling that India's security concerns arising from the unsettled border disputes between China and Bhutan were raised most vociferously during the Doklam military standoff between India and China in June 2017.

Opportunities for United States and the Indo-Pacific Strategy

While Bhutan and India will certainly continue to deepen bilateral engagements, the US Integrated Country Strategy (ICS) for Bhutan, which was approved on 8 February 2023, presents new opportunities associated with expanding US-Bhutan relations. That said, the ICS does not prescribe any concrete bilateral engagement apart from identifying areas of cooperation.

Perhaps, the biggest US intervention related to [Bhutan is the resettlement of more than 80,000 refugees from the camps in Nepal](#), but diplomatic exchanges and bilateral cooperation continue with limited purview in other areas. Deepening US-India relations could play a critical role in strengthening Bhutan-US ties. For now, the ICS for Bhutan could be used to identify concrete points of political convergence. Perhaps, the Indo-Pacific Strategy could provide a security alternative to Bhutan in the long term.

However, the absence of direct country-to-country linkages through the presence of an embassy or a consulate is seen as a challenge to expanding US interests in Bhutan. Therefore, as long as Bhutan continues to dodge US courtship for formalized diplomatic relations, US influence in Bhutan will remain minimal. Again, this predicament allows India could play the role of diplomatic go-between through its own US policies.

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