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Strategic Analysis:- India Bhutan multidimensional relations and Mutual interest

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Abstract

Bhutan is cornerstone of India's neighbourhood first policy. The India–Bhutan ties are characterised by mutual warmth and goodwill, strengthened by frequent high-level exchanges. This bond gained significant importance following India's independence as both nations have established deep-rooted cultural, historical, geographical, social, and economic connections. This study analysis examines the multidimensional nature of their partnership, which has evolved from the 1949 Treaty of Friendship into a comprehensive framework encompassing political, economic, security, energy, and cultural cooperation. And contemporary Geopolitical situation both countries have shared mutual interest. Bhutan holds significant importance for India under its “Neighbourhood First Policy” (NFP). This policy emphasises cooperation based on the principle of non-reciprocity and demand-driven specific needs and requirements of neighbouring countries.

Introduction.

Bhutan is one of the most prominent partner of india in South asia region. India give its most of foreign aid to bhutan for its socio-economic development. India and Bhutan engage deep relationship in the field of cultural, social economic and national security and international relations. Diplomatic relations between India and Bhutan were established in 1968 with the appointment of a resident representative of India in Thimphu. Historically both countries connected culturally in the spread of Buddhism, 747 AD when a Buddhist monk Padmasambhava went from India to Bhutan and led the Nyingmapa sect of Buddhism. Thus, India contributed to the cultural growth of Buddhism in Bhutan. india Bhutan have multidimensional relations and most reliable partner in South Asia.

Political relationship:- India and Bhutan is uniquely close, characterized by deep trust, shared security interests, and extensive developmental cooperation. Rooted in the India-Bhutan Friendship Treaty, originally signed in 1949 and updated in 2007, the partnership ensures non-interference in each other's internal affairs while coordinating closely on matters of national security and foreign policy

Security & Defense: India's military has traditionally played a vital role in protecting Bhutan's borders from external threats, while the Indian Military Training Team (IMTRAT) helps train the Royal Bhutan Army. Geographically, Bhutan is a crucial buffer for India, particularly in guarding the sensitive Siliguri Corridor. India helps Bhutan regarding the Doklam issue by acting as its primary security guarantor, providing military deterrence against Chinese expansion, When Chinese troops entered Bhutanese territory in 2017 to construct a road on the plateau, the Indian Army crossed over under Operation Juniper to physically block.

The India-Bhutan Security Umbrella

India fulfills almost all of the Royal Bhutan Army's (RBA) weapon and equipment needs through military donations, aid, and transfers.

Bhutan does not operate a combat air force. It relies entirely on the Eastern Air Command of the Indian Air Force for air defense, surveillance, and casualty evacuations. The Indian Military Training Team (IMTRAT) is permanently stationed inside Bhutan to train RBA soldiers, meaning their tactical doctrine is explicitly built around Indian-supplied equipment.

Economic relationship:-

Hydropower Cooperation:- India and Bhutan is the ultimate cornerstone of their bilateral relationship. Often described as a classic "win-win" model, The Government of India finances the construction of major run-of-the-river hydroelectric plants in Bhutan. Bhutan utilizes the electricity it needs domestically for free and exports 100% of its surplus power back to India. This export revenue serves as the single largest contributor to Bhutan's national GDP, corporate tax collection, and government revenue.

Trade, Commerce, and Transit Free Trade Agreement: The bilateral Agreement on Trade, Commerce and Transit establishes a free-trade regime between the two nations. This allows for duty-free transit of Bhutanese goods through India to third countries. **Trade Dominance:** India accounts for over 80% of Bhutan's total imports and exports. Bhutan primarily exports electricity, ferro-alloys, and cement to India, while importing petroleum products, machinery, automobiles, and food items.

Currency and Banking Integration Monetary Ties: The Bhutanese currency (Ngultrum) is pegged at par with the Indian Rupee (INR). The Indian Rupee is widely accepted as legal tender across Bhutan, simplifying cross-border retail trade. **Digital Financial Links:** India's BHIM UPI and RuPay cards are fully operational in Bhutan. This integration facilitates smooth digital transactions for businesses and boosts regional tourism

Cultural cooperation:-

Shared Buddhist Heritage:- 8th-century The great Indian saint, Guru Padmasambhava traveled from India to Bhutan to introduce Buddhism. He is deeply revered in both nations, serving as a historic cultural bridge. Every year, thousands of Bhutanese pilgrims, monks, and scholars travel to India to visit holy sites like Bodhgaya, Sarnath, Nalanda, and Kushinagar.

Educational cooperation:- India has traditionally been the top destination for Bhutanese students seeking higher education. The Government of India fully funds multiple premier scholarship programs such as the Nehru-Wangchuck Scholarship and the Nalanda Scholarship allowing Bhutanese youth to study at top Indian institutions like IITs, IIMs, and AIIMS.

Freedom of Movement and Border Ties:-

Visa-Free Travel: citizens of India and Bhutan enjoy unique open-border privileges. They do not require regular visas or passports to travel to each other's countries for tourism or pilgrimage, needing only basic government identity cards.

International relations:- As a matter of international policy, Bhutan does not maintain formal diplomatic embassies with any of the P5 nations (USA, China, Russia, UK, France). Instead, Bhutan manages the vast majority of its global interactions, bilateral talks, and international treaties through its Royal Bhutanese Embassy in New Delhi. This setup reflects Bhutan's deep trust in India to act as its primary gateway to the rest of the international community.

Research Objectives

- To evaluate India's role as Bhutan's primary security guarantor:
- To assess the socio-economic impact of Hydropower Cooperation
- To explore Bhutan's unique diplomatic isolation policy
- To evaluate the role of shared Buddhist heritage in soft-power diplomacy

summary finding

interdependence and shared mutual interests. Geopolitically, Bhutan relies on India's military umbrella for protection against Chinese expansion, while India depends on Bhutan to shield the sensitive Siliguri Corridor bottleneck. Economically, hydropower cooperation remains the bedrock of bilateral ties, supplemented by cross-border rail projects and India's support for the Gelephu Mindfulness City. Diplomatically, the 2007 Friendship Treaty balances Bhutan's sovereignty with India's strategic security needs. Furthermore, Bhutan's choice to avoid formal diplomatic relations with global superpowers preserves India's regional primacy, while a shared Buddhist heritage ensures deep people-to-people trust.

Conclusion

the India-Bhutan relationship remains an exemplary model of enduring neighborly diplomacy [1]. It successfully bridges asymmetric power dynamics by balancing Bhutan's sovereign aspirations with India's critical security and economic interests [1]. Deepened by robust hydropower partnerships [2], advancing sub-regional connectivity, and a shared spiritual heritage, this trusted alliance effectively secures their mutual regional stability against growing geopolitical pressures

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