

**SIKKIM AS A FACTOR IN SINO-INDIAN
RELATIONS (1975-2003)**

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MASTER OF PHILOSOPHY

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CERTIFICATE

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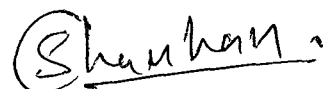
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PREFACE

The study is an attempt to find out the manner in which Sikkim, which remained a bone of contention between India and China, slowly turned out to be an element of confidence building between these two nations. The merger of Sikkim with India in April 1975 aggravated the already strained relations between India and China. China found this merger an illegal occupation by the Indian armed forces of the independent land of Sikkim. They accused India of blatant aggression and occupation against a small neighbour. Till 2003, China kept on showing Sikkim as an independent country in all its published maps.

After the cold war ended, there was a rapid transformation in the political relations between nations and a significant political thaw between India and China. The visit of Indian Prime Minister Atal Bihari Vajpayee to Beijing in June 2003, initiated a process of reconciliation that till date is an ongoing process. During the visit, both the countries signed an agreement on border trade between Sikkim and Tibet. This tacitly provided Chinese recognition of Sikkim as part of Indian territory. The Memorandum of Expanding Border Trade highlights the new scope for trade, through Nathu La, which was closed since 1962. It provided a *de facto* recognition of Sikkim as an integral part of India; the process, which has been completed in April 2005, when, the Chinese Premier Wen Jiabao gave the new, revised map to the Prime Minister of India Manmohan Singh during his visit to New Delhi. It provided *de jure* recognition of Sikkim as an integral part of India.

For that reason, Sikkim, which remained as a question of political discomfort between India and China, has now turned into the gateway of new opportunities, economic development, regional prosperity and peace, economic integration between India and China.

Sikkim has brought forth a major avenue of reconciliation between these two nations, which for long had obtained relations. This can also act as the beginning of a major confidence building measure between these two nations. This study attempts to answer some basic questions: why was China so ambiguous towards Sikkim's integration within India? Why did China recognise Sikkim in 2003? What were the reasons, which forced China to change its earlier stand? What benefits can be reaped by the two nations after the reopening of the Nathu La?

In the first chapter, the focus is on the nature of relationship between India and China, till the end of the eighties. This was the period, when the relationship was shrouded in mutual suspicion. This chapter makes an attempt to understand the conflict of interests between India and China in regard to Sikkim, and the manner in which Sikkim has remained a bone of contention between India and China. In the second chapter the discussion revolves around the efforts that were made to resolve the Sikkim conflict. This chapter assesses the terms and conditions under which the issue was settled in 2003.

Buddhism has played a significant role in the politics of the trans-Himalayan region and has made a major implication on Sikkim, India and China. The role of Buddhism in the Trans-Himalayan region will be the principal focus of the third chapter. This chapter also examines the Karmapa issue and assesses its impact on the bilateral relations of both the countries.

In the fourth chapter, an attempt has been made to portray how economic interests has proved to be a principal factor in bringing these two nations closer to each other, dealing with the prospects of Trans-Himalayan economic cooperation. The study focuses on how Sikkim can play a key role in integrating the Trans-Himalayan region through border and transit trade.

There may be numerous mistakes in the study that have possibly missed the human eye. I personally apology for such avoidable or unavoidable mistakes. The opinion expressed in the study is entirely mine.

CHAPTER I

THE SIKKIM DISPUTE

From times immemorial, India and China enjoyed cultural, religious and economic relations. However, in the last five decades, the relationship between these two nations has gone through ups and downs. Both the countries witnessed the warmth of the 1950's, hostility in the 1960's, rapprochement in the 1980's, and a readjustment of their foreign policies after the disintegration of the Soviet Union. Now, these relations are moving forward, slowly but surely. This is primarily because of the internal and external policies of both these countries.

When India and China, came into existence as modern independent states, they faced the agenda of defining and setting their boundaries. Both India and China acted according to their notions of being great nations, disregarding the fact of their being new and weak states. With the passage of time, both the countries have come out from the period of confrontation and engaged in cooperation. Sino-Indian relations are on the threshold of a paradigm shift and that the current level of cooperation between the two is only the tip of the iceberg. As political problem solving and deepening economic cooperation begin to take root, the nature of the Sino-Indian relationship could be radically different in the coming years.¹ Both countries understand the importance of economic cooperation. "The challenge of

¹C. Raja Mohan, "Sino-Indian relations: towards a paradigm shift", in C.V. Rangannathan, ed., *Panchsheel and the future: Perspectives on India-China Relations*. (New Delhi: Samskriti, 2004), p. 219.

times is that economic struggle cannot be substituted by political struggles, nor won through tensions and confrontations. Since both the countries are learning this lesson it becomes easier for them to turn away from conflict and tensions.”² There is no doubt that, in the present international environment, the forces of globalization drive the relations between the nations.

Many of the long-standing problems between the two nations had been centered around the Himalayas— these include the boundary dispute, misperceptions on Tibet and China’s refusal to recognize Sikkim as a part of India.³ The boundary dispute between India and China arose when the PLA (People’s Liberation Army) occupied Tibet and destroyed India’s Tibetan buffer in the 1950s India also suspected China might want to incorporate other Himalayan states in its territory. Since 1962, India fretted about Chinese threat and China was also apprehensive about India’s “hegemonic aspirations” status in South Asia. John W Garver writes that the Indian perception of the Chinese policies in the subcontinent amounts to a “strategic encirclement” while Beijing sees its policies as being aimed at preventing “Indian hegemony” in the subcontinent.⁴

The Sino-Indian dispute over Sikkim has been part of that mutual suspicion India believed it rightly enjoys special relationship with Sikkim, while China

² V.P.Dutt, “India and China: Promise and Limitation”, in *Indian Foreign Policy: Agenda for the Twenty-First century, Vol.2* (New Delhi: Foreign Service Institute, Konark Publishers, 1998), p. 235.

³ C. Raja Mohan, *Crossing the Rubicon: The Shaping of India’s New Foreign Policy*, (New Delhi: Viking, 2003), p. 170.

⁴ John W. Garver, *Protracted Contest: Sino Indian Rivalry in the 21st Century*, (New Delhi: Oxford University press, 2001), p. 29-31.

rejected this position and insisted that China's links with Sikkim should be at par with those between Sikkim and India. The fulcrum of the clash of Indian and Chinese interests in Sikkim is the strategically important Chumbi valley. The Chumbi valley, that connects Tibet with Sikkim thrusts south, towards the narrow Siliguri corridor and includes the best passage through the Himalayan region. The Chumbi valley is like a dagger into the Indian heartland at the lower reaches of the Himalayas. Sikkim is easily accessible through the Chumbi valley of Tibet. "The Chumbi valley, formerly a part of Sikkim, but now belonging to Tibet, forms a wedge which divides the northern portion of Sikkim from Bhutan, while Sikkim itself lies within the watershed of the river Teesta."⁵

After 1975, Sikkim became a dispute between India and China. China did not recognize Sikkim's unification with India; it saw this as an "outright expansionist" and "colonialist" move by the Indian government. The Chinese government vehemently condemned, and issued the statement that, "it absolutely does not recognize India's illegal annexation of Sikkim and firmly supports the people of Sikkim in their struggle for national independence and in defense of state sovereignty against Indian expansionism."⁶ Every action taken by the Indian Government to place Sikkim in mainstream Indian politics was criticized by the Chinese government as infringing rights of the people of Sikkim. For that reason,

⁵ J. Claude White, *Sikkim and Bhutan*, (New Delhi: Cosmo Publication, 1909), p.1.

⁶ Statement of the Government of the People's Republic of China dated April 29, 1975, *Peking Review* dated May 2, 1975.

the present study tries to find the various variables, which, helps to understand the issue, and the situation in which it was eventually resolved.

In the 21st century, both the countries are keen to resolve their disputes and tap the opportunities, which are offered by the open market system. There is a remarkable shift in their policies as both the nations have opened their respective markets to considerable extent. There are various important factors, which guide the national interest of both the countries (a) promotion of trade and commerce, (b) countering terrorism, (c) ensuring internal stability, (d) establishing a multi-polar world, (e) regional prosperity. For that reason, these two countries want to resolve their problems on the basis of, “equality, mutual understanding, mutual accommodation and mutual adjustment.”⁷ Both the countries adopted different set of principles in their foreign policy. As far as China is concerned, it adopted the principle of ‘Peaceful Rise’ and India also adopted the principle of ‘Extended Neighborhood’. Through using these principles in their respective foreign policies, both the countries are trying to improve their bilateral relations as well as engaging each other in the economic cooperation. So, the change realities of internal and external orientations of both the countries make them more desperate to resolve their impinging issues. Sikkim is the first chapter in their gradual-process of resolving their impinging dispute.

⁷ J.N.Dixit, “Understanding Each Other”, *The Hindustan Times* (New Delhi); 17th July 2003

THE SIKKIM: PLACE OF HEAVEN

The Sikkim is situated in the eastern Himalayas. The state of Sikkim is located between 88° 00' 58'' and 88° 55' 25'' longitudes east of Greenwich and 27° 04' and 28° 07' 48'' 46'' latitudes north of equator. It is bounded by Tibet in the north, Nepal in the west and Bhutan in the east.⁸ The Tibetan called it *Drend Zong* or the land of the rice, while it was known to Lepcha, the original inhabitants of the country as "Nye-ma-el" or "Heaven".⁹ H.H. Risely in the *Gazetteer of Sikkim* states, "(Sikkim) has been derived from the two Limbu words 'Su'- new and 'Khim'- a house or place."¹⁰ Some scholars, however, are of the opinion that the present nomenclature of the state has been derived from the Sanskrit word 'Sikhim'. The Sanskrit word Sikhim means "crested". The name 'Sikkim' is probably of Nepalese origin meaning 'new place'. Probably it refers to the new kingdom established by Phuntsong Namgyal in the mid seventeenth century.

Sikkim has an area of approximately 8,000 sq km, measuring 113 km north to south, and 64 km from the east to west with heights rising up to 28,000 ft. Sikkim contains so many passes. "The northern border contains so many important passes like Chorten Nyima La, Naku La, Kongra La, Chulung La, Bom Chho La and Sese La. These passes link Northern Sikkim with Tibet. The Khunggyami La, Gora La, Nathu La, Jelep La and Batan La link the eastern Sikkim with Chumbi

⁸ Sukhdev Singh Chib, *This Beautiful India: Sikkim*, (New Delhi: Light & Life Publishers, 1997), p. 28.

⁹ Kamal Kumar Das, and Swapan Kumar Banerjee, *The Lepchas of the Darjeeling District*. (Calcutta, 1962), p. 10.

¹⁰ Ibid.

Valley of Tibet.”¹¹ From the very beginning Nathu La and Jelep La have been of great strategic importance.

Map 1

Various passes of Sikkim



There are three different communities living in Sikkim and they speak different languages. Lepcha, Bhutia, and Nepali are the three-outstanding communities of Sikkim. The original inhabitants of Sikkim are Lepchas. They call themselves, the ‘Rong-Pa’, literally the “ravine folk”.¹² Most of the Lepchas have adopted Buddhism, although pre Buddhist Lepcha religion Bon has influenced Sikkimese Buddhism. They were believed to have come from the east, along the

¹¹ O. P. Singh, *Strategic Sikkim*, (New Delhi: B. R. Publishing, 1985), p. 9.

¹² V.H.Coelho, *Sikkim and Bhutan*, (New Delhi: Vikas Publication, 1970), p. 2.

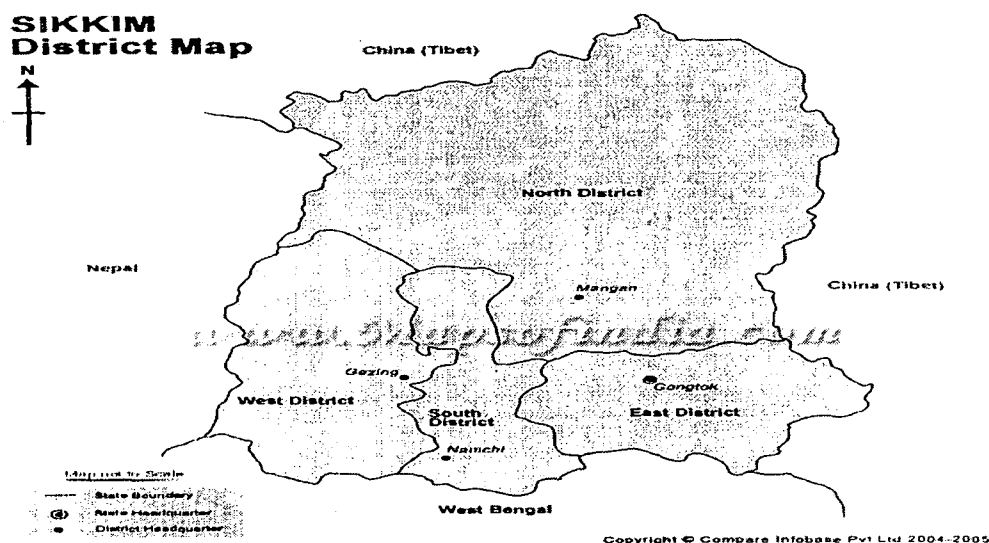
foothills, from the direction of Assam and Burma. The Bhutias are the next important ethnic groups of Sikkim. They settled in many parts of Sikkim, majority of them were traders and herdsmen by occupation. The religion of the Bhutias also is a form of Buddhism, specifically called Lamaism, and their language is derived from the Tibet. Bhutias, who came from the Kham tract of Tibet, are also known as Khampas.¹³ The third ethnic group of Sikkim is Nepalese. Some of the Nepalese reached and settled in Sikkim as a result of Gurkha invasions yet majority of them were settled in Sikkim by certain Sikkimese officials in collusion with the British authorities.¹⁴ They are mostly all Hindus by religion, with innumerable castes, the few exceptions being the tribes like Rais, Limboos, Sherpas and Gurungs.

¹³ Sukhdev Singh Chib, *This Beautiful India: Sikkim*, (New Delhi: Light & Life Publishers, 1997), p. 58.

¹⁴ Ibid.

Map 2

Location map of Sikkim



The modern history of the Sikkim begins in 1642 A.D., which witnessed the consecration of the then King Phuntsog Namgyal as the Chogyhal (Temporal and Religious King). “The history of Sikkim dates back to 1641 when a horde of Tibetans overran this area inhabited then by a small tribe of Lepchas.”¹⁵ The first phase of Sikkim’s history is linked to the “blood treaty” signed between the Bhutias and Lepchas, which promoted the multiple ethnic society with the invaders providing the ruling dynasty¹⁶. Until 1814, Sikkim did not attract the attention of the Britishers. For political and military reasons, the East India

¹⁵ B.S. Das, *The Sikkim Saga*. (New Delhi: Vikas, 1983) p. 5.

¹⁶ *Ibid.* p. 5.

Company moved towards Sikkim. According to P.R. Rao, the alliance with Sikkim provided three advantages to the East India Company:

- (a) To facilitate communication with China via Tibet,
- (b) Prevent Nepalese- Bhutanese intrigues against the Company,
- (c) Level an attack on the Gurkha Flank.”¹⁷

In February 1817, the then King of Sikkim, Chugphvi Namgyal, signed a treaty with the East India Company at Titalia. Through this treaty Sikkim became a British protectorate. By signing this treaty, Sikkim lost its right to full sovereignty. The Treaty of Titalia marked in the beginning of the end of Sikkim’s existence as an independent state.¹⁸ By this treaty the Chogyal agreed to submit all his territorial disputes to the British for mediation. In 1935 Tsudphud Namgyal gifted Darjeling to the British India. It was not only providing the possibilities of trade with Tibet but also an opportunity for the East India Company to have a close contact with the other Himalayan states. Slowly and gradually, the East India Company’s interest in Sikkim began to grow. They developed political and military relations with Sikkim on an account of the following factors:

- (a) Sikkim was easily accessible through Chumbi valley of Tibet.¹⁹
- (b) It would facilitate communication with China through Tibet.²⁰

¹⁷ P.R. Rao, *India and Sikkim (1814-1970)*. (New Delhi: Sterling, 1972), p. 1.

¹⁸ *Ibid.* p. 177.

¹⁹ *Ibid.* p. 177-180.

²⁰ *Ibid.* p. 1.

(c) They wanted to protect Indian territory by making Tibet a buffer zone between India and China.

(d) To get trade privileges on the Tibetan frontier.

Through the 1890 convention, (Convention between Great Britain and China relating to Sikkim and Tibet) the British got the recognition on the status of Sikkim as the protectorate of the government of British India. Through Lhasa Convention 1904, and Peking Convention 1906, “the government of British India got international recognition of its suzerainty over Sikkim.”²¹ During British rule, Sikkim was neither considered as part of British India, nor as an allied princely state or as a colonial territory. Relations between Sikkim and British India were handled, instead under a separate set of treaties. After getting Independence, India enjoyed a special relationship with Sikkim. Sardar Patel favored the outright annexation and incorporation of Sikkim into the Indian Union at the time of India’s independence. Eventually, annexation was rejected in favor of protectorate.²² Sardar Patel visualized threat from the Chinese and strategic importance of Sikkim to India. It was felt that the Treaty of 1950 adequately protected Indian interest. However, Chinese aggression in 1962 shattered Indian comforts regarding Sikkim. “India did not visualize then that the Himalayan buffer

²¹ Ibid. p. 182.

²² B.S. Das, *The Sikkim Saga*. (New Delhi: Vikas, 1983) p. 10.

was going to be as thin as a paper as proved by the events of 1962 when the Sino-Indian war broke out.”²³

In December 12, 1950, Government of India and Sikkim signed a treaty. Through this treaty Sikkim once again became an Indian protectorate and India assumed the responsibility for the defense and territorial integrity of Sikkim. Article II of the treaty says, “Sikkim shall continue to be a protectorate of India and subject to the provisions of this treaty shall enjoy autonomy in regard to its internal affairs.”²⁴ For its external relations Article IV of the treaty said that “the external relations of Sikkim, whether political economic or financial, shall be conducted and regulated solely by the Government of India; and the Government of Sikkim shall have no dealings with any foreign power.”²⁵

But China had an ambiguous approach towards the special relationship between India and Sikkim. In 1959, Chinese Premier Chou En-Lai in his letter to the Indian Prime Minister stated that the question of boundary between China and Sikkim “does not fall within the scope of the present discussions.”²⁶ However, Prime Minister Jawaharlal Nehru disagreed. He told the Lok Sabha on 12th of September 1959, “the question of the boundary between Sikkim and Tibet and Bhutan and Tibet does very much fall within the scope of our present and future

²³ Ibid. p. 70.

²⁴ “India-Sikkim Peace Treaty, December 5, 1950”, as cited in, P.R. Rao, *India and Sikkim (1814-1970)*. (New Delhi: Sterling, 1972), p. 201

²⁵ Ibid.

²⁶ India China Border Problem, External Publicity Division, Ministry of External Affairs, Government of India, New Delhi, 1962, p. 13.

discussions. If he (Chou En-Lai) thinks that he can deal with it as some thing apart from India. We are not agreeable to that. We have publicly, rightly, undertaken certain responsibilities for the defense of Sikkim and Bhutan if they are attacked. Therefore it is very necessary for us to understand the position there, because if something happens on their borders then it is the something as interference with the border of India.”²⁷ A number of factors deepened the dispute over Sikkim. They can be divided into external as well as internal.

External Factors: The external factors that soured the relationship between the two nations are on Sikkim are many. Some of which are listed below.

- (a) With the Chinese occupation of Tibet. China had destroyed a buffer state. In international politics when a buffer state is abolished by a powerful nation, that nation is considered to have aggressive designs on its neighbors.²⁸
- (b) China continuously showed its claims on the other Himalayan states on the ground that they had relationships of paying tributes to the Qing Dynasty in the past. Soon after the seizure of Tibet they suggested an intent to follow it up by occupation of Ladakh, Nepal, Sikkim and

²⁷ Lok Sabha debates: (Second Series), Vol. XXXIV, 1959, Eight Session, 1959, Columns 8122-23, Lok Sabha Secretariat, New Delhi.

²⁸ B.S.K. Grover, *Sikkim and India: Storm and Consolidation* (New Delhi: Jain Brothers, 1974), p. 147.

Bhutan. They also described them as the four teeth with which the Chinese will grind their ways to the southern sea.²⁹

(c) The Chinese invasion of 1962, which plummeted the bilateral relations of both the countries.

(d) The Chinese advocacy of a Himalayan federation in order to weaken Sikkim's ties with India played a pivotal role to change its position on Sikkim.³⁰

During that time, the strategic importance of Sikkim for India became very crucial because Sikkim provided the shortest route from Tibet to the Gangetic plains of India. The passes of Sikkim, Nathu La to Jelep La, open the direct route to the Siliguri corridor, which links up with the adjacent areas in India. China started showing some areas as disputed territories and further called them undefined boundaries. Sikkim has been playing a role of protector to safeguard the security of India.

Domestic Factors: There were also some domestic factors that forced India to change its stand on Sikkim and integrate it with India.

(a) The Chogyal and his American wife Hope Cooke*³¹ had built an anti Indian platform in Sikkim and abroad and continuously showed their

²⁹ Ibid. p. 146.

³⁰ Ibid. p. 156.

* Sarah Lawrence, nee Hope Cooke, a young American, who married with Prince Palden Thondup Namgyal of Sikkim in 1959. She had been building an anti Indian platform in Sikkim and abroad. She

desire to see Sikkim as a sovereign country. They not only raised the issue of Sikkim's claims on Darjeeling but also raised the demand of revision of the 1950 treaty, and claimed the status for Sikkim, similar to Bhutan.

(b) The strong agitation, which took place under the leadership of Kazi Lhendup Dorji against the ruler, for the democratization of the political system and demanded the merger of Sikkim with India. "At the time of the agitation, there were three political parties in Sikkim. The Sikkim National Congress led by Kazi Lhendup Dorji and the Janata congress, led by K. C. Pradhan, had joined hands to lead to the revolt against the Chogyal, forming a joint Action Committee. The national party, led by Netuk-Lama, was pro Chogyal but had its own reservations on the policies of the establishment."³²

(c) Ethnicity also played a very important role to merge Sikkim into the Indian Union. The Lepchas, Bhutias and the Nepalese wanted that, Sikkim should merge with India. The reasons were varied. Both the Bhutias and Lepchas were afraid of the ultimate dominance of the Nepalese. The Lepchas were afraid that if Sikkim remained separate entity, the Nepalese will take over the Government and they would

raised some issues such as Sikkim's claims over Darjeeling, which had been ceded in 1835 to the British. She set up a Youth Study Circle where discussions of a political nature were regularly held. (Source: B.S. Das, *The Sikkim Saga*. (New Delhi: Vikas, 1983)

³² B.S. Das, *The Sikkim Saga*. (New Delhi: Vikas, 1983), p. 22.

become second-class citizens. They had already experienced so under the Bhutia rule for centuries. Therefore, they wanted that Sikkim should be merged with India and centrally governed and Lepchas and Bhutias should be given the privileges of the Scheduled Tribes of India as was done in West Bengal.³³ The Nepalese had a different argument regarding the Sikkim's merger with India that, under the Indian constitution and the principle of "one man one vote" would provide the opportunity to rule over Sikkim.

From this point of time, India's opinion about Sikkim as protectorate state began to change. Shukla asserts, "Indian opinion began to shift toward the conclusion that Nehru's rejection of Patel's 1950 advice to incorporate Sikkim into India had been a blunder that might endanger India's security."³⁴ In September 1974, the Indian Parliament adopted a constitutional amendment making Sikkim an "associate state" of India. China vehemently condemned this move by the Indian government. The Chinese government did not recognize Sikkim's merger in India and adopted a hostile approach towards it. The Chinese government decided to support the anti Indian elements in Sikkim. But the Sikkim Assembly passed a resolution on April 10, 1975 demanding the removal of the Chogyal and its merger with India, which showed how the general public opinion accepted the

³³ B. S. Das, *The Sikkim Saga*. (New Delhi: Vikas, 1983), p. 29.

³⁴ Satyendra R. Shukla, *Sikkim: The Story of Integration*, (New Delhi: S.Chand, 1976), p. 206.

Sikkim's annexation with India.³⁵ On April 29, 1975, Sikkim was incorporated into the Republic of India as a full state. China adopted a negative approach towards this merger and maintained a policy of non-recognition regarding Sikkim being a part of India.

During this period, the Indian Prime Minister, Indira Gandhi, offered to restore full-fledged diplomatic relations with China, which was downgraded after the 1962 border war. The Chinese Government responded favorably to this proposal, and in 1976 full diplomatic relations were restored. When there was a change of government in India in 1977, the new Prime Minister Morarji Desai, kept his opinion that Sikkim's merger in India was an unjustified act on the part of India. This new position taken by the then Indian Prime Minister complicated the Sikkim issue further. "Morarji Desai's statement as Prime Minister that he was against Sikkim's merger reflects the guilt complex of some Indians on moral grounds. The issue was not moral."³⁶ In 1979, the then Indian Minister of External Affairs Atal Bihari Vajpayee visited Beijing, in an attempt to revive discussions on settling the border question. During the visit, China attacked Vietnam and declared that they were teaching Vietnam a lesson just as they had taught India a similar one in 1962.³⁷

³⁵ B. S. Das, *The Sikkim Saga*. (New Delhi: Vikas, 1983), p. 61.

³⁶ *Ibid.* p. 79.

³⁷ Sumit Ganguly, "India and China: Border Issues, Domestic Integration, and International Security", in Francine R Frankel and Harry Harding, ed., *The India-China Relationship: What the United States Needs to Know*, (New York: Columbia University Press, 2004), p.121.

In 1981, China reinitiated the dialogue process with India under the supervision of Deng Xiaoping. The border talks started in 1981 and a new mechanism of Joint Working Groups was set up in 1988. The first four rounds focused primarily on the development of basic negotiating principles and the latter four dealt with the situation on the ground.³⁸ During the Indian Prime Minister, Rajiv Gandhi's visit in 1988, both the countries agreed that the settlement of the border dispute was not the basic requisite for improving bilateral relations. They also agreed to create a high level Joint Working Group (JWGs) at the level of foreign secretaries. Indian Prime Minister Rajiv Gandhi's visit to China in December 1988, initiated a process of rapprochement between the nations from a very different perspective, searching new avenues for strengthening relations and as well as maintaining and creating new mechanisms for dispute settlement.

The subsequent visits made by the leaders of both the countries, went along the path laid out by Rajiv Gandhi. During the visit of Prime Minister P.V. Narasimha Rao to China, in 1993, both the countries signed an "Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control in the India-China Border Areas". In 1996, both the countries signed an "Agreement on Confidence Building Measures in the Military Field along the Line of Actual Control in the India-China Border Area". These two important agreements provided a base for reduction of military tension and the creation of a conducive

³⁸ Ibid. p. 121.

atmosphere for resolving the lingering disputes and, side by side, develops a healthy economic relationship.

BORDER DISPUTE

The boundary issue has been the bone of contention between the two countries and has bedeviled their mutual relations for several decades. The Joint Declaration which was signed during the Prime Minister Atal Bihari Vajpayee visit in June 2003, says, “ The two sides reiterated their readiness to seek a fair, reasonable and mutually acceptable solution through consultation or an equal footing. The two sides agreed that pending an ultimate solution, they should work together to maintain peace and tranquility in the border areas, and reiterated their commitment to continue implementation of the agreements signed for this purpose, including the clarification of the Line of Actual Control. The two sides agreed to each appoint a Special Representative to explore, from political perspective of the overall bilateral relationship the framework of a boundary settlement.”³⁹

This declaration led to the appointment of Special Representatives by both sides to explore from the political perspective of the bilateral relations. Both the countries appointed their nominees, from the Indian side the then National Security Advisor Brijesh Mishra and the Vice-Minister Dai Bingguo from the

³⁹ Declaration on Principles for Relations and Comprehensive Cooperation Between the Republic of India and People’s Republic of China. 23.06.2005 See at [http:// www.meaindia.nic.in](http://www.meaindia.nic.in)

Chinese side. The adoption of a political approach provided scope for flexibility and adjustments as well as for accommodating the real interests of both the countries. For that reason, in April 2005, both the countries signed the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question. Article I of the agreement says, “The differences on the boundary question should not be allowed to affect the overall development of bilateral relations. The two sides will resolve the boundary question through peaceful and friendly consultations. Neither side shall use or threaten to use force against the other by any means. The final solution of the boundary question will significantly promote good neighbourly and friendly relations between India and China.”⁴⁰

In June 2003, both the countries signed the Memorandum on Expanding Border Trade. Article I and Article II of the agreement clearly signaled that in an implicit way, China is recognizing Sikkim as an integral part of India and in the *2003 – 2004 World Affairs Year Book* published by the World Affairs Press under the Chinese Foreign Ministry stopped showing Sikkim to be an independent country, which indirectly portrayed Sikkim to be a part of India. The Chief Minister of Sikkim Pawan Kumar Chamling said that, ‘China’s negative approach over Sikkim is long over. The international acceptance of Sikkim's merger with

⁴⁰ Agreement between India and China on the Political Parameters and Guiding Principles for the Settlement of the India-China boundary question. See at [http:// www.meaindia.nic.in](http://www.meaindia.nic.in)

India in 1975 is complete.”⁴¹ However, the process of explicit recognition to Sikkim had to wait until Wen Jiabo’s visit to Delhi in April 2005, when he presented the new revised map to Prime Minister of India, this map shows Sikkim as an integral part of India. In this manner, Sikkim, which until the late eighties remained as a cause of disagreement for both the nations, has ceased to be one.

NEW ERA OF COOPERATION

In the age of open market system, bilateral trade and economic cooperation has become principal mechanisms for strengthening bilateral relations. Economic interest is becoming an important motivator to strengthen political relations with nations. From times immemorial, trade has taken place between India and China through various passes of the Himalayan Mountains. When the Britishers came in India, they signed various treaties with Sikkim to ease cross-border trade with Tibet and China. Various conventions such as “The Sikkim Convention of 1890”, “The Lhasa Convention of 1904”, and “The Peking Convention of 1906”, were ratified which highlighted cross border trade between Sikkim, Tibet and China.

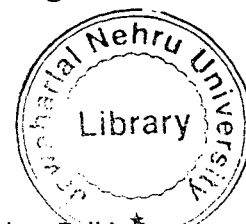
After getting independence, both the countries signed an agreement on Trade and Intercourse between the Tibet Region of China and India in 1954 (the agreement was valid for eight years and lapsed in 1962). It was signed between the two countries on April 29, 1954. The preamble of the agreement was very

⁴¹ Vinay Kumar, “Sikkim hopes for reopening of Nathu La trade route”, *The Hindu* (New Delhi), 18th August 2004

important, as it laid down the five principles, namely, recognition of the sovereignty and territorial integrity of each country, mutual non-aggression, mutual non- interference in each other's internal affairs, equality and peaceful co-existence, which were to govern the mutual relations and approach of the two countries. The agreement dealt with the opening of Trade Agencies by both the countries, the definition of trade marts, routes and passes of entry and facilities to be extended to pilgrim, customary traders and border inhabitants of India and Tibet, but it was supplemented by an Indian note which declared that the Government of India would withdraw, within six months, the military escorts of Trade Agents stationed at Yatung and Gyantse, hand over to the Government of China the Postal, Telegraph and public Telephone services and all the rest houses built between Gyantse and the Sikkim border.⁴²

By this agreement, then Prime Minister of India, Jawaharlal Nehru declared, "we ensure peace to a very large extent in a certain area of Asia could be spread over to the rest of Asia and indeed over the rest of the world".⁴³ However, under the terms of this agreement, India had recognised China's sovereignty over Tibet, "by the terms of this treaty, India gave up all the special privileges in Tibet

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⁴² G. S. Bajpai, *China's Shadows Over Sikkim: The Politics of Intimidation* (New Delhi: Lancer Publishers, 1999), p. 126.

⁴³ India's Foreign Policy (Delhi, 1961). Speech of the Prime Minister of India in the Lok Sabha on May 30, 1954, as cited in G. S. Bajpai, *China's Shadows Over Sikkim: The Politics of Intimidation* (New Delhi: Lancer Publishers, 1999), p. 126.

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it had inherited from the British which in effect signified india's acquiescence to China's conquest of Tibet."⁴⁴

However, due to the frictions that were created later between India and China, trade between the nations ceased altogether. The avenues that could have been cultivated in regard to Sikkim remained untapped. After reinitiating the talks between India and China in 1981, once again both the countries signed a protocol between the Tibet region of China and India in 1988. Trade routes between India and China immediately started taking shape. With regard to their border trade, Garbyang was the first border pass to be opened in Uttar Pradesh in 1991 followed by Lipulekh in 1992 and later Shipki La in Himachal Pradesh in 1994.

In June 2003, India and China signed a Memorandum on Expanding Border Trade. The new memorandum specified the desire to open another pass (Nathu-La Pass) for border trade to be conducted at other points, Changgu in Sikkim and Renqinggang in Tibet. (The Nathu La Pass closed in early 60s). Article I of the agreement asserts that, "The Indian side agrees to designate Changgu of Sikkim State as the venue for border trade market; the Chinese side agrees to designate Renqinggang of the Tibet Autonomous Region as the venue for border trade market."⁴⁵ Article II of the agreement further stated that, "The two sides agree to use Nathu La as the pass for entry and exit of persons, means of transportation and

⁴⁴ Warren W. Smith, Jr., *Tibetan Nation: A History of Tibetan Nationalism and Sino-Tibetan Relations* (Colombia: Westview Press, 1996), p. 376.

⁴⁵ Memorandum between the Government of the Republic of India and the Government of the People's Republic of China on Expanding Border Trade. 23.06.2003 see at [http// www.meaindia.nic.in](http://www.meaindia.nic.in)

commodities engaged in border trade. Each side shall establish checkpoints at appropriate locations to monitor and manage their entry and exit through the Nathu La Pass,⁴⁶ This is to be considered to be the shortest and physical easiest trade route to Lhasa from any of the adjoining Himalayan trading points in South Asia. The Tibetan town of Yatung is hardly 52 km from Nathu La. The route connects Phari, Guru, Gyantse, Karos, Chusiu and Lhasa on the Chinese side of the trading points. It clearly shows that, both the countries are willing to resolve their political problems through economic cooperation specially border trade.

The Chief Minister of Sikkim Pawan Kumar Chamling, said that when his Government has been demanding resumption of Sikkim-Tibet trade along the historic 'Silk Route' ever since the Sikkim Democratic Front, of which he is the president, came in power in 1994. The decision to open trade link at Sikkim-Tibet border taken during the then Prime Minister Atal Bihari Vajpayee' visit confirmed the presence of mutual pragmatism between India and China. The resumption of trade on the historic silk route through the Sikkim-Tibet border will open the path-a-ways through which India as well as China would have direct access to their territories (the current agreement on Nathu La refers to limited trade which includes only border trade and not transit trade).

For transforming border trade into transit trade, it is required to set up physical infrastructure and road links with access ports in India having direct road

⁴⁶ Ibid.

links from Nathu La. A high level committee has been formed to find, what kind of infrastructural development needs to be setup in Sikkim for maximum utilization of the trade through Nathu La. The markets in North East as well as in Eastern India will provide a huge opportunity to the Chinese traders and the Indian traders will also get access to the markets in Western China. The landlocked Sikkim will become a key part of the reopening of the traditional silk trade route from Tibet to the Bay of Bengal.

The decision to reopen the trade through Nathu La, the Chief Minister of Sikkim Pawan Kumar Chamling said, “It will not only lead to improved relations between India and China but also enormously boost the developmental activity in Sikkim”⁴⁷. However, the border trade through Nathu La is yet to start. Due to military and security mindset at the official levels, which is based upon the past history of confrontation and Chinese assistance to insurgents group in the Northeastern region of India, there appears to be some hesitation to initiate border trade through Nathu La. “A section of Indian Army remains strongly opposed to the opening of the border on strategic grounds. This section of the army has expressed its concern over the construction of road, rail and airheads in the Tibet Autonomous region. It fears that the ongoing 1,118-km railway project to link Gormo in China’s Quinghai province with Lhasa in Tibet will enhance the induction and sustenance capability of Chinese troops in Tibet. This railway line,

⁴⁷ *The Hindu* (New Delhi), 28th June 2003

which costs a whopping \$27.2 billion, will connect Lhasa with four major Chinese centers. This highly reliable and versatile network of defence feeder railway lines from mainland China up to the international border with India has put India's defence establishment on high alert. Two former Prime Ministers, P. V. Narasimha Rao and Deve Gowda, had rejected proposals to open the trade route."⁴⁸

From this point of time, a new phase in India-China relations has started, and economic become the instrumental in their relationship, "Economics is finally being given an opportunity to get driver's seat of the engagement between the two Asian giants."⁴⁹ Trade through Nathu La Pass is a path breaking agreement, as in itself it is a significant mechanism of confidence building. This new opening will bring forth major economic interaction between the regions. It will become the avenue through which people of both the nations will be able to interact with each other having governmental recognition. Trade through Nathu La pass will provide various benefits to both the countries, these benefits are following –

- (a) It provides an opportunity for both the countries to resolve their political problems through economic engagement.
- (b) It will increase people to people contact between both the countries.

⁴⁸ Naunudhi Kaur, "A Route of Hope," *Frontline* (Chennai) vol. 20, no. 16 (August 2005), p.52.

⁴⁹ C. Raja Mohan, "Now Economics will drive Sino-Indian ties", *The Hindu* (New Delhi), 19th June 2003

- (c) It will help to both the countries to develop economic zone in their respective areas such as northeastern region of India and southwestern region of China.
- (d) It will promote tourism, which can be useful for economically as well as religiously.
- (e) Cultural and religious relations will become stronger.

So, we see that the journey of the state of Sikkim to be a part of Indian Union now turns into the gateway of prosperity, peace between India and China. Economic cooperation between New Delhi and Beijing will but also provide an opportunity to improve the overall bilateral relations. Sikkim might turn out to be a first chapter in border resolutions between India and China.

CHAPTER 2

RESOLUTION OF THE CONFLICT

The boundary dispute has been at the heat of India-China tensions for more than five decades. The dispute arose due to several misperceptions and has been reinforced by the territorial focus of both the nations. Both the countries have different point of view regarding their boundaries, the Chinese view is that Sino-Indian boundary has never been concluded between India and China. India's view is different from that of China, that the boundary has been determined by geographic principles, by tradition and by custom, which has been in existence since many decades. However, in recent period both the countries have intensified their effort to the Sikkim has been one important element of the unresolved territorial questions in Sino-Indian relations.

The boundary between Tibet and Sikkim was the only section of India-China boundary, which was uncontested. The political discomfort that existed in the relations between the two nations further complicated the Sikkim question. China's non-recognition of Sikkim as part of India gave rise to multiple questions: why did China adopt this policy? What was the motive behind this policy? Was China successful in attaining her interests? In what way was this misunderstanding resolved? The boundary between Sikkim and Tibet was clearly defined in the Anglo-Chinese Convention of 1890, which was signed at Calcutta. Its preamble

that the objective was to “clearly define and permanently settle certain matters connected with the boundary between Sikkim and Tibet.”¹ Article 1 of the Convention defined the boundary between Sikkim and Tibet. It stated, “The boundary between Sikkim and Tibet shall be the crest of the mountain range separating the waters flowing into Sikkim Teesta and its affluent from the waters flowing into the Tibetan Mochu and northwards into the other rivers of Tibet. The line commences at Mount Gimpmochi on the Bhutan frontier and follows the above mentioned water parting to the point where it meets Nepal territory”.² Article II of the convention asserts that, “it is admitted that the British Government, whose protectorate over the Sikkim state is hereby recognized, has direct and exclusive control over the internal administration and foreign relations of that state, and except through and with the permission of the British Government, neither the ruler of the state nor any of its officers shall have official relations of any kind, formal or informal with any other country”.³

The Lhasa Convention of 1904, signed between Britain and Tibet, once again affirmed the boundary between Sikkim and Tibet. Article 1 of the convention asserts that, “the Government of Tibet engages to respect the Anglo Chinese Convention of 1890 and to recognize the frontier between Sikkim and Tibet, as defined in article 1 of the said convention, and to erect boundary pillars

¹ “Convention between Great Britain And China relating to Sikkim and Tibet— 1890”, as cited in, P.R. Rao, *India and Sikkim (1814-1970)*, (New Delhi: Sterling, 1972), p. 196.

² Ibid.

³ Ibid.

accordingly".⁴ In 1906, Great Britain and China signed another convention; this convention confirmed the earlier convention of 1890 and 1904.

When the Communist Government came into power in China, it had asserted its claim to the Himalayan region, especially Sikkim on their alleged tributary relationship with the Ching dynasty. China had always claimed its rights for Nepal, Bhutan, and Sikkim on the grounds of traditional, ethnic, cultural and religious affinities between the populations of these lands and China's Tibetan region. The chief aim of Beijing's diplomatic manipulations in this region seemed to detach these territories from India and integrate them into the Chinese orbit by any means short of war, if possible.⁵

However, there is no evidence of any treaties or agreements binding the relationship between China and Sikkim. The Chinese claims to be the suzerain of Sikkim has been more of a vague claim, which has been advanced from time to time.⁶ Sikkim became the 22nd state of the Indian Union: an action that was taken with the consent of the people of Sikkim in 1975. The logic behind the Chinese occupation of Tibet and the quest for dominance over the frontier state of Sikkim had a resemblance. Soon after the occupation of Tibet, China gave clear indication of its intention to follow it up by the occupation of Laddakh, Nepal, Sikkim and

⁴ "Convention between Great Britain and Tibet— 1904" as cited in, P.R. Rao, *India and Sikkim (1814-1970)*, (New Delhi: Sterling, 1972), p. 201.

⁵ Ginsburg, "Communist China and Tibet", as cited by B. N. Mullick, *My Years With Nehru: The Chinese Betrayal* (Bombay: Allied Publishers, 1971), p. 617.

⁶ B. S. K. Grover, *Sikkim and India: Storm and Consolidation*, (Jain Brothers, New Delhi: 1974), p. 143.

Bhutan. They were described as “the four teeth with which the Chinese will grind their way to the southern seas”.⁷ According to Chinese communist propaganda, Tibet is China’s palm; Nepal, Sikkim, and Bhutan, Laddakh and North East Frontier Agency (NEFA) of Assam (the present Arunachal Pradesh) are the five fingers. Now that the palm has been restored to China, the fingers should go with it.⁸

When Sikkim was unified with the Indian territory, the Chinese reacted sharply. Beijing saw it as a part of India’s hegemonic intentions in South Asia and refused to accept the integration. India saw this response as China’s attempt to interfere in the internal politics of India. The Chinese government issued the statement that; “it absolutely does not recognize India’s illegal annexation of Sikkim and firmly supports the people of Sikkim in their struggle for national independence and in defense of state sovereignty against expansionism”.⁹ It is important to assess the Chinese reaction towards this merger. China used the word annexation, which means that a country annexes another country or an area of land by force. India did not annex Sikkim but Sikkim and its people joined the Indian Union after demanding such a merger by a plebiscite. It means Sikkim was integrated, not annexed. The Chinese criticism remained in the political realm and

⁷ Ibid, p.146.

⁸ George Peterson, “The five fingers of China: Himalayan states are focus of Chinese ambitions”, forum service, (London), November 9, 1963, p.1. as cited in B. S. K. Grover, *Sikkim and India: Storm and Consolidation*, (New Delhi: Jain Brothers, 1974), p. 146.

⁹ Statement of the Government of the People’s Republic of China dated April 29, 1975, *Peking Review* dated May 2, 1975.

was rooted in its refusal to recognise the special relationship between India and Sikkim. “Sikkim’s strategic location pushes it into having a major dynamic role in the bilateral relations between the two great powers of Asia – India and China.”¹⁰ With the accession of Sikkim to India as its twenty-second state, its strategic role has not decreased at all. Ginsburg in his study on *Communist China and Tibet* has said that even in terms of geopolitics, it can be held that, “he who holds Tibet dominates the Himalayan piedmont, he who dominates the Himalayan piedmont, threatens the Indian subcontinent; and one who threatens the Indian subcontinent may well have all of South East Asia within his reach and, with it, all of Asia.”¹¹

Despite deep differences over Tibet and Sikkim, both the countries were keen to normalise their relations, which had been disrupted after the 1962 Sino-India border war. When, the then Indian Prime Minister Indira Gandhi offered to reestablish their bilateral relations, the Chinese responded positively, and reestablished diplomatic relations in 1976. The Janata coalition government that came to power in New Delhi after Indira Gandhi’s governance gave a new dimension to Indian foreign policy and adopted a policy of “genuine nonalignment” and showed their desire to improve relations with all of India’s neighbors.

¹⁰ P. P. Karan and W. M. Jenkins, Jr., *The Himalayan Kingdom: Bhutan, Sikkim and Nepal*, p. 57. as cited in Nirmalananda Sengupta, *State Government and Politics: Sikkim*, (New Delhi: Sterling Publishers, 1985), p. 47.

¹¹ Ginsburg, “Communist China and Tibet”, as cited in. B. N. Mullick, *My Years With Nehru: The Chinese Betrayal*, (Bombay: Allied Publishers, 1971), p.615.

From a legal perspective, the Chinese did not have any basis to challenge Sikkim's merger with India. According to the Vienna Convention on Succession of States in Respect of Treaties 1978, the international treaties bound successor states, like India and China, which was ratified by their earlier governments. Article 11 of the convention enumerates that succession of States does not affect:

- (a) "Obligations relating to the use of any territory, or to restrictions upon its use, established by a treaty for the benefit of any territory of a foreign State and considered as attaching to the territories in question;
- (b) Rights established by a treaty for the benefit of any territory and relating to the use, or to restrictions upon the use, of any territory of a foreign State and considered as attaching to the territories in question".¹²

As far as Sikkim was concerned, it was not an issue as the border dispute between India and China. Since 1975, the state government of Sikkim has been functioning under the auspices of the Indian constitution and people of the state enjoy their natural and constitutional rights. Every part of Sikkim has been administered and protected by the Indian administration and security forces since 1975. "With the merger of Sikkim, ended the arduous journey of that little Himalayan Kingdom through the most turbulent century, ending the labyrinth of

¹² Vienna Convention on Succession of States in respect of Treaties 1978 see at <http://www.un.org/law/ilc/texts>

intricate and endless manipulations and negotiations.”¹³ India always considers Tibet as apart of China. However, China did not recognize Sikkim as an integral part of India till 2003. Various reasons can be cited that might have forced China to maintain such a policy towards Sikkim:

- (a) China did not want to change its perception about her cultural similarity and historical links with Sikkim.
- (b) By adopting this policy, it was easier for China to encourage internal developments in Sikkim that could be destabilizes the region. However, China was not succeeded.
- (c) China’s recognition of Sikkim was kept on hold as a trump card to counter the Indian demand that China should vacate forcibly occupied territory in India by China.
- (d) China wants to use Sikkim as a bargaining chip to deal with India.

However, in 1979, the then Indian Foreign Minister Atal Bihari Vajpayee visited Beijing. It was an attempt to melt the ice in their relationships, especially in reference to the lingering border disputes. During the visit, the Chinese attacked Vietnam and declared that they were teaching Vietnam a lesson just as they had taught India in 1962 war. This kind of political bickering, enhanced the feeling of bitterness between the nations, subduing the initiatives taken by the then Foreign Minister Atal Bihari Vajpayee, who had to cut short his visit in protest.

¹³ G.S. Bajpai, *China's Shadows Over Sikkim: The Politics of Intimidation* (New Delhi: Lancers Publishers 1999), p. 212.

However, the Chinese leadership showed their desire to reestablish the bilateral relationships. Deng Xiaoping took the first step and put forward his famous thesis to resolve the border dispute, “The Package Deal”. He suggested that the “Package Deal” could resolve the border dispute between the two Asian nations, referring India as an “elder brother”. Referring to the Chinese position on Sikkim, Premier Deng said that while China “thoroughly disapproved of the annexation, we would not make it an issue in our bilateral relations”.¹⁴ Deng was then engineering a fundamental reorientation of China’s foreign relations premised on the notion that the country’s international conflicts should be reduced to create a more propitious environment for economic development.¹⁵

The initiative was taken in 1981, with the commencement of border talks between these two countries (which was instigated during foreign minister, Huang Hua’s pioneering visit to New Delhi in 1981). In the first round of border talks, China offered the “Package Deal” as a solution to the border problem; India straightway rejected the deal and stressed “sector-wise examination” of the dispute, as against the Chinese proposal. China thereafter suggested that bypassing the border dispute, cooperation and progress could be made in the fields of Science and Technology, trade, socio-cultural exchanges etc. India accepted this suggestion on the condition that while proceeding towards cooperation, at the

¹⁴ *The Indian Express* (New Delhi), 9th April 1981

¹⁵ John. W. Garver, *Protracted Contest: Sino Indian Rivalry in the 21st Century*, (New Delhi: Oxford University press, 2001), p.102.

same time, an attempt should also be made for settling the border problem.¹⁶ Reporting on the outcome of these talks, the Indian Foreign Minister said, 'the two sides have had a fairly detailed exchange of views, and although fairly wide difference persist, we hope that they could result in a better understanding of each other's positions'.¹⁷ The third round of border talks was held in 1983 at Beijing, where both the sides only reiterated their position on the border issue. During the talks, India proposed the Colombo proposal to counter the Chinese five principles, which they suggested in the second round of talks. China reiterated once again its position over the issue of Sikkim's annexation. India strongly protested against such an attitude of the Chinese, which was rejected by the Chinese leadership in October 1983, saying that all knows China's position on the issue of Sikkim.¹⁸

However, no progress was made towards any settlement of the lingering misunderstandings. Despite various rounds of talks held by two countries between 1981 and 1988, no major breakthrough was achieved. Nevertheless, these talks encouraged these two countries to continue the border talks. The first four rounds focused primarily on the development of basic negotiating principles and the latter four dealt with the ground situation.

¹⁶ Sumit Ganguly, "The Sino-Indian Border Talks 1981-89", *Asian Survey*, (California) vol. 29, no. 12, Dec-1989 p 1123-35.

¹⁷ *The Hindustan Times* (New Delhi), 18th December 1981

¹⁸ *The Times of India* (New Delhi), 21 October 1983

RAJIV GANDHI'S VISIT: NEW THAW

In 1988, the then Indian Prime Minister Rajiv Gandhi initiated the policy of rapprochement towards Beijing. India-China relations, entered in a new phase with this path-breaking visit. He was the first Indian Prime Minister to visit China after a gap of 34 years. He emphasized the promotion of 'peaceful and friendly' ties between India and China on the basis of the doctrine of peaceful co-existence. He stated, "India and China being the initiators of the five principle of peaceful coexistence can bring about sound development in Sino-Indian bilateral relations on the basis of these principles".¹⁹ The 1988 visit to Beijing by Prime Minister Rajiv Gandhi that can be surely described as the first breakthrough initiative, which greatly facilitated a U-turn in Sino-Indian relations.²⁰

In their Joint Communiqué at the end of this visit, the Indian leadership, for the first time, dropped their earlier policy stance of asking for the settlement of the border. They also agreed to create a high level Joint Working Group (JWGs). This visit initiated a process of rapprochement between these two nations from various perspectives, searching new avenues for strengthening relations and as well as maintaining and creating new mechanisms for dispute settlement. The Chinese Government also had persistently refused to discuss with the Government

¹⁹ *The Times of India* (New Delhi), 20 December 1988

²⁰ Giri Deshingkar, "Gains from the China visit", *Indian Express* (New Delhi), 9th January, 1989

of India all matters concerning the Sikkim-Tibet border on the plea that they were beyond the scope of the India-China border dispute.

The subsequent visits made by the leaders of both the countries, went on along the path laid out by Rajiv Gandhi. During the visit of Prime Minister P.V. Narishma Rao to China, in 1993, both the countries signed an “Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control in the India-China Border Areas”. This agreement highlights the sincerity of both the countries. It reiterated its faith in Panchsheel and asserted that these Five Principles of Peaceful Coexistence should be revived to form the basis of interstate relations.²¹ Both the countries showed their keen interest in maintaining peace and tranquility along the Line of Actual Control. According to this agreement, both sides would reduce their troops from the Line of Actual control. Neither side will use force or threaten the use of force against each other. An expert group was also set-up to assist the Joint Working Group for the proper implementation of this agreement. The third meeting of the Expert Group was very fruitful. The two sides agreed that additional designated points for meetings between the border personnel of the two countries would be established at “Nathu

²¹ Swaran Singh, “India-China Relations Coming to a Full Circle”, in N. K. Jha, ed., *India's Foreign Policy in Changing World*. (New Delhi: South Asian Publishers, 2000), p.136.

La Pass” in the Sikkim Sector and a point to be agreed in the middle sector of the India-China border areas.²²

During the Chinese Vice Premier and Foreign Minister Qian Qichen’s visit to India in 1994, he said “Sikkim’s accession to India has not been discussed since this country objected to it in 1970s. I hope this issue will be resolved. I am not saying that we are sticking to our (1970s) position, but there has been no specific change”.²³ This statement showed the ambivalent stand that China maintained on Sikkim. But it also appeared to open the door for a negotiation on Sikkim. There is no doubt that the Chinese used different methods to deal with India. From time to time, China portrayed Sikkim as a separate country through its publications such as, *An Outline of Chinese Geography* (1978 ed.), *China – A General Survey* (1979 ed.), *The Atlas* (1978 ed.), *China Yearbook* (1980), *Map of the People’s Republic of China* (1985), *The Historical Atlas of China* (1988), *Map of the People’s Republic of China* (1989)²⁴ etc. It shows that, the Chinese policy of non-recognition of Sikkim’s merger with India was more of a political disagreement than a military or boundary dispute.

During the Chinese President Jiang Zemin’s visit to India in 1996, both the countries signed an “Agreement on Confidence Building Measures in the Military

²² Ministry of External Affairs “*Press Release*” (External Publicity Division, Government of India) 4th, March 1993.

²³ *The Observer* (New Delhi), 19th July 1994

²⁴ G.S. Bajpai, *China’s Shadows Over Sikkim: The Politics of Intimidation* (New Delhi: Lancers Publishers 1999), p. 215.

Field along the Line of Actual Control in the India-China Border Area". This treaty sought to fulfill the agenda of the 1993 agreement and to further extend their existing CBMs to more specific and sensitive in the military field.²⁵ These two important agreements provided a base for the creation of a conducive atmosphere that would try to resolve the lingering disputes and, side by side, develop a healthy economic relationship. During Jiang Zemin's visit, India's Foreign Minister said that India told Jiang that Sikkim is an integral part of India and that India would expect an "early Chinese recognition of this reality".²⁶ Throughout the 1990s, Beijing sent diplomatic signals that it was prepared to recognize the Sikkim as a part of India. It gave signal to grant an indirect recognition in a border trade agreement between China's Tibet and India's Sikkim. When the Indian Foreign Minister Jaswant Singh met the Chinese leaders at the end of March 2002, the two sides agreed to discuss Sikkim through a formal mechanism.²⁷ Talks under this framework provided the basis for the breakthrough in 2003.

²⁵ Agreement between the Government of the Republic of India and the Government of the People's Republic of China on Confidence Building Measures in the Military Field along the Line of Actual Control in the India-China Border Areas. Signed on November 29, 1996.

²⁶ China report 33, no.2 (April-June 1997): p.238-239.

²⁷ C. Raja Mohan, *Crossing the Rubicon: the Shaping of India's New Foreign Policy*, (New Delhi: Viking, 2003), p. 168.

VAJPAVEE'S VISIT: RESOLUTION OF THE CONFLICT

The change realities of international politics and requirement of internal development turns both the countries to resolve their lingering issue. With the passage of time, both the nations have adapted "cooperation" instead of "confrontation" to be their primary objective. Within the changing realities of international politics, these two countries found themselves locked into, what Barry Buzan has called, the "security complex", and in which, they must reduce their rivalry and seek cooperation.²⁸ So, it seemed in the early years of the new century that both India and China are "learning" to deal with their long-standing problems, while building upon those positive features, which characterize their relationship.²⁹

In June 2003, Indian Prime Minister Atal Bihari Vajpayee's visit to China was one more path-breaking initiative by an Indian leader after the visit of Rajiv Gandhi. During this visit, ten agreements and a Declaration on Principles for Relations and Comprehensive Cooperation between India and China were signed. A Memorandum of Understanding on Expanding Border Trade was also signed. This agreement put forth, the issue of Sikkim's recognition and for the first time, China tacitly accepted Sikkim as an integral part of India. Article I of the agreement asserts that, "The Indian side agrees to designate Changgu of Sikkim

²⁸ Barry Buzan, *People, States, and Fear: The national Security Problem in International Relations*, (New Delhi: Transasia Publishers, 1987)

²⁹ C. V. Ranganthan, "The Visit of A. B. Vajpayee: A Timely Agenda for Greater Cooperation", *Contemporary India*, (New Delhi) Vol. 2, No. 4 (October-December 2003), p. 53.

State as the venue for border trade market; the Chinese side agrees to designate Renqinggang of the Tibet Autonomous Region as the venue for border trade market”.³⁰ Article II of the agreement further stated that, “The two sides agree to use Nathu La as the pass for entry and exit of persons, means of transportation and commodities engaged in border trade. Each side shall establish checkpoints at appropriate locations to monitor and manage their entry and exit through the Nathu La Pass”.³¹

This memorandum presented as a major breakthrough having significant political weightage because it boiled down to the Chinese recognition of Sikkim as an integral part of India. It was reflected in the reference to the Sikkim state in the border trade agreement. But confusion reigned at Beijing even after the border trade agreement was signed. Even as the Prime Minister was in Beijing, Chinese Foreign Ministry spokesperson Kong Quan said that, Sikkim is a question left over from history, and is an enduring one. The question cannot be solved overnight. We hope this question can be resolved gradually.³² This statement of the Chinese foreign ministry spokesperson showed continuing ambiguity regarding Sikkim.

But the Indian leadership was confident that China was moving towards full-recognition of Sikkim as integral part of India. The Chinese Government appears to have informed the Indian government that its maps eventually show

³⁰ Memorandum between the Government of the Republic of India and the Government of the People's Republic of China on Expanding Border Trade. 23.06.2003 see at <http://www.meaindia.nic.in>

³¹ Ibid.

³² *The Hindu* (New Delhi), 25th June 2003

Sikkim as part of India. The Indian Prime Minister Atal Bihari Vajpayee said in the Indian Parliament that, “with this we have also started the process by which Sikkim will cease to be an issue in India-China relations.”³³ This memorandum provides a *de facto* recognition, not *de jure* recognition over Sikkim. A press release from the Sikkim government said, “China’s decision to recognize Sikkim implicitly as a part of India will not only remove a long standing irritant in bilateral relations but also dramatically raise the level of comfort in New Delhi about intensified relations with Beijing.”³⁴

Some observers have viewed that India gave away too much in the 2003 agreement on border trade in Sikkim. India explicitly recognized TAR as part of the territory of the People’s Republic of China, without gaining a similar acknowledgment on Sikkim. Brahma Chellaney wrote that, “Bartering concrete concessions for fond hopes Vajpayee gave away the trade card on Sikkim India’s only bargaining power – and put India’s imprimatur on China’s annexation of TAR the Chinese name for central Tibetan plateau since 1965.”³⁵ Some scholars have viewed that there is no need for Chinese approval of Sikkim’s accession. The Chinese are more patient to engage with the different states in the international politics, “the Chinese approach to recognizing Sikkim as a integral part of India, is entirely consistent with a classic Chinese negotiating technique, which Kissinger

33 Suo Moto Statement by the Indian Prime Minister in Lok Sabha on his visits to Germany, St. Petersburg, Evian and China. 23.07.2003 see at [http:// www.meaindia.nic.in](http://www.meaindia.nic.in)

34 *The Hindu* (New Delhi), 18th July 2003.

35 Brahma Chellaney, “Bowling Low”, *The Hindustan Times* (New Delhi), 2nd July 2003

characterized as cutting the salami as thinly as possible, while holding the end piece in reserve until the contours of the final package are evident.”³⁶

However, This understanding between India and China was significant as China for the first time tacitly accepted the fact that Sikkim is an integral part of India. Whenever there have been diplomatic dialogue between India and China regarding Tibet, the Indian leadership in some way or the other, has recognized the Chinese authority over the Tibetan region. Tibet has been regarded as a part of China by India from 1954. Due to that reason, considering Tibet as a part of China was not any change of stand for India. In 2003, Joint Declaration that took place between India and China, the Indian leadership termed “Tibet Autonomous Region”³⁷ (TAR) that legitimized the governance of China over Tibet.

A joint declaration signed by the two Prime Ministers says, “The Indian side recognizes that the Tibet Autonomous Region is part of the territory of the People's Republic of China and reiterates that it does not allow Tibetans to engage in anti-China political activities in India. The Chinese side expresses its appreciation for the Indian position and reiterates that it is firmly opposed to any attempt and action aimed at splitting China and bringing about independence of Tibet. The Indian side recalled that India was among the first countries to

³⁶ Rakesh Ahuja, “India and China: Cutting the Sikkim Salami in cyber space”. See at <http://www.aseanfocus.com/asiananalysis/article.cfm?articleID=693>

³⁷ Declaration on Principles for Relations and Comprehensive Co-operation between the Republic of India and the People's Republic of China. 23.06.2003 see at <http://www.meaindia.nic.in>

recognize that there is one China and its one China policy remains unaltered.”³⁸ However, the recognition that has been provided by China regarding Sikkim’s, Nathu La pass as a part of the Indian Territory has been implicit in 2003. However, this position has changed in Wen’s visit in April 2005.

It seems that both the countries have put aside their political disagreement, making way for development to take its course. The Chief Minister of Sikkim, Pawan Kumar Chamling said that, “China’s negative approach over Sikkim is long over. The international acceptance of Sikkim’s merger with India in 1975 is complete.”³⁹ Commenting on the decision of reopening the “Silk Road”, the Chief Minister of Sikkim said that, “It will not only lead to improved relations between India and China, but also enormously boost the developmental activity in Sikkim.” Both the nations moving on the path of economic engagement and positive attitude will bring forth prosperity on both sides of the border and beyond. This agreement was very important for numerous reasons:

- (a) China for the first time, tacitly recognized Sikkim as an integral part of India.
- (b) Both the countries accepted the dialectics in international and regional balance of power.
- (c) Understanding the importance of regional prosperity.

³⁸ Ibid.

³⁹ Vinay Kumar, “Sikkim hopes for reopening of Nathu La trade route”, *The Hindu* (New Delhi); 18th August 2004

(d) This agreement confirms the presence of mutual pragmatism between India and China.

(e) The development of the economies of both the nations has sidelined the political discomforts that lasted for the three decades.

Rather than being competitors, China and India have turned themselves into major economic partners. Indian Prime Minister Atal Bihari Vajpayee's visit, for that reason, has become a landmark in the history of Sino-Indian relationship. Few months later in October 2003, China stopped showing Sikkim in the list of "independent countries" on the Chinese Foreign Ministry website. During the ASEAN Summit in 2003 at Bali (Indonesia), Chinese Premier Wen Jiabao, drew Indian Prime Minister Atal Bihari Vajpayee attention towards this change.⁴⁰ This was the first time that China had formally accepted an Indian claim on the long and historically disputed border area. Though, India had apparently gained on the issue of Sikkim's tacit recognition by the Chinese leadership. In the *2003-2004 World Affairs Year Book* Published by the World Affairs press under the Chinese Foreign Ministry stopped showing Sikkim to be an independent country, which indirectly portrayed Sikkim to be a part of India.

⁴⁰ *The Times of India* (New Delhi), 9th October 2003

Map 3

Map of Sikkim in Chinese World Affairs Year Book 2003-2004



A photocopy of the map published in the latest edition of the World Affairs Year Book 2003-2004. The official Chinese publication has stopped mentioning Sikkim as a separate country. This is the first time that China has done so, recognising Sikkim's merger with India in 1975.) Source: P. S. Suryanarayana, "China's Gesture", Frontline (Chennai) vol.21 no. 11, 2004

WEN JIABAO'S VISIT:

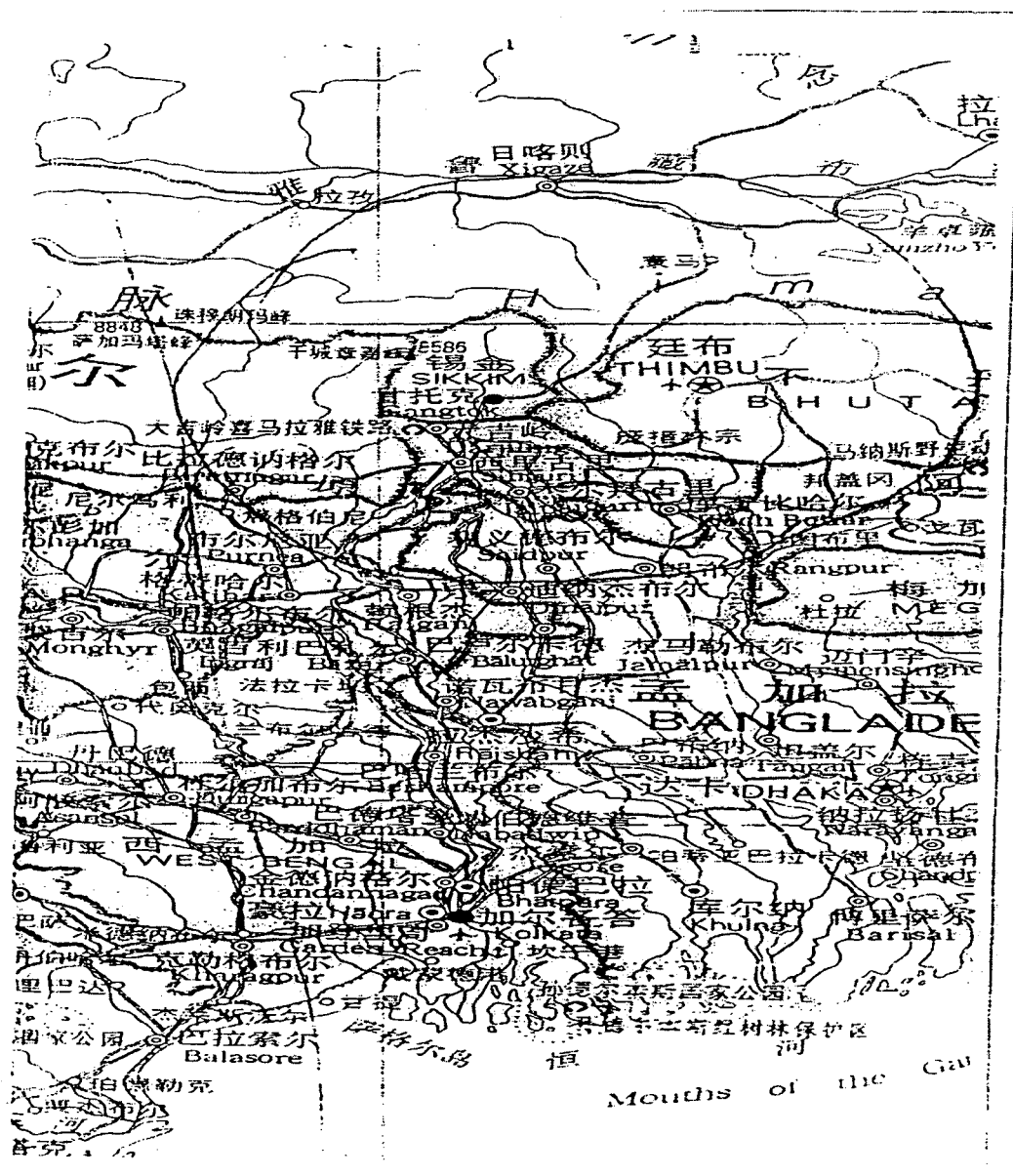
During the visit of Chinese Premier Wen Jiabao's visit in April 2005, the Sikkim issue reaches its final destination. During his visit, he handed over the new revised map to Indian Prime Minister Manmohan Singh, which clearly portrayed Sikkim as a part of India. In his press briefing, the Indian foreign secretary described that, "this is no longer an issue in India-China relations. It is something which has been now put behind us."⁴¹ So, it became clear that the issue of

⁴¹ *The Indian Express* (New Delhi), 12th April 2005

providing a legal recognition to Sikkim has been done and Sikkim no more remains as a vexed issue amongst the relations between India and China.

Map 4

New Chinese map that shows Sikkim as an integral part of India



Source: *The Hindu* (New Delhi), 12th April 2005

Therefore, this development indicates that China overtly acknowledges Indian sovereignty over Sikkim. This new and positive development is really the result of the commitment of the leaderships of both the countries. These developments showed that the Chinese government has adopted a step-by-step approach towards the resolution of the question of the Sikkim's recognition as an integral part of India. Delhi's emerging relationship with China has all the hallmarks of a classic shift in the normally glacial changes, which take place between Asian powers of great import.⁴² Both these countries belong to what Samuel Huntington considered "core states of the seven civilization" does not want to resolve their bilateral issues through the sword or gun but through the economic cooperation.

Now, when the issue is resolved, it becomes primary as well as necessary to both the countries to implement the 2003 agreement between India and China, which highlights the trade through Nathu La. The reestablishment of trade on the ancient Silk Route through the Sikkim-Tibet border can pave the way for the economic revitalization of the entire region of India's NorthEast and southern China.

⁴²David Watts, "India-China Relations: Classic Shift",
<http://www.asianaffairs.com/august2003/diplomacy.htm>

CHAPTER 3

TRANS-HIMALAYAN POLITICS OF BUDDHISM

Sikkim has a cultural and religious heritage, which bound the people of Sikkim into one thread. "Religion had always been a cardinal point in the life and culture of the Sikkimese people."¹ Religion is deeply imprinted in every aspect of Sikkim. The original inhabitants of Sikkim are the Rongs or Lepchas. They are known as "Banpo Shamanister."² They followed 'Bon Cult' which was akin to the 'Tao Cult' of Japan and China.³ The Lepchas worshipped spirits, nature, performed animal sacrifices etc. These practices became the part of Sikkim Buddhism. "Life in Sikkim is rooted firmly in religion, as it is in Burma and many other Buddhist countries."⁴ Before the merger of Sikkim with the Indian union Buddhism was an official state religion. Tibetan Buddhism has over the years got deeply integrated with the culture of Sikkim. It was Padmasambhava, who brought Buddhism to Sikkim. He is known as Guru Rinpoche in Sikkim, Bhutan and Tibet. Padmasambhava arrived in Tibet in A.D. 747 and established the order of Buddhist monks in the pattern of the Samgha, which in Tibet grew into the order

¹ George Kotturan, *The Himalayan Gateway: History and Culture of Sikkim*, (New Delhi: Sterling Publishers, 1983), p.46.

² O.P. Singh, *Strategic Sikkim*, (New Delhi: B.R. Publishing Corporation, 1985), p.17.

³ S. S. Chib, *This Beautiful Sikkim*, (New Delhi: Light & Life Publishers, 1977), p. 69.

⁴ Charlotte Y. Salisbury, *Mountain Kingdom: Sikkim*, (Toronto: Mc Leod Limited, 1972)

of Lamas. “The Lamas in course of time became the biggest force in the social and spiritual life of the people in the region.”⁵

Sikkimese Buddhism is the product of the Nyingmapa school of Lamaist Buddhism. Under the Chogyals, Lamaist Buddhism was the most powerful force in the state, which pervaded all the activities of the people. Lhastun Chhembo, the patron saint who introduced Buddhism into the state, was himself a Lama belonging to the old Nyingmapa. He was willing to incorporate many features of the old Lepcha faith into his system of worship. Thus the Sikkimese Buddhism came to have many features not usually found in the Buddhism of Tibet. Sikkim has also the other school of Lamaist Buddhism of the Karmapa, a sub sect of the Red hat Kargyupa. Karmapa is in the fact the sect of Kargyupa, which is most inclined to the Nyingmapa. The Nyingmapa and Karmagupa are the two red sects of Mahayana Buddhism prevalent in Sikkim. “The lineages of the Kagyu school of Tibetan Buddhism derive primarily from two sources: Marpa Chökyi Lodoe (1012-1099) and Khyungpo Nyaljor (978-1079).”⁶ It’s very interesting to see, how does Buddhism impact the politics of the trans-Himalayan region and assess their implications for Sikkim, India and China. This chapter will discuss the Karmapa issue and its impact on the bilateral relations of both the countries.

⁵ Op. cit 1, p.48

⁶ “The Kagyu Tradition”, see at <http://www.tibet.com/Buddhism/kagyu.html>

THE MONASTERIES IN SIKKIM

The monastery is the place where Buddhists receive their ideal education, and join their ideal profession with the Lamas from the intellectual elite of society with an exceedingly high prestige. The monasteries could be categorized into two categories:

- (a) **Takphu:** It is literally a rock or cave hermitage, where the hermit lamas retire for intense prayer and mediation.
- (b) **Gompa:** It literally means a solitary place is the monastery proper where the lamas live in a community⁷

“The monasteries of Sikkim are places of religious discourses, worship and meditation. These are the storehouses of much hand written religious books and manuscripts preaching morals and they constitute a part and parcel of Sikkimese cultural heritage.”⁸ Dude-de monastery is the oldest monastery of Sikkim. It was built over the cell of the hermit where Lama Lhastun Chhembo lived and meditated. The Tashiding monastery is the second important monastery of Sikkim. “The legend goes that Guru Padmasambhava (Rinpoche) shot an arrow into the air that he would meditate at a place where arrow fell. The arrow fell on the hill where Tashiding stands today and certainly there are few lovelier places of its

⁷ George. Kotturan, *The Himalayan Gateway: History and Culture of Sikkim*, (New Delhi: Sterling Publishers, 1983), p. 52.

⁸ O.P. Singh, *Strategic Sikkim*, (New Delhi: B.R. Publishing Corporation, 1985), p. 18.

measure in Sikkim.”⁹ It was very popular monastery outside Sikkim. Pilgrimage from Tibet, regular to visit this monastery. “The Buddhists from all parts of India, Nepal and Bhutan still consider it as their Mecca.”¹⁰ Rumtek, Gangtok, Chhukla, Khang, Rinchinpong, Talung, Enchey, Lingtam, Nanchmi and Singtam are the other renowned monasteries of Sikkim. Most of these monasteries in Sikkim belong to the Nyingmapa seat of Lamanism.

The Rumtek monastery is situated at a distance of 24 km away from Gangtok. It is the headquarters of the Kagyu sect and houses the legendary “black hat”. Rumtek Monastery was established and developed by the late 16th Gyalwa Karmapa, Rangjung Rigpai Dorje on a site measuring 74 acres offered to him by King Tashi Namgyal of Sikkim in 1962. His Holiness kept all religious Buddhist relics and antique religious instruments of the Karma Kagyu lineage in this monastery, Rumtek Monastery, became a very famous Buddhist teaching center in the World. It has been the international center of the Kagyupa Karmapa school of Buddhism since 1959, when the Chinese took military control of Tibet. ¹¹

When the 17th reincarnation of the Karmapa, the head of the large Tibetan Karma Kagyu Buddhist sect escaped from Tibet to India, created unaffordable situation for India as well as China, as number of followers of this sect are residing not only in Sikkim but also in the various countries. For that reason, the Rumtek

⁹ Ibid.

¹⁰ Ibid.

¹¹ “The Kagyu Tradition”, see at <http://www.tibet.com/Buddhism/kagyu.html>

monastery became the part of the controversy because; the Kagyupa sect commonly known as the 'black hats', which is Tibetan Buddhism's second most important sect, it has large amount of moveable and non-moveable assets, which creates some kind of attraction among the various contenders for the Karmapa seat. The Rumtek monastery becomes the battleground for it.

THE KARMAPA ISSUE

India-China relations are very complex in nature, both the countries had barely managed to normalize their fragile relations, they faced yet another crisis when the 17th Karmapa, the head of the large Tibetan Karma Kagyu Buddhist sect escaped from Tibet to India, in December 2000. The flight of the Karmapa Lama, a Tibetan spiritual leader, added another uncomfortable dimension to India-China relations. "India faces a complicated situation in dealing with the Karmapa. His flight from the Tsurphu monastery, near the Tibetan capital, Lhasa, was an embarrassment to the Chinese government, with which India is attempting to improve relations."¹² The Karmapa's seat at the Rumtek Dharma Chakra Centre, the headquarters of the Karma Kagyu Lineage since 1959, has remained vacant since 1981 after the 16th Gwala Karmapa's death. Since then religious leaders had

¹² Barbara Crossette, "Buddhists seek Asylum for leaders in India", *New York Times*, 27th August, 2000 see at <http://www.nytimes.com/library/world/asia/082700india-buddhist.html>

been divided over the choice of next Karmapa. The responsibility for locating the next incarnation fell to four regents of Rumtek monastery.¹³

The 16th Karmapa apparently left no will, but a few years later it was claimed that he had left a will secreted in an amulet, which was found later. The search for the reincarnate Lama began in 1992 and eventually the 17th Karmapa was located in Lhathok village in Kham province of Tibet. His name was Ugyen Trinley alias Apogaga who was born in 24th, 1985 the reincarnation of the 17th Karmapa was taken with due ceremony to Tsurphu and the Chinese government was duly informed.¹⁴

The young Ugyen Trinley Dorje was the first Tibetan reincarnation of a holy person to be recognized by the Chinese in 1992. He was also recognized by the Dalai Lama (head of the government-in-exile and generally considered the spiritual leader of Tibetan Buddhism) as the 17th Gyalwa Karmapa in India. He is usually considered the third most revered figure in Tibetan Buddhism, after the Dalai Lama and the Panchen Lama. However, China and the Dalai Lama are sharply divided on the identity of the Panchen Lama, the second most important figure in Tibetan Buddhism.

Shamar Rinpoche raised the question on the authority of Dalai Lama's recognition to the Ugyen Trinley Dorje, He said, "by tradition and history, the

¹³ "Overview of the controversy in the Kagyu Lineage", see at <http://www.karmapa-issue.org/news/context.htm>

¹⁴ *The Statesman* (New Delhi), 16th December 2001

Dalai Lama has never had the power to recognize the Karmapa. This incorrect assertion mostly likely derives from confusing the Dalai Lama's political authority with his spiritual authority. While the Dalai Lama has historically lead the Tibetan government, his spiritual authority has never extended beyond his own Gelugpa School.”¹⁵

In 1992, four monks -- Shamar Rinpoche, Tai Situ Rinpoche, Jamgonkotrul Rinpoche and Tsurpu Gyalstab Rinpoche -- who were running the monastery since 1981, even while making attempts to locate the young successor, split into two groups. One group, led by Tai Situ Rinpoche and Tsurpu Gyalstab Rinpoche claimed they had found a letter among the late Karmapa's belongings, which indicated that a young boy named Ugyen Thinley Dorjee in Tibet was the reincarnation. The rival group led by Samar Rinpoche, however, pressed the claim of a Kalimpong-born boy, Thinley Thai Dorjee, for the post. In 1992, Situ Rinpoche, officially the third ranking Lama in the lineage presented a letter to fellow Kagyu Lamas, which he claimed was the “prediction letter” of the 16th Karmapa. Shamar Rinpoche, the second ranking lamas in the lineage rejected the authenticity of that letter outright and insisted the document undergo a forensic examination.¹⁶

¹⁵ Kunzig Shamar Rinpoche, “The Truth About the Karmapa Controversy”, see at <http://www.karmapa-issue.org/history/controversy.htm>

¹⁶ “Overview of the controversy in the Kagyu Lineage”, see at <http://www.karmapa-issue.org/news/context.htm>

In 1994, Shamar Rinpoche also found, Thaye Dorje and proclaimed him the rightful 17th Karmapa. Many high-ranking lamas of the Karma Kagyu lineage support Thaye Dorje.¹⁷ However, the lineage is presently split into two camps: those following Thaye Dorje and those supporting Ugyen Trinley. Factionalism among the rival regents led to violent armed clashes between the rival groups of monks at the monastery complex in 1993. The State Government intervened and armed forces were stationed at the monastery. Both Tai-Situ and Shamar were banned from entering the monastery complex.

The flight of the Karmapa from Tsurphu Monastery in Lhasa to Dharmashala was a sort of history repeating itself. 40 years back, the Dalai Lama had escaped Tibet in a similar fashion in the aftermath of the Chinese occupation of Tibet. The Karmapa Lama, Ugyen Trinley Dorji, was reported to have arrived at McLeodganj along with six “highly revered monks” and have sought political asylum in India.¹⁸

The Karmapa's role was particularly vital, especially in the absence in Tibet of a universally revered Dalai Lama and Panchen Lama. The 11th Panchen Lama who is a minor is shrouded in controversies. The Dalai Lama had selected a boy called Gedhum Choekyi Nyima as the reincarnation of the 10th Panchen, but China has denounced and detained the boy Lama, and has designated a rival boy, Gyaincain as the 11th Panchen. The human rights groups has raised quite a hue and

¹⁷ Ibid.

¹⁸ *Hindustan Times* (New Delhi), 7th January 2000

cry over this matter and has termed the teenage Lama world's youngest political prisoner. It is believed that China was grooming the 17th Karmapa as an alternative to the Dalai Lama. "These developments underscore the Chinese sensitivity in Tibet and the resolve of the Chinese authorities to put Tibetan clergy strictly under state control. Since the "musical instruments of the Buddhists mass" and famous "black hat" is kept in Rumtek Monastery of Sikkim, India was equally hypersensitive about the issue, as China had not recognized Sikkim as an integral part of India at the time of Lama's flight."¹⁹ The official Chinese position on Lama Ugyen Thinley Dorji's arrival in India was that Lama Ugyen Thinley Dorji had gone abroad to "get the musical instruments" of the Buddhist rituals and the "black hat" used by previous Karmapas.²⁰

This issue, which had potential to create problems between India and China, was managed carefully by New Delhi. India did not want to undermine the improving relations with China, especially after Pokhran-II. However, the then defense minister of India, George Fernandes, publicly said that Trinley Dorje could stay in India without in any way hurting India-China relations.²¹ Then the Chinese ambassador to India Mr. Zhou Gang has expressed the hope that the

¹⁹ B. R. Deepak, *India and China 1904-2004: A Century of Peace and Conflict*, (New Delhi: Manak Publication, 2005), p.394.

²⁰ Parliament Debate, Question No 6843, 10th May 2000, see at <http://meaindia.nic.in>

²¹ *The Hindu* (New Delhi), 23rd January 2000

presence of the 17th Karmapa in India would not be politically exploited by those hostile to China.²²

At the same time, various Tibetan organization urged the Government of India to grant permission for permanent stay of the 17th Karmapa Ugyen Trinley Dorje in India, the Himalayan Buddhist Cultural Association president, Lama Chosphe Zotpa, said, “We thank the Government of India for giving adequate security to Karmapa Dorje and urge that he be given permission for permanent stay in India so that he could continue his spiritual education and spread the message of peace.”²³

However, China cautioned India, against giving the permission for stay in India, Chinese Foreign Ministry spokesman, Zhu Bangzao said, “China and India are neighboring countries. The two countries persist in the Five Principles of Peaceful Coexistence and especially the policy of mutual respect and non-interference in each other’s internal affairs. On the issue of Karmapa, the Indian Government has clearly said it will not allow Karmapa to engage in any anti-Chinese activities, nor will it allow any foreign force to use him to engage in such activities. We hope the Indian Government can uphold the above principled position and prudently and appropriately handle the issue based on the overall

²² *The Hindu* (New Delhi), 25th January 2000

²³ *Ibid.*

situation of bilateral relations.”²⁴ Then the Indian Foreign Minister, Jaswant Singh, had spoken in the Parliament that, “India and China have been in touch through diplomatic channels. The two sides have noted with satisfaction the improvement and development of bilateral relations on the basis of Panchsheel.”²⁵

In April 2002, the Karmapa had spoken for the first time about his flight and his motive for leaving his homeland. He said, “Decision to live my homeland, monastery, monks, parents, family and the Tibetan people was entirely my own – no one told me to go and no one asked me to come to India.”²⁶ He also said that like his predecessors he would not engage in political activity. India has guaranteed China that the Lama will not be permitted to engage in subversive activities. Fu Ying, Director general of Asia Department of the Chinese Foreign Ministry said that Beijing hoped New Delhi would honour its commitment. “As far as the Karmapa issue is concerned, the Indian government has also made it very clear that they will not allow him to be used by any foreign powers against China. So we hope that this promise will be kept.”²⁷ The Chief minister of Sikkim also wants to resolve the issue as soon as possible, as the Karmapa controversy as the Tibetan Buddhism tangle of the Kagyu sect has become an international issue.

²⁴ Chinese Foreign Ministry News Briefings, see at <http://www.bjreview.com.cn/2001/GlobalObserver/World200108C.htm>

²⁵ Parliament Debate, Question no. 1011, 1st March 2000, see at <http://meaindia.nic.in>

²⁶ “Boy Lama breaks his silence”, see at http://news.bbc.co.uk/1/hi/world/south_asia/1300112.stm

²⁷ *The Times of India* (New Delhi), 9th January 2002

In November 2001, one more dimension was added into the Karmapa story, Dawa Sangpo Dorje, a 23-year-old monk said, he is the “true” incarnate of the 16th Gwalwa Karmapa of the Karma Kagyu Lineage. He challenged the Ugyen Trinley Dorje and Thinley Thai Dorje for the Karmapa title. He claimed that, he was recognized by Jamyang Kangtrul Rinpoche, another Rumtek regent. Dawa Sangpo Dorje had also tried to enter into the Rumtek monastery in 1998. But he was not allowed to enter it.²⁸ He has also backing of an organization called the “Central Committee for His holiness the 17th Gwalwa Karmapa,” in September 2001 it demanded that;

- (a) All the three candidates for the Karmapa title should be brought to Sikkim.
- (b) The state government and the center should ensure that they undergo some sort of physical and spiritual test, detailed examination including the forensic test, to prove that their claims are legitimate.²⁹

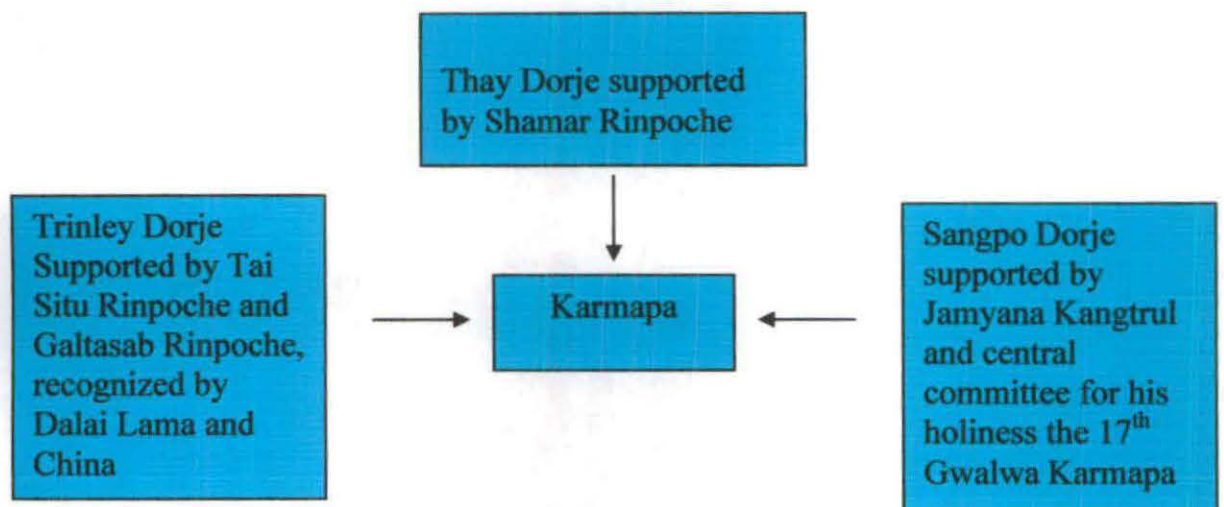
Dawa Sangpo Dorje, who claims to be the real 17th incarnation of the Gwalwa Karmapa, has sought India’s mediation in resolving the succession issue.³⁰ The whole conflict, regarding the Karmapa is the product of the failure of the four regents of the Rumtek monastery. Because the selection of the procedure that can only be described as occult. The four regents failed to agree on a common

²⁸ *The Statesman* (New Delhi), 10th November 2001

²⁹ *Ibid.*

³⁰ *The Hindu* (New Delhi), 29th June 2001

interpretation of the Karmapa. All three claimants have claiming the backing of at least one Rinpoche, the advantage lying with Ugyen Trinley Dorje who has the backing of the Dalai Lama.



INTERNATIONAL RAMIFICATION

Karmapa controversy has an international ramification, as it turned out to be an issue between India and China. As we know that, the young 17th Karmapa Ugyen Trinley have fled from Tibet in 2000, aiming to reach the Sikkim monastery, which was built by the 16th Karmapa in 1959. Chinese position on Lama Ugyen Thinley Dorji's arrival in India is that Lama Ugyen Thinley Dorji had gone abroad to “get the musical instruments” of the Buddhist rituals and the “black hat” used by previous Karmapa’s.³¹ For nearly a decade, Beijing has

³¹ Parliament Debate, Question No 6843, 10th May 2000 available at <http://meaindia.nic.in>

showered all attention on the 17th Karmapa and hoped to showcase him as the new “Patriotic Lama” of Tibet. But then he surprisingly escaped from China, beating the extraordinary security on the border between Tibet and Nepal. China felt discomfort by the Karmapa episode, as China was grooming the Ugyen Trinley Dorje as a counter to the Dalai Lama.

India’s cautious policy on the Karmapa issue also involved a refusal to give Ugyen Trinley Dorji permission to go to the Rumtek monastery in Sikkim. There was a view in Government of India which was suspicious that, “China planned to install the ‘Chinese Karmapa’”³² in Sikkim. The Center also argues that there is more than one claimant for the Karmapa title, and indeed there’s a case in court against the legitimacy of Ugyen Dorji. Moreover, with Sikkim at the geo-strategic crossroads of Nepal, Bhutan and Tibet, these sections feared that installing a “Chinese spy” at Rumtek—which presides over the enormously rich and highly influential Karma Kagyu monastic order worldwide—would be dangerous.³³ For various reasons, the flight of Ugyen Trinley Dorje was very crucial. The reasons are following:

- (a) During this crisis, India had the center stage position. The question of granting asylum to the Karmapa lama was closely linked to India’s Tibet policy.

³² Julian Gearing, “India, Sikkim, China and a vexing Tibetan Lama”, see at http://www.kagyu-asia.com/n_india_sikkim_china.html

³³ Jyoti Malhotra, “Karmapa’s rough road to Rumtek”, *The Indian Express* (New Delhi), 24th October 2002

- (b) The outcome of this episode will send important signals of India's thinking and commitment towards finding a lasting solution to the Tibet question.
- (c) The Karmapa issue once again focused international attention on the plight of Tibetans who continue to raise their voice to return their homeland.
- (d) For one Indian perspective it was indeed a possibility that the 'Karmapa episode' was the Chinese ploy to divide the exiled Tibetan community.
- (e) For the Chinese perspective, flight and granting asylum to Urgyen Trinley means India, and perhaps the world community recognizes that the situation of Tibetan Buddhism inside China is not happy to say the least. "Trinley Dorje is the only Tibetan leader who enjoys the support of both the Chinese Government and the Dalai Lama. He carried the authority to speak on what is the ground situation inside Tibet. So, his decision to flow from Tibet puts a serious question mark on the entire half a century of Chinese efforts and or propaganda to prove that the Tibetans have been a far more happier lot under the communist rule; this erodes their very *Locus standi* on Tibet."³⁴
- (f) The Karma Kagyu sect is the richest of all Tibetan Buddhist Sects, with 3000 centers world wide and 2 or 3 billion \$ in reserve.

³⁴ Swarn Singh, "India's Tibet policy: to give or not to give one more asylum", *Mainstream* (New Delhi), (January 29th 2000), p.48.

According to a BBC report of 8th January 2000, the Lama toured China in 1994 and met top Chinese leaders including Jiang Zemin. In 1998, he is reported to have met the number four in the communist hierarchy, Li Ruihuan, who is reported to have said that the Karmapa's "progress" would have a "great impact on the development and stability of Tibet." According to Tibet Information Network (TNN) website, the Karmapa was quoted by the official press as saying that he had "received an education in patriotism" and had pledged to "follow the instructions of Jiang Zemin," and "work hard for the unification of the motherland and national unity."³⁵

In an editorial, *The Hindustan Times* warned of a possible Chinese trap and suggested that India need not be in a "hurry to grant political asylum" to the Karmapa.³⁶ It may be the possibility that, the flight of the Karmapa was a Chinese ploy to divide the Tibetan exile community. The most distinguished security analyst of India, K. Subrahmanyam describes Ugyen Trinley Dorje as a "Pilgrim of Peace" and focused on Chinese repressive policies, "for all supposed change in Beijing's traditionally hostile policy towards Tibetan religious and cultural practices, the Karmapa's flight is proof of the fact that Chinese authorities still feel profoundly threatened by the region's autonomous temper. The excesses of the Cultural Revolution when monasteries were desecrated and ransacked by Maoist zealots may have given way to greater tolerance and *faux* mass-produced Buddhist

³⁵ As cited in, B. R. Deepak, *India and China 1904-2004: A Century of Peace and Conflict*, (New Delhi: Manak Publication, 2005), p.392

³⁶ *The Hindustan Times* (New Delhi), 13th January 2000

relics for sale to international tourists, but Tibet remains a tightly controlled zone of unfreedom. The political intolerance of state socialism and excessive freedoms of the market economy have come together to undermine the spiritual plenitude and tranquility of the land.”³⁷

However, the state government of Sikkim wants him in Sikkim. The Chief Minister of Sikkim, Pawan Kumar Chamling argued that the ordinary people in Sikkim would feel emotionally fulfilled by the return of the Karmapa, irrespective of the controversy surrounding him. According to Chamling, “the return of the Karmapa would be good for Sikkim’s economy. It would pull tourists.”³⁸ He said that he has conveyed his feelings on this matter to the Center and New Delhi is considering the matter. Majority of Sikkimese believes that Ugyen Trinley Dorje is the real Karmapa. However, the Sikkimese acknowledge that the Union Government needed time to sort out many questions that surround the mysterious escape of the Karmapa from China, and assess its implications for Sino-Indian relations. Keeping the Karmapa seat vacant, and not to allow to Ugyen Trinley Dorje, who claims the real Karmapa to enter in the Rumtek monastery will create some kind of anxiety among the local people, as most of them accept Ugyen Trinley Dorje as the real Karmapa, who is also recognized by the Dalai Lama.

One senior official in Tashiling, the state government secretariat in Gangtok, said requesting anonymity, “but if the Centre is going to start

³⁷ *The Times of India* (New Delhi), 11th January 2000

³⁸ *The Times of India* (New Delhi), 17th October 2002

politicizing religious sentiments as they have done elsewhere in the country, it may run the risk of not only reopening the old wounds of annexation and integration, but also of demonizing Buddhism.”³⁹

So, it becomes a moral as well as a political responsibility of Government of India to make it efforts to resolve the Karmapa issue. However, the government of India does not make up its mind to resolve the issue. The longer New Delhi takes to get over the suspicions about Karmapa, the greater the danger that resentment in Sikkim will boil over.⁴⁰ One way out for New Delhi might be to let the Karmapa into Rumtek for a short visit and satisfy the aspirations of Sikkimese for an audience with him. He could then go back to his temporary residence near Dharamsala, where he is soaking up the scriptures.⁴¹ At the same time, Brahma Chellaney writes that, if the government of India “allow the Chinese sponsored Karmapa Lama (Ugyen Trinley) to be installed at the Rumtek monastery. The Indian public opinion would considered it as another concession towards the Chinese.”⁴²

However, in February 2004, Ugyen Trinley Dorje has said that, “Tibet’s problem is India’s problem too. Any benefit that arises (for Tibet) is India’s benefit too.”⁴³ He further said, “India and Tibet are close geographically, and

³⁹ *The Indian Express* (New Delhi), 24th October 2002

⁴⁰ *The Hindu* (New Delhi), 17th October 2002

⁴¹ *Ibid.*

⁴² *The Hindustan times* (New Delhi), 15th July 2003

⁴³ *The Indian Express* (New Delhi), 28th February 2004

closer spiritually. The closeness of the relationship cannot be measured in terms of help and benefit. I feel and hope much more is possible. From the point of view of where I am, India is a big and powerful nation and I feel India can do much more for the Tibetan cause.”⁴⁴

After the Chinese recognition of Sikkim as an integral part of India, the Karmapa episode might take another turn. The resolution of the conflict lies in the hand of four regents, who have responsibility to decide who is the real Karmapa. Above and all, India, China and Dalai Lama demonstrate their responsibility to resolve the issue, because some way or other it hurts their bilateral relations.

⁴⁴ Ibid.

CHAPTER 4

SIKKIM: PROSPECTS FOR TRANS HIMALAYAN ECONOMIC COOPERATION

From times immemorial, India and China had commerce flowering through various passes of the Himalayas. Historically, “Sikkim has played a major role as a gateway to Tibet and northern China from the warm waters of the Bay of Bengal and the Indo Gangetic plain.”¹ When, the Britishers came in India, they tried to build trade relations with the Himalayan states. For that reason, they signed various treaties with the Himalayan states. In regard to Sikkim, they signed various agreements to ease cross-border trade with Tibet and China, as Sikkim lies on the shortest and most direct route from the plains of India to the plateau of Tibet. Various treaties and conventions such as The Treaty of Titalia of 1817, the Treaty of 1861, The Sikkim Convention of 1890, The Lhasa Convention of 1904, and the Peking Convention of 1906, facilitated trade between Sikkim, Tibet and China. In 1873, trade on the Sikkim-Tibet frontier was abandoned by Tibet. This forced the government of Bengal to send a mission under J. W. Edgar. He advocated the establishment of a trade market on the Sikkim-Tibet frontier. He also recommended a road to the Tibetan frontier through Sikkim². British forces

¹ Ashok K. Lahiri, ed., *Sikkim: The People's Vision*, (New Delhi: Government of Sikkim, Indus Publishing Company, 2001), p. 21.

² J. Ware Edgar, “Report on a visit to the Sikkim and Tibetan Frontier” (Calcutta: Bengal Secretariat Press, 1874), p. 7, as cited in P.R. Rao, *India and Sikkim (1814-1970)* (New Delhi: Sterling Publishers, 1972), p. 58-62.

led by Francis Young husband used this route for their 1904 invasion of Tibet.

When China occupied Tibet and showed its claims on other Himalayan states, the trade route to Tibet through Nathu La was abandoned. However, trade continued until late 1950s and early 1960s. After getting independence, both India and China, signed an agreement on Trade and Intercourse between the Tibet Region of China and India in 1954 (the agreement was valid for eight years and lapsed in 1962). The border war of 1962 and the subsequent chill in bilateral political relations effectively eliminated much trade and other economic relations between the two countries.³ So, due to these frictions which were created between India and China, trade between the nations ceased altogether. The avenues that could have been cultivated in regard to Sikkim remained untapped. But in the era of globalisation economic interest has become the prime mover of international relations. Both India and China are trying to resolve their political problems, through economic cooperation.

In June 2003, India and China signed a Memorandum on Expanding Border Trade. The new memorandum specified the desire to open another pass (Nathu La Pass) for border trade and open two other points, Changgu in Sikkim and Renqinggang in Tibet. The decision to open trade link at Sikkim-Tibet border taken during the Indian Prime Minister Atal Bihari Vajpayee visit during June 2003, reflects the changed perceptions of each other. The resumption of trade on

³ T. N. Srinivasan, "Economic Reforms and Global integration", in Francine R Frankel and Harry Harding, ed., *The India-China Relationship: What the United States Needs to Know*, (New York: Columbia University Press, 2004), p. 220.

the historic silk route through the Sikkim-Tibet border will provide a new opportunity through, which both the countries would have direct access to each other territories (the current agreement on Nathu La refers to limited trade which includes only border trade and not transit trade). Through this agreement, both the countries try to reap the benefits, which was not explored during the cold war.

INDIA-CHINA ECONOMIC RELATIONS

Despite various ebb and flows in their relationship, both the countries are trying to live together. They are facing common challenges of eradicating poverty, bridging economic disparities between the rich and poor, and improving the living standards of their people. The economic cooperation provides a cushion for absorbing not only the misperception or political problems of both the countries but also helps to improve the economic condition of their people, “Economic cooperation between New Delhi and Beijing could help integrate the eastern subcontinent with the dynamic economies of China and South East Asia.”⁴ Bilateral trade and investment between India and China have been the most positive link in their bilateral relations. “Bilateral trade and investment between the two countries have grown rapidly over the past few years indicating the presence of vast potential for further growth. Substantial complementarities characterize the economic structures of China and India. China is emerging as a significant link inn the manufacturing chain of the world while India’s potential

⁴ C. Raja Mohan, “A Theme for Vajpayee and Hu,” *The Hindu* (New Delhi), 22nd June 2003

for the knowledge based services and Manufacturing is being noticed.”⁵ The first trade agreement between the two countries was signed in October 1954. The agreement expired in 1962. In 1984 India and China signed a trade Agreement, providing for Most Favoured Nation Treatment. Border trade resume following the signing of a memorandum of understanding during the visit of the then Chinese Premier Li Peng to India in 1991. Currently, border trade with the Tibet Autonomous Region of China is conducted through the Lipulekh and Shipkila Passes.⁶ During the visit of former Prime Minister Vajpayee to China in June 2003, the two sides Agreed to open a third route, namely Nathu La, for conducting border trade.

India-China Bilateral trade has grown rapidly in the last decade from US\$ 339 million in 1992 to US\$5 billion in 2003. The average annual growth of trade during the 1995-2003 period at 26.4% has been higher than the average growth rate of trade for either China or India during the same period. In 2004, India became the 11th largest trade partner of China and the largest in South Asia. Bilateral trade between India and China reached a total of US\$13.6 billion, representing an increase of 79.12% over the corresponding period last year. Despite the rapid growth the share of India in China’s imports is just 1.0% (in 2003) and of China in India’s imports is under 5%. This suggests an enormous

⁵ Report of the India-China joint Study Group on Comprehensive Trade and Economic Cooperation. See at [http:// www.meaindia.nic.in](http://www.meaindia.nic.in)

⁶ Swaran Singh, “China-India: Expanding Economic Engagement”, *Strategic Analysis*, (New Delhi), vol. 24, no. 10, (January 2001), p. 1821.

potential for trade expansion.⁷ At the present rate of growth, bilateral trade is likely to cross the US\$ 10 billion target in 2004/05 as set by the Chinese Premier Zhu Rongji.

Table 1

Trends in India-China Bilateral Trade

		1998- 1999	1999- 2000	2000- 2001	2001- 2002	2002- 2003	2003- 2004
India	Export	0.4	0.5	0.8	1.0	2.0	3.0
	Import	1.1	1.3	1.5	2.0	2.8	4.0
	Total Trade	1.5	1.8	2.3	3.0	4.8	7.0
	Trade Balance	-0.669	-0.744	-0.663	-1.084	-0.816	-1.09
China	Export	1.0	1.2	1.6	2.0	2.7	3.3
	Import	0.9	0.8	1.4	1.7	2.3	4.3
	Total Trade	1.9	2.0	3.0	3.7	5.0	7.6
	Trade Balance	0.11	0.34	0.21	0.2	0.4	-0.91

Source: Report of the India-China Joint Study Group on Comprehensive Trade and Economic Cooperation. See at <http://www.meaindia.nic.in>

⁷ Report of the India-China joint Study Group on Comprehensive Trade and Economic Cooperation. See at <http://www.meaindia.nic.in>

Table 2**Major Exports from India to China**

S. No	Description	Value (US\$ mil)	Per cent Growth	Percent Share 2003-04	Percent share 2002-03
1	Iron Ore	823.6	101.7	27.8	20.7
2	Primary & Semi fnshd iron & steel	565.5	15.5	19.1	24.8
3	Plastic & linoleum products	295.6	66.6	10.0	9.0
4	Other ores and minerals	130.8	-15.0	4.4	7.8
5	Processed minerals	100.1	14.6	3.4	4.4
6	Drugs, Phrmcutes & Fine chemicals	97.6	5.2	3.3	4.7
7	Marine products	86.8	-26.5	2.9	6.0
8	Inorganic/organic/agro chemicals	83.9	-5.1	2.8	4.5
9	Cotton yarn, fabric, made up setc	75.1	17.5	2.5	3.2
10	Machinery and instruments	74.9	131.3	2.5	1.6
	Total			78.7	

Source: Report of the India-China Joint Study Group on Comprehensive Trade and Economic Cooperation. See at <http://www.meaindia.nic.in>

Table 3

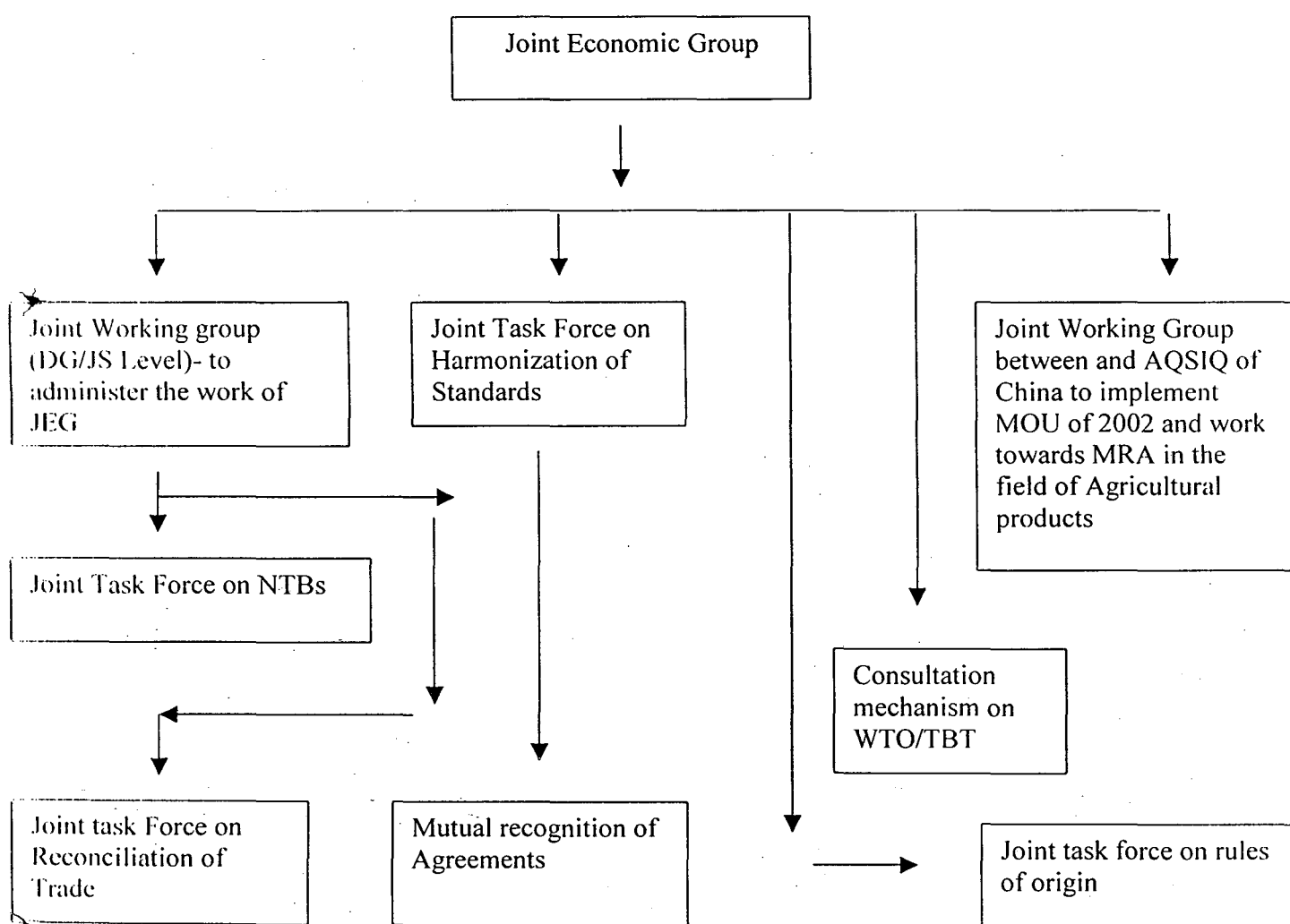
Major Exports from China to India

S. No	Description	Value (US\$ mil) 2003-04	Percent Growth	Percent share 2003-04	Percent share 2002-2003
1	Electric goods	1378.8	70.2	34.1	29.0
2	Organic chemicals	472.0	45.0	11.7	11.7
3	Coal, coke, &briquettes etc.	220.8	26.0	5.5	6.3
4	Other material	219.4	84.9	5.4	4.2
5	Medical & Pharmaceutical	184.1	22.8	4.6	5.4
6	Machry except elec & electronic	182.9	73.5	4.5	3.8
7	Silk, raw	112.8	5.7	2.8	3.8
8	Oth. Txt yarn,fabs made up art	107.5	41.9	2.7	2.7
9	Inorganic chemicals	104.3	50.9	2.6	2.5
10	Silk yarn &fabrics	103.0	97.8	2.6	1.9
	Total			76.5	

Source: Report of the India-China Joint Study Group on Comprehensive Trade and Economic Cooperation. See at <http://www.meaindia.nic.in>

Now, both the countries are evolving the framework for expanding India-China economic cooperation, both sides using the mechanism of various working groups.

Figure 1: A Scheme for Consultation Mechanism



Source: Report of the India-China joint Study Group on Comprehensive Trade and Economic Cooperation. See at <http://www.meaindia.nic.in>

BORDER TRADE

Trade is a natural economic activity. It is a transaction of goods/services or the exchange of commodities for the purpose of earning and meeting needs. "Trade is the flow of commodities from producers to consumers. If such exchange of goods is done on the international boundary line or trade between the people of the borders is called 'border trade'."⁸ Economic engagement between the adjacent people of the border areas has spatial proximity because the production centers of their respective country are far away from them. There is difference between the concept of border trade and transit trade. Border trade refers to the trading that takes place within communities living on borders to help their economic conditions, while transit trade refers to goods moving from one part of the region to other region or beyond. India China border trade is the most negligible part of their bilateral trade. It needs special attention for being most effective in improving their politico strategic equations.⁹ After the end of the cold war, "both the countries began to open up the frontier regions for cross-border trade and foreign investment. The geo-economic potentials of the frontier regions, which could not be explored during the cold war era due to strategic reasons, are now brought into focus, and both the countries are trying to reap

⁸ Zahid Husain, "The Nature of Border and Border Trade of Northeast India", in. Gurudas, Das, ed., *Border Trade: Northeast India and Neighbouring Countries*. (New Delhi: Ahansha Publishing House, 2000), p. 130.

⁹ Swaran Singh, "China-India: Expanding Economic Engagement", *Strategic Analysis*, (New Delhi), vol. 24, no. 10, (January 2001), p. 1819.

benefits out of that.”¹⁰ Therefore, both the countries understand the importance of border trade for overall frontier development.

Both India and China have institutionalized the framework of the border trade, during the last decade. The border trade agreement was signed on December 13, 1991; the two sides had opened their first border trade post in the middle sector at Garbyang (India) and Pulan (China). This was followed by opening of the second border trade post again in the middle sector, at Lipulekh (India) in 1992 followed by the third border post also in middle sector at, Shipki La (India) in 1994. The Lipulekh Pass (Uttanchal) is situated at latitude of 17,500 feet in the Pithorgarh district bordering Tibet. The volume of trade that flows annually through this border post is estimated within the range of Rs. 50-70 millions.¹¹ Neither of these passes, have a motorable road.

However, India-China border trade has small contribution in their overall bilateral trade, because of the items exchanged across the India-China border are traded largely in barter and the border trade remains seasonal because of weather conditions. “Both the passes fall in the middle sector which is sparsely populated across the border, and hence do not have much importance as far as the volume of cross-border trade is concerned.”¹² Due to lack of physical infrastructure, trade has

¹⁰ Gurudas Das, “Sino Indian Border Trade for Frontier Development: The case of India’s Northeast and China’s Southwest”, in. Jayanta Kumar Ray, ed., *India and China in the Era of Globalisation: Essays on Economic Cooperation*. (New Delhi: Book Well, 2005), p. 129.

¹¹ Ibid. p. 131.

¹² Ibid.

little prospect for growing across frontier. The traders carry their goods through mules or human back. “India-China border trade is conducted both on fully convertible currency as well as the barter system basis. Due to the exigencies of high altitude weather conditions, trade is carried out mainly between June and October.”¹³

¹³ Report of the India-China joint Study Group on Comprehensive Trade and Economic Cooperation 2005 see at <http://www.meaindia.nic.in>

Table 4

Volume of India-China Border Trade through Shipki La Pass in Himachal Pradesh

Year	No. of Indian Traders who visited China	No. of Chinese Traders who visited India	Exports (in Rs Lakhs)	Imports (in Rs Lakhs)
1994-95	90	„	11.09	14.93
1995-96	63	„	7.64	16.54
1996-97	30	„	6.54	9.84
1997-98	39	„	12.91	21.77
1998-99	30	„	6.44	5.40
1999-2000	40	„	13.51	13.96
2000-2001	47	„	9.21	20.64
2001-2002	32	„	21.78	25.82
2002-2003	35	„	13.91	18.94

Source: Government of Himachal, as cited in Mahendra. P. Lama, “India-China Border Trade through Nathu La in Sikkim: Potentials and Challenges”, in Jayanta Kumar Ray, ed., *India and China in the Era of Globalisation: Essays on Economic Cooperation*. (New Delhi: Book Well, 2005), p. 94.

Table 5**List of products approved under Indo-China Border Trade Agreement**

S. No	Exports: Ex India	S. No		S. No	Exports: Ex TAR
1	Agricultural Implements	18	Cigarettes	1	Goat Skin
2	Blankets	19	Canned Food	2	Sheep Skin
3	Cooper Products	20	Agro Chemicals	3	Horses
4	Clothes	21	Local Herbs	4	Goats
5	Textiles	22	Dyes	5	Sheep
6	Cycles	23	Spices	6	Woola
7	Coffee	24	Watches	7	Raw Silk
8	Tea	25	Shoes	8	Yak Tail
9	Barely	26	Kerosene Oil	9	Yak Hair
10	Rice	27	Sty	10	China Cay
11	Flour	28	Utensils	11	Borax
12	Dry Fruits	29	Wheat	12	Butter
13	Vegetables			13	Goat Cashmere
14	Vegetable Oil			14	Common salt
15	Gur and Misri				
16	Tobacco				
17	Snuff				

Source: Pravin Sawhney, and Ghazla Wahab, "Dragon Fire: China's Shadow Continues to Loom Large over Sikkim," *Force*, (New Delhi), vol. 1, no. 10 (August 2004), p. 43.

PROSPECTS FOR TRANSHIMALAYAN ECONOMIC COOPERATION

In June 2003, India and China signed a Memorandum on Expanding Border Trade, which rectified the reopening of border trade through Nathu La Pass of Sikkim. Article I of the agreement asserts that, “The Indian side agrees to designate Changgu of Sikkim State as the venue for border trade market; the Chinese side agrees to designate Renqinggang of the Tibet Autonomous Region as the venue for border trade market”.¹⁴ Article II of the agreement further stated that, “The two sides agree to use Nathu La as the pass for entry and exit of persons, means of transportation and commodities engaged in border trade. Each side shall establish checkpoints at appropriate locations to monitor and manage their entry and exit through the Nathu La Pass”.¹⁵ The Memorandum also mentioned in Article III that “all the provisions of the Memorandum on the Resumption of Border Trade signed between the two governments on 13 December 1991 and the protocol on Entry and Exit procedures for Border Trade signed between the two Governments on 1 July 1992 under the Memorandum shall also be applicable to the Border Trade through the Nathu la pass.”¹⁶

Through this Memorandum, both the countries showed their willingness to ease the tension, “ this positive changes in their relationship indicate an appreciation by the reformist leaderships in both countries that the fundamental

¹⁴ Memorandum between the Government of the Republic of India and the Government of the People's Republic of China on Expanding Border Trade. 23.06.2003 see at [http:// www.meaindia.nic.in](http://www.meaindia.nic.in)

¹⁵ Ibid.

¹⁶ Ibid.

shifts underway in the global economic, political and security environment offer a window of opportunity for rapid development, resolution of internal socio-political challenges, and positively changing their external environment.”¹⁷ The decision to reopen the trade links through Nathu La was full of pragmatism to restore economic relations.

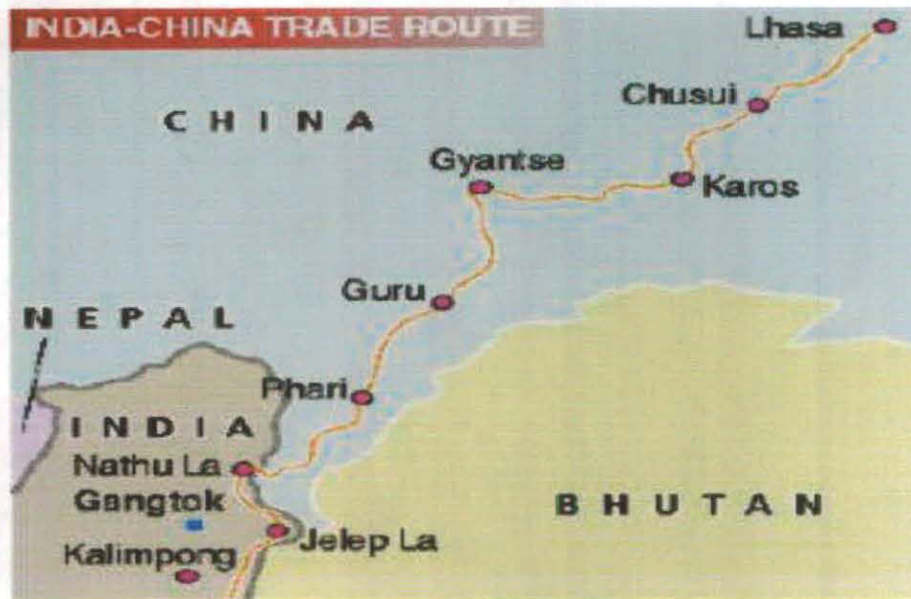
It was the fulfillment of longstanding demands of the people of Sikkim of reopening trade through Nathu La. The Chief Minister of Sikkim, Pawan Kumar Chamling, welcomed the initiative and said, “The decision has fulfilled one of Sikkim’s long standing demands. A number of advantages would flow out of the decision to reopen the trade route through Sikkim. As far as the Sikkim concerned, the reopening of the trade route, said to be a branch of the ancient Silk Route, will give a major boost to tourism and increase commercial and export oriented activities in the region. Sikkim would celebrate the opening of the 14,000 ft Nathu La on a grand scale.”¹⁸ This agreement has raised hopes of ushering a new horizon of development in Sikkim. This traditional Silk Route is the shortest route between the two countries. The Tibetan town of Yatung is just 52 Km away from Nathu La and Lhasa only 525 Km away.

¹⁷ Sujit Dutta, “India-China Relations in the Era of Globalisation, in Jayanta Kumar Ray and Prabir Ray, ed., *India and China in an Era of Globalisation: Essays on Economic Co-operation* (New Delhi: Bookwell, 2005), p. 66.

¹⁸ Kalyan Chaudhuri, “Routes of Promise,” *Frontline* (Chennai) vol. 20, no.14, July 18 2003 p. 18.

Map 5

India-China Trade Route through Nathu La



Source: Kalyan Chaudhuri, *Routes of Promise*, Frontline (Chennai) vol. 20, no.14, July 18, 2003, p.19.

The reopening of trade routes along the India-China border will assist Sikkim in turning into a new trading center in the North Eastern Region of India. It will open the markets on both sides. It will not only improve the economic conditions of Sikkim but also provide an opportunity to the Northeastern states of India, West Bengal, Nepal and Bangladesh also. The Confederation of Indian Industry (CII) Discussion Paper highlights that, the reopening of the new trade route over Nathu La holds out great significance for West Bengal. "It provides an enormous opportunity for the Economic Re-emergence of Eastern India. While the

centers of economic growth in South Asia had shifted away from Calcutta, Nathu La provides an opportunity to bring growth back in the eastern States. With Nathu La, India's eastern region can play an important role in the trade linkages with China, Burma, Thailand, Vietnam, Cambodia, Malaysia, Singapore, Indonesia, Bangladesh, Nepal, Bhutan and Sri Lanka – with Calcutta as the hub.”¹⁹

In comparison to other trade agreements between India and other neighboring countries, the Memorandum on Expanding Border Trade is more useful than the previous ones. As M. P. Lama writes, “Unlike the other border trade agreements signed by the Government of India with its neighboring countries, including Myanmar and Bangladesh, this agreements likely to have a much larger scope both in terms of the coverage of regions and goods and services. This is because of a relatively easier accessibility to, and more developed physical and institutional infrastructures in and around, the trading points.”²⁰

The reopening of the trade through Nathu La provides an opportunity for both the Governments to check the illegal flow of goods. As the Chief Minister of Sikkim Pawan Kumar Chamling said at 50th National Development Council Meeting, 2002, “ the opening of traditional trade route between India and China could bring a large quantum of informal and illegal trade between china and India

¹⁹ The Confederation of Indian Industry, *Opening of the Nathu La Pass: An opportunity for West Bengal*, Discussion Paper, 2003

²⁰ Mahendra P. Lama, “India-China Border Trade through Nathu La in Sikkim: Potentials and Challenges”, in Jayanta Kumar Ray, ed., *India and China in the Era of Globalisation: Essays on Economic Cooperation*. (New Delhi: Book Well, 2005), p. 98.

and their neighboring countries to a formal channel, thereby, generating both income and employment. China is huge unexplored market for many Indian products and services. Sikkim has a strong tradition of having border trade. This is also the shortest route for any South Asian country to trade with China.²¹ The reopening of trade will create an avid atmosphere, which would generate new vistas for the people of Sikkim. The Indian Chamber of Commerce (ICC) has predicted unprecedented economic development of the region, which includes the Greater Mekong region of Laos, Cambodia, Vietnam, Thailand, Bangladesh, Bhutan and the Yunan province of China. It predicts that Nathu La will provide the key connectivity to develop the trade bloc.

However, the ICC has based its predictions on some conditions: “The Northeastern States would have to tap the Chinese markets for their products and look at the Nathu La route as a route as a more effective land route. These states would have to pull themselves up and effectively take on the challenge posed by the import of cheap Chinese products. India has to become a new source point for intermediary products, which could feed Chinese factories that produce manufactured goods. The northeastern region would have to push itself and become an agro export zone. The partnerships and joint ventures would help in accessing markets of third countries such as Taiwan, Indochina, Japan and Korea

²¹ Speech of Pawan Kumar Chamling, Chief minister of Sikkim, 50th National Development Council Meeting on 21st December 2002 at New Delhi.

by utilizing the Chinese export-marketing network.”²² P.T. Gyamtso, Rajya Sabha member from Sikkim says, “The trade agreement has thrown up a great opportunity not only for Sikkim but also for the entire region. We can supply construction material, cement etc, to China while Chinese products, such as wool, silk and carpets can come directly to the Calcutta port.”²³ Trade through Nathu La pass will provide a new boom in the tourism industry in Sikkim, which would generate ample employment opportunity for Sikkim. The Chief Minister of Sikkim wants to become “the top tourist destination in the country”²⁴. For that reason, Sikkim has put tourism as a core area in its development agenda. Under the (Sikkim Democratic Front) SDF government, tourism has increased by over 60 percent in the last ten years. Tourist arrivals have recorded an annual growth rate of almost 10 percent in the last six years.

²² Naunidhi Kaur, “A Route of Hope”, *Frontline* (Chennai), vol 20, no. 16, (August 2003), pp. 51-53.

²³ Pravin Sawhney, and Ghazla Wahab, “Dragon Fire: China’s shadow continues to loom large over Sikkim,” *Force*, (New Delhi), vol.1, no.10 (August 2004), p. 40.

²⁴ Pawan Kumar Chamling, Tourism: A Leading Sector: Speech delivered on the occasion of Chief Minister’ and Tourism Ministers’ Conference on 12th September 2001 in New Delhi. As cited in, *Sikkim Perspectives and Vision: Speeches of Chief Minister Pawan Kumar Chamling*, (New Delhi: Indus publishing company, 2003) p. 408.

Table 6

Tourist Flow into Sikkim

Year	No. Of Domestic tourist	Yearly variation
1989	44378	
1990	56706	12328
1991	61360	4654
1992	68146	6786
1993	75091	6945
1994	89192	14101
1995	92883	3691
1996	145256	52373
1997	116500	-28756
1998	133158	16658
1999	139085	5927
2000	144203	5118
2001	146923	2720
2002	160789	13866

Source: Government of Sikkim, Department of Tourism, as cited in Development of Tourism in Sikkim published by Anthropological Survey of India, 2004

'Eco tourism', 'Village tourism' and 'Pilgrim tourism' are the new chapters in the tourism sector of Sikkim. Eco-Tourism reflects the interaction between local ethnic groups and the tourists and its reflect on the development of tourist centers. "The unparalleled beauty of the state, and very friendly and hospitable people, are its competitive and comparative advantages. These are the factors that are conducive to the development of Eco tourism."²⁵ For promoting village tourism, the government has selected thirty villages. These thirty model villages are equipped by the basic and modern facilities. By using this method, Sikkim provides a first hand experience of rich heritage and lifestyle of Sikkim.²⁶

The state Government of Sikkim also promoted the pilgrim tourism. It has combination of the religious heritage; it has 107 Buddhist monasteries, 32 Lkhkhangs, 11 Tasmkhangs (mediation centers), 9 hot springs believed to have curative powers, 320 Hindu temples, 74 churches and 6 mosques.²⁷ The pilgrim tourism can be extended to Mansarover Lake and Mount Kailash in Tibet. Nathu La provides the shortest route to these destinations. It may help to integrate the Himalayan region as well as attracts the religious pilgrimage to religious places. It can be turnout as the epicenter to connect all the major Buddhist destinations in India – Bodh Gaya in Bihar, Rumtek in Sikkim and Tawang in Arunachal Pradesh

²⁵ Mahendra P. Lama, "India-China Border Trade through Nathu La in Sikkim: Potentials and Challenges", in Jayanta. Kumar. Ray, ed., *India and China in the Era of Globalisation: Essays on Economic Cooperation*. (New Delhi: Book Well, 2005), p. 107.

²⁶ An interview of the Chief Minister of Sikkim Pawan Kumar Chamling, in Suhridd. Sankar. Choudhary, "Scaling new heights", *Frontline* (Chennai) vol. 21, no. 20, (October 2004), pp. 98-102.

²⁷ Ibid.

– to Lhasa in Tibet. The Government of India should declare the Bagdogra airport as an international airport because it will provide an ample opportunity to tourism. Its connectivity with the Buddhist countries will escalate pilgrim tourism in the region. However, the limited growth of tourism is a reflection of the lack of awareness of Sikkim as an attractive tourist destination and inadequate tourism infrastructure.²⁸

The emergence of Sino-Indian economic cooperation will boost the frontier development policy of both the countries. “The logic of economic integration will ensure that the remote regions of both the countries that border each other- Xinjiang, Tibet and Yunnan in China and Kashmir, Sikkim and the Northeast in India will be brought closer to each other as well as to global markets.”²⁹ There are various possibilities to both the countries to transform their borders into zones of commerce. It can once again become India’s gateway to Tibet and China. For years, Kolkata was the natural port of exit for Tibet. If India and China choose to initiate transit trade through Nathu La, the Bay of Bengal could provide the easiest gateway to the world. It may turn into a bridge between India and China to freeze their border problems, and to open the opportunities to economic engagement. The closest port for Lhasa is Kolkata only about 1400 km

²⁸ Ashok K. Lahiri, ed., *Sikkim: the People’s Vision* (New Delhi: Government of Sikkim, Indus Publishing, 2001), p.38.

²⁹ C. Raja Mohan, “Sino-Indian relations: towards a paradigm shift”, in C.V. Rangannathan, ed., *Panchsheel and the future: Perspectives on India-China Relations*. (New Delhi:Sanskriti, 2004), p. 227.

away. Besides Nathu La, Ladakh and the Karakoram Pass will also provide an opportunity to both the countries to engage more frequently.

West Bengal government has also shown interest in using the Nathu La trade route more vigorously and has also suggested dry ports in Siliguri (North Bengal). Nirupam Sen, West Bengal's Industry and Commerce Minister, said, "Our main emphasis initially will be on improving infrastructure. The road link has to be strengthened. We are considering various options for improving the roads and are also looking at possibilities of new alternative routes to Nathu La."³⁰ The West Bengal government decides to make Jalpiguri and Siliguri as a trading center, as these two towns are strategically located, will benefit Indian as well as Chinese traders. According to CII report, "West Bengal could register impressive growth in tourist inflows, leading to a growth in spending on the travel and hospitality sector. Siliguri could well emerge as the hub for Buddhist pilgrims from Japan and for East-Asian travelers to Bodhgaya in Bihar, Rumtek in Sikkim and Tawang in Arunachal Pradesh."³¹

For using this opportunity to gain benefits from the reopening trade route through Nathu La, it is required very clear strategy. As M. P. Lama writes, "what is required at the moment is a very clear strategy in terms of opening this trade

³⁰ Suhrid Kumar Choudhary, "A Pass to Prosperity", *Frontline* (Chennai) vol.20, no.25, (December 2003), p. 53-54

³¹ The Confederation of Indian Industry, *Opening of the Nathu La Pass: An opportunity for West Bengal*, Discussion Paper, 2003

route in a phased manner. Firstly, it should be opened with a limited idea of testing the infrastructures, trade orientation in terms of compositions and origins of tradable goods and its local and national implications. Secondly, it should be enhanced to a level of more diverse and thriving transit trade from the first phase of pure border trade. Thirdly, it should be integrated with the service sector activities particularly tourism within the two countries. And finally, this route can be opened for the commercial use by the neighbouring countries including Bhutan, Bangladesh and Nepal both in trade and tourism. All the four phase require clarity in long-term thinking and policy and consistent, protracted and serious interventions by both the governments and the private sector.”³²

However, after signing the memorandum on expanding border trade, border trade did not take place yet. There is much needed efforts from the Indian side to start cross border trade through Nathu La. There is a need to deal with the past and meet the demand of the present as well as the future, and maximize the opportunities and advantages, which still remain unachieved.

³². Mahendra, P. Lama, “Mountain hope: Nathu La will be gateway to Peace and Prosperity in the East,” *Force*, (New Delhi), vol.1, no.10 (August 2004), p.45.

CHAPTER V

CONCLUSION

India and China have traversed a long way since the late 1980s. Mutual suspicion, misunderstanding, hostility and enmity has slowly given way to engagement and cooperation. However, a major shift of relations was initiated from the times of Rajiv Gandhi got full shape in the hands of the Indian Prime Minister Vajpayee. During the last fifty years, the border dispute between India and China remained a constant irritant and a major hurdle in normalising relations and became one of the major determinants in their relationships. However, both the countries started the process of reconciliation, using various CBMs (Confidence Building Measures) to reduce the intensity of problems and to create an atmosphere, which was appropriate to settle the long-standing border dispute or even to create an amount of trust, which might assist in the resolution of the impending misunderstandings. The recognition of Sikkim is an important step towards solving bilateral political problems and strengthening their relationship.

India had always enjoyed a special relationship with Sikkim prior to 1975. In 1975, acting in accordance with the wishes of the people, Delhi integrated Sikkim into the Indian Union as the 22nd state. But, China did not recognise this integration and adopted the policy of non-recognition towards Sikkim, adding one more facet of misunderstanding in the already rift torn relationship between India

and China since the late 1980s. By adopting this policy, it was easier for China to encourage internal developments in Sikkim that could destabilise the region, though without much success. China's recognition of Sikkim was kept on hold as a trump card to counter the Indian demand of the Chinese occupied territory in India. China wanted to use Sikkim as a bargaining chip to deal with India and extent political concessions on Tibet. Sikkim was not in the same category as the boundary dispute, but it was used by the Chinese political leadership to prove the "aggressive" nature of the Indian decision makers, especially in relation towards its smaller neighbours. India continuously made its efforts to get Chinese recognition over Sikkim. In the age of globalisation, both the countries do not want to carry the past history of confrontation into the 21st century; understanding the changed realities of international politics they have started moving on the path of mutual development. By and large, both the countries are eager to normalise their relations and utilise the opportunity, which is offered by the open market system.

Throughout the 1990s China began to signal to give an indirect recognition to Sikkim as an integral part of India in a border trade agreement between China's Tibet and India's Sikkim. In June 2003, during the Indian Prime Minister Atal Bihari Vajpayee's visit to China, both the countries took a fresh perspective of growing a sustaining relationship between the nations. Both the countries signed a Memorandum on Expanding Border Trade, which highlights the reopening of

border trade through Nathu La Pass of Sikkim. This Memorandum clearly signaled that in an implicit way, China recognised Sikkim as an integral part of India but did not provide any legal recognition to it. In April 2004, *2003-2004 World Affairs Year Book* published by the World Affairs Press under the Chinese Foreign Ministry stopped showing Sikkim to be an independent country, showing a clear indication that the Chinese leadership was sincerely making an effort to have a cordial relation with India.

In April 2005, the Chinese premier Wen Jiabao visited India and handed over the newly drawn map, which finally portrayed Sikkim as a part of India. In the press briefings of the Indian foreign ministry it became clear that the issue of providing a legal recognition to Sikkim has been done and Sikkim no longer remains an issue between India and China. In this manner, Sikkim, which until the late eighties remained as a cause of disagreement for both nations, has ceased to be one. Mutual economic development has turned into a principle element in the bilateral relations of India and China. Above and all, through this mechanism, both the countries may find a viable solution of the border dispute, which is always remain main constraint in their bilateral relations.

The timing of the Chinese recognition to Sikkim as an integral part of India has an importance for various reasons. After 9/11, India's relations with America grew stronger and both of them have engaged themselves in various fields of cooperation. China is wary about any sort of American presence in South Asia.

This might be a cause that made China take the initiative and recognise Sikkim as an integral part of India, which boosted a new life in India-China relationships, which may help to remove the misperception and engage them into meaningful cooperation. The changed international politics also played a very important role to remould their attitude towards each other, both the countries adopted different sets of principles in their respective foreign policies; China adopted the principle of 'Peaceful Rise' and India adopted the principle of 'Extended Neighbourhood'.

Even there has been a significant resolution of the religious dimension that was added on to the political matrix of Sikkim. The issue of the Karmapa though remains unresolved, but there has been a significant change of attitude in regard to the fleeing Tibetans, and the problems associated with it. In the third chapter, it has been clearly mentioned the intricacies that is involved in the Trans-Himalayan politics that is closely linked with the religious overtone of the monasteries. Such politics had played a major role as there, at that point of time, were no visible avenues through which a mutual amicable solution could have been arrived at between the two leaderships of India and China regarding the political status of Sikkim, and the monasterial politics played a much bigger role. The issue of the Karmapa, which at one point of time, received significant media attention has moved to the back burner and has been overshadowed by the growing economic relations between India and China.

As far as the economic perspective is concerned, the decision to reopen border trade through Nathu La provides a huge opportunity for economic development in the adjacent border areas of both the countries. If India and China use Sikkim as a gateway to each other, the whole region will be able to reap benefits from this growing friendship. Re-vitalising old trade routes between India and China could bring fresh dimensions of economic cooperation.

Trade through Nathu La will bring various benefits to both the countries, these benefits are as following; a) it provides an opportunity for both the countries to resolve their political problems through economic engagement, b) it will increase people to people contact between both the countries, c) it will give synergise economic cooperation, d) cultural relations will become stronger, e) it will help to increase the employment opportunities in the north eastern region of India, f) it will help both the countries to develop an economic zone covering the Northeastern region of India and the western region of China.

But, due to some military and security mindset at the bureaucratic levels, which is based upon the past history of confrontation creates some kind of hesitation to initiate border trade through Nathu La. Instead of fearing from China, the Indian establishment must expand its economic policy in the frontier region. There are much needed efforts from both the sides to develop the infrastructural facilities along both the side of the border. Though the agreement of bilateral trade through Nathu La is in place, but due to the various infrastructural obstacles and

bureaucratic hurdles, trade through Nathu La has not yet been initiated. The need of the hour is to clearly demarcate the manner in which Nathu La will be used for trade, the various economic levies that has to be charged on the incoming and outgoing goods, if any, as well as creating various infrastructural links within the region for the successful realisation of the economic zone that has been thought about by the leaders of India and China. By using Nathu La, India and China can transform the geopolitics of the Himalayan region towards cooperation.

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