FOREIGN POLICY OF NEPAL AS A SMALL POWER

A Dissertation

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Degree of Doctor of Philosophy in
POLITICAL SCIENCE

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DECLARATION

I hereby declare that this dissertation entitled **FOREIGN POLICY OF NEPAL AS A SMALL POWER** has been composed by myself and that it has not been submitted, in whole or in part, in any previous application for a degree. Except where states otherwise by reference or acknowledgment, the work is a presentation of my original research.

Bhima Nath Baral

April 2025

RECOMMENDATION LETTER

We hereby certify that this dissertation entitled **FOREIGN POLICY OF NEPAL AS A SMALL POWER** has been prepared by Bhima Nath Baral under our guidance. We recommend for final examinations by the Research Committee of the Faculty of Humanities and Social Sciences, Tribhuvan University, in fulfilment of the requirements for the Degree of **DOCTOR OF PHILOSOPHY** in **POLITICAL SCIENCE**.

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APPROVAL LETTER

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ABSTRACT

The purpose of this study is to examine Nepal's foreign policy from the perspective of small power theory. Small powers must navigate asymmetrical power structures in international relations and are characterized by their limited diplomatic, military, and economic capacities. Despite significant changes following the country's transition to democracy, Nepal's foreign policy has demonstrated remarkable resilience. Its active participation in various multilateral forums has been recognized as a notable achievement in the realm of foreign policy. However, all aspects of international relations—including military, economic, technological, diplomatic, and alignment systems—have undergone substantial transformations. Consequently, the global balance of power has shifted, enhancing Nepal's geostrategic significance, primarily due to the rise of China and India as competing global powers.

This research work employs a qualitative research design, utilizing descriptive, analytical, and exploratory methods to investigate Nepal's foreign policy from multiple perspectives. For the analysis, data were gathered from secondary sources, including constitutional provisions, official documents, treaties, party manifestos, parliamentary debates, academic literature, expert opinions, and media reports. A desk review, content analysis, and note transcribed methods were comprehensively employed for data collection.

Nepal is a medium-sized country; however, it is often regarded as a small state due to limitations in its economic, military, diplomatic, and external affairs, as well as its geographical position between two large neighbors. Despite these challenges, Nepal upholds its identity as a sovereign and independent nation with a rich and ancient civilization. Its strategic location at the center of South Asia, active participation in regional and international organizations, and its position between two rising powers are key factors contributing to its status as a small power. According to the study, Nepal's historical heritage as an independent country and its geostrategic location significantly influence its foreign policy. Despite its limited resources, Nepal's foreign policy has demonstrated flexibility, transitioning through various approaches—non-alignment, isolation, equiproximity, neutrality, and strategic balancing—all aimed at preserving its independence and sovereignty. However, the coherence and effectiveness of its foreign policy have been compromised by internal political dynamics characterized by ideological polarization and frequent

policy shifts with changes in government. Additionally, a centralized and individualized policy-making culture has hindered the institutional capacity of Nepal's Ministry of Foreign Affairs. The study also highlights Nepal's vulnerability to both conventional and unconventional security threats, such as political unpredictability, frequent external intervention, and economic instability. It emphasizes that the effectiveness of Nepal's foreign policy will rely on strengthening its institutional framework, enhancing policy coherence, and adapting to an evolving global geopolitical landscape, particularly in light of increasing tensions among major global powers.

Nepal's distinct geopolitical position—often referred to as a "yam between three boulders"—with China as a rising superpower, India as a traditional ally, and the expanding influence of Western powers and donors—makes it a small power despite certain limitations. Nepal still continues to be dependent on its neighbors and international partners, while also playing a vital role in their strategic objectives. Therefore, Nepal needs to handle these intricate relationships through a non-aligned, balanced foreign policy that prioritizes its national interests. To achieve this, it becomes essential to foster national consensus among stakeholders, adopt a research-driven approach to policy-making, strengthen institutional frameworks, and avoid security alliances that could jeopardize its relationships with neighboring countries and other international partners. By doing so, Nepal can effectively address the evolving geopolitical challenges and maintain its identity as a sovereign, independent, and stable country.

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ABBREVIATIONS/ACRONYMS

ADB	Asian Development Bank
AOSIS	Alliance of Small Island States
ASEAN	Associations of Southeast Asian Nations
AUKUS	Australia, the United Kingdom, and the United States
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral, Technical, and Economic Cooperation
BNPTT	BIMSTEC Network of Policy Think Tank
BRI	Belt and Road Initiatives
B.S.	Bikram Sambat
BTILS	BIMSTEC Transport Infrastructure and Logistic Study
CNAS	Centre for Nepal and Asian Studies
EWEC	East-West Economic Corridor
FOSS	Forum of Small States
GNP	Gross National Product
G-7	Group of Seven
G-77	Group of Seventy Seven
G-8	Group of Eight
GDI	Global Development Initiatives
GEI	Global Environment Institute
GON	Government of Nepal
GSI	Global Security Initiatives
IFA	Institute of Foreign Affairs
IOM	International Organization for Migration
IORA	Indian Ocean Rim Association
IPS	Indo-Pacific Strategy
JICA	Japan International Cooperation Agency
LDCs	Least Developed Countries
LLDCs	Landlocked Least Developed Countries
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MOFA	Ministry of Foreign Affairs

NAM	Non-Alignment Movement
NEFAS	Nepal Foundation for Advanced Studies
NIEO	New International Economic Order
OECS	Organization of Eastern Caribbean States
PKOUN	Peace Keeping Operation of the United Nations
PMPD	People's Multi-Party Democracy
QUAD	Quadrilateral Security Dialogue
SAARC	South Asian Association for Regional Cooperation
SDG	Sustainable Development Goal
SIDS	Small Island Developing States
SPP	State Partnership Programm
TU	Tribhuvan University
TV	Television
UNO	United Nations Organization
UNSC	United Nations Security Council
USA	United States of America
WB	World Bank
ZOP	Zone of Peace

CHAPTER I
INTRODUCTION

1.1 Background of the Study

The modern state system has evolved from the Tribal-State, which historians consider as the earliest stage of state formation. Eventually, it was transformed into the Oriental Empire. The transformation was a natural phenomenon that kept evolving occasionally in search of better life and governance (Gauba, 2009, p. 144). The society changed into a small kingdom and transformed into a large empire later in search of food, water, and security. The Oriental Empire, despite its initial success, faced significant internal challenges. Lack of communication, conspiracy, economic downturns, and provisional government against central authority ultimately led to the downfall of the Oriental Empire. However, this empire later gave the concept of Greek city-states a new start. It was the first community that gave conscious thought to politics. However, the assertion of too much independence and lack of shared political consciousness led them to be failed and succeeded by the Roman Empire (Asirvatham & Mishra, 2012, p. 95). The Roman Empire in the Western world passed through monarchy, republic, and Roman Empire. The Romans made significant contributions to the field of law and administration. Modern civilization received the gift of ideas of unity, order, universal law, and cosmopolitanism. Roman empire also could only be consolidated for a while. The Barbarians caused the downfall of the Roman Empire, and as a result, Europe witnessed the introduction of Feudalism as the fifth stage of state formation. Feudalism was a social and economic system where land was exchanged for military service, marking the transition from the Roman Empire to the modern nation-state system (Gauba, 2009, p. 146). There existed a conflict between kings and people. The French Revolution (1789) and several other democratic movements witnessed people's victory, leading to the formation of the modern state system.

Historically, the state remained the primary player in international relations. Even today, the state plays a significant role in the global system. However, there have been several changes in the functioning of the state to that of the traditional state system. The increasing number of actors on the world stage and their divergent interests have brought significant changes in the functioning of the global system (Goldstein & Pevehouse, 2009, p. 12). Each state as a primary player strives to

safeguard its essential interests while engaging with the international community. Thus, the concept of national interest is fundamental to the analysis of international relations (Acharya, 2023). States implement specific policies to advance and defend their national interests. All national governments have their engagement with foreign governments and other global actors and influence the activities to promote their national goals (Jackson & Sorenson, 2013, p. 252). Such a policy is known as foreign policy. In this connection, Beach (2012) defines foreign policy:

> Foreign policy is both the broad trends of behavior and the particular actions taken by a state or other collective actor as directed toward other collective actors within the international system. Foreign policy actions can be undertaken using a variety of different instruments, ranging from adopting declarations, making speeches, negotiating treaties, giving other states economic aid, engaging in diplomatic activity such as summits, and the use of military force. (p.3)

Beach asserts that foreign policy engages in different strategies to achieve national interests on the global setting.

Foreign policy serves as a strategic tool to advance a nation's interests. It is widely acknowledged that the establishment of a government is crucial for the functioning of a state, and in today's world, maintaining international relations has become indispensable. As a constituent of the international system, a state cannot afford to isolate itself from the assistance and cooperation of other states.

In the present era of increasing interdependence, there exist numerous factors that necessitate interactions among various entities. These interactions find their most prominent manifestation in the policies adopted by a nation towards other nations These policies, commonly referred to as foreign policies, encompass the regulation and management of a state's external relations in the global context (Ghosh, 2015). In contrast to internal and domestic policies, the formulation and implementation of foreign policy receive significant emphasis from a state. The successful execution of foreign policy not only bolsters a nation's influence and reputation among other countries but also enhances the government's credibility both domestically and internationally (Malhotra, 2012). Thus, foreign policy can be defined as the strategic

approach adopted by a country to achieve, promote, and advance its aspirations and interests concerning other actors.

Foreign policy revolves around the notion of national interest, serving as its fundamental pillar. All actors have their interests but varies from time to time. Own's dynamism in foreign policy is proven when it can promote such interests and desires (Simkhada, 2018, p. 85). From a realist perspective, these interests are defined in terms of power, thereby establishing a complex global environment where the task of devising a successful foreign policy becomes indispensable (Srivastava, 2016, p. 34). In the realm of international relations, each state is actively involved and dedicated to safeguarding and promoting its national interest. Although the specific interests of a state may vary over time, the most effective means of preserving them is through the implementation of a rational foreign policy.

Nevertheless, it is crucial to recognize that states differ in their ability to formulate effective foreign policies that serve the purpose of safeguarding and advancing their national interests. The achievement of a state's goals is influenced by a multitude of internal and external factors. Domestically, factors such as population size, territorial dimensions, availability of resources, level of economic development, technological advancements, leadership capacity, bureaucratic efficiency, and political system all contribute to shaping foreign policy (Smith et al., 2012). Furthermore, the state's geostrategic location, the international environment, interests of neighbors and donors, and various other dimensions also exert their influence on the formulation of foreign policy.

Countries with diverse sizes and abilities exist as the principal actors of the international system. All the countries, regardless of their size and ability, are sovereign. However, countries are classified into various types based on size, economy, population, resources, military might, and political influence they put in the global arena. The small powers often face external threats, depend on more considerable powers, and have limited ability to shape international affairs. They generally exert less influence on global decision-making, and regional/international organizations often assign them secondary roles (Rothstein, 1968). However, they can also have strategic significance in specific contexts and play essential roles in shaping regional dynamics and promoting peace and stability.

The small powers, conversely, often struggle to achieve their foreign policy goals due to their limited influence in the international system. Positioned at the bottom of the structural hierarchy, these states are typically viewed as having minimal impact on global affairs (Bhattarai & Cirikiyasawa, 2020, p. 53). Nevertheless, not all small states face the same level of vulnerability within the international arena. Certain nations can maintain a sense of parity among larger states by leveraging their strategic positioning, ability to provide advantages to more powerful nations, rich historical heritage, possession of unique resources, and diplomatic ability (Litsas, 2023, p. 15).

Often neglected, the voices of smaller states are rarely heard and respected. Rose and Dial (1969) opines that the mini-states have limited role as they are often dominated by protagonist powers (p. 89). This is especially true for countries that are landlocked, have poor technology, face domestic instability, economic and social backwardness, weak security, and are positioned as buffers (Jaiswal, 2016, p. 4). Such countries struggle hard for survival and are often unable to benefit from interdependency. The majority of small states rely heavily on significant economic and security powers. The human security and national security of these nations are constantly at risk due to challenges posed by internal and external factors (Bhattarai, 2010). Survival is particularly difficult for small countries like ours, caught between the formidable forces of India and China, both possessing vast economies, strong militaries, and nuclear capabilities.

Nepal is situated in the southern region of Asia, strategically positioned between two prominent global players, China to the north and India to the east, south, and west. Both China and India boast populations exceeding one billion, possess advanced infrastructures, and have established themselves as nuclear powers (Subedee, 2012, p. 55). In recent times, Nepal has gained recognition as a landlocked country and one of the least developed countries, situated between the two Asian powerhouses. The foreign policy of Nepal is often discussed in relation to the establishment of modern Nepal. Prithvi Narayan Shah, the founder of modern Nepal, likened Nepal to a yam caught between two boulders (Acharya & Yogi, 2061). He emphasized the importance of maintaining a strong friendship with the Chinese emperor, as well as fostering a positive relationship with the British, who ruled over the southern seas. Shah advocated for a defensive approach in conflicts, discouraging offensive attacks and instead promoting the use of persuasion, tact, and deceit when

necessary (Rose, 1971). His vision was to cultivate harmonious relations with both neighboring countries, India and China, to achieve prosperity and peace. Consequently, Nepal has traditionally adopted a strategy of balancing its relationships with these two countries as a means of ensuring its survival and independent identity.

Nepal's foreign policy, despite significant changes following the establishment of democracy in Nepal, has demonstrated remarkable resilience. Nepal's accession to the United Nations, expansion of diplomatic ties, proposal for a zone of peace, temporary membership in the United Nations Security Council (UNSC) twice (1969-1970) and (1988-1989), participation in organizations like Non Alignment Movement (NAM) and South Asian Association for Regional Cooperation (SAARC) are viewed as notable accomplishments in its foreign policy realm (Acharya, 2014). Recent international challenges, while exposing the limitations of Nepali foreign policy, have also underscored its ability to adapt and learn. The world has witnessed massive changes in all sectors of international life: military, economic, technological, educational, and others. The global power scenario has eventually changed, and Nepal's geostrategic importance is increasing. This is mainly due to the arrival of China and India as competitive global powers (K. C., 2024a). It requires a new outlook in foreign policy to protect the vital interests of the country. In this context, the research has been conducted on the topics.

1.2 Statement of the Problem

Throughout its history, Nepal has managed to preserve its independence, never subjected to any colonial rule. The country's foreign policy has undergone several transformations over time. Before the end of the Rana rule, Nepal's approach towards the international community was predominantly passive. The Ranas, who held power during that period, adopted an isolationist foreign policy (Dahal, 2011). However, under the reign of King Tribhuvan, Nepal developed a special relationship with India. The main reason for this was unstable politics, personal relations of party leaders with Indian leaders and India's active support in overthrowing the Rana regime (Srivastav, 2016, p. 39). Following the establishment of democracy, Nepal entered global politics by joining the United Nations in 1955 AD. The initial elected administration fostered transparent connections. Under the Partyless Panchayat system, King Mahendra adopted Nepal's foreign policy to contemporary needs by

expanding and formalizing diplomatic and trade ties with various nations worldwide (Dahal, 2009, p. 27). King Birendra played a significant role in expanding and strengthening Nepal's connections to both international and regional arenas. One of his key initiatives was the Zone of Peace proposal (Acharya, 2019).

After the restoration of multi-party democracy in 1990, Nepal's foreign policy underwent a process of redefinition to align with the agenda of the political party in power. The Nepali Congress government, in particular, formulated its foreign policy based on its dedication to democracy and human rights (Hachhethu, 2021). However, the leftist parties prioritized national interests over human rights and democracy (Dahal, 2018). As the country embraced a multi-party democratic system, the commitment and involvement of all political parties became crucial in shaping and implementing the country's foreign policy. Unfortunately, the political parties in Nepal have yet to develop a forward-thinking and coherent foreign policy, as their respective party ideologies heavily influence their decisions.

Nepal's foreign policy during King Gyanendra's control of power in 2002 and his direct rule (2005-2006) yielded no significant achievements. The People's Movement 2006, conducted at the background of 10 years Maoist insurgency (1996-2006), experienced a new political system. Two prominent leaders from the Maoist party tried to give new flavour to foreign policy by developing Nepal as a 'bridge country' between China and India (Baral, 2019). The new constitution was promulgated in 2015, providing equal importance to foreign policy. Like previous constitutions, the current constitution, specifically part 4, emphasizes enhancing the nation's dignity in the global community. Such honor is achieved by maintaining international relations based on principles such as sovereign equality, freedom, sovereignty, territorial integrity, independence, and national interest (Article 50 (4)). Additionally, the state is dedicated to formulating a specific foreign policy within the framework of policies related to international relations (Article 51 (m)). These clauses exemplify Nepal's commitment to a balanced and sovereign foreign policy.

Despite the numerous efforts made, Nepal's foreign policy as a small power in the 21st century is marked by various emerging issues. As a landlocked country, it requires to demonstrate its effectiveness in adopting appropriate foreign policies. In today's globalized and liberalized world, Nepal faces several challenges in implementing its foreign policy (K. C., 2024a). In this light, prolonged political instability, a weak and stagnant economy, labour migration, socio-cultural diversities,

and administrative inefficiencies all have detrimental effects on the formulation of foreign policies (Dahal, 2009). Nepal's geostrategic position has also consistently posed challenges in foreign policy matters (Bhatta, 2022). The interests of various powerful countries, as well as regional and global organizations, further complicate Nepal's relations with the international community. However, it is possible to address and overcome these challenges by exhibiting diplomatic efficiency.

Nepal's foreign policy illustrates its ongoing efforts to safeguard the country's sovereignty and adapt to both regional and global power structures. Small states prioritize survival and enhancing their power and position in the global arena through their foreign policy (Jaiswal, 2016, p. 5). Dwivedi (2016) emphasizes that smaller states often fear their more powerful neighbors (p. 198). History witnessed that Nepal was prosperous in safeguarding its sovereignty, territorial integrity, and political independence. It has pursued a perceptive foreign policy approach that prioritizes diplomacy and diplomatic processes as a crucial part of its domestic agenda. Additionally, Nepal has adjusted to the ever-changing global geopolitical dynamics and power structures (K. C., 2024a, p. 207). Following the unification of Nepal, the nation has encountered survival challenges due to the growing influence of neighboring countries. Even in recent years, challenges have been seen in Nepal's foreign policy effectiveness in safeguarding national interests, attributed to various factors. The internal and external scenario has changed drastically. Even after the advent of the democratic system, Nepal has been facing problems in managing order in the neighborhood (Bhattarai & Cirikiyasawa, 2020, p. 55). The country's immediate neighbors are far ahead in size, population, economy, military might, technology, and global positioning. Nepal is overshadowed by the progress achieved by China and India. They also struggle to expand their influence in Nepal for their strategic gain (Shrestha et al., 2021, p. xi). Nepal's foreign policy continues to focus on the complexities arising from its geopolitical position between powerful neighbors.

In this context, Nepal needs help following the status quo policy or participating in global competition. The geostrategic location has further dragged the eyes of external powers like the USA. Nepal's positioning has become a focus for the United States' Millennium Challenge Corporation (MCC) and China's Belt and Road Initiative (BRI). In addition, Nepal has an open border and longstanding treaty

engagements with India, which confronts a trilateral dilemma, such as falling into Thucydides' trap (the strong do what they can and the weak suffer what they must) due to possible competition between established and emerging global and regional powers (K. C., 2024a, p. 207). Hence, the small powers face difficulties in fulfilling one's interests by influencing the goals and activities of other actors (Carlsnaes, 2002, p. 335). Nepal's geopolitical positioning has put several constraints on its foreign policy. Shifting international competition, conflicting interests of immediate neighbors, and the growing rivalry between great powers are the issues that Nepal needs to tackle (Acharya, 2023). This reality has historically been addressed by adopting divergent foreign policies. The choice of such policies have significantly supported the nation-building process though the domestic, regional, and global power structures that have frequently been changed. Numerous principles have guided the stakeholders in foreign policy matters, considering national interests over the years. Despite the policy shifting, challenges continue as international competition, rivalry, conflicting interests of immediate neighbors and donors in the light of changing several internal and external factors. In this context, this study addresses key concerns regarding what dynamics in Nepal's foreign policy have evolved over time, how its guiding principles have contributed to engaging it as a sovereign and independent power, and why the ongoing global power shift continues to influence Nepal's foreign policy choices. It is challenging to adjust these issues in Nepal's foreign policy.

1.3 Research Questions

Taking into account the nature, scope and problems mentioned above, this study raises following research questions:

a. What foreign policy approaches has Nepal historically adopted in the state-building process as a small power?
b. How have guiding principles and institutional structures contributed to the formulation of Nepal's foreign policy?
c. Why do geopolitical dynamics influence the foreign policy of Nepal as a small power?

1.4 Research Objectives

Nepal's strategic position holds significant importance in the realm of global politics. The country's affiliation with two influential Asian powers, along with the

growing interest of global powers, has presented additional challenges for Nepalese foreign policy. Due to its geographical proximity, socio-cultural connections, religious ties, and various other factors, Nepal must be cautious while dealing with its immediate neighbors (Dahal, 2022). Nonetheless, the reputation that Nepal's predecessors have built internationally is eroding, and even the neighbors must have total faith in Nepal's ability to protect their security interests. To regain their trust, Nepal must be cognizant of the minimum national interests of both neighbouring countries (Bhatta, 2021). Given these circumstances, a concern has arisen regarding the potential impact on safeguarding national interests. Notably, the vulnerability faced by small nations such as Nepal poses a significant challenge in relation to long-term survival within global politics or avoiding extinction. Global power shift, growing competition of immediate neighbors in the global scene, the country's internal makeup, and Nepal's geostrategic position itself insist on reassessing, making constant reviews, reconsidering and adjusting its foreign policy stance (Acharya, 2020, p. 54). Against this backdrop, the general objective of this study is to examine Nepal's foreign policy from the perspective of a small power. The specific objectives are as follows:

a. To trace an account of the historical outlook on Nepal's foreign policy as a small power.
b. To analyze the principles and institutional structures that have guided Nepal's foreign policy formulation.
c. To assess the role of geopolitical dynamics in shaping Nepal's foreign policy as a small power.

1.5 Limitations and Delimitations of the Study

This research explores the foreign policy of Nepal from small power perspective. However, the research has several limitations. Methodologically, the research stands out for its use of secondary sources for data collection like government documents, policy documents, books, media reports, and journal articles. It is limited by the accuracy and interpretation of available materials. The research may have constrained the originality and insights that could be obtained through primary sources such as interview with diplomats, foreign policy makers or the scholars in the field. Theoretically, the research primarily aligns with the realistic school of thought, emphasizing power as a crucial element in safeguarding national

interests. Neo-liberal institutionalism and constructivism also contribute to the interpretation of data. But Nepal's position has its own contexts. Empirically, these frameworks may not be fully applicable in Nepal's unique geopolitical, historical, and cultural experience with evolving global dynamism. Further, the information which the researcher has collected from different sources may be biased. However, given the broader scope of the topics covered, the research provides a comprehensive outlook of the subject through the adoption of reliable secondary sources for data collection. The nature of the research is qualitative, involving desk review, content analysis, and notes transcribed as outlined in later sections.

This study is delimited to assess Nepal's foreign policy through the lens of small power theory. The research covers the period from the foundation of modern Nepal to the present in general and post-2006 developments in particular. It traces the historical outlook, guiding principles, and trajectory to shifting geopolitical dynamics. The research primarily examines Nepal's relations with its immediate neighbors and engagement in global initiatives, without providing a detailed account of bilateral relations with individual countries. It adopts realism/neoclassical realism, neoliberal institutionalism, and constructivism as its theoretical frameworks, and does not include alternative perspectives for interpreting Nepal's foreign policy behaviour.

1.6 Significance of the Study

The study of international relations holds great significance in today's world, which is characterized by inter-dependency. Small states have always faced threats in global politics, with some even losing their identity and disappearing. However, there are also small countries that have managed to preserve their existence and play an effective role in the international community. Nepal, often referred to as 'the Yam between two boulders' ('Yam' refers to a delicate root vegetable) by Prithvi Narayan Shah, has been striving for its survival. As global power shifts towards Asia, primarily with the rise of India and China, Nepal urgently needs to engage in in-depth discussions about the changing power structure at regional and international levels. Therefore, it is crucial to conduct research on the foreign policy of Nepal from small power's perspective. This topic has been of equal importance in the past and will continue to be a significant subject for students of international relations and policymakers in the future.

The study on foreign policy of Nepal as one of the small powers has been neglected for a long time. But it has acquired greater significance in modern times. It is the great privilege for political scientists to study on small powers. Although small powers are often overlooked and ignored in world politics, but it can have greater implications for broader academic discourse. The researcher sketches Nepal's strategic behavior, internal limitations, and responses to external pressures that provide crucial grounds for theoretical understanding. The researcher is very motivated to choose this topic and wants to do original research that will contribute new knowledge to foreign policy of small powers and their behavior, especially from Nepal's point of view. Further, the research will enhance the credibility and creditworthiness of the role of small powers in multi-polar world. This research has both theoretical and practical implications. Its findings benefit the theoretical understanding of small powers and their behaviour in studying international relations. It also offers valuable insights for policymakers, leaders, diplomats-in-training, and people who want to know more about small-power foreign policy. This research is specific in examining how small powers such as Nepal pilot their specific geopolitical positions amid strategic vulnerabilities and changes in global power dynamics. Furthermore, it offers an academic representation of Nepal within the discourse surrounding small powers.

1.7 Organization of the Study

For better understanding, the research is organized into seven distinct chapters. The first chapter is about the introduction to the research. This chapter includes several sub-topics like the research's background, the problem's statement, research questions, objectives, limitations and delimitations, rationale, and research organization. The second chapter focuses on conducting a comprehensive literature review. This chapter encompasses all the relevant details from the supporting literature. The chapter also discusses empirical review, review summary and research gap. The third chapter, which is of significant importance, is about research methodology. This chapter is crucial as it discusses the research philosophy, justification of the study area, research design, nature and sources of data, the tools used for data collection, and presentation and analysis of data. The sub topics also includes reliability and validity, theoretical framework, operational definition of the

key terms, and ethical considerations which are presented at the end of the chapter to ensure the credibility of the study.

The fourth chapter sheds light on the concept of small power and a historical account of Nepal's foreign policy. It also deals with the trends and patterns of Nepal's foreign policy. The same chapter deals with Nepal's engagement with regional and global organizations and the survival strategies adopted during its early days of nation-building. The fifth chapter examines the formulation of the principles of Nepal's foreign policy. From the viewpoint of Nepal's national interests, this chapter discusses the objectives, bases and principles of Nepal's foreign policy based on the provisions made in the constitution. The significance of political parties in the formulation and execution of foreign policies is recognized. Therefore, the viewpoints of major political parties in Nepal are examined by studying their political manifestos introduced during the elections for both federal and provincial legislatures held in 2022.

Similarly, the sixth chapter examines the geopolitical trajectory and challenges of Nepal's foreign policy comprehensively. It explores the challenges faced by small powers like Nepal in dealing with cases related to the interests of immediate neighbors and beyond. Furthermore, this chapter scrutinizes the security challenges of small powers and Nepal's engagement with global projects. The same chapter examines Nepal's dilemma of having a balanced and independent foreign policy. Lastly, the seventh chapter provides a summary and conclusion based on the research findings. This chapter culminates the study, offering a comprehensive and satisfying overview of the research work. References are mentioned at the end.

CHAPTER II
LITERATURE REVIEW

States are considered the primary units of the international system. No country can exist in isolation, as interaction among the members of the global community is both inevitable and necessary. These interactions are best reflected by a state's policies towards other states. Every nation pays significant attention to developing and effectively implementing its foreign policy. This serves as a mechanism through which a country can protect its national interests, ensure security, and achieve economic prosperity and ideological objectives. Successful foreign policy can elevate a country's influence and reputation among other countries. World governments are the main actors in international affairs, and analyzing foreign policy helps them achieve their goals by addressing current global issues (Jackson & Sorenson, 2013, p. 252). Thus, a state's foreign policy remains vital for its survival and global presence.

Conversely, smaller states often struggle to achieve their foreign policy goals due to their limited influence in the international system. Positioned at the lower end of the structural hierarchy, these states are typically perceived as having minimal impact on global affairs. However, not all small states experience the same level of vulnerability within the international arena. Some, through adaptive and unique strategies, can maintain a sense of parity among larger states. Smaller states, often neglected and with their voices rarely heard and respected, face numerous challenges. This is especially true for landlocked countries with poor technology, which face domestic instability, economic and social backwardness, and weak security and are positioned as buffers. Such countries struggle hard for survival and often cannot benefit from interdependency. These challenges highlight the need for global attention and support for smaller states.

The majority of small states rely heavily on significant economic and security powers. These nations' human and national security are constantly at risk due to challenges posed by internal and external factors (Wagle, 2021). Survival is challenging for small countries like Nepal, caught between the formidable forces of India and China, possessing vast economies, strong militaries, and nuclear capabilities.The aim of this study is to investigate the tactics, obstacles, and difficulties faced by small nations such as Nepal in ensuring their survival, as well as

the connections that must be upheld in order to capitalize on opportunities for enhancing soft power by implementing a robust foreign policy.

Many articles and books have been published on Nepal's foreign policy. At the same time, there has been a parallel development in the field of foreign policy related to small powers over the last two decades. Scholars, writers, journalists, diplomats and researchers have written many articles and books about Nepal's foreign policy and its impact on small powers. While some have commented on books and brochures, journal articles, papers, and newspaper articles, others have presented concerns at seminars, meetings, and conferences. A few have commented on TV, radio, and FM channels. Historical documents of the Nepalese government, concerned organizations, and parties also reflect the views and positions of the relevant sectors. The researcher has attempted to analyze most of the literature on Nepal's foreign policy from the point of view of the small powers.

The chapter has been divided into two following sub-sections for the researcher's ease:

a. Theoretical review, and
b. Empirical review

2.1 Theoretical Review

2.1.1 Concept of Foreign Policy

The international system is made up of several players who engage in dynamic interactions. In the present day, no actor, especially a nation, can avoid being involved in the global system. The local, regional and global players all have their parts to play. The various actors in the international system interact with each other daily, shaping the ever-evolving landscape of international relations. Each actor and their behaviour is governed by the instinct of national-interest (Acharya, 2023). The activity of how one actor interacts with another is primarily determined by the principle of national interest.

Foreign policy is a set of policies and practices a nation-state or government adopts to govern and strengthen its relations with third countries, allies, and partners. Foreign policy typically safeguards a nation's national interests, security, political objectives, and economic growth (Aryal et al., 2011, p.11). Considering this fact, each

actor is guided by a specific set of principles and policies. These policies should be methodical and grounded in well-defined principles. The term commonly used to describe a nation's policy when interacting with others is known as foreign policy. Foreign policy is commonly perceived as an extensive and ambiguous field that is the foundation for conducting all interactions between nations. It represents the actions and decisions taken by a sovereign state within the global arena, aiming to achieve national objectives beyond its borders. This underscores the crucial role foreign policy plays in shaping a nation's destiny. Various scholars and intellectuals have independently formulated their explanations for the term 'foreign policy.' Although their perspectives and definitions differ, they converge on the notion that foreign policy primarily serves the purpose of safeguarding and advancing a country's national interests. Governments employ foreign policies as strategic frameworks to steer their actions globally. These policies outline the specific objectives that state leaders have chosen to pursue in a particular relationship or situation (Goldstein & Pevehouse, 2009, p.123).

According to Smith et al. (2012), "foreign policy refers to the specific strategy or method adopted by a country's government to accomplish its objectives in dealings with other countries" (p. 14). Jaiswal (2016) further explains that "it encompasses the methods through which the central governments of independent nations establish relationships with one another and with the global system to attain diverse goals or objectives" (p. 2).

Foreign policy, a comprehensive and complex tool, is designed to promote, protect, and advance the national interests of a country, its security, and economic prosperity. It is the supervision of a nation-state's external relations and commitments, distinct from its internal policies. This all-encompassing term includes objectives, strategies, actions, policies, procedures, principles, rules, treaties, and more. It is the means through which national governments conduct diplomatic relations with each other, foreign organizations, and non-state actors (Jackson & Sorenson, 2013, p. 252).

According to Schleicher, "foreign policy" refers to the "actions (including the words)" of government officials to "influence human behaviour outside the sphere of their government". In the border sense of the term, foreign policy encompasses a

state's "objective, plans, and actions" about its external relations. "Foreign policy," in the words of Modelski, is "a system of practices developed by nations to influence the behaviour of others and to adapt their practices to the international context" (Modelski, 1962, p. 67). Rodee defines *foreign policy* as "the formulation and application of a set of principles that shape the behaviour of a nation as it negotiates with other nations to safeguard or advance its essential interests" (cited in Dahal, 2009, p. 21). Hence, foreign policy can be defined as a country's external perspective. It serves as a means to advance national interests. It encompasses objectives and strategies to direct governmental choices and actions about external matters, specifically interactions with the actors beyond its territory.

Thus, a state's foreign policy refers to the approach adopted by a government when engaging with the international community. It serves as a set of principles that govern a state's interactions and conduct on the global stage. Each government, acting as its state's representative, must adhere to specific protocols when dealing with other governments. Examining these interactions constitutes the fundamental subject matter of foreign policy.

2.1.2 Categorization of Power (Power Classification of State)

The globe encompasses many nations that vary in dimensions, populace, wealth, cultural heritage, technological advancements, military capabilities, governmental structures, and virtually every imaginable aspect. Whether these nations are sizable or compact, influential or feeble, affluent or impoverished, developed or underdeveloped, situated in the West or the East, they are all considered equal and possess their sovereignty.

The charter of United Nations Organizations affirms that the organization is founded on the principle of sovereign equality among all its members (Article 2 (1)). However, in practice, significant disparities and inequalities exist among these members, which shape their respective standings. These nations have been classified as mini-states, micro-states, and small states, as their capabilities and influence vary based on size, political and economic maneuverability, and their ability to exert impact in global politics.

Power is a concept that lacks a definite form and cannot be easily measured or quantified. Instead, it must be evaluated based on individual actors' capacity to shape others' actions and conduct (Khatri, 1998). Within the field of International Relations,

power has conventionally been defined as the capability of one actor to exert influence over the behaviour of another actor in order to achieve desired outcomes. Power encompasses not only the ability to sway others but also the capacity to manipulate circumstances to generate results that would not have naturally transpired.

During the late 16th century, Giovanni Botero, an Italian political thinker, categorized nations into three distinct types of power: grandissime (empires), mezano (middle powers), and piccioli (small powers) (Bhatta, 2017, p. 3). Botero clarifies that a grandissime possesses considerable strength when engaging with other states, both on a global and regional scale. Similarly, a mezano possesses enough power and authority to sustain itself independently without relying on assistance from external sources. In contrast, piccioli remains at the lower end of the power equation about the entities above.

Paul Kennedy extensively examined the dynamics of great power politics spanning five centuries, analyzing how economic and technological advancements have influenced the relative positions of major powers. He also delved into the intricate relationship between strategy and economics, highlighting their interplay during peace and in the crucible of war. In his analysis, Kennedy (1989) classified Britain, France, the Habsburg Empire (Austria), Prussia, Russia, Spain, Sweden, and Italy as significant players in the realm of great powers.

Small states were considered a residual category, denoting those states that did not possess great power status and were therefore characterized by their perceived lack of quantitative power. These states were obliged to adhere to the established rules of the international system, as they were deemed too weak to be taken seriously during negotiations of these rules (Wivel et al., 2018, p. 3). The Congress of Vienna acknowledged the unique role of the United Kingdom, Prussia, Austria, France, and Russia. For nearly a century, these great powers determined the international system's rules through regular meetings to discuss matters of mutual concern and formulate agreements and treaties (Neumann & Gstohl, 2006, p. 5). During and after the Second World War, the status of countries such as the United States, China, Japan, India, and various European nations shifted significantly. The power dynamics among European countries experienced fluctuations, leading to the rise and decline of major powers. Nevertheless, specific European countries maintained a dominant position until the conclusion of the Second World War.

Keohane (1969, p. 296), a scholar on small states, argues that a comprehensive explanation of small states can be achieved by applying the principles of system theory. He proposes a four-fold division that offers a more compelling understanding of small states. As he states:

> The states that have a crucial role in determining and moulding the international system, are called "system-defining states." In contrast, the states that cannot control the system single-handedly yet possess the capacity to impact it through unilateral and multilateral actions fall under the category of "system-influencing states." Further there are "System-affecting states" that they cannot directly determine or influence the system independently; however, they can substantially impact the system through the collaboration of small groups or alliances. Finally, "system-ineffectual states" come under the bottom level. These states are those with limited capacity to exert influence over the system-wide forces that impact them. Their ability to shape these forces is minimal, mainly when they are part of larger groups where each state's influence is negligible and potentially overshadowed by dominant powers. (p. 296)

In his four-fold classification, Keohane places small states at the bottom tier. Leading the hierarchy are the 'system determining states' (great powers), which, through their foreign policies, exert significant influence in moulding the international system. The secondary powers, also known as the 'system influencing states,' comprise the second category that plays a crucial role in shaping interactions within the international system through unilateral and multilateral initiatives. However, these states do not possess the capability to single-handedly or collectively transform the fundamental framework of the system. The 'system affecting states' (middle powers), belonging to the third category, can exert substantial pressures on the system through their collective actions within international and regional organizations despite their inability to directly impact the system. The final classification includes the 'ineffectual states within the system' (small states/powers) that cannot impact the international system or the behaviour of states within it, either on their own or as a group.

In the case of Nepal, it cannot exert influence or impact on the international system. Nevertheless, it possesses the potential and intention to transform into a

‘system-affecting state.’ Most of its bilateral engagements aim to obtain maximum economic aid and assistance from more powerful nations. Consequently, in its interactions with other states, Nepal often receives aid. On numerous occasions, with the covert backing of China, Nepal has brought forth its bilateral issues to the attention of the United Nations. These actions stem from Nepal’s lack of self-confidence in addressing concerns with its larger neighbors. Furthermore, these steps align with the long-standing strategy of smaller states to generate international pressure on comparatively more powerful nations and alleviate concerns about diplomatic dominance during negotiations.

Jesse and Dreyer (2016) classified the states according to absolute and relative measures. The first category encompasses area, population, economic activities, and military capacity. In contrast, the second measure includes a state’s relative power, alliances, participation in international organizations, and the ability of states to establish collective security (pp. 6–9).

After a thorough analysis of the measures mentioned earlier, the researchers arrived at a conclusion that categorizes states into a five-fold typology, a significant milestone in the field of international relations:

a. Superpower: a state that maintains a position of strength in its interactions with other states at the global, regional, or sub-regional levels,
b. Great power: a state that is not as powerful as a superpower on a global scale but holds more power than states that do not fall into the ‘great power’ category at the global, regional, or sub-regional levels.
c. Middle power: a state that is consistently weak on a global scale, less potent than great states regionally, but more robust than other states at the regional and sub-regional levels,
d. Small power: a state that remains weak on both global and regional levels yet exhibits strength at the sub-regional level.
e. Microstates: the states characterized by their inherent weakness across all levels, except when interacting with other microstates.

In this study, Nepal is classified as a microstate, akin to a small power, as indicated by earlier researchers. Although the term "microstates" usually pertains to states with a population of one million or less and minimal independent foreign policy (Jesse &

Dreyer, 2016, p. 6), it may not be entirely applicable in Nepal's context. Nonetheless, Nepal is categorized under the small power typology within the regional state system.

The distribution of power among states is a crucial feature of the international system. Countries can be classified into three categories based on the extent of their power: great powers, which typically consist of the top six or so most influential states and are acknowledged within international frameworks like the 19th-century Concert of Europe or the present-day Security Council. These *great powers* often possess a global perspective rooted in their national interests, extending beyond their territories. *Middle powers* possess a level of influence in global affairs that falls slightly below that of the great powers and *small or weak powers*, which do not even possess the strength of a middle power (Goldstein & Pevehouse, 2009, pp. 53-55).

Furthermore, the concept of power has been elucidated through hegemony. This classification typically manifests in a global setting characterized by a unipolar system, wherein a solitary focal point of authority exists, around which all other entities orbit. However, a state's power position is shaped by many factors, making it challenging to accurately assess a state's power based on its historical position or potential power. *Power* is a multi-faceted concept encompassing various types of power. The outcomes of power dynamics, including the extent to which power is exercised or abused, are partly determined by the power potential of each party involved in the relationship.

Palmer and Perkins (2015) have classified countries into three categories: Superpowers, which are the dominant world powers like the USA and USSR with significant nuclear capacity that emerged after the Second World War; Great powers or Major powers, which include states such as Great Britain, France, Germany, China, and Japan that exert local and regional superiority and have a significant influence in international relations; and small powers, which consist of countries with limited interests that encompass all states in the world except for the Great and Middle powers, as well as those temporarily in an uncertain status (pp. 3–5).

However, there is an alternative categorization of power based on the allocation of resources. A few nations possess most of the world's power resources. A select group of powerful countries (including the US, China, Germany, Japan, India, Britain, France, and Russia) contribute to approximately half of the global Gross Domestic Product (GDP). At the same time, the remaining 180-plus nations share the

other half. This division between the "haves" and "have-nots" arises from the stratification of power and resources, with the wealthier and more industrialized countries referred to as the "North" and the less affluent developing nations predominantly located in the "South" (Mingst, 2004, pp. 91-92). The North represents the wealthy and industrialized countries, while the South encompasses the poorer developing countries.

In many instances, the hierarchy is established based on economic indicators or the level of advancement. While there is no universally accepted definition, scholars and experts in international relations frequently utilize the terms first world, second world, and third world. The United States of America and the Soviet Union (now Russia) were classified as first-world countries. Meanwhile, Europe, Japan, and Canada were in the middle tier, falling under the second-Intermediate zone classification. A significant number of countries in Asia, Africa, and Latin America, following rapid decolonization, were placed in the lower echelons of the global hierarchy. Nations in the southern hemisphere, marked by poverty and underdevelopment, were categorized as third-world countries. Nepal, in general, is included in this classification.

It seems impractical to rely on a single variable to classify a state's position. A country can be placed in one or more of the above rankings based on its behaviour in the international community. For example, Singapore, a small country in Southeast Asia, falls into the small state category, but its economic impact is significant and comparable to that of a major power. Similarly, Israel exceeds the boundaries of a small state regarding military strength, even though it is officially classified as a small state based on population and geography.

2.1.3 Theoretical Review

Various studies on Nepal's foreign policy have presented different perspectives and trends. Some of these studies have highlighted the fundamental aspects of previous literature on small power, such as vulnerability and limited capacity, and have explored how these factors have influenced the discipline over time. In contrast, this research acknowledges the shift in focus within the literature from the challenges of being a small power to the opportunities it presents. Furthermore, a significant body of literature across various disciplines aids in our

comprehension and analysis of small power dynamics. Consequently, mainstream international relations theories, including realism, liberalism, and constructivism, have been applied to this context.

'Political realism' is a theoretical framework that interprets international relations through the lens of power dynamics. Donnelly (2008) argues that the fundamental tenets of political realism include groupism, anarchism, egoism, and power politics. The theory is rooted in a pessimistic perspective of human nature, positing that humans are self-interested and egoistic. The interactions between states are often characterized by conflict. They can escalate into armed conflict, with the nature of these interactions being shaped by national security considerations and the state's survival (Wohlforth, 2008). It underscores the notion that individuals primarily focus on their selfish needs and aspirations for power. Additionally, the theory emphasizes that individuals are structured within states, each operating as a unified entity striving to achieve its national interests (Mingst, 2004, p. 66).

Morgenthau (1997), a foremost advocate of the realist theory, puts forth a theory of international politics. In his view, the world, despite its inherent imperfections, is shaped by the forces that arise from human nature. Morgenthau further argues that to bring about improvements in the world, one must align with these forces rather than oppose them. He posits that moral principles can never be fully achieved but can only be approximated through the constant and delicate balancing of interests and resolving conflicts (Morgenthau, 1997, p. 3). As a consequence, a comprehensive examination of power politics was undertaken. The author also posits that the ultimate objective of international politics is attaining power. Politicians and individuals may seek freedom, security, prosperity, and power. Consequently, international politics, similar to all political endeavors, is a contest for power (Morgenthau 1997, p. 31). Political realism serves as the primary guiding principle for this research. Thus, this book is an essential point of reference for further study.

Wohlforth (2008) argues that a comprehensive understanding of international politics necessitates a foundation in realism. He identifies four critical principles associated with realism: groupism, egoism, anarchism, and power politics (pp. 132-133). The dynamics of international politics often manifest in small states, illustrating the relevance of these principles. This framework proves instrumental in analyzing

interactions within the global community. Jack Donnelly echoes similar sentiments, contending that the aBSence of a centralized authority distinguishes international relations as a unique realm of political activity. He asserts that self-interested groups navigating an anarchic environment engender politics centred on power and security, underscoring the inherently power-driven nature of international politics (Donnelly, 2008, p. 150). Wohlforth and Donnelly's contributions are valuable resources for theoretical exploration and research in this field.

Realism, as a comprehensive and enduring approach in security studies, encompasses various dimensions of inquiry. Realists posit that the pursuit of greater power is inherently linked to the inherent imperfections of human nature. Consequently, states are perpetually embroiled in a relentless competition to enhance their capacities. The traditional realists have played a pivotal role in shaping the discourse surrounding security studies. According to realists, the international system is considered anarchic due to the absence of a higher authority above the state. In this perspective, the state is regarded as the primary actor on the global stage (Dahal,2024). Realism also views security studies as the factors that increase the probability of using force, the impact of force on individuals, states, and societies, and the particular strategies that states employ to ready themselves for, prevent, or participate in warfare (Mantoo, 2016, p. 70). This particular perspective posits that security is centred around the state, which serves as the primary source of security provision (Wagle, 2010, p. 221). The state-centric and military-oriented approach to security primarily emphasizes matters concerning sovereignty, territorial integrity, and political independence of a nation.

The Treaty of Chaumont (1814) was signed to consolidate efforts to oppose Napoleon Bonaparte. This agreement concluded that the major European powers—Britain, Austria, Prussia, and Russia—sought to maintain lasting peace in Europe (Kennedy, 1987). It provided a conducive environment for the convening of the Congress of Vienna and marked a significant step toward formalizing the principle of the balance of power, ensuring that no single nation could dominate the continent. The Treaty offers a conceptual framework for understanding the role of great powers in shaping the global order and their dominance over small powers like Nepal. It provides valuable academic input for analyzing the strategic limitations faced by small states within the workings of international relations.

Despite all above factors, the arrival of several small states in the global scenario has paved the way for a new outlook. Highlighting the contemporary foreign policy outlook, Rose (1998) argues that both structure and domestic factors have their role in foreign policy analysis. Bridging the gap between the classical and Neo-realism, Neo-classical realism adheres to a middle ground between constructivists and structural theorists. Focusing on internal setup and global structure, his theory explores the influence of international elements, what he called 'innenpolitik,' in foreign policy behavior, whereas external determinants have a significant impact on foreign policy decision-making (Rose, 1998, p. 148). The domestic elements like leadership, internal structure, political parties, political and economic ideology, national character, state's capacity, and public perceptions greatly influence foreign policy decision-making and their responses to the external environment. He argues that states may have different responses in foreign policy decision-making despite their similar domestic character. So, it requires unit-level analysis that helps to identify the difference in their behavior beyond the border. The framework seems very relevant in the analysis of foreign policy behavior of small power like Nepal whereas foreign policy is influenced due to the divided public opinion, political instability, and governance challenge despite passing through the challenging mode of global power shift. Hence, Rose's work fills the gap between an anarchic international system and a domestic setup.

Further, Putnam's (1988) seminal work sheds light on the theoretical approach to identifying the factors that shape a state's foreign policy. The author argues that both domestic politics and international structures play a significant role in determining foreign policy. Consequently, as a negotiator, the executive plays 'two-level games' balancing domestic and international factors following distinctive strategies. The author further argues that a state's interests are derived from an international system and policies are formulated accordingly. The state's behavior becomes the outcome of domestic factors as well. Therefore, it requires an acceptable agreement to foster ownership in both negotiating state and domestic actors through the 'win-sets' strategy (Putnam, 1988, p.435). The theory posits that the executive enjoys a degree of autonomy in foreign policy decision-making. Political parties, interest groups, and even the public can lead the policy to fail even though it may have global acceptance. So, decision-makers must consider stakeholders into

confidence. Hence, the theory is more relevant for small powers like Nepal, where policymakers need to maintain a sensitive balance between domestic political realities and geopolitical pressure. It is for that relevancy, the article was reviewed for this research.

In conclusion, the foreign policy options accessible to small states are shaped by structural elements. Jesse and Dreyer argue that structural alterations can result in modifications to foreign policy decisions, which various factors can influence.

a. Power capability of the state rise or declines,
b. Power capability of neighboring state(s) rises or declines,
c. Threats from neighbors rise or decline,
d. Polarity of the global international order changes,
e. Global or regional hegemony changes and
f. The small state's position as a rim or buffer state changes (Jesse & Dreyer, 2016, pp. 48-49).

Additionally, they put forth several predictions concerning the behavior displayed by small states. Firstly, small states are expected to respond to structural limitations, potentially opting for either bandwagoning or balancing strategies. Secondly, as perceived threats escalate, small states are likely to adopt a more realist approach, aligning themselves with either bandwagoning or balancing. Lastly, the foreign policy decisions of small states are inherently constrained, with the degree of constraint increasing as the state's size decreases.

The mini-states often are dominated by protagonist powers and have limited influence in global affairs (Rose, & Dial, 1969). Consequently, the more limited the available choices, the more inclined the state will be to engage in bandwagoning, balancing or hedging behaviors. The liberal viewpoint emphasizes cooperation and interdependence through the formation of international institutions. Furthermore, liberals maintain that injustice, conflict, and aggression are not unavoidable outcomes but can be mitigated or eradicated through institutional restructuring or collaborative efforts (Mingst, 2004, p. 62). International cooperation is possible despite of the existence of anarchic international system. It prioritize shared interests, economic integration, and promotion of democratic values to ensure peace and stability (Galal, 2020).

In the contemporary global arena, small and large nations are becoming more intertwined in networks of institutions and relationships between states, which serve as a constraint, particularly for significant powers. This perspective highlights the importance of international collaboration and the establishment of institutional frameworks. Scholars tend to hold a more positive outlook on the potential for transformation and progress, as opposed to the realist viewpoint that emphasizes the enduring presence of international anarchy and the constant threat of conflict (Stein, 2008). Contrary to realists, the liberals are more optimistic about the progress of peace and see the rules of international relations as slowly, incrementally evolving through time and potentially becoming more and more peaceful (Goldstein & Pevehouse, 2009, p. 84).

Keohane (1984), a leading advocate of neoliberalism (neoliberal institutionalism), argues that international cooperation is possible despite the existence of an anarchic international system, as neoliberals claim. It requires institutional arrangements to foster cooperation and interdependence. Such institutions help in reducing uncertainties, lowering transaction costs, ensuring security, and creating mutually advantageous agreements. He adds that institutional arrangements create a conducive environment to promote cooperation and achieve mutual gain through adherence to rules and norms. Unlike realism, this theory focuses on interdependence, shared interests, and an institutional framework to better assure international peace and security. This theory seems relevant to the analysis of small-power foreign policy and its engagement in multilateral institutions like the UN, NAM, SAARC, and BIMSTEC. The voices of small powers become louder to protect their interests through the enhancement of their influence in global affairs. Nepal can manage regional power asymmetries, enhance strategic autonomy, and promote economic cooperation in the challenging position of geopolitical rivalry.

Nye (2004) introduces a fresh perspective on power analysis. He defines *soft power* as the capacity to achieve desired outcomes through attraction rather than force or financial incentives. This concept presents a novel paradigm in the examination of power dynamics. Nye emphasizes that the true essence of power lies not in the number of individuals one eliminates, but in the number of alliances one cultivates (Nye, 2004, p. ix). Throughout history, the world has been characterized by struggles predominantly supported by hard power. Armament and militarization have

traditionally been the primary factors determining power dynamics. However, there has been a shift in the perception of power with introducing the concept of soft power. The traditional Machiavellian view that 'it is better to be feared than loved' has evolved to emphasize the importance of winning hearts and minds as a critical aspect of soft power. According to Nye (2004, p. 142), soft power, rooted in culture, domestic values, and foreign policy actions, is argued to be more influential than hard power. In the era of nuclear weaponry, there has been a notable shift in preference from hard power to soft power. Notably, smaller nations must place utmost importance on cultivating soft power. Nepal, situated between two nuclear powers, can only ensure its survival by focusing on developing soft power. Hence, this book is a crucial reference in ongoing research.

The neo-liberalism views globalization as the prevailing factor in global politics. States' involvement in economic, social, and cultural exchanges unites domestic and traditional societies. Moravcsik posits that globalization leads to the emergence of varied requirements concerning international affairs among individuals and societal groups. Similarly, the state manifests the desires of domestic individuals and social groups, whose interests define ‘state preferences’ and guide strategic actions to address globalization (Moravcsik, 2008). Moravcsik further suggests that the interconnectedness of state preferences influences the behaviour of states within the international system.

International collaboration emerges as a more logical alternative for states than warfare. Consequently, war and violence are perceived as illogical aberrations stemming from flawed reasoning, which ultimately undermine the interests of the warring states. This theory posits that despite the numerous sources of conflict in international relations, states predominantly cooperate. States can establish shared regulations, expectations, and institutions that foster behaviors conducive to mutual benefits (Goldstein & Pevehouse, 2009, p. 86). Reciprocity plays a crucial role in international relations by fostering the emergence of international cooperation, even in the absence of a central authority. Rather than relying on a world government, enforcing norms and rules is facilitated through reciprocity. The assurance of international security can be achieved by signing arms control agreements and implementing peacekeeping missions.

Domestic factors play a more significant role in determining the foreign policy choices of small states. The absence of well-established domestic institutions significantly constrains small states' foreign policy formulation. This lack of institutionalization limits their ability to produce a coherent foreign policy. As a result, the tiny state's foreign policy choices are constrained by their limited domestic capabilities. Conversely, changes in domestic actors, particularly those with the power to influence the government, frequently result in direct alterations to the small state's foreign policy (Jesse & Dreyer, 2016, p. 45).

As Dahal (2011) emphasizes, Nepal's foreign policy choices have been significantly influenced by domestic factors. The transition towards a secular government has weakened the Nepalese state's institutions due to ethnic divisions between the Hill and Terai populations. Moreover, the continuous shifts in ideologies and their subsequent influence on the government have further destabilized Nepal's foreign policy towards its significant neighbouring countries, India and China.

In conclusion, the presence of a small state government brings about a shift in foreign policy due to changes in actors and institutions. As stated by Jesse & Dreyer (2016), this transformation can be attributed to various factors, including but not limited to the following:

a. A shift in government control resulted in various parties holding significant leadership positions, such as the prime minister,
b. Alterations in domestic institutions resulting in a shift in the quantity of veto players' influences
c. Modifications in the authority of non-governmental entities to impact policy determinations (e.g., military, judiciary, public sentiment) (p. 49).

Liberals argue that international politics involve more than just power competition. They believe that the factors influencing state behaviour differ from what realists perceive. According to this perspective, cooperation between states, regardless of size, is feasible and can be maintained even in a world without a central authority. Democracy, trade, and institutions help alleviate the fears and uncertainties associated with anarchy, thereby enabling long-term peaceful cooperation (Thorhallsson, 2018, p. 24).

The liberals proposed a "collective security" arrangement to ensure the security of smaller states. However, the Second World War outbreak revealed this theory's inherent flaws. The institutional mechanisms liberals establish to promote peace, development, and democracy are heavily influenced by the dominant powers in the global system. As a result, smaller states often find themselves disadvantaged within these institutional arrangements (Thorhallsson, 2018).

Moravcsik (2009) argues that globalization is the prevailing condition in world politics. The resulting changes in social demands and state preferences due to globalization are key factors influencing behaviour in global politics. Moravcsik identifies three specific types of liberal theory based on different state preferences, their variations, and their impact on state behaviour. Ideational theories connect state behaviour to cultural, political, and socio-economic structures. Commercial theories emphasize economic interdependence, while republican theories highlight the importance of domestic representative institutions, elites, leadership dynamics, and executive-legislative relations (Moravcsik, 2009, p. 709). Liberal theorists view the state and international organizations as the primary players in international relations. Moravcsik posits that domestic and transnational social pressures play a crucial role in shaping state actions, which can be summarized through three fundamental assumptions: the characteristics of societal actors, the characteristics of the state, and the characteristics of the international system. Additionally, smaller states establish their preferences early on, leading to a foreign policy aligning with them. This article establishes a theoretical foundation for the examination of this research.

Another theory that has gained prominence in international relations is Social Constructivism. This theory, introduced by Nicholas Onuf and further developed by Alexander Wendt, provides an alternative framework for analysis. According to Social Constructivism, the international system is not solely influenced by material forces but is instead shaped by ideas. It argues that states' internal dynamics directly impact their behaviour in the global context (Jackson & Sorensen, 2013, p. 229).

The authors also assert that social constructivism posits that societal norms and identity significantly influence foreign policy decisions. Each society perceives not only its own identity but also the role of the state and the international system in a manner distinct from others. The book offers a wealth of theoretical insights to support this perspective, stimulating intellectual engagement and further discussion.

The book's recognition of societal norms and identity in foreign policy decisions significantly contributes to international relations, foreign policy, and South Asian studies.

Social constructivism is a prominent theoretical framework in modern international relations. Within the realm of research, it has made a significant impact by highlighting the importance of moral norms and ethics in global affairs (Price, 2008, p. 317). This theory's central focus is highlighting actors' capacity within the international system to pursue security-related objectives by actively embracing and implementing norms. In this context, a *norm* is defined as a standard of behaviour considered appropriate for actors within a specific identity. The evolution of precedents, historical practices, and customary international law influences the formation of norms. Establishing global norms, rules, and a shared understanding profoundly shapes a nation's identity (Jesse & Dreyer, 2016, p. 45). This theory challenges the notion of realism, emphasizing the importance of concrete material elements and opting instead for identity and interest. Furthermore, identity and interests are shaped through extensive historical processes, encompassing internal developments and interactions within the global system.

Hurd (2008) explores the concept of constructivism in international relations, examining its distinguishing features and addressing the current controversies within constructivist scholarship and its relationship with other theoretical perspectives. Hurd argues that constructivism diverges from materialism by emphasizing the social and relational construction of states and their objectives. Furthermore, he outlines four critical characteristics of constructivism that differentiate it from other approaches, providing a comprehensive understanding of the concept. These characteristics include its role as an alternative to materialism, its focus on the social aspects of international relations and state interests, its recognition of the reciprocal influence between structures and agents, and its unique ability to offer multiple layers of logic of anarchy (Hurd, 2008, pp. 300-305).

Moreover, Hurd examines into the controversies surrounding constructivism. He argues that this perspective does not prioritize any specific unit of analysis as essential in the study of International Relations. Furthermore, he emphasizes that observers cannot be completely detached from the subject under examination, and social connections cannot be neatly separated into distinct 'causes' and 'effects.'

Ultimately, the theory posits that international relations should be understood by recognizing the social construction of actors, institutions, and events. When managing relationships, many smaller states are influenced by their internal structures by analyzing the interconnected elements of ‘cause’ and ‘effect’. Adding more, Hurd (2008) states:

> To be constructivist in international relations means looking at international relations with an eye open to the social construction of actors, institutions and events. It means beginning from the assumption that how people and states think and behave in world politics is premised on their understanding of the world around them, which includes their own beliefs about the world, the identities they hold about themselves and others, and the shared understandings and practices in which they participate. (p. 213)

In contrast to liberalism or realism, Thorhallsson does not classify constructivism as a theory but rather as a framework that underscores the significance of ideas and identities in shaping both system and individual behaviour. State behaviour is subject to shifts as identities, interests, and inter-subjective beliefs transform (Thorhallsson, 2018, p. 25).

Briguglio et al. (2021) sketches a wide range of issues related to small powers in a global context. The book highlights issues like accountability, policy effectiveness, corruption control, transparency, gender equality, respecting people’s voices and other issues related to democracy (p. 1). The scholars like Anckar argue that small size is favourable to democratic governance. Still, most small powers are fragile in maintaining good governance due to weak institutional capacity. Bureaucratic ineffectiveness, priority on patrician politics, ethnic unrest, right-oriented tendency, forced migration, and poor performance in social governance are the common problems that the small powers face. It is also argued that external factors often influence small powers. Foreign intervention has become a common phenomenon due to economic mismanagement, political corruption, social conflict, environmental degradation and many other reasons. The issues raised in the content are similar to those of many small powers, including Nepal. It was for that very reason that the handbook was reviewed.

Holsti (1978) proposed a framework for the theoretical examination of international relations, offering valuable insights into contemporary approaches. His analysis explores foreign policy's theoretical and operational dimensions, encompassing diverse forms of conflict and conflict resolution. Researchers can benefit from utilizing this framework to achieve their research objectives.

Jesse and Dreyer (2016) sheds light on the increasing importance of small states. Previously, the role of small states was often misunderstood or overlooked, but their significance is growing despite having more limited foreign policy options. The authors present a theoretical perspective that views small states as unique entities, distinct from larger states. Despite the absence of a precise definition for 'small state,' the authors endeavour to define the term and summarize the core principles of realist theory concerning small-state foreign policy behaviour. In addition to realism, they explore two alternative theories—domestic actor and social constructivist—to explain foreign policy decision-making. According to the domestic actor theory, competition among domestic actors for control over state institutions and policy-making processes shapes foreign policy choices. Precisely, a captured government aligns state interests and policies with those of the dominant actor (Jesse & Dreyer, 2016, p. 53).

Thorhallsson and Steinsson (2021) assert that the size of a country significantly influences its governance. A small population and a modest economy may present challenges, but these countries demonstrate impressive strategic thinking and motivation to work in regional groupings. The authors also argue that smaller countries effectively compensate for their internal capacity deficiencies in their engagement with various regional organizations. This strategic motivation is driven by the desire for economic, political, and societal protection (Thorhallsson & Steinsson, 2021, p. 89). The research article is based on 'shelter theory', exploring how the governance of small powers can be understood from their relations with the outside world. However, the article's focus on Europe, especially Iceland and Nordic states, may differ from Nepal's geopolitical reality.

Jesse and Dreyer provide a summary indicating that a modification in norms and/or identity can result in a shift in foreign policy. This alteration can be attributed to one or more of the following factors:

a. The beginning or ending of an established norm,

b. The development of a new identity, and
c. The changing of an identity (2016, p. 49).

The establishment and cultivation of norms and the preservation of identity are crucial for small states. These norms and identities serve as guiding principles in determining the foreign policy of small states. Significantly, these norms do not restrict the evolution of foreign policy matters but ensure its adaptability to changes in the global framework. Nepal, for instance, firmly believes in the principles of panchsheel, non-alignment, the promotion of world peace, adherence to international law, and the United Nations charter (Constitution of Nepal, 2015, article 51(m)). The interaction with Nepal's neighbouring countries is influenced by many economic, historical, social, cultural, religious, and geographical dimensions. Nepal's bond is founded on mutual respect, coexistence, and sensitivity towards each other's national sovereignty, territorial integrity, concerns, and interests. Furthermore, it strives to meet the aspirations of our shared populace for happiness.

These theories play a crucial role in examining the patterns and trends of Nepali foreign policy. Nepal's geostrategic location often supersedes the fundamental principles of established theories. Through a realistic lens, Nepal has faced significant challenges in ensuring its survival since its inception. Despite these challenges, Nepal has shown remarkable resilience in safeguarding its national independence, which has consistently posed the most daunting issue in Nepal's foreign policy. As the proponents, of liberalism stress, the interactions between liberal states are expected to be characterized by collaboration and cooperation (Jackson & Sorensen, 2013, p. 309). However, this ideal seems unattainable when examining the foreign policy dynamics between Nepal and its neighbouring countries.

Foreign policy is influenced by a combination of general, internal, and external determinants, leading to variations in its formulation and implementation. Governments may adjust their policies in response to changing conditions. The attitudes of policymakers and a country's interactions with the global community can impact the direction of its foreign policy. Nevertheless, certain underlying factors shape the style and content of responses to external influences and challenges (Rose, 1971, p. 277). These aspects jointly define the foreign policy behavior of a nation.

2.2 Empirical Review

Extensive research has been carried out to understand the intricacies of Nepalese foreign policy. The scholarly community has contributed significantly through various mediums such as books, journals, seminars, newspaper articles, government documents, proclamations, and more. These resources will prove instrumental in conducting the proposed research.

The government of Nepal, Ministry of Foreign Affairs (2024a) underscores the review of Nepal's diplomatic behaviour during the given period. The report highlights Nepal's firm efforts to enhance its national interests and promote the dignity, guided by the constitution. It also explores into Nepal's commitment to a balanced, non-aligned and independent foreign policy, and its adherence to the principles of sovereign equality, non-interference, mutual respect and benefit in its external dealings (Government of Nepal, Ministry of Foreign Affairs 2024a, p. ii). The report comprehensively covers the leading events and activities during the given period, including Nepal's relations with immediate neighbors, major powers and other global and regional organizations. Further, the report explores matters related to policy, economic diplomacy, the Nepali diaspora, and service delivery, including general administration. Despite these, MOFA has continued its ritual performance, but significant achievements still need to be found in Nepal's foreign policy agenda. However, the report became helpful in understanding the government's perception and the latest version of the foreign policy outlook. So, the report has been reviewed.

ABC Media Group (2019), sheds light on the accomplishments of Nepali leaders during their high-level visits to neighbouring countries and the reciprocal visits of foreign leaders to Nepal. Notably, the volume emphasizes the fruitful outcomes resulting from strengthened relations with our neighbouring nation, China, in the context of Nepal's international relations. During President Bidhya Devi Bhandari's official visit to China, a significant milestone was reached with the signing of several bilateral agreements. The Protocol to the Transit Transport Agreement was essential, effectively transforming Nepal from a land-locked nation to a land-linked one (ABC Media Group, 2018/2019, p. 287). Furthermore, the book highlights the noteworthy achievements made by the Nepalese prime minister during his diplomatic visits to China, India, and other friendly nations. The book sheds light on the Nepalese foreign policy theme of "friendship with all, enmity with none" initiated by the Oli

government. It suggests this policy will contribute significantly to realizing a 'prosperous Nepal and happy Nepali.' Moreover, the book examines the Second Investment Summit of 2019 and underscores Nepal's remarkable transition from a decade-long civil war to a peaceful and democratic state. Additionally, the book outlines the statements and agreements signed during high-level visits, focusing primarily on diplomatic engagements with neighbouring countries within a year.

Dahal (2024) opines that geopolitics has a more significant role in shaping the foreign policy of nation-states. As advocated by realists, Dahal argues that every state aims to enhance their survival capacity in an anarchical global order. The small powers are much more worried about this issue. Global power has shifted from the Atlantic to Asia. China-US geostrategic rivalry and growing Sino-Russian partnership have generated new geopolitical dynamics. Dahal further adds that India's neutral position while dealing with the US and Russia has created confusion as India is actively involved in the US-led Indo-Pacific Strategy (IPS) that has aimed to contain China (Dahal, 2024, p.185). This rivalry has added many challenges for Nepal. He suggests adopting adequate policies to be free from rival geopolitical traps. He analyzes Nepal's foreign policy options for protecting vital interests by utilizing its location, size, resources, and soft power strategy.

Dahal (2011) discusses the challenges faced by Nepal in maintaining internal cohesion and adapting to external changes due to its tendency to alter its foreign policy tilt with each change in government. The continuous shifts in government and the influence of different ideologies have destabilized Nepal's foreign policy towards its neighbouring countries, China and India. Dahal emphasizes the significance of domestic factors in shaping Nepal's foreign policy choices, with national security being the top priority. In the international system characterized by anarchy, states compete to maximize their power for national security, a scarce resource. Dahal examines the historical pattern of Nepalese foreign policy and highlights the persistent instability caused by domestic crises. He points out that Nepal's fragile image and diminishing international acceptability resulted in its failure to secure a non-permanent membership in the UN Security Council for the third time in 2006.

Additionally, Nepal has been perceived as one of the poorest and conflict-prone fragile states, losing its status as a sovereign nation capable of effectively managing and balancing foreign policy. Dahal concludes by suggesting that Nepal had

no alternative but to serve as a mediator for regional and global interests due to its strategic location. The triumph of foreign policy, similar to a suitable strategy, predominantly hinges on the institutional capability to execute it.

Dahal (2001) comprehensively analyses geopolitics and the survival strategies of small states. He argues that Nepal's survival and identity hinge on adopting the right policies rather than adhering to a specific ideology. Dahal highlights the challenges of establishing a stable power configuration for systematic balance among unequal powers. He investigates the geopolitical factors influencing Nepal's foreign policy and the geopolitical Strategies pursued by the country for its survival, development, and peace.

K. C. (2023) argues that the traditional pattern of global order has shifted toward a new pattern of balance of power. The rivalry between the US and China, an established superpower and growing superpower, respectively, has dragged the attention of the world community. The revival of Russia and the growing power of India has transformed the world order from bipolar to multipolar. At the same time, US-led global projects like MCC, IPS, QUAD, and SPP are countering Chinese projects like BRI, GEI, and GSI (K. C., 2023, p. 331). He strongly recommends that Nepal, situated at the heartland of these rivalries, must follow a nonalignment foreign policy. This, he believes, is crucial for Nepal's survival and prosperity in the face of these global power shifts. He further adds that, as a small power, Nepal needs to maintain adequate balance and promote soft power in its diplomatic dealings. The article provides significant inputs in shaping Nepal's foreign policy in the challenging mode of global power rivalry. It was for that very reason that the article was reviewed.

Hachhethu (2021) makes a comprehensive study of the major political parties of Nepal, i.e. Nepali Congress and Communist Party of Nepal (Unified Marxist-Leninist). The parties have played significant roles in various modes of political development in Nepal. Establishing democracy by overthrowing 104 years old Rana regime, restoring multiparty democracy by ending 30 years party less Panchayat system, conflict transformation of Maoist insurgency (1996-2006), abolition of monarchy in 2008, constitution-making and several other changes were achieved through their deeds. Party policy remained equally pivotal in shaping Nepal's foreign policy. The book mainly focuses on the organization, leadership, people, inter-party conflict, and party-people relationship. However, party ideology has sufficient

influence on the country's foreign policy. It is in this context that the book has been reviewed for this research.

Aditya (2021) makes a closure review of small powers. He opines that it does not seem appropriate to rank Nepal in a small power position because of its strategic location, national character and potential resources. Still, Nepal falls under the small power category from the viewpoint of area, military power, energy consumption, economic size, per capita income and other factors. Feeling proud of the history, Aditya further adds that Nepal was able to maintain its glorious history "due to the unfailing spirit clear vision, unstinting valour, and political craftsmanship of pioneer statesmen and commanders who gave not only their toil and blood but often also their life to the cause" (Aditya, 2021, pp. 190-191). However, the situation has fundamentally changed now. Global power shifts and great power rivalry have brought opportunities and challenges. This article encourages Nepal to move beyond the mindset of small-power complexity and forward its own agenda and priorities to balance dominant powers.

Dharamdasani (2023) provides a comprehensive view of Nepal-India relations. He explores India's Nepal policy from political, security, ideological, economic, and cultural viewpoints, shedding light on the essence and the form of India's foreign policies during the fluid democratic practice of Nepal in the 1950s and the Panchayat regime established in the early 1960s. The book's analysis of Indo-Nepal relations, which extends beyond political relationships to encompass socio-cultural and economic ties, is particularly insightful. The study also examines various dimensions of Indian democracy, which New Delhi has adopted to protect and promote its primary interests in Nepal. The reviewer has engaged with the book to understand India's interest in Nepal better.

Pant (2022) sheds light on the critical events in Nepal and neighbouring countries. The book also touches on some noted elements that have influenced Nepal's foreign policy agenda. The writer is hopeful that weaker nations like Nepal will be able to pursue their independent military, economic, and foreign policies. So, in the long run, the bigger and more powerful nations will march together, respecting each other's sovereignty, territorial integrity, and independence. Overall, the book was useful in sketching the idea of neighborhood interest in Nepal.

Bhatta and Menge (2021) explain Nepal's geopolitical complexities and challenges in its foreign policy choices. The article explores the challenging tides of geopolitics and Nepal's dilemma in its foreign policy behaviour. The article suggests maintaining a delicate balance between two immediate neighbors due to the rivalry between India and China. Global power shifts compelled Nepal to rethink its foreign policy agenda. Nepal must rethink its relations in the realm of the extended neighbourhood. It is further suggested that we be equally sensitive to have better relations beyond the immediate neighbourhood in the days of globalization. It was in this context that the article has been reviewed.

Paul (2021) examines Nepal's engagement in SAARC. Multilateral engagement is considered one of the tools of small power's foreign policy. However, the author suspects whether small powers like Nepal can exert influential power through regional engagement. The author recommends making allies with like-minded states to protect the state's interests. The article further suggests developing soft power diplomacy that helps to maintain interdependent relationships. However, the small powers have very few options to exhibit their role in the age of power politics. Hence, strengthening SAARC can contribute to consolidating Nepal's position as a small power between two powerful neighbors.

Mulmi et al. (2023) explore China's infrastructural engagement in Nepal from a historical perspective. The book focuses on Nepal's relations with China after signing on BRI in 2017. Introducing BRI carries greater significance in China's foreign policy. On the other hand, Nepal relies on donor actors in its infrastructure development due to its poor economy. However, the authors raise several questions about the country's transparency, accountability, and economic viability, which have led to debt practices (P. 168). However, Nepal has already become part of BRI, and China has been assisting in various infrastructure projects in Nepal. The book ignores the geopolitical reality of Nepal, where immediate neighbors have significant roles in conducting developmental activities.

Chong (2018) examines the traditional notions of statehood in Asia. It emphasizes that historically, factors such as merit and authority, rather than size, determined states' standing. Chong also highlights how the current self-perceptions and threat evaluations of small Asian states are influenced by these deep-rooted traditions, which colonial legacies have shaped. The argument put forth by the author

suggests that the conflict between the Sinhalese and the Tamils in Sri Lanka not only triggered a violent civil war but has also influenced government efforts to navigate relationships with major powers like China, in opposition to the perceived pro-Tamil Indian influence. Conversely, Singapore grappled with significant challenges in establishing its sovereignty concerning Malaysia and safeguarding its borders from larger neighbouring states. The author concludes that issues related to identity formation, such as citizenship and belonging, are central to today's security concerns and the strategies adopted by small regional states (Chong, 2018, p. 219). Furthermore, the author claims that the security of small Asian states on the international stage results from accidental circumstances. However, the article needs to fill this gap.

Bailes et al. (2018), in their collaborative article, explore the practical and theoretical advancements that have facilitated the introduction of more comprehensive and diverse security frameworks into the sphere of public policy since the late twentieth century. Various aspects of life, including economic management, energy supply, and health, are now considered to fall under security or are acknowledged to have security implications. Bailes et al. (2018) suggest a four-category table outlining potential threats and risks for small states, encompassing military (complex security), non-state violence (excluding conflict actors), economic security, and accidents and natural disasters. Despite its extensive coverage, the article primarily emphasizes security concerns, particularly human security, while giving less attention to the broader context. Nevertheless, this article proves valuable for examining our foreign policy agenda in light of security issues.

The collaborative work by Archer et al. (eds.) (2018) comprises a collection of 14 distinct articles focusing on small powers. Within the book, the concept of 'small states' is elucidated, along with an examination of their contemporary security dilemmas both in a broad context and through concrete case studies.

Shrestha et al. (2072) present a comprehensive analysis of the treaties signed between Nepal, India, and China. The Sugauli Treaty (1816), Treaty of Peace and Friendship (1950), and the treaties related to water resource utilization, trade and transit, and extradition signed with India are adequately mentioned. Nepal has also signed treaties with its northern neighbour, Tibet (China), albeit in smaller numbers. This highlights the limited options available to small states regarding safeguarding their national interests. Nevertheless, Nepal’s foreign policy is heavily influenced by

the treaties it has signed with its immediate neighbors throughout different historical periods. The book provides not just insights but also critical insights into these treaties and agreements, exploring deep into the analysis. Consequently, the book has been thoroughly reviewed.

Wivel et al. (2018) investigate innovative functional strategies that extend past conventional, militaristic concepts of security. It explores economic, societal, and environmental security (p. 10). The writers have further expounded on the security dimensions, emphasizing their significance and the consequences for small states. According to their analysis, small states struggle to maintain their autonomy and have limited agency. They possess little control over the ongoing games and hold a minimal stake in the system, rendering them incapable of acting in their interest (Wivel et al., 2018, p. 7). However, the article provides a succinct overview, primarily concentrating on security.

Singh (2016) posits that despite being a prominent emerging power in South Asia, India has yet to receive the recognition it deserves in the region. Singh highlights a deliberate attempt by neighbouring countries to limit India's influence and prevent it from establishing strategic dominance. The author points out that while Nepal and India share historical and civilizational ties, Nepal's foreign policy shifted towards China following the end of the monarchy and the rise of the communist party to power (Singh, 2016, p. 116). The author suggests that Nepal should be granted a significant position in Indian foreign policy. Moreover, he advocates for augmenting economic and strategic assistance to Nepal to counterbalance Chinese strategic influence. The author is also cognizant of the escalating anti-Indian sentiment in Nepal, which ultimately bolsters Chinese influence in India. This article is valuable for comprehending India's perspective on Nepal-China relations, which directly affects Nepal's foreign policy. Nonetheless, it is essential to note that the article primarily examines the trilateral relations between China, India, and Nepal from an Indian standpoint.

Poudel (2016) discusses the shifting regional political dynamics and Nepal's obstacles in fostering trilateral cooperation. He emphasizes the significance of Nepal's internal instability in shaping its relationships with neighbouring countries, particularly in the context of triangular cooperation. Poudel notes the reluctance of India to endorse strong ties between Nepal and China, complicating the prospects for trilateral

collaboration (Poudel, 2016, p. 155). Hence, the author concludes that the idea of trilateralism holds immense economic potential from the standpoint of Nepal. However, Nepal's reliance on India and China can complicate the relationship, thereby fostering an atmosphere of mistrust between the two countries. Although the article primarily outlines the challenges of trilateral cooperation, it also serves as a valuable resource for analyzing Nepal's geostrategic position. Furthermore, the article acknowledges that recent developments in the relationship have resulted in numerous alterations to the initial concept of trilateralism.

Bajracharya et al. (1993) analyse Nepal's foreign policy. The book examines the Nepali monarchs' declarations, as successive Kings primarily determined Nepal's foreign policy. The book explicitly highlights the declarations by King Birendra in various regional and international forums, which significantly influenced Nepal's foreign policy stance. During his coronation ceremony on February 25, 1975, King Birendra proposed that Nepal be declared a zone of peace. The book also acknowledges Nepal's participation in the United Nations Peacekeeping force and its engagement in organizations such as NAM and SAARC. However, it is essential to note that the book primarily focuses on the declarations and speeches of King Birendra, covering events up until the early 1990s. Since then, there have been changes in Nepal's foreign policy behaviour.

Kassimeris (2009), in his article, asserts into the realm of small powers' foreign policy, highlighting the limited attention given to them compared to more considerable powers, especially during the Cold War era. However, it emphasizes the growing significance of small powers in today's world. Kassimeris identifies five critical characteristics of small-power foreign policy, distinguishing them from great powers. These include limited interaction with other states, active participation in international organizations, adherence to international laws, minimal use of force, and a focus on regional issues. The author also points out the challenges small powers face in formulating foreign policy due to constraints on their political, economic, and military capabilities, a complex issue he thoroughly analyzes. He underscores the importance of internal stability, flexible governance, and alliances for small-power foreign policy success. Furthermore, Kassimeris highlights the impact of the international system on shaping foreign policy, as the complex nature of the global

environment exerts pressure on states' international structures. Overall, the article contributes to understanding the role of small states in international relations.

Gurung and Ranjan (2022), in an article, examines the leading events to the ratification of the MCC. The Nepal parliament signed the compact on 27 February 2022, a decision that sparked numerous debates for and against the treaty and caused a significant division in Nepali society. The radical left front and many civil society groups strongly opposed the compact, but the influence of the mainstream political parties, who supported it, was significant. The article adds that Nepal's foreign policy tilt towards China through BRI could not be continued. The MCC was perceived as a counter-project against China-led BRI. For this reason, the article has been reviewed.

Adhikari (2018) examines the foreign policy of Nepal as a small state. He sheds light on the evolving trends of Nepal's foreign policy by considering various perspectives. He presents the definitions proposed by different scholars and explores the changing dynamics of Nepalese foreign policy throughout history. Adhikari argues that small states can be defined using quantitative measures such as geographical size, population, military strength, and GDP, as well as qualitative factors like national psychology, perception, behaviour in foreign relations, and power asymmetry in the regional context (Adhikari, 2018, p. 68). Furthermore, the author emphasizes the significant influence of domestic political shifts on the formulation of Nepalese foreign policy, leading to the adoption of various strategies. These strategies encompass non-alignment, isolation, a period marked by a close association with India, equidistance and equi-proximity policies, and trilateral cooperation. By analyzing these different approaches, this article provides a valuable lens through which to understand the evolving dynamics of Nepalese foreign policy over the past 250 years.

Wagle (2010) examines into the various threats and challenges faced by Nepal's national security, highlighting issues such as the rise of extremist armed groups and non-state actors, the need for autonomy and self-determination, the criminalization of society, cultural violence, impunity, as well as the ineffective implementation of laws and judicial systems (Wagle, 2010). The author has analyzed the stances of prominent political parties by examining their party manifestos released during the CA election- 2008. Subsequently, the article criticizes these parties for their insufficient attention to national security concerns in their policy statements. The author recommends that the government formulate a thorough public security policy,

uphold democratic principles, adhere to the rule of law and human rights, and establish a diverse and inclusive state. Preserving national interests requires a strong foundation of national security and political stability. According to Wagle (2010, p. 270), it is advisable to nurture warm diplomatic relations with China, India, and other friendly nations to enhance national unity, territorial integrity, and enduring peace in Nepal. Despite various shifts in Nepal's political and security landscape following the conclusion of the lengthy constitutional transition.

Khanal (2073) sheds light on the geographical, cultural, economic, and political aspects and the interconnections between Nepal, India, and China. The author's primary objective is to delve into how we should interact with our neighbouring countries and the extent of their impact on global politics. The book primarily focuses on the interests of Nepal's immediate neighbours. Khanal (2073, p. 10) asserts that the Chinese influence in Nepal is predominantly evident due to India's unnecessary concern and interference in Nepal's internal affairs. Khanal acknowledges the fluctuating nature of Nepal's relations with India, emphasizing Nepal's strategic positioning between India and China. He warns that Nepal's sovereignty and integrity could be compromised if these relationships do not maintain a delicate balance (Khanal, 2073, p. 484).

After the advent of Loktantra, Baburam Bhattarai introduced the concept of 'Dynamic Bridge' during his time as the Prime Minister, while Prachanda proposed Trilateral Cooperation (Baral, 2019). However, the issue of trilateralism remains a subject of debate. It is suggested that our relationships with neighbouring countries should be based on equidistance and equi-proximity. Internal unity is crucial, and foreign policy decisions should be made with the consensus of all political parties. Additionally, Nepal's immediate neighbours' security concerns should be considered. Any unfair treaties signed in the past should be reexamined. The book offers a brief overview of Nepal's relations with neighbouring countries.

Kissinger (1994) provides a comprehensive analysis of global diplomacy from an American perspective, focusing on the early 20th century onwards. Kissinger explores the American approach to foreign affairs and examines the international system of the 21st century. He highlights a seeming contradiction in this system, with fragmentation and growing globalization. According to Kissinger, the United States' relative military power will gradually decline due to the absence of a clear-cut

adversary. Consequently, there will be a shift of resources from defence to other priorities. Kissinger also argues that a new pattern of cold war has emerged in world politics, with the United States, Europe, China, Japan, Russia, and possibly India, along with several medium-sized and smaller countries, remaining as significant powers that influence global politics. The nations now prioritize their immediate national interests when formulating their foreign policies. As a result, the international system is expected to consist of a few significant powers and numerous smaller states. The author concludes by proposing that pursuing America's past goals of peace, stability, progress, and freedom for all humanity will be an ongoing and challenging endeavour, akin to the Spanish proverb that states, 'There are no roads. Roads are made by walking.' It is crucial to examine the perspective of global powers in analyzing the foreign policies of smaller nations, and this book provides a comprehensive review of this subject matter.

Shrestha (2016) aptly highlights that the increasing regionalization and globalization of economics have significantly elevated the importance of economic diplomacy. Shrestha's viewpoint finds agreement, as many countries today have directed their foreign policies towards economic development and global economic integration. Historically, the shaping and execution of foreign policies were primarily influenced by geography and politics. However, the prevailing trend in international relations has fostered a greater emphasis on regional cooperation. Regionalization encompasses the integration and cooperation among countries within a specific region to promote trade, finance, industry, commerce, information, communication, and cultural exchange. The idea of regional collaboration in South Asia emerged in the mid-1980s. Although only twenty years have elapsed, the attempt at regional integration in South Asia indicates that achieving this goal is still a distant prospect. The introduction and endorsement of sub-regional cooperation in South Asia is a positive development. It is now widely recognized that more than mere economic diplomacy is needed for national progress. A well-defined and all-encompassing water resources strategy is imperative for the country to capitalize on its abundant opportunities.

Sharma (2006) investigates Nepal's struggle for survival throughout different stages of development. Sharma critically analyzes Nepal's foreign policy from the inception of modern Nepal until the end of monarchial rule in 2006. This

comprehensive study provides insights into Nepal's unwavering determination to maintain its independent national existence (p. xi). Additionally, Sharma highlights smaller countries' successful utilization of the United Nations and other international platforms. The book also explores Nepal's significant role in bridging the Chinese and Indian civilizations, emphasizing the cultural impact of this symbiotic relationship. The unification of Nepal, the rise of Ranarchy, the introduction of democracy, the emergence of the Panchayat System, the restoration of democracy, the Maoist insurgency, the people's Movement – II, and other notable changes are all interconnected with the foreign policy of Nepal's immediate neighbors, particularly its southern neighbour. Ultimately, Sharma acknowledges Nepal's precarious position as a "root between two boulders," as King Prithvi Narayan Shah the Great observed over two centuries ago. He urges readers to consider this reality in the ongoing struggle for existence (p. 283). However, it is essential to note that while historically significant, Sharma's work may not fully capture the rapidly evolving nature of foreign policy behavior.

Hey (2003) provides a detailed analysis of small-state foreign policy. He examines small states with varying regional, size, and development characteristics. Over the past seventy years, the international system has undergone significant changes, impacting small states. According to Hey, small states hold more international prestige and visibility than ever in history. He also notes that while small states may pursue limited foreign policy objectives and engage in fewer activities, they are more likely than large states to engage in risky behavior. Hey explores small states' common foreign policy behaviors, such as limited participation in global affairs, focus on diplomatic and economic tools rather than military ones, adoption of neutral positions, reliance on superpowers for protection, and a commitment to cooperation (Hey, 2003, p. 1). In the same volume the author postulates into Luxembourg's foreign policy. This diminutive European nation boasts significant wealth and is a founding member of the European Union. According to the author, Luxembourg is a country that thrives despite its small size. The author argues that Luxembourg's smallness rarely hinders its foreign policy objectives and often enhances its effectiveness. Luxembourg's success as a state can inspire other countries seeking to succeed in their foreign policy endeavors. The country's attractive attributes, such as a strong market, educated population, excellent diplomatic school, and commitment to European integration, coupled with its

longstanding democracy, are key indicators of its prudent approach to foreign policy. Other small states can learn from Luxembourg's example and strive to develop their maturity in handling foreign policy matters. Both articles contribute to the research on the significance of this lesson.

Goldstein and Pevehouse (2009) have thoroughly explored the theoretical dimension of foreign policy and international relations. This book comprehensively explores three fundamental principles, namely 'dominance,' 'reciprocity,' and 'identity,' which present promising resolutions to the persistent collective goods problem in international relations. This issue arises when independent actors need a governing body to oversee their interactions. The authors examine power and foreign policy within the context of emerging global issues such as environmentalism, terrorism, and conflict. The book also delves into human rights, trade, and business.

Moreover, the concept of globalization is a central theme, alongside the increasing influence of non-state actors. The prevailing theories of international relations, including realism, liberalism, and constructivism, are thoroughly justified. The authors argue that small powers can enhance their survival prospects by developing soft power elements. They highlight the significance of states in international relations, emphasizing the importance of intangible concepts like status and reputation. For instance, Switzerland, a neutral and non-aligned state that is not a member of the EU or NATO and only joined the UN in 2002, is esteemed for its neutrality, which enhances its prestige and power (Goldstein & Pevehouse, 2009, p. 94). Therefore, the book serves as a valuable resource for theoretical research.

Mingst (2004) examines the prominent theories of international relations. Liberalism, realism, radicalism, and constructivism are four theories that offer interpretive frameworks for comprehending global events. Mingst also delves into the levels of analysis in international relations and provides insightful interpretations of various theories, including emerging concepts such as globalization and global governance. According to Mingst (p. 80), these perspectives present distinct perspectives on the feasibility and desirability of change within international systems. The author asserts that by comprehending the theories that assist in structuring our understanding of the international system, the state, the individual, and intergovernmental and nongovernmental organizations in international relations, we can enhance our comprehension of these events and consequently make more informed

policy decisions (Mingst, 2004, p. 313). It is important to note that small states are also integral components of the international system, and a thorough understanding of the aspects above is crucial in comprehending their foreign policy choices. Hence, the book provides valuable support for this research. However, it is worth mentioning that the available resources for this research are limited.

Khanal (1999) analyses Nepal's foreign policy and emphasizes the necessity of adapting Nepal's foreign policy to the rapid developments in the international and regional arenas. He argues that sticking to traditional approaches in Nepalese diplomacy and being confined to narrow nationalism will not effectively enhance Nepal's standing in the modern global context. It is imperative to reassess, reorient, and rejuvenate Nepal's foreign policy and diplomacy by modernizing and institutionalizing the Nepalese Foreign Service. The focus of Nepal's foreign policy should be on fostering consensus and fostering a broader understanding. The objective should be to effectively address the changes and challenges and capitalize on the opportunities and advantages of the evolving domestic and international political landscape. The Nepalese foreign policy must be updated and aligned with the aspirations and desires of the Nepalese people. Furthermore, it is crucial to prioritize the preservation and advancement of national interests while simultaneously consolidating and strengthening amicable relations with neighbouring countries, namely India and China. In this regard, Khanal's proposal to foster 'consensus' in formulating the nation's foreign policy through organizing discussions and debates to foster understanding and trust on various issues and options is commendable.

Gautam (2014) offers an in-depth analysis of Nepal's political, economic, and socio-economic developments. He specifically focuses on the repercussions of the Maoist armed revolution and the devastating earthquake on domestic affairs. Gautam sheds light on the concept of Krambhangata, coined by the Maoists as a strategic tool for the revolutionary transformation of Nepal. Furthermore, he acknowledges the significant role of the United Nations Mission in Nepal (UNMIN) in the country'speace process. Gautam also highlights his support for the transit agreement, emphasizing that it breaks India's monopoly on this matter, which has persisted for decades (Gautam, 2014, p. 427).

In his analysis, the author emphasizes the importance of reducing Nepal's heavy reliance on India and fostering a stronger partnership with China. This strategic

shift is seen as a wise and desirable objective. Besides, the author acknowledges that Nepal's relationship with India is multifaceted, encompassing geographical, historical, economic, and cultural aspects. China also recognizes this reality. Therefore, it is crucial for Nepal to effectively engage with its powerful neighbouring countries in order to reap the benefits. The author's perspective extends to the reconstruction efforts following the devastating Maoist insurgency and the 2015 earthquake. He advocates for ending Nepal's seemingly never-ending political transition and urges the nation to prioritize economic development and social progress. However, it is worth noting that the author must thoroughly address the specific issues pertinent to this research.

Yew (2011) provides valuable insights for this research. This literature sheds light on the significant challenges encountered by Singapore, a small state, and the effective strategies employed to overcome these obstacles, ultimately leading to Singapore's remarkable transformation from a third world country to a first world nation. By delving into Singapore's experiences, this book serves as a precursor for other small nations to cultivate their own capabilities and emerge as smart powers.

Yew (2011) articulates his vision for all developing nations in his publication, From Third World to First: Singapore and the Asian Economic Boom. The book guides how to transform a nation composed of diverse immigrants from various backgrounds into a cohesive entity (Yew, 2011, p. 1). Many small countries encounter the challenge of nation-building, and Singapore stands as a potential model for them. With 43 chapters, the book details Singapore's remarkable journey from a third-world to a first-world nation in just fifty years. Singapore's success can be attributed to effective internal governance and active participation in regional and international affairs, earning it the title of the Asian Tiger. Yew emphasizes the importance of adhering to fundamental principles that have propelled Singapore's progress, such as promoting social cohesion by sharing the benefits of development, providing equal opportunities for all, and embracing meritocracy by appointing the most qualified individuals, regardless of gender, to leadership positions in government (Yew, 2011, p. 691).

Rose (1971) provides a comprehensive and meticulous examination of Nepal's foreign policy spanning over two centuries. In this significant contribution, Rose delves into the foundation of Nepal's foreign relations, the intricacies of confrontation politics in the Himalayan region, the emergence of a novel inter-Himalayan relationship paradigm, and various other dimensions of Nepal's foreign policy.

Through a rigorous analytical approach, he sheds light on the challenges faced by Nepalese foreign policy in safeguarding national independence amidst external threats, particularly from influential powers such as Great Britain, China, India, and Russia. However, given time, this literature has become a historical account, necessitating further research to address contemporary perspectives on these topics.

Baral (2016) discusses the historical relationships between India and Nepal and China and Nepal. He argues that Nepal's traditional 'equidistant' theory is no longer applicable, as Nepalis have become more adept at understanding the complexities of triangular relationships. Baral suggests that Nepal should mediate between the two emerging powers and actively establish cooperative ventures involving all three countries. Despite anti-Indian sentiments, Baral remains optimistic about the potential for cooperation from Nepal's Southern neighbour. He emphasizes the importance of having a dedicated leader to transform mistrust into trust (Baral, 2016, p. 23). However, challenges persist in implementing the concept of trilateralism in India-Nepal relations.

Acharya (2019) explores the concept of Nepal's worldview. His work sheds light on how Nepal, as a nation, communicates its identity, interests, values, capabilities, and needs to the global community and how it engages with other nations. Furthermore, Acharya's analysis extends to Nepal's foreign policy and diplomacy, exploring the intricacies of its interactions within its immediate vicinity and beyond amidst evolving domestic, regional, and international landscapes. The author also provides insights into Nepal's geopolitical, economic, and cultural priorities, examining how these factors shape its engagement with the external world.

Acharya endeavours to elucidate the challenges and alternatives, dilemmas and opportunities, and tactics and principles in Nepal's foreign policy and economic diplomacy. He argues that Nepal tends to refer to their nation as 'small', even though Nepal is not diminutive in size when juxtaposed with the population and landmass of most other countries globally. Nepal ranks as the 40th most populous country and the 94th largest in geographical area worldwide (Acharya, 2019, p. 258). Acharya astutely points out that its geostrategic location heavily influences Nepal's foreign policy. From Nepal's perspective, the paramount aspect is the ever-present neighbouring countries with which Nepal shares extensive geographic, economic, cultural, and political ties. However, he expresses concern regarding Nepal's susceptibility, as illustrated by an

African proverb that states, "when two elephants fight, it is the grass that suffers" (Acharya, 2019, p. 258).

The text elaborates on the importance of security in a country's foreign policy. It emphasizes the necessity of consensus among key stakeholders on national security matters, as it is crucial in foreign policy decisions. The author proposes establishing a mechanism to facilitate the consensus-building process on security issues, which could lead to more effective and unified foreign policy decisions. However, a dilemma arises regarding prioritizing interests or values in shaping foreign policy. The author argues that Nepal cannot rely solely on a value-based approach in its foreign policy formulation. Instead, Nepal must prioritize national interests as the foundation of its foreign policy, thus advocating for an interest-based foreign policy.

Acharya highlights the necessity for stability, continuity, dynamism, and innovation in implementing Nepal's foreign policy. Enhancing confidence, diplomatic prowess, and international credibility is crucial. Furthermore, examining the policies of neighbouring countries and major powers' regional and global strategies is essential. Notably, Nepal's engagement with global powers and international bodies, such as the UN and regional alliances, is significant. Nonetheless, Acharya's insights on Nepal's foreign policy and the role of a small state are briefly discussed.

Khadka (1997) provides a comprehensive critique of Nepal's foreign policy objectives and leverage. He argues that smaller nations like Nepal face limitations in their foreign policy objectives and leverage due to territorial size and location. Khadka emphasizes that geographically disadvantaged poor countries, like Nepal, have minimal influence on the external environment. He also highlights Nepal's strong interaction between domestic and external environments, especially in countries surrounded by dominant powers. Khadka suggests that Nepal has attempted to overcome obstacles to its foreign policy goals by increasing its engagement with the global environment. He provides examples of Nepal's involvement in international organizations such as the United Nations, the South Asian Association for Regional Cooperation, and the non-aligned movement. Additionally, Khadka examines the foreign and foreign aid policies of major powers like the USA, India, China, and the former Soviet Union towards Nepal.

Nonetheless, Khadka overlooks the importance of Nepal's foreign economic policies towards these major powers. Moreover, Khadka does not sufficiently emphasize the significant efforts put forth by successive governments to drive economic development through foreign policy. Furthermore, Khadka does not provide an in-depth analysis of foreign policy and diplomacy after the restoration of multiparty parliamentary democracy in 1990. Despite focusing extensively on foreign aid and assistance, Khadka fails to examine foreign trade and other forms of support, such as social, cultural, and technical assistance from Nepal's friendly countries.

Barston's (1973) work effectively demonstrates the restricted freedom of choice and range of external relations faced by Botswana, Lesotho, and Swaziland due to their landlocked position in South Africa and Rhodesia. This geographical constraint leads to significant economic dependence. The situation of Nepal and the former Sihanouk Government's efforts to maintain Cambodian neutrality further underscore this point. In the contemporary international system, economic, financial, and technological development carry more weight than mere geographical size, profoundly influencing a country's foreign policies. However, the territorial size and location continue to be pivotal in shaping a country's foreign policy. In a similar predicament, Nepal is strategically positioned between two powerful nations, compelling it to navigate its foreign policy and diplomacy without showing favouritism. Given its small territorial size, significant economic fragility, and strategic location, foreign policy has always been and remains a matter of survival for Nepal.

Sapkota (2016) examines the advantages of trilateralism from Nepal's standpoint. Sapkota argues that the dynamic of competition and cooperation between India and China within Nepal's borders could serve as a foundation for Nepal's sustainable development. He advocates establishing a formal trilateral cooperative agreement among China, India, and Nepal (Sapkota, 2016, p. 202). Sapkota acknowledges the complex relationship between China and India, which is marked by competition and cooperation, emphasizing that more is needed to create a conducive environment. He suggests Nepal's approach to its neighbors should be more pragmatic, cooperative, and reliable. Ultimately, Sapkota posits that the model of interaction and collaboration between two major powers and a minor power, as seen in the Nepal-India-China trilateral cooperation, offers a unique global perspective. This initiative's success largely hinges on China and India's willingness to play a constructive role.

This significant issue of trilateralism holds considerable sway in current Nepalese politics and warrants further examination.

Kennedy (1989) attempts to elucidate the factors contributing to the rise and decline of great powers over the past five centuries since the establishment of Western Europe. He sheds light on the historical trajectory of significant powers, with a particular focus on European nations. Kennedy asserts that economic and technological transformations have played a pivotal role in shaping the fortunes of leading states. In the realm of international relations, both wealth and power are relative concepts that necessitate economic resources to sustain a substantial military establishment. However, Kennedy emphasizes that economics alone does not determine every event or solely account for the success or failure of nations. A plethora of evidence indicates the influence of other factors such as geography, military organization, national morale, the alliance system, and various other elements that can impact the relative power dynamics within the state system (Kennedy, 1989, p. xxiv).

Lohani (2009) comprehensively analyses various aspects of Nepal's foreign policy. He introduces the classification of power dynamics, distinguishing between the Super, Global, and Regional powers. He emphasizes the significance of Nepal's relationships with India and China, stressing the importance of analyzing these ties through the lens of national interest (Lohani, 2009, p. 2). Lohani further posits that Nepal's interactions with its immediate neighbours will be influenced by five key factors, including the emergence of new economic doctrines, China's infrastructural developments in Tibet, China's 'Go West Policy,' India's 'Look East Policy,' Indian security concerns in the Himalayas, and the utilization of Himalayan water resources (Lohani, 2009, p. 5). In light of these factors, Lohani suggests that Nepal could serve as a 'link state' by fostering tourism, establishing a manufacturing and services hub, and facilitating mutually beneficial connections with India and China. Ultimately, he envisions Nepal as a potential hub for Indian exports to China, Chinese exports to India, and the joint exploitation of water resources through collaborative investments.

Khanal (2009) provides a concise historical overview of Nepal's foreign policy. He argues that the foundations of Nepal's foreign and security policy are well-reflected in Prithvi Narayan Shah's Dibya Upadesh, which has significantly influenced its worldview (p. 97). He emphasizes that the existence of a powerful neighbour has a more significant impact on Nepal's foreign policy, a geopolitical reality that the

audience needs to be aware of. Furthermore, he asserts that foreign aid plays a significant role in shaping Nepal's foreign policy, a crucial aspect of the country's diplomatic strategy. Khanal goes on to claim that not only has foreign aid influenced the country's economy, but it has also impacted the government's decision-making process, a complex and significant interplay that is essential to comprehend. In the 1990s, the Government of Nepal complied with donors' demands by privatizing various government-run enterprises, appointing foreign experts to manage government-aided banks, and entrusting the water supply utility to a foreign company. Khanal suggests that the government needs to urgently review its foreign and aid policies to overcome the current situation, a call to action that is essential for the country's future. Additionally, he proposes that small countries like Nepal should actively contribute to strengthening the United Nations to safeguard their independent image in global politics, a strategic move that can shape the country's international standing.

Khanal (2010) extensively discusses small states' security threats, categorizing them into internal and external threats. He identifies socio-cultural, economic, political, and security problems as major internal threats, while territorial, economic, environmental, military, diplomatic, multilateral involvement, geopolitical, and human security issues are highlighted as severe external challenges. Khanal classifies small states as mini-states, micro-states, and small states, emphasizing that the current security threats primarily stem from non-state actors such as transnational mercenaries and terrorist groups rather than sovereign states (pp. 110-111). He expresses concern that in a potential shift from unipolarity to multi-polarity, small states may become even more vulnerable due to the dynamics of the international system. However, it is worth noting that Nepal and its specific challenges need to be adequately addressed in his article.

Bhattarai (2010) provides an insightful analysis of the evolution of the concept of human security. While countries such as Canada and Japan have embraced the notion of human security as a fundamental aspect of their security policy architecture, most states have yet to embrace this concept fully. Bhattarai emphasizes the significance of addressing emerging non-traditional security issues alongside the traditional state-centric security approach, which focuses on safeguarding territorial integrity and national independence. By highlighting the importance of addressing

non-traditional security threats, Bhattarai sheds light on the pressing challenges faced by Nepal in terms of human security. These challenges include violent conflict, migration, environmental concerns, and access to food and shelter. Given Nepal's status as a small country, these issues hold immense importance for its stability, progress, and prosperity.

Dahal (2009) extensively examines the various challenges of Nepal's foreign policy. He discusses the impact of powerful global trends such as global democratization, economic globalization, privatization, and liberalization on foreign policy. These trends have created multi-dimensional challenges at the operational level for members of the United Nations and regional groupings (Dahal, 2009, p. 19).

Jackson and Sorensen (2013) provide a structured overview of critical theories and approaches in the field of international relations. It delves into significant theories such as realism, liberalism, and social constructivism. It offers clear explanations and relevant examples that facilitate connections between different theoretical perspectives and shape the study of international relations. Furthermore, the book analyzes the ongoing theoretical discussions within the realist school of thought regarding the significance of the concept of balance of power.

The book also provides an overview of the critical assumptions of liberal traditions in international relations. It summarizes liberal thought from various perspectives, such as traditional, sociological, interdependence, and republican strands (Jackson & Sorensen, 2013, p. 99). Additionally, social constructivism is explored as a meta-theory on the nature of the social world and a substantial theory in international relations. The concept and analysis of foreign policy are discussed in terms of managing external relations and activities of nation-states, distinct from their domestic politics. The major theories are presented using a 'level of analysis' approach considering the international system, nation-state, and individual decision-maker levels (Jackson & Sorensen, 2013, p. 251). These theories play a crucial role in achieving the research objectives, making the book a valuable reference for this analysis.

Muni (2016) thoroughly examined Nepal's foreign policy. He argues that Nepal began actively engaging in international affairs after 1951, establishing its image and behavioural patterns on the global stage. This analysis sheds light on the challenges faced by a small, emerging nation striving for security, prosperity, and

recognition in a world dominated by powerful nations. Muni astutely observes that Nepal's foreign policy is greatly influenced by its geographical location, size, and topography, leading to a sense of discomfort. According to Muni, two broad categories determine the conditioning factors of a country'sforeign policy. The first category consists of constant factors, which possess a permanent, stable, and inflexible nature. These constant factors include the country'sgeography, history, and overall socio-cultural characteristics and structure.

On the other hand, the second category encompasses variables, such as the political system, changes in government, and the phenomenon of nationalism, which exhibit continuous and evolving characteristics. Muni's conclusion above is based on the constant factors. It is undeniable that Nepal finds itself strategically sandwiched between the two Asian giants, India and China, due to its geographical location. These countries are considered giants due to their vast landmasses, military prowess, and economic strength. Considering this geopolitically wedged situation, one can concur with Muni's viewpoint that it has significantly influenced the formulation and implementation of Nepal's foreign policy since its unification.

Muni further discusses Nepal's foreign aid and assistance and foreign trade within the context of its foreign economic policy. Additionally, he examines the importance of transit facilities through Indian territory for Nepal. Muni also evaluates Nepal's endeavours to expand its international trade. He asserts that diversification is crucial in addressing the imbalances in Nepal's foreign trade in terms of countries and commodities. The political aspect significantly shapes Muni's examination. The focal point of his research revolves around the impacts and interests of Nepal's neighbouring countries, India and China. Nevertheless, he needs to acknowledge Nepal's contributions and responsibilities within the global sphere sufficiently.

Simkhada (2018) argues that the current era of international relations can be characterized as the new Asian century. He asserts that Nepal is undergoing a significant political metamorphosis towards a democratic, peaceful, and prosperous future following the enactment of a new constitution by the Constituent Assembly in 2015. He demonstrates a profound understanding of Nepal's geostrategic position as a convergence point of two civilizations, with the central Himalayas emerging as a focal point for an imminent global paradigm shift. The concept of a small nation caught between two major powers being the 'revenge of geography' is highlighted, suggesting

the need to transform this situation into a ‘reward’ through adopting political manoeuvring and diplomatic powers.

Although most of the subjects discussed in the book are compiled from various periods, these topics, based on the author’s personal experiences, offer valuable guidance for formulating a robust foreign policy. In addition to addressing international relations, diplomacy, and relations with neighbouring countries, the book elaborates on foreign policy issues. The author strongly opposes engaging in futile debates, unnecessary name-calling, or politicizing foreign and security policies, as these actions increase the risk of external interference in internal power struggles (Simkhada, 2018, p. 100). Instead, the author suggests a genuine understanding of the complexities of Nepal’s foreign policy and the utilization of goodwill from neighbouring countries like China and India, as well as other friendly nations, donor countries, SAARC, and other partners in the developing world, the UN, and other international organizations, to promote peace, prosperity, and democracy during this critical period of political transition. Nepal requires capable leadership, transparent policies, and competent, dedicated, trustworthy diplomats. Lastly, the author recommends collaborating with China on the Belt and Road Initiative (BRI), an ambitious project that fosters connectivity, trade, investment, tourism, and cooperation within the region, rather than engaging in the deployment of weapons and troops (Simkhada, 2018, p. 346). However, it is worth noting that the book covers a limited number of topics relevant to this research.

Upadhya (2018) sheds light on the historical backdrop of Nepal’s internal politics and external relations from ancient to contemporary eras. He emphasises the power struggle between China (including the then Tibet) and India within Nepalese politics. Upadhya asserts that Nepal’s ties with India during the Panchayat System were distinctive. During King Birendra’s visit, the Chinese officials interpreted the ZOP proposal as a manifestation of the Nepalese people’s strong aspiration to protect national independence and state sovereignty (Upadhaya, 2018, p. 104). Despite this, the book primarily offers a historical narrative of Nepal and its immediate neighbors.

Adhikari (2069) provides a comprehensive analysis of the geostrategic challenges faced by Nepal. Adhikari critically examines the threats to national integrity and sovereignty, primarily stemming from the increasing interests of neighbouring countries. Over the past two decades, Nepal has encountered significant challenges to

its sovereignty, with domestic instability creating opportunities for external powers to exploit and further exacerbate national security concerns. Adhikari investigates the various crimes that have plagued Nepalese politics, including the tragic royal massacre of 2058 B.S., which resulted in the loss of the reigning King Birendra's dynasty. The Madhesh movement, assassinations of political leaders, foreign involvement, internal power struggles, and prolonged political instability have all contributed to the security challenges faced by the country. Given these circumstances, Adhikari proposes two key measures: prioritizing internal affairs and fostering trilateral cooperation between China, India, and Nepal, which could bring about a new era of stability and prosperity. Additionally, addressing the security concerns of Nepal's immediate neighbors is crucial. He warns that failing to embrace the concept of trilateral cooperation would inevitably lead Nepal to become a strategic focal point for powerful nations such as China, India, the United States, and others (Adhikari, 2069, p. 322).

Cohen (2010) explores the intricate web of geo-political terms, structures, and theories. He explores the geographical restructuring of various regions across the globe, highlighting the significant powers and the interconnected global network that binds them together. Cohen argues that this geographical restructuring is crucial in shaping foreign policy decisions. While he extensively discusses the impact of geopolitics on foreign policy in several countries, the mention of Nepal's significance in the region is notably scarce in his work.

Dahal (2018) assesses the intricate and challenging facets of the relationship between Nepal and India. The book explores the historical context involving India, China, and Nepal, shedding light on how India has fostered a sense of dependency within Nepal. Dahal also asserts that Nepal's path towards independence commenced with signing the Agreement on Transit Transport between the Government of the people's Republic of China and the Government of Nepal on March 23, 2016 (Dahal, 2018, p. 257). Furthermore, the text encompasses a discussion on the numerous treaties and agreements inked between India and Nepal and the joint declarations issued subsequent to high-level visits from officials of China, India, and Nepal, offering valuable insights for scholarly analysis. However, despite the evident political, geographical, religious, cultural, and social affinities shared between the two nations, the author discerns a particular bias in treating issues concerning Nepal's southern neighbor.

Saran (2017), an Indian diplomat, comprehensively analyses Indian foreign policy. Through his own experiences, he examines India's strategic position, focusing on Nepal-India relations in part II, unit eight of the book. Saran highlights the paradoxical nature of the relationship between these two neighbouring countries. Despite India being closely connected to Nepal, there is a prevalent perception in Nepal that India disregards its sovereignty and independence, often interfering in its domestic affairs and exhibiting behaviour akin to that of an overbearing Big Brother (Saran, 2017, p. 149). Additionally, Saran expresses concerns about the growing Chinese influence in Nepal and other parts of South Asia despite India's support in various aspects of Nepal's national life. He notes India's struggle to formulate an effective strategy to counter China's expanding presence in Nepal, suggesting that efforts should be made to enhance bilateral relations in the future.

Khatri (1998) examines Nepal's foreign policy evolution in the international system, starting from the unification period. He identifies three main trends—Isolationist, Indo-centric, and Globalist—that have influenced Nepal's foreign policy decisions (pp. 5-24). The paper extensively discusses these trends and suggests that to adapt to the shifting global landscape, Nepal should reduce its reliance on the Indo-centric regional system and embrace a more global approach despite the challenges and limitations. This shift would allow Nepal greater flexibility and a chance to play a role, albeit modest, on the international stage. Khatri also highlights Switzerland as an example of a small state maintaining its sovereignty by adopting a neutral stance in global politics. Similarly, non-aligned states managed to survive the Cold War era by staying neutral (Khatri, 1998, pp. 10-11). The changing dynamics of foreign relations underscore the importance of this academic analysis as a valuable resource.

Khatri (1987) discusses the security challenges the small states face in South Asia. He emphasizes that various motivating factors have influenced the responses of these nations, depending on their power and objectives. Khatri highlights that national interest has been the key factor guiding the security policies of South Asian countries (p. 219). He expresses concerns about the escalating arms race and potential nuclear competition in the region, with no clear resolution in sight.

Sharma (2070) has conducted a thorough analysis of the involvement of Delhi (India), the Nepali Royal Palace, and the Maoists in Nepal's political transition. He

argues that the Maoist Movement in Nepal (1996-2006) posed the most significant internal challenge in Nepal's history over the past 250 years. The concepts of the Constituent Assembly, inclusiveness, ethnic awareness, and the establishment of a republic were highlighted as significant accomplishments of the movement, with the Maoist Armed Revolution taking centre stage in Nepali politics for a decade. Sharma's work suggests that the Royal Palace, a key player in Nepali politics, was dismantled, and the Maoists transitioned into mainstream politics. However, Sharma maintains that India's (Delhi's) role has remained constant, with Delhi being held responsible for the intricate management of Nepali politics (p. 390). Despite this aspect, the book primarily focuses on the politics of Nepal over a decade and pays minimal attention to foreign policy.

K.C. (2001) has comprehensively analysed the historical aspects of Nepal's foreign policy and diplomacy. The author explores various significant topics, such as the introduction of diplomatic history, the Sugauli Treaty (1816), Nepal's involvement in the world wars, the Peace and Friendship Treaty of 1950, and the Trade and Transit Treaty between Nepal and India. Notably, the book emphasizes Nepal's relations with its immediate neighbors. K.C. also examines the conflicts and cooperative endeavors that have arisen with these neighbouring countries. This book is a valuable resource for researchers seeking insights into the historical aspects of Nepal's foreign policy, which have played a crucial role in ensuring Nepal's survival during critical historical periods.

In this line of thought, Pandey (2009) analyzes small states' security concerns to a certain extent. He provides a definition for small states, outlines their national boundaries, and sheds light on the diverse challenges encountered by these nations. However, it is essential to note that his research still falls short of comprehensively addressing all the multifaceted challenges of small countries such as Nepal.

Subedi (2010) discusses the security challenges confronting Nepal, emphasizing the importance of international law and foreign policy. He notes that while Nepal has not faced direct threats to its sovereignty and territorial integrity, it has maintained positive relationships with neighbouring countries and regional and international organizations. Subedi identifies various issues, such as external influences in internal politics, weak diplomatic capabilities, urban development issues, global warming, population growth, political instability, erosion of the rule of law, and a culture of aid dependency as significant obstacles for small states (Subedi, 2010, pp.

65-110). Additionally, he recommends that Nepal, recognizing its strategic location, should be mindful of the security concerns of neighbouring countries and actively engage with international actors to address national security challenges (Subedi, 2010, pp. 108-109).

Thorhallsson and Steinsson (2017) emphasize the unique vulnerabilities of small states. They argue that these vulnerabilities lead to distinct needs, different foreign policies, and more significant challenges in achieving favourable outcomes in foreign policy compared to larger states. The authors provide a concise overview of small states and their foreign policy choices, as well as an examination of the security strategies employed by these states. The article also explores the role of multilateral involvement and internal capabilities in pursuing foreign policy goals. Thorhallsson and Steinsson highlight that the size of a small state's population, territory, economy, and military are the primary variables that shape its foreign policy decisions. Regarding security policy, small states may opt to remain neutral or form alliances while also engaging in either bandwagoning or balancing strategies (Steinsson & Thorhallsson, 2017, p. 7).

Smaller states should adopt the bandwagon strategy as a prudent survival tactic due to their limited capacity for self-defence. Furthermore, it is argued that to address various challenges such as political, administrative, security, and economic issues, small states must devise unique strategies to safeguard their interests and assert themselves globally. They are leveraging their small public administrations and foreign services as assets, which is crucial for small states. Additionally, small states rely on multilateral organizations and benefit significantly from participating in international forums. Ultimately, the study strongly suggests that the foreign policy decisions of small states are heavily influenced by the prevailing international environment, underlining the critical importance of investing in diplomatic efforts.

Long (2017) explores the intricate relationship between small states and the multifaceted concept of power. Long discusses the various pathways to influence available to many states but holds particular significance for small states. He posits that the power of small states can be categorized into three main types: intrinsic, derivative, and collective. Long suggests that small states have historically been viewed as objects rather than subjects in international relations, a perspective that needs a paradigm shift. However, the post-Cold War era has given them a more prominent role. Despite being often marginalized in global south foreign policy, small

states have found avenues for influence through liberal international relations theories emphasizing interdependence, institutions, and soft power elements. Long concludes that the contemporary world offers a more favourable environment for small states, where their survival and territorial integrity are less frequently threatened and where norms and values play a crucial role in achieving their goals without relying on coercive capabilities.

Hamal (2014) offers a concise overview of Nepal's foreign policy. He discusses Nepal's foreign policy's evolution, determinants, features, and challenges. He elaborates on Nepal's relationships with key countries and its involvement in various regional and global organizations. Hamal emphasizes the importance of providing all countries, regardless of their size and power, with equal opportunities to voice their opinions on global issues, highlighting the shared nature of the world as a habitat for all human beings (p. 304). Furthermore, he asserts that the successful implementation of Nepal's foreign policy hinges on the effectiveness of its diplomatic apparatus. Therefore, Hamal recommends that Nepal's diplomatic infrastructure, personnel, and mechanisms be proficient and outcome-driven. He underscores the necessity of continuously refining diplomacy, the tool for executing foreign policy, to safeguard national interests (Hamal, 2014, p. 310).

Sangroula (2018) comprehensively analyses the evolving global political landscape. While Sangroula does not explicitly suggest the likelihood of confrontation or war, he acknowledges the potential for polarizing the world. He says the current world order emphasizes a multilateral approach to international politics. Additionally, Sangroula analyzes the impact of international politics on Nepal, highlighting the country'songoing psychological and political transformations. He expresses concern about Nepal's future, as it could become a battleground for power blocs due to its strategically significant location, enabling the implementation of strategies to encircle China and monitor the growing trade relations between China and India. Furthermore, Sangroula asserts that Nepal's strategic importance is closely tied to the continuous economic rise of both China and India (Sangroula, 2018, p. 192).

Sangroula provides a significant insight into the Sino-Nepal relations within the framework of China's ascension. Moreover, he advocates for the Nepali stakeholders to actively participate in the Belt and Road Initiative (BRI) without delay. Before this, Nepal must address its internal political challenges by effectively combating corruption in all its forms and revitalizing state institutions (Sangroula,

2018, p. 204). Despite its comprehensive nature, the book primarily investigates the dynamics of major powers and their influence on Nepalese politics. He suggests embracing the BRI and a severe approach to engaging with global powers, particularly the United States and its initiative - IPS.

2.3 Review Summary

Beach (2012) has rightly remarked that foreign policy is both the broad trends of behaviour and the particular actions taken by a state or other collective actor as directed toward other collective actors within the international system. Such actions can be undertaken using various instruments, ranging from adopting declarations, making speeches, negotiating treaties, giving other states economic aid, engaging in diplomatic activity such as summits, and using military force. Foreign policy-making is crucial in international relations. The discourse is more vital in a contemporary world characterized by globalization. It guides politicians towards protecting their interests through the use of various tools.

The dominant theories of international relations—realism, liberalism, and constructivism—have provided a theoretical base for this research. Political realism has remained the leading theory explained by Hans J. Morgenthau, the most noted scholar through his book. Before this, the Greek philosopher Thucydides, Italian thinker Machiavelli, British thinker Thomas Hobbes and several others contributed to developing this theory. Kautilya, in the Eastern civilization, made equal contributions in this field. The state's categorization as a superpower, great power, medium power, and small power, has been taken as the product of the realist mind. The world is comprised of several states, and their continuous interaction makes international relations a living discipline. So, the order of international society is a mixture of conflict and cooperation determined by various internal and external factors as advocated by neoclassical realists. Whatever the rank, their foreign policy is guided by the elements of national interest.

There are specific grounds for the categorization of power. However, the debate continues to determine the hierarchy of power. Nepal's position in the small power category still needs to be determined. Geographical size, economy, and other indicators do not make Nepal a small state. However, the research has considered Nepal to be a small power. However, Dev Raj Dahal (2011), Madhu Raman Acharya (2019), Khadga K. C. (2023), Sambhu Ram Simkhada (2018), and a few other scholars have similar views in categorizing Nepal in this category. It is concluded that

the available literature does not consider Nepal to be a small power, but its geostrategic position has always kept Nepal in this position.

Nepal's foreign policy holds immense significance as a country with a strategic location. This is a point that has been underscored by noted scholars such as Leo E. Rose (1971), Jagadish Sharma (2006), Dev Raj Dahal (2001 & 2024), Ram Kumar Dahal (2009 & 2018), Jay Raj Acharya (2014), and Madhu Raman Acharya (2019) in their examinations of Nepal's foreign policy. Their collective conclusion is that Nepal has successfully safeguarded its independent identity during the challenging periods of state building. The patterns and trends of Nepal's foreign policy have also evolved in response to domestic and international regime changes. The state has established its foreign policy's objective, bases, and principles through the constitution and other policies. The Ministry of Foreign Affairs provides institutional insights to the matter related to foreign affairs. Many scholars have contributed to the comprehensive analysis of Nepal's engagement in various multilateral organizations and its effectiveness in promoting national interests. Notable among these scholars are Khatri (1998), K. C. (2024), Acharya (2014), Sangroula (2018), Khanal (2000), Acharya (2023), and Dahal (2024). Their continuous efforts have raised pertinent issues regarding Nepal's foreign policy and prospects.

Despite these efforts, Nepal's foreign policy agenda has several challenges. The growing power shift has added more challenges. The issue is more severe because of the growing influence of immediate neighbors. Nepal's traditional norms of 'balanced relations' are questionable as it is criticized for having foreign policy tilt as per the regime change. The literature above has raised the question of the relevancy of the Non-aligned movement, but the research recommends continuing non-aligned foreign policy in the Nepali context. Finally, the research aims to investigate how Nepal, a small power, might effectively manage the changing dynamics of the international arena through its foreign policy stance. In this regard, the global power shift, Nepal's engagement with global projects and the growing impacts of issues related to human security have significantly influenced its foreign policy outlook. Developmental issues must focus on the agenda with the slogan 'foreign policy for prosperity'.

2.4 Research Gap

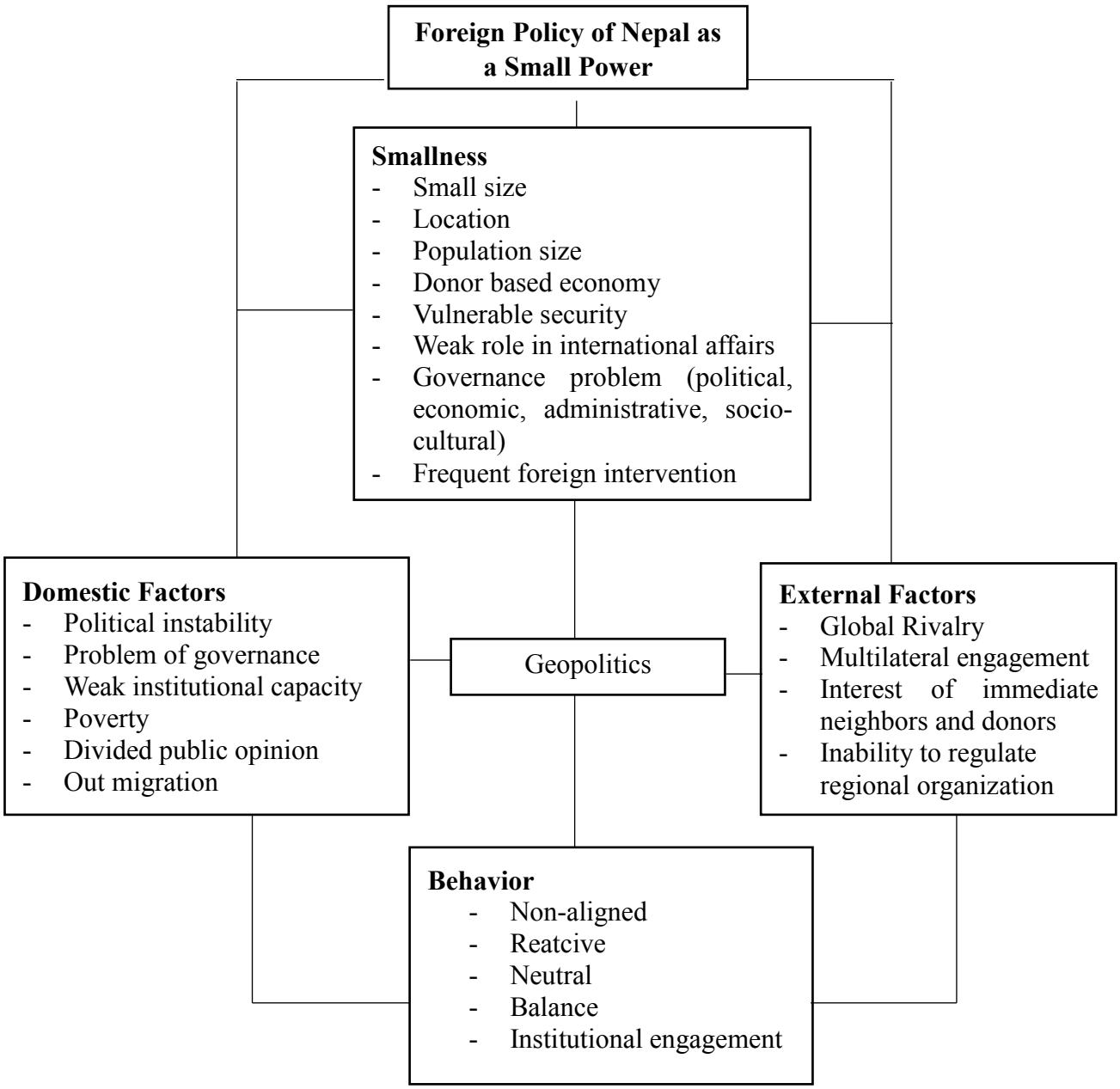
Numerous researchers, academics, scholars, and experts have provided insights into foreign policy discourses. Small powers are gaining prominence, and

their significance is growing steadily. Small powers are playing an increasingly important role at regional and global levels, including within the framework of the UNO. Despite some efforts to study small powers, comprehensive research remains lacking. Various literature explores the roles played by small powers, but there is a noticeable gap in examining Nepali perspectives on foreign policy. While some books touch upon the concept of foreign policy and the historical aspects of Nepali foreign policy, most available literature focuses on Nepal's foreign policy and diplomacy. There is a scarcity of foreign writers addressing Nepali issues, with only a few books and journals offering a global perspective on small states in Europe and America. Although international publications provide valuable insights into different theories of international relations, the Nepali context needs to be extensively covered. In recent years, native writers have increasingly focused on foreign policy and its relationship with neighboring countries such as China and India, driven by Nepal's geostrategic reality.

Nevertheless, a multitude of small powers exists globally. Numerous small powers were left unexplored. Their position is marginalized in comparison to larger powers for a variety of internal and external reasons. Nepal has been confronting particular difficulties in its foreign policy outlook because it is a small power. Examining Nepal's foreign policy through a global lens and exploring beyond its immediate neighborhood is crucial. Nepali context needs to be extensively covered but there is a noticeable gap in a holistic approach to Nepal's strategies, as a small power, in balancing internal vulnerabilities and external pressures while shaping its foreign policy amidst a shifting global order and emerging rivalries, such as the USA-China competition. The existing literature lacks a systematic analysis of Nepal's geopolitical scenario from the viewpoint of small power regarding the balancing of immediate neighbors and donors. This policy needs to cover two level dimensions in Nepal's non-aligned standing involves managing internal divides and balancing regional and global powers. This study fills a critical gap by analyzing the patterns and challenges in Nepal's foreign policy in the context of global power shift, focusing on its strategic balancing between internal pressures and external influences—an area largely overlooked in existing literature.

2.5 Conceptual Framework

Small powers actively shape their foreign policies through the lens of inherent vulnerabilities and strategic constraints. A complex relationship of internal dynamics and external pressures drives these constraints. Nepal's geopolitical location, domestic issues, and engagements with regional and global powers are crucial in shaping its foreign policy approach. This framework helps examine how these factors interact to define Nepal's foreign policy as a small power, enlightening about the complex web of influences.



Source: The researcher has developed the framework through a systematic analysis of existing literature.

CHAPTER III
RESEARCH METHODOLOGY

Research methodology is the philosophy and strategy behind a study, providing a framework for conducting and analyzing the research. It is the set of approaches and techniques that a researcher uses to conduct the research. The process involves collecting, analyzing, and interpreting data throughout the research process. By defining the research methodology, a researcher ensures that the research goals are met and their research questions are answered correctly (Kumar, 2014). This chapter outlines the current study's philosophy and methodology and covers research design, nature and data sources, data presentation and analysis, and operational definitions of the key terms.

3.1 Research Philosophy

The research philosophy, rooted in ontology, epistemology, and axiological considerations, plays a pivotal role in comprehending the complexities of a small power's foreign policy. These considerations guide the various dimensions of foreign policy. The dimensions are inherently multiple due to their relative, ever-changing, and contextual nature (Zukauskas et al., 2018, p. 122). The researcher, with a deep understanding of these complexities, recognized the need to adopt a constructivist philosophy to measure the findings in this context.

As a branch of philosophy, ontology refers to the philosophy of reality. As Neuman (2016) defines, "It is an area of philosophy that deals with the nature of being, or what exists; the area of philosophy that asks what is and what the fundamental categories of reality are" (p. 94). In this sense, ontology is concerned with the nature of existence, which exhibits a complex role in studying small powers' foreign policy. It accepts multiple realities in analyzing the subject matter (Cohen et al., 2011). Not all small powers are equally vulnerable in international relations. Ontologically, the researcher assumes that despite the concept of sovereign equality, Nepal's unique geographical condition, global power shift, rivalry between immediate neighbors, power asymmetry, survival strategies, and systematic constraints, and several other factors have been contributing to shaping foreign policies.

Epistemology, the other branch of philosophy, is concerned with the theory of knowledge. "Epistemology," according to Neuman (2016), is "an area of philosophy

concerned with the creation of knowledge; focuses on how we know, what we know or what are the most valid ways to reach truth" (p. 95). The epistemological position in this study is not just a theoretical concept, but a crucial tool that shapes the researcher's understanding of reality (Zukauskas et al., 2018, p. 127). The researcher's epistemological assumptions, deeply rooted in ontological assumptions, play a significant role in analyzing small power's foreign policy. These assumptions' method, scope, and validity are paramount, as they significantly influence the study's outcomes. Nepal's foreign policy, geopolitical conditions, global power shifts, engagement in various global and regional forums, treaties and agreements, ideology, social structure, neighbourhood interests,role of domestic actors, and other internal factors are considered epistemological. However, it is essential to note that the unique experiences of individual nation-states influence power determination and foreign policy formulation (Rose, 1998, p. 146).

Axiological assumptions, on the other hand, refer to the values and ethics that underlie research. A country's foreign policy is based on specific values that provide ethical grounds for attaining conclusions that assist in formulating policies. Since small powers are always worried about protecting their vital interest where countries like Nepal are under more pressure from their larger neighbors, it becomes compulsive for them to behave on ethical considerations. They are also guided by the value of multilateral engagement where there is sufficient impact of historical and socio-cultural factors. Nepal's foreign policy needs to be guided towards maintaining a strategic balance as suggested in Putnam's 'two-level games' (Putnam, 1988). This need is urgent and cannot be ignored, first between immediate neighbors and then beyond the neighbourhood. Hence, all acknowledged axiological assumptions guided the research to come to a conclusion.

To sum up, Ontologically, the researcher's belief in the influence of multiple factors on a small power's foreign policy guided the study. The researcher's deep commitment to understanding Nepal's foreign policy decision-making as a subject of relativity is a cornerstone of this work. The qualitative nature of the research allows for the recognition of multiple truths, each measured accordingly. Epistemologically, the researcher's belief in the construction of knowledge through the study of historical accounts, the economy, state behaviour, and the contemporary global environment is a key aspect of the study. Axiologically, the research is viewed from a profoundly value-

laden perspective, which adds depth and significance to the study. Nepal's foreign policy is based on certain established norms and values, and as a small power, it has been guided by specific values like non-alignment, principles of panchsheel, international law, the charter of the UNO, and world peace.

3.2 Research Design

Research is a process we use to understand and sense the world around us (Pole & Lampard, 2002, p. 2). The process of social research is full of challenges. Researchers do not conduct their work randomly or indiscriminately. A structured approach should be adopted to accomplish the research work. A rigorous research framework is needed to guide the research process in the right direction. It is such a solid format that before starting the research process, there are many things like how to proceed with the research and collect data. The researcher should think deeply about the possible problems. The researcher's thinking is the foundation of the research design or framework. To initiate this process, one must create a well-structured and systematic strategy known as research design to carry out the research work methodically. It is a practical, comprehensive, and pragmatic strategy for conducting research, including procedures, methodologies, and techniques for data collection and analysis (Kumar, 2014). All of the procedures fall under this category, including choosing a study title, gathering data, analyzing, interpreting, and presenting the result. Kerlinger (1986) asserts that as a methodical preparation, structure, and approach, a research design entails creating a comprehensive plan or program that describes every phase of the research process, from establishing and operationalizing hypotheses to doing the last data analysis. Pant (2009) defines research design as an overarching plan for the tasks to be carried out during the research investigation. It directs the investigator in designing, carrying out, and overseeing the investigation (p. 112). He goes on to say that the design acts as a framework for the study, directing the data collecting and analysis, the choice of research tools, and the sampling strategy (p. 112). The design consists of elements such as identification of the problem, methodology, data gathering, analysis, and report writing. Based on the nature of research, several varieties of design are applied in research. Descriptive, exploratory, comparative, interventional, and qualitative research designs are usually applied in social science research.

This qualitative study, espouses three types of designs: descriptive, analytical and exploratory. Descriptive design has been used to describe phenomena as they exist in the sense of describing situations or events, i.e., Nepal's foreign policy history and development patterns. It also includes a case study on Nepal's engagement with global projects like BRI (Belt and Road and Initiatives) and MCC (Millennium Challenge Corporation). It provideds an overall description of the data, focusing on the country's engagement with these global initiatives. The study adheres to the analytical design used to dissect foreign policy players and variables, analyzing information from various sources based on time, circumstance, and the types of individuals involved in determining a foreign policy agenda. In addition to this, the study adheres to exploratory design to obtain additional knowledge and understanding of the prominence of small powers and their issues with global status. It explores additional foreign policy actions by analyzing existing literature and published secondary data.

3.3 Nature and Sources of Data

Data is commonly categorized into two main types: quantitative and qualitative. Quantitative data is easily quantifiable information, while qualitative data is expressive and descriptive. For exploring and understanding perspectives, qualitative data is deemed most appropriate. According to Creswell (2012), the qualitative study covers a larger area of descriptive analysis that helps to find specific answers to the problem. Moser & Korstjens (2017) highlight that qualitative research provides a deeper understanding of real-world issues and offers fresh perspectives. As a research strategy qualitative analysis relies on collecting and analyzing non-numerical data. Qualitative research, unlike quantitative research, focuses on understanding the reasons behind human behavior rather than just the details of events (Merriam & Tisdell, 2015). Techniques like interviews, discourse analysis, case studies, archival research, and focus group discussions are used to gather authentic qualitative data, making it the primary method in international relations (Potter, 2017).

This current study adopts qualitative data to investigate real-world challenges in foreign affairs by gathering experiences, opinions, and behavior. It discusses global behavior trends and procedures, providing insights into 'hows' and 'whys' rather than

the quantity or number of questions. It captures phenomena such as experiences, approaches, and actions, and seeks out challenging-to-measure themes and patterns tangled with Nepal's foreign policy from the lens of a small power. Since the investigation is qualitative and covers a wide variety of foreign policy topics through secondary or library research by combining pre-existing data and sources to gain information and ideas, it can only be classified as a desk study. Henceforth, to address the research issues, the study gathers data from books, journals, websites, and other secondary sources.

Regarding the sources, the available literature and documents acquired from different sources are the basis of this research. Such sources are broadly divided into two; primary and secondary. The field data gathered through mail questionnaire, interview, or observation with a specific purpose is called primary data. On the other hand, off-field secondary data is needed to leverage and explore a different perspective on a previous study's subject or to tackle a new research inquiry. These sources refer to those already gathered by others other than the one being currently used. It is compiled or gathered in the form of raw and published materials that provide a considerable amount of helpful information (Pant, 2009, p. 239). The secondary method of data collection for a study on small powers in international relations primarily involves reviewing and analyzing existing literature, academic journals, and other relevant sources. Creswell (2012) asserts that reviewing secondary literature can help identify research gaps, debates, theoretical frameworks, and empirical data relevant to the research topic. As per the nature and changing dimensions of the subjects, existing data need to be analyzed. Despite specific weaknesses, secondary sources are beneficial to obtain certain types of data, but some may need to be more practical or virtually challenging to collect through primary sources. Secondary data sources are also classified into two categories: internal and external (Pant, 2009, p. 237).

Being a desk study, the current study uses secondary data only on the rationale that the large body of existing secondary data will make it easier to gather comprehensive, long-term data on international relations—data that will be essential to comprehending foreign policy and important international policy factors. Henceforth, the sources of data in this study are the documents and notices issued by

the Ministry of Foreign Affairs (MOFA), constitutional provisions, official websites, related acts, treaties, and agreements. Party manifestos, reference books, journal articles, research reports, published and unpublished dissertations, TV and Radio recordings, expert opinions, and non-written records are the external sources of the research. Broadly, the sources of data used in this research study areas are:

S.N	Secondary Sources	Content analysis
a.	Books	International relations theories, foreign policy analysis, small power, and Nepal.
b.	Journals	
c.	Newspapers/Magazines	Daily, weekly, monthly, annual.
d.	Electronic media	
e.	Documents/Proclamation	
f.	Previous researches	

3.4 Tools/Methods of Data Collection

This study is qualitative. The researcher has used different tools and techniques for data collection. All these were beneficial in concluding by collecting and analyzing the required data. Based on the research design, the tools and techniques used in the research are explained below:

3.4.1 Desk Review

As a method of gathering information by searching through data or published articles on a specific topic, the desk review aimed to identify relevant sources, assess data quality, and identify gaps in foreign policy and international relations that require further investigation. Consequently, various relevant studies and reports were reviewed in this study to design the research and gain in-depth knowledge about the study's subject. The official records on Nepal's foreign policy, party manifesto, constitutional provisions, treaties, and agreements to which Nepal is a party, as well as political-related bulletins and other scholarly writings, were also used as sources of information.

The desk review has contributed as a foundational step to this research. The researcher reviewed available resources accumulated from various sources. During

the review, the researcher first identified the required secondary sources. These data were selected and analyzed. The researcher was meticulous in defining the scope of the study and determined the theoretical framework and empirical studies related to small powers and their foreign policy. The Constitution of Nepal and its provisions on foreign relations, policy papers (National Security Policy and Foreign policy), party manifestos, the treaties that Nepal is a party, and official publications (especially the publications of the Ministry of Foreign Affairs of Nepal) contributed significant inputs in the review. Books, academic journals, newspapers and many other unpublished kinds of literature have contributed to the examination of the behaviour of small powers. In this way, the desk review provided the basic ground for the research and contributed to understanding the challenges and prospects for Nepal's foreign policy behaviour in the coming days.

3.4.2 Content Analysis

Content analysis is a method used by researchers to indirectly examine human behavior by examining communication (Fraenkel & Wallen, 2019). It is used in different fields to conduct research, comprehend context, assess content, and find connections, trends, and patterns in unstructured data from oral and visual content as well as textual sources including books, academic papers, magazines, and newspapers. It is related to the organization, classification, and comparison of the contents and is also termed information analysis or documentary activity (Pant, 2009, p. 307). This makes it possible to understand and analyze different kinds of content more effectively and facilitates congregating the pertinent data. Content analysis as a method has been used in this study to identify cross-cultural differences, behavioral reactions, and objectives by studying communication trends in texts or images. It has helped identify themes or concepts from qualitative data on strategies, tactics, and challenges in foreign policy due to geopolitical shifts, enhancing international engagement.

The researcher has conducted a systematic examination of data collected from secondary sources, including books, scholarly journal articles, policy statements, government documents, parliamentary debates, and media reports. Firstly, the historical account of Nepal's foreign policy has been analyzed in chronological order. Nepal's foreign policy shift in different modes of history found its peculiar modes.

The researcher also analyzed Nepal's multilateral engagements, beginning with its entry into the UNO in 1955. Secondly, Nepal's national interests and bases of foreign policy were analyzed in the light of structural mechanisms and their functioning. Party manifestos were analyzed to understand the foreign policy stance of the major political parties of Nepal. And finally, global power shifts, neighborhood interests in Nepal, and Nepal's dealing with two global projects, i.e., MCC and BRI, were analyzed to understand the impacts of these factors on Nepal's foreign policy decision-making. Notably, small powers have their own distinctive policy patterns and shifts in foreign policy dealings. This analysis has contributed to our understanding of how Nepal, as a small power, manages its power balance by protecting its vital interests, making it a fascinating subject of study.

3.4.3 Note Transcription

As one of the data collection tools, the researcher has used the note transcription method. It is a commonly used but critical research method that involves transcribing handwritten or typed notes taken during research. Transcribing notes is a beneficial technique in qualitative research as it enables a thorough analysis of data gathered from diverse sources. Since the research is qualitative, this method is beneficial for attaining the targeted objectives. In this study, the method allowed for the detailed analysis of data collected through secondary sources. Although this method took much time, it provided highly effective, accurate, and detailed data that informed this study's research findings and conclusions. The data acquired from the library study was copied in the note and later transcribed, analyzed, and applied in research to ensure inclusivity and accessibility, confirming access to the data for sharing, reviewing, and analysis.

Analyzing a small power's foreign policy is a challenging task. The researcher documented all the sources with all details of the sources like author, published date, title and publisher, strictly adhering to the guidelines of the APA 7th version. When inserting the central quote in the dissertation, the researcher applied a combination of summary, direct quote, and paraphrasing to explore official and scholarly views. Complex theoretical and empirical matters were interpreted and organized in digital form. Files were created. Finally, the contents were presented in various topics and

sub-topics. This methodological tool was instrumental in comprehensively understanding the literature, enhancing the credibility of the research and its findings.

3.5 Data Presentation and Analysis

The use of data from diverse sources requires a comprehensible presentation to ensure its authenticity. The analysis stage is crucial for presenting and examining data effectively, drawing conclusions, validating or disproving previous research, making deliberate discoveries, aiding decision-making, and providing conclusions. This current study has a qualitative aspect, consisting of words and observations, rather than numbers. The presentation and analysis of data have been made in this study to achieve the intended goals intertwined with the issues of foreign policy and international matters. The study utilizes aggregated data analysis as a secondary method to effectively present and interpret data on foreign policy, focusing on chronicles and discourses that influence priorities, goals, and strategies, providing insights into countries' perceptions of their position and views on international issues.

Qualitative data analysis is an inductive method focusing on contexts, contents, categories, themes, and patterns, using methods such as content analysis, thematic analysis, note transcription, and narrative analysis as claimed by Pant (2009, p. 365). In this research study, firstly, the subject matter was analyzed under different headings and sub-headings, whereas thematic analysis focused on the theories. Data was presented based on the leading theories of international relations. The cases concerned with Nepal's engagement in BRI and MCC were analyzed as the subject of the case study.

3.6 Reliability and Validity

While validity refers to a research instrument's ability to demonstrate that it is achieving its intended goals, reliability pertains to the consistency of its results when applied repeatedly (Kumar, 2014, p. 218). These concepts are crucial for verifying the reliability and accuracy of sources and their conclusions (Creswell, 2014). By utilizing authentic documents, articles from reputable scholars, and other trustworthy sources such as expert analyses, reputable journals, media reports, parliamentary debates, and official documents, the researcher has ensured the reliability of the secondary method employed. The information gathered from various sources was thoroughly examined. Analyzing Nepal's foreign policy through the lens of small

power dynamics in its unique geopolitical context has been facilitated by the most prominent theories of international relations. To mitigate potential bias in academic papers, news reports, official documents, and other sources, the researcher has employed critical analysis, triangulation, and contextual analysis. The integration of multiple perspectives, sources, and methodologies has contributed to the accuracy of the findings and enhanced their credibility.

3.7 Theoretical Framework

The relationship between research and theory is dynamic and reciprocal. “Research findings take their scientific form through theory, providing a conceptual framework for research. The statement best captures this dynamic that a theory is a statement concerning the relationship between or among concepts" (Pant, 2009, p. 87). In this research, the methodology is deeply rooted in a theoretical framework, which is of significant importance in the analysis of the foreign policy of small powers, particularly in the context of Nepal. The theories of liberalism, realism, and constructivism, foundational in international relations, serve as the initial lens for dissecting Nepal’s foreign policy as a small power, providing a profound understanding of the subject matter.

The term ‘small’ is a product of a realistic outlook. Political realism posits that sovereign states are the dominant form of political organization, where power politics and the need for security and war preparation persist. Realism, therefore, prioritizes strategic alignment for a state’s survival in the anarchical international system. In this context, small powers, despite their size, play a crucial role and have limited options in their foreign policy choices. They primarily adopt survival tactics and strategic alliances to protect their interests. Nepal’s adoption of non-alignment, isolation, and balanced relations as a small power, as well as the defensive policy of Prithvi Narayan Shah and Rana’s policy of isolation, were all influenced by neo-classical realistic approach. All these policies were adopted with the purpose to balance internal and external determinants.

The liberal theory, on the other hand, emphasized relations based on harmony of interests between international and regional actors. This theory argues that societal transformation is possible through international collaboration and establishing an institutional framework (Stein, 2008). Unlike large powers, small powers, inspired by

the liberal theory, support international organizations and appeal for international law (Jesse & Dreyer, 2016, p. 176). It is stated that "institution can offer information, reduce transaction costs, make commitment more credible, establish focal points for coordination, and in general facilitate the operation of reciprocity" (Keohane & Martin (1995, p. 42). Nepal's engagement in various bilateral and multilateral organizations, adherence to international law, and faith in collective security have been inspired by a neo-liberal view that provides theoretical guidelines for this research, instilling a sense of hope and inspiration in the audience.

Conversely, constructivism argues that moral values, national identity, and historical narratives significantly impact small power's foreign policy (Price, 2008, p. 317). It emphasizes the human element in international relations, focusing on societal aspects. Global norms, rules and shared understanding profoundly impact a nation's identity (Jesse & Dreyer, 2016, p. 177). This theory has contributed to shaping Nepal's foreign policy based on the principle of *panchsheel*, non-alignment, values of world peace and international law. Several social, cultural, religious, historical and natural factors have influenced Nepal's foreign policy with its immediate neighbors. All these theories have justified the selection of qualitative methods in the analysis and interpretation of data. The correlation between theories and methodology has assisted the researcher in drawing meaningful conclusions on the foreign policy of Nepal as a small power.

3.8 Operational Definition of the Key Terms

Many important terms, each with a specific purpose, have been used throughout the study. Care has been taken in crafting the operational definition to ensure clarity and accuracy. This definition has allowed for a more rigorous approach to the study, as it explains exactly how the research will measure and look at the variables of interest. By providing a clear operational description, this has effectively described the procedures and ensured the validity and dependability of the findings.

BRI: BRI stands for Belt and Road Initiatives. It is an ambitious mega project introduced by Chinese President Xi Jinping to promote connectivity and cooperation among the countries in the region and beyond. President Xi in 2013 announced the desire to revive the 'old Silk Routes' through the 'One Belt One Road' (OBOR) initiatives during his official visit to Kazakhstan (Central Asia) and Indonesia (South

East Asia) in September and October 2013, respectively. Nepal joined the BRI on 12 May 2017, and formally became part of this project.

Foreign policy: Foreign policy is a government's approach towards other countries and international actors. It includes various activities and decisions, such as diplomatic relations, trade agreements, military alliances, humanitarian aid, and international law. Foreign policy aims to promote a nation's interests, values, and security in the global arena while maintaining peaceful relations with other countries.

Geopolitics: Geopolitics is a field of study that examines the relationship between geography, politics, and international relations. It involves analyzing how geography and territory influence political power, economic development, and social relations between countries and regions. Geopolitics is the study of how a country's location, resources, and physical features shape its foreign policy and interactions with other countries.

Globalization: Globalization is the increasing interconnectedness and interdependence of the world's economies, societies, and cultures. It involves the expansion of international trade, investment, and technology transfers, as well as the spreading of ideas and information across borders. Advances in transportation, communication, and digital technologies have facilitated this phenomenon, enabling people and businesses to connect and interact with each other globally.

Hedging policy: It refers to the policy adopted by a country to manage foreign relations amid the geopolitical pressure from the immediate neighbors and donors. Generally, a country having a sensitive geopolitical location adopts this policy as a strategy to maximize the benefits and reduce probable risks. Nepal's engagement with BRI and its close ties with India through economic, institutional, and cultural relations are examples. Nepal's engagement with world powers and donors like us and other multilateral forums is helpful to enhance its international image along with the protection of sovereignty without taking sides with either neighbor and donors.

MCC: The Millennium Challenge Corporation (MCC) is the global project introduced by the United States government in 2004 to address poverty by promoting economic development in developing countries. The main objective of the MCC is to enhance economic development and alleviate poverty in qualified nations by offering

financial assistance through grant agreements. These grants are given to countries that satisfy particular eligibility requirements, including good governance, economic freedom, and investment in their people. MCC Compact has been a topic of debate and polarization in Nepali politics. However, Nepal's parliament ratified the agreement with a majority vote on February 27th, 2022, when the US warned that non-ratification of the treaty would lead to a 'review of bilateral ties.'

Multilateralism: It refers to the involvement of multiple countries in forming international and regional organizations. Such alignment is made to tackle global issues through economic, diplomatic, or security cooperation. It gives a sense of collective responsibility, common decision-making, and a unified institutional mechanism. Small powers are much more benefited, as forums like BIMSTEC, SAARC, UNO, and NAM help them make their voices heard.

Non-aligned Foreign Policy: Non-aligned foreign policy refers to a standpoint taken by a country or group of countries that do not align themselves with any major power blocs or alliances in international relations. This implies that they refrain from entering into military alliances with any major power and avoid getting involved in conflicts driven by other nations' interests. Non-alignment is often seen as a way for smaller, developing nations to assert their independence and sovereignty in a world dominated by more powerful nations. It is also a way for countries to pursue their interests without being subject to the influence or control of other countries or alliances.

Panchsheel: It is commonly known as the five principles of peaceful coexistence jointly initiated by India and China in 1954. Later, these principles were endorsed by the Afro-Asian conference of 1955 at Bandung, Indonesia. The five principles are: a. to respect each other's sovereignty, territorial integrity, and political independence; b. non-aggression; c. mutual benefit, d. not to interfere in the internal affairs of another state; and e. peaceful coexistence. These principles became the guidelines for the Non-Aligned Movement after 1961. This is one of the bases of Nepal's foreign policy.

Realism: Realism is a perspective that explains international relations based on the concept of power. According to this school of thought, individuals are essentially

driven by self-interest and egoism, leading to a conflictual relationship. As a result, there is a constant risk of war, and the value of national security and state survival plays a crucial role in shaping interactions between nations. In this view, the acquisition of power is considered essential to ensure security and survival in an anarchic world.

Small Powers: Small powers refer to countries or states with limited resources, military power, and political influence in the global arena. They often face external threats, depend on more considerable powers, and have limited ability to shape international affairs. Small powers generally exert less influence on global decision-making, and regional/international organizations often assign them secondary roles. However, they can also have strategic significance in specific contexts and play instrumental roles in shaping regional dynamics and promoting peace and stability.

3.9 Ethical Considerations

The researcher has fully adhered to the ethical guidelines throughout the research process. Initially, the research proposal received formal recognition from the concerned institution, and the problem was selected without any prejudice. The research has been conducted under several limitations. A detailed and comprehensive review of the literature was conducted. While researching Nepal's foreign policy as a small power, proper citations and acknowledgment are included to respect intellectual property rights and maintain academic professionalism. To maintain academic honesty, the works of other scholars were appropriately cited using the guidelines provided by the APA 7th version. The study is particularly committed to maintaining objectivity and fairness, rigorously avoiding biased interpretations, especially when addressing sensitive geopolitical issues. Potential conflicts of interest are disclosed, and the research is conducted with respect to Nepal's sovereignty, historical context, and diverse perspectives within its foreign policy discourse.

CHAPTER IV

SMALL POWER AND HISTORICAL ACCOUNT OF NEPAL'S FOREIGN POLICY

The chapter traces the historical outlook of Nepal's foreign policy as a small power. It also aims to explore the evolution and the factors that have contributed to shaping Nepal's foreign policy shift over time.

4.1 Small Power Discourse

4.1.1 Small Power

The realist theory asserts the international system is characterized by the primacy of large powers, while small powers are often seen as vulnerable actors within the framework of international relations. History witnessed that they are often neglected or misunderstood, leaving them vulnerable to external threats from larger powers (Long, 2022, p. 2). However, the international system has undergone significant transformations in the past thirty-five years. Following World War II, there has been a notable rise in the number of small states, particularly during the post-Cold War era. As a result, world politics has been increasingly influenced by these smaller powers, leading to the development of a more favorable environment for their participation (Long, 2017, p. 185). Small states are now being viewed more positively due to the wider acceptance of pluralistic approaches to power. This shift has led to a greater recognition of the international prestige and importance of these smaller nations than ever before in history (Hey, 2003, p.1). Numerous small states emerged during the 20th century due to various factors such as the conclusion of both world wars, the decolonization process in the 1960s, and the dissolution of the Soviet Union in 1990. The Cold War concluded in a decreased phenomenon of global competition for superpower status, which particularly benefited small powers, especially those in the developing world. Small powers in the third world are no longer mere pawns in the power struggles of larger nations. The international community has witnessed several instances where large powers have defended small powers against the hegemonic ambitions of their neighboring giants.

The transformation of the state's foreign policy was greatly influenced by various factors and tools, leading to a significant shift in the concept of power from material to non-material dimensions. This change had a notable impact on the foreign

policies of smaller powers, as they adapted to this new paradigm. These nations successfully implemented foreign policies that relied on non-material aspects, challenging the traditional realist theory in international relations (Galal, 2020). Not all small powers hold the same level of capability and significance when engaging with global and regional dynamics. Recent global events have demonstrated that states, regardless of size, lack influence when they are economically feeble and short of strategic importance. However, nations such as Nepal, despite economic fragility, possess strategic value and can play a significant role in international power dynamics. The country's foreign policy holds critical implications for its interactions with neighboring countries and major global powers.

Defining small power in the field of international relations poses a significant challenge for students due to the lack of consensus on its exact parameters and behavioral characteristics. While common features are often attributed to small powers, reaching a unanimous agreement on what truly defines them remains elusive. The power status of a state is influenced by numerous variables, making it a complex concept to pin down. Despite the abundance of literature on the subject, some scholars argue that the concept of small power falls short as an analytical tool. Conversely, others suggest that small powers are defined not by inherent qualities but by external perceptions, both from others and themselves (Rothstein, 1968, p.7). Maurice East has outlined five key distinguishing features of the foreign policy of small powers, which significantly differ from those of great and medium powers. According to East, small powers exhibit limited engagement with other states, demonstrate a high level of enthusiasm in participating in international organizations, uphold international laws, employ minimal use of force, and primarily focus their foreign policy on regional affairs. East's analysis of the foreign policy behavior of 32 small states between 1959 and 1968 highlights four negative attributes: small population size, limited territorial space, low military capabilities, and a low Gross National Product (GNP) (East, 1973).

Different perspectives on small powers have led to the utilization of various criteria in defining this concept. Barston proposes four factors that contribute to a more comprehensive comprehension of this term. These factors include the size of a population and its geographical location, the ranking of a state based on its capacity, the relative influence exerted by these states, and the identification of distinguishing

characteristics through hypotheses that highlight the disparities between different classes of states (Barston, 1973). The measurement of a state's position often relies on several key variables, including population, territory, economy, and military powers (Thorhallsson & Steinsson, 2017, p. 3). Among these variables, the size of the population is commonly regarded as the primary factor in defining a state. While the number of individuals residing within contemporary nation-states may vary significantly, the size and composition of the population frequently exert a significant influence on smaller states.

Thorhallsson and Steinsson (2017) posit that states with up to 30 million inhabitants are occasionally classified as small, although most academic definitions consider those with less than 10 or 15 million inhabitants as small (p. 2). However, the European Union has its own perspective on population size. Member-states with a population below 40 million are deemed small, as stated by Kassimereis (2009, p. 88). Nearly 20 European Union countries fall within this category. Conversely, some scholars suggest that a small state is defined by having a population below one million residents. This classification is now predominantly used in relation to the concept of 'microstates,' which are states that are so diminutive that they possess limited or no autonomous foreign policy capabilities (Jesse & Dreyer, 2016, p.6). Simon Kuznets proposes that a state with a population ranging from 5 to 15 million can be classified within this particular category. On the other hand, Eswar S. Prasad, the director of the World Bank's Development Prospects, defines a small state as one with a population between 1 and 1.5 million (Galal, 2020, p. 41). Vital (1967), on the other hand, has classified states into three categories (great, middle, and small) (p. 8). He establishes approximate upper thresholds for small states. For economically advanced countries, a small state is defined as having a population ranging from 10 to 15 million. On the other hand, underdeveloped countries are considered small states if their population falls within the range of 20 to 30 million (Vital, 1967, p. 8).

Small states are characterized by limited natural resources and a small economy (East, 1973, p.557), along with a population of 10-15 million inhabitants (Barston, 1973, p. 16). Furthermore, scholars in international relations have classified small states into three categories: a) microstates with a population usually less than 1 million, such as Holy See, b) states within the European Union like Austria, Belgium,

Luxembourg, the Netherlands, and Switzerland, and c) states in the developing world primarily located in Asia, Africa, and Latin America (Hey, 2003, p.2).

While population is often regarded as the primary determinant of a state's power, it should not be viewed as the sole measure. This can be illustrated by considering less populous states, where a significant number of them have populations smaller than that of China. It is worth noting that India and China collectively account for over one-third of the global population (Palmer & Perkins, 2015, p.2). Small states are typically characterized by their territorial size. The concept of a small state has been officially defined by the United Nations Organization as a state with a land area not exceeding 100,000 square kilometers (Galal, 2020). Based on data provided by the UN, there are a total of 85 small states worldwide, distributed across different regions. Specifically, there are 23 small states in Asia, 28 in Europe, 16 in Africa, 16 in the Caribbean America region, and 2 in Eurasia.

The issue of size, similar to population, poses a significant challenge. India, Australia, Brazil, the United States, China, Canada, and Russia each span over a million square miles, with Russia ranking highest. Remarkably, Russia alone encompasses approximately eight and a half million square miles, accounting for one-sixth of the Earth's total land area. Despite the limitations posed by a small territory, there exist both advantages and disadvantages. Nevertheless, these challenges are not significantly prominent. It is feasible for a state with limited land area to possess a substantial population, robust economy, and formidable military strength, thereby enabling it to wield significant power. In contrast, it should be noted that a state possessing a vast territory may not necessarily wield significant power. Thus, the influence of territory on a state's strength does not parallel the impact of a substantial population and a thriving economy (Thorhallsson, 2018). Furthermore, it is evident that a small state, when equipped with a sizable population, can significantly augment the magnitude and range of its economy through the implementation of suitable policies.

Vital's framework asserts that small states are defined by population sizes ranging from 10-15 million in economically advanced countries and 20-30 million in underdeveloped nations (Vital, 1967, p. 8). Several academics have put forth the notion that the concept of small power can also be determined based on population size. They propose an absolute and universally applicable threshold that distinguishes

between large and small states, suggesting that a population size of 15 million individuals or a GDP of $500 billion can serve as such a threshold. This approach offers the advantage of establishing a concise and readily applicable definition for small states (Wivel et al., 2018, p.6). Various perspectives on small powers have led to the utilization of a set of factors in defining the concept. Barston presents four key factors to enhance comprehension of the term. These factors include the size of the population and geographical location, the state's ranking based on its capacity, the level of relative influence exerted by these states, and the identification of distinguishing characteristics through hypotheses that highlight the differences between certain states and other categories of states (Barston, 1973).

The notion of small power is also rooted in the concept of perception. In the aftermath of the Cold War, scholars focusing on small powers have introduced 'new variables' such as perception and image (Thorhallsson, 2018). If a state's population and institutions generally view themselves as small, or if other states' population and institutions perceive that state as small, then it will be classified as such (Hey, 2003, p. 3). Robert Rothstein and Robert Keohane have provided definitions of small powers from both psychological and material perspectives, with Rothstein (1968) emphasizing the importance of perception:

> A small power refers to a nation that acknowledges its limited ability to ensure its security solely through its own resources. Instead, it understands the necessity of relying on the assistance of other states, institutions, processes, or development to achieve security. Furthermore, this recognition of its reliance on external support must also be acknowledged by the other states engaged in international politics. (p. 29)

In his analysis of small states, Thorhallsson stresses the significance of perception size as a key factor. He introduces a multifaceted framework comprising six categories to delineate the dimensions of states.

Within this diagrammatic structure, fixed size pertains to both the population and territorial dimensions of the state, while sovereignty size denotes the capacity of smaller states to uphold sovereignty within their territory and effectively govern it. Political size encompasses the military and administrative capacities of a state, along with its capability to establish a unified foreign policy and maintain internal cohesion

necessary for addressing diverse challenges (Thorhallsson, 2006). The economic size of a state is determined by its gross domestic product (GDP) and development status. It encompasses the overall value of goods and services produced within the state's borders, reflecting the magnitude of its economic activities and the level of progress achieved. Perceptual size encompasses the political discourse and self-perceptions that leaders, elites, groups, and the public possess in relation to their own states.

Small states that view themselves as significant players with a role to fulfill in global politics may achieve greater success in leaving a lasting impact. Conversely, small states that lack the belief in their ability to exert influence on the world stage often become victims of their own self-fulfilling prophecy. Additionally, the perceptions held by external actors towards the concerned state also hold considerable importance. Within the context of state governance, preference size denotes the specific ideas, ambitions, and priorities that are embraced by the ruling elites, and it further signifies the extent to which these notions are comprehensive and all-encompassing (Thorhallsson, 2018).

Furthermore, Keohane (1969) introduced a contrasting perception-centered conceptual framework. He asserts that a lesser power is a country whose policymakers hold the view that, whether operating independently or in a minor alliance, it cannot produce a noteworthy impact on the system. The focus lies on the categorization of global entities, whether it be the decision maker's perception of their state's international capabilities and position in the global system, or the perception of other global entities regarding the state's ranking in the international arena. Both Hey and Keohane claim small powers are those whose leaders recognize their limited capacity to impact the international system, whether acting alone or in collaboration with others. It is crucial to differentiate small states from pawn states or satellite states in terms of conceptual categorization.

Pawn states, also known as satellite states, are characterized as feeble nations whose domestic and international actions are significantly molded, influenced, or controlled by one or more dominant states. The conduct of a pawn state or satellite state, which is guided or influenced, is a consequence of its substantial reliance on a particular powerful state or a few specific ones. Additionally, certain small states are designated as buffer states. A buffer state is a small state that occupies a strategic position between two formidable states. According to the realist scholar Hans J.

Morgenthau, buffer states can be defined as "less powerful states located in close proximity to more dominant ones, primarily serving the military security needs of the latter" (Morgenthau, 1997). The role of independence is crucial in upholding the 'balance of power'. Therefore, small states should not be automatically equated with weak states, buffer states, satellite states, or pawn states.

Several academics have drawn a parallel between the notion of ‘small states’ and the notion of ‘weak state.’ While it is true that many small states in today’s global system are indeed weaker in comparison to major powers, it would be erroneous to conflate these two concepts. The concept of a ‘small state’ refers to the limited capabilities of a state, whereas ‘weak states’ are characterized by deficiencies in institutional capacities related to statehood. These limitations in state capabilities influence the ability of states to implement the desired societal changes through state planning, policies, and actions.

State capabilities involve the capacities to infiltrate society, regulate social relationships, acquire resources, and allocate or utilize resources as desired. Strong states, in contrast, are distinguished by their capabilities that empower them to efficiently perform these functions. Weak states, therefore, fall at the lower end of a spectrum of capabilities. Vulnerable states are situated at the bottom of a continuum of capabilities. Magnolia, despite its large size, can be considered a weak state due to its institutional structures frequently struggling to effectively penetrate and regulate the socio-economic and political processes as intended by the ruling elites. However, it is important to note that not all small states can be considered weak states. For instance, countries like Israel, Cuba, North Korea, and South Korea, despite their small size, possess robust state structures and cannot be classified as weak states.

Research on small powers reveals that there exists no fixed set of criteria or unanimous agreement regarding the definition and analysis of these nations. Typically, factors such as population, geography, and economic size are widely acknowledged as the primary determinants in assessing a country’s power status. The military and strategic landscape of a nation plays a crucial role in determining its position on the global stage. The security concerns of a small state are often influenced by its size and geopolitical location. From this perspective, a small state is characterized by its acknowledgment that security cannot be achieved solely through its own resources, but rather necessitates dependence on assistance from other states,

institutional mechanisms, and advancements. The limited capacity of small powers must be acknowledged by other states within the international system (Rothstein, 1968).

A strong military force, possessing the ability to enforce its authority, is considered an essential aspect of national power. Major powers rely on well-equipped, well-trained, disciplined, and motivated armed forces to uphold domestic law and order, while also defending their country's sovereignty and territorial integrity against potential foreign aggression. Consequently, the concept of a small power is also determined by the level of security and power a state possesses. In this regard, smaller states (Wivel, et al., 2018) are:

a. not able by themselves to preserve their own autonomy in the face of force that others wield,
b. has narrow range of action,
c. has little to say about which games are being played, and how?
d. has only a small stake in the system and are unable to act for its sake.

Nepal, constrained by its landlocked status, encounters considerable difficulties in upholding its international standing through military advancement. Conversely, countries such as North Korea and Israel have adeptly fortified their positions on the global scale. A small state with limited population and economic capacity encounters constraints in terms of military and diplomatic capabilities available to the state. Diplomatic tool strengthen their stand in the global system. The scarcity of resources and manpower impedes the ability to maintain sizable armed forces and lacks the influence to compel other states to comply with their demands. Consequently, they depend on assistance from other states and international bodies to safeguard against external threats (Thorhallsson, 2018).

The evaluation of a small power's position is also dependent on their participation in regional and global organizations. This factor elucidates the manner in which an international entity acquires sway over a specific matter. The hierarchy of a country is largely established based on the level of influence held by a nation as a component of the international framework, including membership in the Security Council, possession of nuclear arms, and inclusion in the Group of Eight (G-8) (Galal, 2020). Despite their small size, these nations have demonstrated their stand by

actively participating in global and regional affairs. The concept of small power is elucidated by examining the correlation between power acquisition and its positioning within the international framework.

A nation's classification is also influenced by its involvement on the global stage. Typically, smaller countries possess limited influence in international affairs, thus they often rely on international organizations to advocate for their interests and ensure their survival. This is primarily achieved by establishing themselves as independent sovereign nations (Jaiswal, 2016, p. 5). Small states actively participate in international organizations and utilize international laws and norms to strengthen their influence within the global system (Hey, 2003). Small states may support international organizations in a strategic manner, even if they do not expect these institutions to directly enhance their security or limit the actions of great powers. Leaders of small and middle powers understand that while they may have limited influence individually, collectively they can achieve much more. By utilizing international organizations, they aim to cultivate a shared mindset conducive to their survival, essentially creating an 'international political culture' that reflects their values (Keohane, 1969). Small and weak on their own, such powers often gain power through membership in multilateral and regional organizations such as the United Nations Organization (UNO), Association of Southeast Asian Nations (ASEAN), European Union (EU), Organization of American States (OAS), and Arab League, as well as through participation in 'voting blocs' and adherence to non-aligned policies (Palmer & Perkins, 2015 p. 4). Thus, small powers work with international groups to safeguard their interests, taking their stronger stand.

4.1.2 Nepal's Ranking

Nepal, covers a total area of 147,516 square kilometers, constitutes a mere 0.03 percent of the global landmass, 0.3 percent of Asia, and 2.379 percent of South Asia. This nation boasts a remarkable historical legacy and an illustrious past, standing as one of the seventeen ancient states that has remained uncolonized throughout its extensive history. With a history dating back nearly 5000 years, Nepal holds the distinction of being the oldest country (Acharya, 2019, p. 8). There is an ongoing discussion regarding whether Nepal can be classified as a small power or not. This debate revolves around its comparative size in relation to two significant

neighboring countries, China and India, in terms of geography, economy, population, and military strength.

Nepal, with a population of almost 29.2 million people, ranks as the 51st largest country (as of 2024) in the world in terms of population. Despite its significant population size, Nepal does not align with the classification of 'small states' within the United Nations framework. Furthermore, Nepal is notably absent from the 'Forum of Small States' that was established at the United Nations in 1992. The eligibility criteria for a country to become part of that group included having a population of at least 10 million individuals (Acharya, 2019, pp. 8-9). Nepal does not appear on the World Bank's roster of 40 small nations with populations of less than 1.5 million people. Furthermore, in relation to land area, Nepal ranks as the 93th largest country globally. This substantial size surpasses the geographical dimensions of countries such as Denmark, Greece, Ireland, and Switzerland, as well as several other nations in South Asia, including Bhutan, Maldives, and Sri Lanka (Dahal, 2018). This evidence clearly indicates that Nepal does not fall within the classification of a 'small state.' In a global context, Nepal is considered to be of average size; however, when close with the immense land area, power capabilities, and historical significance of neighboring countries like China and India, it appears diminutive (Dahal, 2011, p. 32). Nepal's small size can be attributed to its geographical positioning, sandwiched between the emerging global powers of China and India. The considerable asymmetry in size between Nepal and its neighboring countries compelled Prithvi Narayan Shah to metaphorically depict Nepal as a 'yam between two boulders' (Stiller, 1968, p. 42). The analysis of Nepal's foreign policy is not solely based on the disparities in geographical, economic, and military capabilities between Nepal and its neighboring countries. Nepal's stance is further influenced by the intense rivalry among its neighboring countries to establish themselves as global superpowers.

Nepal's foreign policy maneuverability and its need to adapt within the limited space between China and India are highlighted in this passage. The metaphor of a 'yam' (a delicate root vegetable) suggests that Nepal should navigate its way between these two powerful countries, much like a yam adjusts itself between two large boulders. In this context, the yam symbolizes Nepal's ability to establish its presence by taking advantage of the gaps and crevices within the influence of China and India (Acharya, 2019, pp. 8-9). A small state refers to a geographically compact nation with

meager resources, constrained potential, and a heavy reliance on external aid, all contributing to its subordinate role in the international arena. These states have traditionally played a peripheral role in shaping and sustaining the global order. Despite these limitations, Nepal upholds its identity as a sovereign and independent nation with a rich and ancient civilization. Its strategic location in the heart of South Asia, active participation in regional and international organizations, and its position between two rising powers—China and India—are key factors contributing to its status as a small power.

4.1.3 Small State or Small Power?

Power is a term that holds significant importance and is subject to ongoing debates within the field of international relations. Realism has played a dominant role in shaping the understanding of power in this context, with the discourse primarily revolving around realist perspectives. In the context of the global south policy, smaller nations predominantly find themselves in a state of poverty, underdevelopment, weakness, and marginalization within global institutions. Furthermore, they lack the material powers, defined by wealth or the means of violence, necessary to instigate comprehensive changes that align with their own interests (Long, 2017). To this day, there remains a lack of consensus in the definition of the terms ‘small state’ and ‘small power’. These terms are often used interchangeably, with the term ‘small state’ being favored by students of international relations and the majority of scholars when referring to a specific group of countries. However, some individuals opt for the term ‘small power’ to specifically highlight military capabilities.

Scholars hold varying perspectives on the utilization of these terminologies. Nonetheless, these terms have been in existence for a considerable period and are widely recognized. Despite their established nature, there is a scarcity of agreement on the appropriate conceptualization and operationalization methods. It is crucial to emphasize that the majority of scholars tend to favor the term ‘small state’ over the term ‘small power’ when discussing specific categories of countries. Primarily, realists choose for the term 'small power' to specifically refer to military capabilities. The central point of analysis revolves around material power capabilities, specifically referring to the possession or absence of power resources in either absolute or relative terms. These capabilities are frequently assessed through indicators like population size, gross domestic product (GDP), or military expenditure (Wivel et al., 2018, p. 6).

Historically, smaller states were commonly viewed as facing challenges related to power weakness and interdependence. In the present day context, the size of a state plays a less crucial role in determining its security than in the past (Kassimeris, 2009). In contemporary international politics, the conspicuousness of smaller states stands out as a significant feature, particularly due to the increasing military disparity between major powers and these smaller nations (Keohane, 1969, p. 291). The term 'small power' should be understood in its political context, as it goes beyond the mere assessment of territorial size and carries deeper connotations.

Handel (1981) utilized various terminologies to address this matter, such as ‘small state’ which essentially represents a territorial concept or a state limited by its size; ‘weak state’ indicating a level of powerlessness to exert influence; and ‘small power’, denoting a politically small entity with enough power to impact global politics (p. 11). In this connection, Rothstein (1968) defines ‘small powers’ as a subset of ‘small states’ and argues that these states acknowledge their limited capacity to ensure security through their own capabilities. Instead, they rely heavily on the assistance of other states, institutions, processes, or global developments. It is crucial for these small powers to have their belief in their own inability to rely on self-sufficiency acknowledged by other states engaged in international politics (p. 29). Furthermore, he asserts that when faced with a potential threat, smaller nations, unlike their larger counterparts, are compelled to seek assistance from external sources due to their limited window of opportunity to resolve errors and their precarious safety margin. Additionally, the leaders of these nations perceive their vulnerability as inherently unchangeable.

Hence, the research concludes that Nepal, a landlocked country between two emerging world powers, China and India, is a medium-sized country occupying 93rd position in size and 51th in world population. Based on the facts, Nepal does not fall into the small state category. However, it is considered a small power because of its strategic location at the heart of South Asia between two enormous neighbors. It has a remarkable historical legacy and an illustrious past, standing as one of the seventeen ancient states that has remained free from colonial oppression throughout its extensive history.

4.1.4 Small State/Power Behavior

Foreign policy, regardless of its definition, encompasses the intricate process of formulating, executing, and implementing decisions that are inherently interconnected. Whether a state is large or small, the core principles that shape state actions revolve around upholding sovereignty, territorial integrity, and political independence (Goldstein & Pevehouse, 2009, p. 50). The nature of foreign policy is 'relational' as it aims to impact the actions of other entities due to the challenging task of achieving equality within the international arena. Each state necessitates access to resources, economic commodities, military expertise, political and strategic backing, and collaboration with other entities, necessitating coordination with various actors. Foreign policy, functioning as both a process and a product, plays a pivotal role in establishing a connection between the internal workings of a state and the external world. It serves as a crucial link, facilitating the interaction and influence between a nation and the international environment surrounding it.

Morgenthau (1997), a prominent proponent of political realism, categorized state behavior based on the concept of force into three distinct groups. The first group consists of states that aim to acquire power through policies that maintain the existing order. The second group includes states that strive to enhance their position in the global hierarchy through territorial expansion. The third group comprises states that are content with their current level of power and do not actively seek to increase it.

Every actor, with a focus on the nation, must first establish its national interests and desired outcomes when engaging with other countries. Governments are obligated to conduct themselves in a specific manner when interacting with governments of other states. The primary purpose of foreign policy is to manage the actions of other states, whether to induce change or maintain the current state of affairs in a manner that best serves the national interest of the country in question.

Several scholars have expressed their views on foreign policy, and it is evident that the central aspect revolves around the regulation of other states' behavior to align with one's own interests. In this regard, countries frequently attempt to influence the conduct of other nations. However, if the need arises, a country may also find it necessary to adapt its own behavior. Small powers in the international system strive to maintain their existence rather than seeking to exert dominance. Their actions are

shaped by the actual capabilities they possess. It is important to note that small powers do not exhibit uniform behavior, as their choices in foreign policy cannot be fully explained by a single theory. The prevailing trend indicates that when smaller states encounter threats from larger states, their response deviates from realist predictions (Baral, 2022). In contrast, theories proposed by social constructivists emerge as more reliable predictors.

In contrast, when a small power is confronted by another small power, their behavior tends to align with realist theory (Jesse & Dreyer, 2016, p. 177). Small powers, in fact, exhibit distinct characteristics from large powers, displaying unique patterns of behavior that warrant separate examination and analysis. Consequently, it is imperative to conduct research and formulate a theory that elucidates the foreign policy conduct of small powers. In this connection, Hey (2003) identifies the following set of common behaviors displayed by small powers:

> The small powers demonstrate a minimal level of engagement in global affairs and concentrate on a limited range of foreign policy matters. Their actions are restricted to their immediate geographical sphere where they utilize diplomatic and economic foreign policy tools, rather than military ones. They prioritize internationalist principles, international law, and other morally-driven ideals and seek multinational agreements and actively participate in multinational institutions whenever feasible. Mostly they exhibit neutral stance in conflicting issues and depend on major powers for protection, alliances, and resources. They strive to cooperate and prevent conflicts with other nations, and allocate a disproportionate amount of foreign policy resources to ensure physical and political security and survival. (p. 5)

The behavior of states is influenced by a myriad of factors, leading to their distinctive approaches in external affairs. Maurice A. East's research investigates the actions taken by small states, concluding that they utilize a variety of options in their interactions with other nations (East, 1973). For him the small states:

a. prefer to minimize the cost of conducting foreign policy by initiating more joint action and by directing their attention toward joint or multiple actor targets,

b. do not initiate as much verbal actions as large states,
c. engage much more in conflictual nonverbal behavior, particularly in high-risk areas,
d. avoid ambiguity in foreign policy behavior, exhibiting more specially as to the issues at hand and the target being influenced, and
e. rely frequently more on the economic technique of statecraft than the largest states.

On the other hand, Huldt provides the most comprehensive explanation for the behavior of small states (cited in Jaiswal, 2016, pp. 5-6) as follows:

a. Small states have a tendency to exhibit behavior that opposes the balance of power. In situations where the equilibrium of power in international relations is under threat, major powers endeavor to assist the weaker side involved in a conflict in order to maintain the balance of power. Conversely, small states tend to align themselves with what they perceive as the stronger, victorious side and frequently abandon an ally who is deemed weak, as they lack the capacity to be on the losing side.
b. The foreign policy of small states is characterized by a limited geographical scope and short-term perspective, in contrast to major powers whose foreign policy decisions have a global reach and long-term implications.
c. Small states exhibit moralistic-legalistic attitudes towards international affairs and advocate for the implementation of international legal norms. Huldt emphasizes that the adoption of a moralistic-legalistic approach in international relations is not solely driven by idealistic motives but also serves as a pragmatic foreign policy option, particularly for small states that cannot afford to engage in immoral behavior.
d. International organizations, like the League of Nations and the United Nations, play a crucial role for small states as they provide a platform for the adoption of universally accepted international legal norms.
e. Small states frequently serve as mediators in international conflicts. Due to their lack of direct involvement or vested interests in crises that involve major powers, they are well-suited for the role of arbitration.

f. Small states frequently make foreign policy decisions that are not primarily driven by security concerns. These states have the option to either align themselves with a defense alliance or adopt a neutral stance.

Beside these facts, a small state is at a higher risk and has limited choices in comparison to a major power. Different theories provide their own interpretations of the behavior of small powers. Realist and social constructivist theories offer contrasting views on the behavior of small powers (Jesse & Dreyer, 2016). Realists believe that small powers will seek to balance against threatening states or align with them. In contrast, constructivists argue that the foreign policy of small powers is shaped by certain values and norms. Liberals assert that the behavior of small powers is influenced by the interests of domestic actors within the confines of domestic coalitions.

In summary, defining a small power in precise terms is an exceptionally difficult task. It is undeniable that small powers exist within the international system, and their foreign policy interests, behaviors, and roles in international relations differ significantly from those of superpowers, great powers, and middle powers. However, small powers are not permanently reliant on a specific dominant power. Their dependence on external powers changes in response to shifts in their domestic politics and the external environment. Furthermore, the behavior of small powers is influenced by the ruling elites who strive to diversify their external dependencies. Thus, comprehending the multidimensional aspect demonstrated by small powers in their external behavior proves to be a formidable challenge.Consequently, continued research and theory development to explain their foreign policy behavior are necessary.

4.2 Evolution, Pattern and Trends of Nepal's Foreign Policy

4.2.1 Introduction

Nepal is a country situated at the heart of South Asia. As a country with ancient civilizations, Nepal is one of the seventeenth oldest countries in the world (Dahal, 2018). The country is popularly known as the birthplace of Lord Buddha, the founder of Buddhism in the world. It is equally famous as the country of Mount Everest, the highest peak in the world. Ancestors had already made it popular as a

country of brave Gorkhalies. Nepal is equally familiar with its religious legacy as it is the home to most Hindus (Hamilton, 2007). Natural beauty and social diversities have made it very popular. Though it has a chequered history of the democratic movement, it has its own experience in foreign policy and diplomacy and has earned a glorious image in the comity of nations.

Nepal is one of the oldest countries, with more than 5000 years of history. Ancient chronicles and epics have proved that Nepal's existence has been more than two millennia. *Atharva Veda* (one of the holy Hindu treatise), mentions Nepal as a place for making woollen blankets. Highlighting this fact, Kautilya's *Arthashastra* (the book written by ancient Indian scholar) states that Nepali products had gained popularity in *Madagha*, the then-Indian market (Acharya, 2019, p. 4). It is also found that the Kirati king *Jeetedasti* favoured *the Pandav* in *the Mahabharat* war (K. C., 2004, p. 39). Some others claim that Yalambar, the first Kirat king, favoured *the Pandav* in *the Mahabharat* war. Facts indicate that emperor Ashok visited Lumbini in 250 BC. Nepal has also remained the hub of culture and civilization. Beyond these, Nepal remained the link between India and Tibet-China from an economic point of view. These facts show that Nepal's geostrategic position has played a significant role in its foreign policy.

4.2.2 The Licchavi Era

History illustrates that Gopal and Mahishpal (whose principal occupation was to rear cows and buffaloes) ruled Nepal in the early days of civilization. The Gopal and Mahispal rulers had no substantial records of their external relations. Kirat dynasty succeeded them. Kirati Kings were also not very interested in developing foreign and diplomatic relations but rather in administrative development in the state. Licchavi also succeeded the Kirats. The Licchavi defeated the last Kirati King, Jite Dasti. So, the Kirat dynasty was swept away by the Licchavis (Sharma, 2033). The reliable history of Nepal commenced during this period. They are believed to have come from India and ruled Nepal for four centuries (400-750 B.S.). The Licchavi Kings exhibited an excellent capacity for foreign policy matters. The Lichhavi kings, mainly Mandev, Amshuverma and Narendra Dev, directed their rules to maintain close, cordial and cooperative relationships with the northern and southern neighbors, i.e. Tibet and India (Sharma, 2006). Amshuverma, Mahasamanta, tried to maintain

amicable relations with both the neighbors, Tibet and India, before becoming the King.

Nepal and Tibet maintained diplomatic relations during the reign of Amshuvarma. Bhrikuti, the daughter of King Amshuvarma, was married to the emperor of Tibet, Shran Chan Gampoo, in 592. This relationship was maintained to avoid the forthcoming aggression and intervention from the Tibetan King Gampo, who was, at that time, a powerful and influential ruler (Sharma, 2033). Bhrikuti, travelling to Lhasa through the Kerung valley, also took some images of Buddha along with the Thanka painting, which flourished Buddhism in Tibet and later in China. Two years later, the King also married Princess Benching from Peking. Both queens significantly strengthened Nepal-Tibet and Tibet-China relations. They played a vital role in shaping Tibetan religion and culture, becoming revered figures known as the 'Green Star' (Bhrikuti) and the 'White Star' (Benching), symbolizing the light of Buddha's teachings in Tibet (K. C., 2004). This situation contributed to strengthening relations with the powerful states.

The Licchavi dynasty oversaw a flourishing Kathmandu Valley, transforming it into a key trading hub connecting China and India. They actively opened new trade routes and established formal diplomatic relations with both empires. Renowned Chinese pilgrim Hsuan Chaang visited Nepal in 637, followed by official Chinese delegations in 644. King Narendra Dev warmly received these envoys, cementing ties with the Tang Dynasty. Nepal strengthened these connections by sending its missions to China in 647 and 651, fostering long-lasting exchanges between Nepal, China, and Tibet (Rose, 1971). With the decline of the Indian Empire under Harshavardhana and the rise of Muslim influence in India, the Licchavi kings prioritized closer ties with Tibet. This shift focused their energy on cultural and religious exchange with their northern neighbor (K. C., 2004). While they maintained relations with India and Tibet, the Licchavi period saw a more positive and collaborative relationship with Tibet.

4.2.3 The Malla Era

The Licchavi dynasty efficiently ruled the country till 8th century. But post-Licchavi period remained evidence less nearly for five and half centuries. However, the Malla dynasty ruled in Nepal Valley from the13th century until 1768-1769. The Kathmandu Valley came under the sway of the Thakuri rulers of Nuwakot for two centuries after the Licchavi period, was ruled by early Mallas from the beginning of 13th century and by Jayasthithi Malla and his successors begun their rule in 1382 AD

(Shaha, 1990, p. 3). But Nepal was fragmented into different political units after Yaksha Malla (1428-1442). This trend of fragmentation continued for several years. There were three main kingdoms i.e. Bhadgaon, Kantipur, and Patan. Beside these, there existed 22 kingdoms in Karnali region and 24 kingdoms in Gandaki region (Rose, 1971). These kingdoms were commonly as *Baise* and *Chaubise rajya* (Gautam, 2074). The kingdoms of Kumaun and Gadhwal were there beyond Mahakali river. Located between Tibet and India, Kathmandu has become a confluence of religious and cultural development. Even during political deterioration, cultural and religious exchanges and activities were going smoothly and regularly. Religious visits by travelers from Nepal, India, Tibet, and China have become hallmarks of these countries' political and commercial relations for the time to come (Manandhar, 2018).

The Medieval era began with the Malla Dynasty in Nepal's history and continued till 1768. This dynasty came into existence after their victory over the Licchavis. In the Medieval era, there were three major powers, Tirahut, the Doya Kingdom, the Khash Malla Kingdom in the west and the Malla Kingdom in Kathmandu, at the centre (Sharma, 2033). The Malla kings did not follow in the footsteps of the Licchavis. Both political and economic relations could not be close and cordial with the neighbouring countries during the reign of the Malla kings. They also dismissed the relations with the Ming Emperor after they came into power in 1427.

Two rising kingdoms, Gorkha and Kathmandu, were there in the Himalayan region. They were ruled by Ram Shah (1606-1633) and Pratap Malla (1624-1674) respectively. At the same time there ruled Fifth Dalai Lama in Tibet. But domestic politics of Tibet had reached a state of anarchy due to the struggle between Lhasa and Sigatse (Rose, 1971, p.13). Taking advantages from the deteriorating position of Tibet, Ram Shah and Pratap Malla tried to seize control on the boarder pass. They asserted their authority at Kerung and Kuti respectively (K. C., 2004, p. 23). This incident created problem in the merchant community of Kathmandu. Kantipur, in the initiation of Bhim Malla, concluded treaty with Tibet. According to the terms mentioned in the treaty Kathmandu enjoyed its authority to Kuti and Kerong pass. Newari merchant community could have established 32 trading room (Kothi). It was also mentioned in the treaty that Nepal would mint coins for Tibet, Tibet would use these coins internally and would provide the silver required for their minting or would

pay for Nepali coins with gold (K. C., 2004, p. 23). It was also agreed that "all trade with India even though conducted by other than Newari merchants, would be channeled through Kathmandu valley in preference to the routes to the east (i.e., via Sikkim, Bhutan or Towang)" (Sharma, 2033). This event was the first time that a king of Nepal started having his representative abroad.

But the right to mint the currency that Kantipur got from this treaty became the reason for constant deadlock in the relationship between two countries. Initially, the money sent to Tibet by the Malla kings used to be pure silver, but later when the economic condition of Kathmandu started to decline, they started issuing mixed *taka* (a metal coin). As a result, three times; 1789, 1790-91 and 1855, war broke out between the two countries over this issue. Although most of these wars were in the hands of Nepal. But in the second Nepal-Tibetan War (1790-91), Nepal was badly defeated due to Chinese intervention (Rose, 1971). Nepal also signed an unequal and humiliating treaty with Tibet as well as to show its respect to the Chinese emperor every five years. A gift package had to be sent to Beijing. By doing this, he wanted to present a cover that he was blessed by a powerful nation rather than accepting China's supremacy. Even until the Rana period, foreigners believed that Nepal was a Chinese protectorate (K. C., 2004, p. 24). It seems to have continued till 1908. That year, Chandra Shumsher officially stopped this practice.

In this way, the Malla rulers were able to establish an independent image in Nepal's foreign policy. The Malla kings had established a diplomatic relationship with Tibet which was of an international level. The special feature of Nepal's foreign relations during this period is that it was mainly focused towards North, Tibet and China. In the south it either did not exist or remained nominal and only at the civilian level. Moreover, after the death of Aurangzeb (1707), India, like Nepal, started to disintegrate (K. C., 2001). So, it becomes difficult to understand the nature of Nepal-India relations. At the same time, the internal bitterness and the process of increasing relations with the external states of the Indian states bound within the borders was also blocked. Due to the emergence of the British Empire, it seems that the nature of Nepal-India relations has also started to differ. That relationship became self-centred rather than friendly (Stiller, 1968). It became based on mutual transactions. The purpose of which, from the perspective of Nepal, was connected with the national security of the princes here, while from the perspective of British India, it was only

the expansion of the British Empire. The military campaigns conducted by Meerkasim, the ruler of the herds, or Kinlock, the captain of the British company, were of the same nature (Gautam, 2074). However, despite being in a divided state, the foreign policy of the Nepalese rulers was internally aggressive, targeted against the other's sovereignty and narrow-minded, but externally they remained inactive. Apart from Gorkha and Kantipur's occasional attacks on Tibet, Nepali foreign policy before unification seems to be limited to guaranteeing the security of its own state.

The pattern of migration into, within and out of Nepal is another important factor in its relations with neighboring states, particularly Bhutan, Burma, India, and Sikkim (Rose, 1971, p. 19). The Malla kings were fond of art and culture. Culture, religion, art, and literature contributed to promote their foreign relations. Malla kings tried their best to maintain diplomatic relations with Tibet and India through cultural exchange, trade, and military alliances (K. C., 2001). Jayasthiti Malla tried his best to maintain diplomatic engagement with neighboring states. Their prime concern was to secure their regime and engagement through matrimonial relations. But, Kathmandu was strictly isolated and trade was highly disturbed due to the long war between the Gorkha and Malla Kings (Sharma, 2033). It was expected that the termination of hostilities would result in the revival of traditional trading system, but it could not be so. Prithvi Narayan Shah's policy ultimately led to the deterioration of relations with East-India Company and Tibet. However, overall foreign policy was influenced by economic interest. Strategic alliance, war, and diplomacy stood the major traits of foreign relations.

4.2.4 The Shah Era

During ascending of Prithvi Narayan Shah to the throne of Gorkha there existed several tiny states in Nepal. There were 22 kingdoms (commonly known as *baise rajya*), including Jumla, Salyan, and Jajarkot in Karnali region, and 24 kingdoms (commonly known as *chaubise rajya*) like Palpa, Tanahun and Lamjung, Gorkha in Gandaki region (Gautam, 2074). Beside these, Malla kingdoms in Kathmandu Valley and Sen kingdoms ruled in Koshi region. After Prithvi Narayan Shah's ascending to the throne in 1742, he immediately commenced the campaign of unification. He himself was a warrior, who devoted most of his life in wars for the unification of Nepal. He accomplished his campaign of unification on 25 September 1769 after conquering and controlling the Kingdom of Kathmandu. Therefore, the

credit of establishing the foundation of Nepal's foreign policy goes to shah rulers (Stiller, 2017). Prithvi Narayan Shah was the one to commence the campaign of conquest and unification and to make a strong and unified kingdom by conquering tiny *baise* and *chaubise* states (Joshi & Rose, 1966, p. 2). He not only established the foundation of modern Nepal but also provided the bases of Nepal's foreign policy.

Geopolitics has significant impact in foreign policy. Being aware with this fact Prithvi Narayan Shah made close examination of geo-political situation of the country, contemplating this reality. It can be seen that there is a clear and accurate analysis of the geo-politics of Nepal. He rightly opted, "Nepal is like a yam between two rocks" (Rose, 1971). At that time, the power of the British Empire that rose to the south and the power of Tibet and China to the north was analyzed. This issue now has become more complicated. Prithvi Narayan Shah has openly praised the strength of China-backed Tibet and the southern power, East India Company, in every situation. He also said that under no circumstances will he use power against these two forces (Stiller, 2017, p.56). He urged Nepal to place each of the two big stones (China and India) on the respective side to maintain its existence intact. "They should be behaved in a balanced manner without allowing them to deviate from their respective places" (Acharya & Yogi, 2061, p.72). Being located between the two emerging powers of the world armed with nuclear weapons, China and India, Nepal is really between two stones. The situation necessities to follow the balanced foreign policy keeping in mind the reality of the gourd between the stones.

Prithvi Narayan Shah was the pioneer to realize the need of better institution for the successful operation of foreign policy. So, he established *Jaisi Kotha* (an office room) to look after foreign affairs. Bhanu Jaisi was appointed as the first officer because of his intellectual performance (Bhattarai, 2076, p. 19). Prithvi Narayan Shah's foreign policy was defensive in nature. This policy is considered as original contribution in Nepal's foreign policy. He was mindful of the existence of powerful rulers in the region. The king recognized that the Britrish in India were a colonial power starved with imperialist desires. China in the north was a sleeping giant, which Nepal would least want to disturb (Acharya, 2019, p. 82). By recognizing the unique geographical location, he recommended to adopt defensive policy especially dealing with the peripheral powers. He remarked, *"The southern emperor (British- India) has taken the plains. He has suppressed Hindustan. He will realize that if Hindustan*

unites, it will be difficult and so he will come seeking places for forts" (His Majesty the Government of Nepal, 2054, p. 19). His defensive policy further states that; "*Jai Katak nagarnu, Jhiki Katak Garnu"* (do not go to attacks but should retaliate if it was attacked) (Acharaya & Yogi, 2061, p. 45). In this way, he preached the importance of maintaining a balanced relationship with immediate neighbors, especially with southern neighbor, due to the growing influence of the British Empire and their imperialist tendencies. He advised maintaining treaties of friendship with the emperors of China and the Southern Sea (the company). While he suggested friendly relations with the British, he warned against attacking them by going down to the plains of the Terai. Instead, he suggested for allowing them to enter Madhesh and driving them out through guerilla warfare as soon as they entered the hilly area. Despite these teachings, Nepal had to sign the Sugauli Treaty with the British after a shameful defeat, resulting in the limitation of the country's boundary.

After the unification of Nepal by Prithvi Narayan Shah, the nation tackled a period of political instability marked by power struggles. Several internal and external factors influenced Nepal's foreign policy. There were some foreigners who had trade and other vested interests in the Kathmandu valley. Among them, Capuchin Missionaries were more active during the Malla regime. Prithvi Narayan Shah compelled them to withdraw from Nepal on 4th February 1769 (Shaha, 1990a, p. 34). In 1788, Nepal was involved in a war with Tibet. The unresolved issue of minting duplicate coins became the cause of war between two friendly countries (Stiller, 1968). A treaty had been signed favouring Nepal's position. However, the relationship could not be continued as Tibet refused to follow the terms mentioned in the treaty. This ultimately led to another war in 1792, in which Nepal was defeated mainly because of Chinese intervention (Sharma, 2033). The treaty limited Nepal's relations with Tibet.

Southern neighbors equally threatened the country. British India had cunning eyes on Nepal. James Logan Mission (1769-1770), Kirkpatrick Mission (1792-1793), Nepal-Britain Commerce Treaty (1792), and Nax Mission (1802) had become active in Nepal (Stiller, 2017). It is clearly known from the remarks of Prithvi Narayan Shah that he was deeply suspicious with the intentions of the British regarding Nepal and sought to deploy every means to prevent them from dominating this country. Later, Bhimsen Thapa, the first prime minister of Nepal, was found deadly against with the

British policy of imperialism. He wanted to drive away Britishers not only from India but also from whole Asia (K. C., 2004). So, he tried to make alliance with Punjab and other nearby countries.

In the meantime, the southern neighbour adopted an aggressive policy and Nepal became involved in a war with British India, commonly known as ‘Anglo-Nepal War’ (1814-1816). Nepal faced a great defeat in the war and was forced to sign the 'Sugauli Treaty' in a humiliating condition. Nepal’s decision to be involved in the war was against the instruction of great king Prithvi Narayan Shah. The succeeding rulers failed to follow the given instructions. He stated, “Maintain a treaty of friendship with the emperor of China. Keep a friendship treaty with the southern sea emperor (the company)” (Stiller, 1968, p. 42). He further suggested following a defensive policy in front of powerful neighbours." He suggested, “Jai Katak nagarnu, Jhiki Katak Garnu” (do not go to attacks but should retaliate if it was attacked) (Acharaya & Yogi, 2061, p. 45). The unification campaign ended, and Nepal’s foreign policy turned into a significant shift.

4.2.5 The Rana Period (1846-1950)

After the signing of the Sugauli Treaty, a significant psychological trauma emerged among the Nepali people, as well as within political and military circles. It was mainly because they had never thought of anything beside the territorial expansion. The treaty put a sudden limit on their expansion. It created internal turmoil and conspiracy in the higher circle (Sharma, 2006). This had a great turn in Nepal’s foreign policy. All activities turned toward the southern neighbour, resulting in the adoption of British India-centric foreign policy. After Kot Parva, on the night of September 14, 1846, Jung Bahadur emerged in power. He established the rule of succession even in the post of prime minister. Over-centralization of power and its changing pattern led to redefining Nepal’s foreign policy. A practical politician like Jung Bahadur was also aware of the decline of Chinese power. It was not in a position or willing to challenge the British power in the Himalayan area and adopted British-centric foreign policy (Rose, 1971, p. 106).

The chief aim of the Rana prime ministers, including Jung Bahadur, was to maintain good relations with the United Kingdom. As a result, Nepal looked at international problems from the British point of view in those days (Khanal, 2000,

p.1). Nepal's foreign policy became more British India-centric after Jung Bahadur visited Britain. He also utilized this chance to maintain strong ties with the British royal family. As a practical politician, he observed that overthrowing British rule from India was difficult. Further, his visit to Europe made him realize that confrontation with the British would be similar to playing with fire. The ties of relations became closer when Nepal assisted the British ruler in suppressing the 'Sepoy Mutiny' of India in 1857 (Acharya, 2019, p.84). However, Nepal was rewarded with four districts of the Western Terai region of Nepal lost during the Anglo-Nepal War of 1814-1816. These territories are commonly called *naya muluk* (new area of Terai region of Nepal awarded by British government to Nepal for assisting in Sepoy Mutiny of 1857) even today. Jung Bahadur's visit to Europe via Britain and the contribution of the Nepali army in world wars in support of Britain also helped to make the relationship closer. All these factors kept Nepal isolated from the rest of the world. The policy of isolation would eventually also prove beneficial to the continuation of the Rana regime and to serve the country from British usurpation (Sharma, 2006, p.15).

Nepal's indirect involvement in the World Wars had equal impacts on foreign policy. As a small kingdom, Nepal did not actively participate in World War I or II as a belligerent nation. However, Nepali armies were involved in both world wars, supporting Britain. Like the former, Rana rulers continued to adopt British-centric foreign policy (Rose, 1971). In 1908, Chandra Shumsher made an official visit to Britain. Two years before the beginning of the world war, Lord Kitchener, Commandar in-chief of British India, had visited Nepal similarly (K. C., 2004, p. 93). This visit contributed to maintaining a warm friendship with Chandra Shumsher. Nepal also submitted the proposal regarding the areas of cooperation- military, financial material, and moral support with conspiracy and propaganda (Upreti, 1984). Chandra Shumsher and Judda Shumsher assisted the British in World War I and II respectively. Nearly 90,000 Gurkhas fought bravely on behalf of the British side. Out of them 6300 lost their lives, and many of them were injured (Sharma, 2033, p. 359). Nepal's involvement in the Second World War continued in supporting Britain. Out of 1,20,000 armies involved in the war, 20000 were injured, and more than 9000 were dead. Despite following the policy of isolationism and neutrality, Rana rulers decided to contribute to the wars, with an aim to maintain their power and safeguard the nation from external threats. It was also justified that Britain is our friendly country, and it is our responsibility to assist in trouble. It is beneficial for Nepal to cooperate with

incredible powers like Britain (2004, K. C., p. 103). Such a contribution aimed to strengthen their rule in the country. However, such involvement enhanced the nation's image as a 'brave Gorkhali' country. The psychology of the 'Gurkha' legacy established in British Army. Furthermore, it strengthened its ties with Britain, which later had implications for Nepal's foreign policy, particularly regarding military recruitment and economic assistance from the UK.

4.2.6 Democratic Era (1950-1960)

The revolution of 1950 introduced democratic rule by ending the 104-year-old Rana oligarchy. The downfall of the Rana regime brought Nepal's foreign policy into a new mode. Before the revolution, Nepal participated in the Asian Conference held in New Delhi in 1947 (Khanal, 2000). Nepal utilized this opportunity as an excellent moment to participate in the Afro-Asian Conference held in Bandung City, Indonesia, in 1955. The conference was a milestone in developing unity among the newly emerged countries of Asia, Africa and Latin America (Hamal, 2014). Further, the conference introduced the basis of foreign policy of the newly emerged countries. 'Principles of *panchsheel*' was coined, which later became the guiding principles of the Non-Alignment Movement that commenced from the Belgrade Conference in 1961.

After the political change of 1950, Interim Government of Nepal Act-1951 was introduced. For the first time foreign relation of the country became the guiding principle of country's foreign policy. The constitution reads: "The government shall endeavor to a) promote international peace and security, b) maintain just and honorable relations between nations, c) foster respect for international law and treaty obligations, and d) encourage settlement of international disputes by arbitration" (Government of Nepal, 1951, Article 13).

After the end of Rana rule Nepal's foreign policy outlook was transformed into new era. In 1954, King Tribhuvan declared:

> It is an undeniable fact that no nation can in the context of the modern world have an isolated existence. The age demands that all nations, big or small, must draw close together and contribute to the welfare of humanity as a whole. It follows therefore that we must develop good and friendly relations with

> nations of the world without attaching ourselves to any particular power group. In such a policy alone lies our welfare. (cited in Shah, 1990b, p.319)

However, India dominated Nepal's external relations during King Tribhuvan's reign, which is why the two nations were described as having a 'special relations' (Muni, 2016, p. 59). With very little focus on Nepal's relations with China, this special relationship was mostly focused on Nepal's southern neighbour.

The establishment of the 'special relations' between India and Nepal was influenced by a number of causes. Even after the British left the subcontinent, the connections that had been made between the Rana dynasty and British India persisted (Shah, 1990b, p.320). This unique relationship was fostered by important occasions like the signing of the 1950 peace and friendship treaty, the 1953 extradition treaty, and the tripartite agreement for the recruitment of Gurkha soldiers in India (K.C., 2072). Particularly after China had occupied Tibet, Nepal felt threatened by China at the time the Peace and Friendship Treaty was Signed (Saran, 2017, p. 153). The Indian ambassadors to Nepal frequently attended cabinet sessions, and officials such as Uttar Pradesh's home secretary Govinda Narayan was designated as a special secretary to King Tribhuvan (K. C., 2072, p. 14). The unique relationship was further cemented by India's participation in the anti-Rana movement and the strong bonds that existed between the Indian soil and the combatants for Nepalese freedom. But the idea of a special relationship also brought up issues of vested interests, special direction, and dependency, especially with regard to smaller states like Nepal. Together, these factors shaped India's considerable influence on Nepal's foreign policy and the course of the two countries' bilateral relations.

The decade of 1950 achieved significant breakthroughs in Nepal's foreign policy. Nepal acquired the membership of United Nations Organization on 14 December 1955. Besides Nepal's independent and sovereign identity, its claim on UN membership further justified by the treaty that had signed between Nepal and Britain on 1923. The treaty gave independent status to Nepal (Acharya, 2019). At the same year diplomatic relations had maintained with China on 1 August, 1955. Thereafter Nepal-China relations has been passing through healthy way. Both the countries remain ideal neighbors, intimate friends and reliable partners, and they have been working closely on issues of common interest (Shrestha, 2016, p.1).

Nepal's foreign policy outlook further widened after the working of first elected government. The democratic government headed by B.P. Koirala had clear-cut policy in foreign relations. Maintaining diplomatic relations with Israel, peaceful settlement of dispute related to Mt. Everst (Sagarmatha), countering Indian View on Nepal's security concern were the major achievements of Koirala government. The number of countries having diplomatic relations with Nepal has increased into 26 during his premiership by 1961(Acharya, 2019). However, the democratic government was criticized for not adopting the policy of neutrality between its two immediate neighbors. The foreign policy of Nepal has changed its mode when the world politics was under rigid bi-polar system.

4.2.7 The Panchayat Era (1961-1990)

On 17 January 1961, King Mahendra dissolved the first elected parliament and exercised sole power of the state. He also banned political parties and introduced a party-less panchayat system (Sharma, 2006). However, Mahendra's contribution to Nepal's foreign policy is significant. He tried to diversify Nepal's political, economic, and cultural relations with countries other than India (Rose, 1971, p. 283). Though some efforts were made to diversify Nepal's foreign policy through involvement in the Non-align movement, foreign policy was highly affected by Nepal's tilt with India. King Mahendra adopted an 'equidistance' policy in dealing with its immediate neighbours (Shaha,1990). China's aid was welcomed to construct the 110 km long Araniko Highway. Mahendra Highway (East-West Highway) was constructed through multilateral assistance (Hamal, 20114, p. 19).

Nepal's engagement with the multilateral forum is King Mahendra's contribution. This involvement paved the way for the operationalization of Nepal's foreign policy. He also forwarded his objectives to widen Nepal's foreign policy manoeuvre by exploiting the differences and clash of interests between the immediate neighbors and global powers. In addition to this, he activated the existing machinery to create pressure by taking part in various regional and global forums (Manandhar, 2018). Accordingly, a landmark achievement in Nepal's foreign policy was made in the late 1960s. Nepal, for the first time, was elected as the non-permanent member of the Security Council of the UNO for the term 1969-1970. It was again in 1988-1989 that Nepal was elected in the same post with the overwhelming majority as an example of successful foreign policy. During Kritinidhi Bista's prime ministership, the

joint army check post on Nepal's northern border was removed. Seventeen such posts were established during Indo-China tension in 1961 (K. C., 2004, p. 31). In this context, Mahendra became a successful architect in shaping Nepal's foreign policy.

King Mahendra had an ambitious plan to expand Nepal's influence on the world stage. He adopted a policy of non-alignment and equal friendship with all nations. He is well known for adopting a diversification policy to achieve international recognition (Shaha,1990). During this time, Nepal established diplomatic relations with 22 new countries and signed several agreements and treaties. Some notable events include the extradition treaty with India, the Koshi and Gandak agreement, the treaty on trade and commerce between India and Nepal, the peace and friendship treaty with China, and an agreement related to Tibet issues and the establishment of Consulate General in Lhasa and Kathmandu (Muni, 2016). The economic agreement between Nepal and the Soviet Union in April 1959 also provided Nepal with economic and technical assistance. This period is considered crucial in Nepalese foreign policy, and several significant events marked this era.

Zone of Peace Concept

Introducing the 'Zone of Peace' proposal is considered Nepal's foreign policy's most critical and unique innovation. King Birendra declared Nepal a 'Zone of Peace,' which was first mentioned at the non-aligned summit in Algiers on 8 September 1973 (Shaha, 1990, p. 114-115). The main aim of this declaration was to keep Nepal neutral in any regional conflicts and ensure political stability and economic development. The idea came about due to the events happening in the area, including the annexation of Tibet, India's nuclear test in 1974, and India's inclination towards the Soviet Union by signing a 20-year peace and friendship treaty. Additionally, the Khampa incident at the northern border also played a role in the emergence of this proposal (Dahal, 2011, p. 41). The King believed that creating a 'Zone of Peace' could effectively eliminate the problem of regional, bilateral, and multilateral alliances. In the domestic context, the King formally forwarded the concept at the coronation ceremony held in Kathmandu on 25 February 1975 (Sharma, 2006, p. 239). This proposal obtained overwhelming support from 116 countries. However, India, our immediate neighbour, was reluctant to accept it. The proposal could not come into operation in the long run. However, the proposal is of great significance to Nepal's foreign policy.

King Birendra, an architect of Nepal's foreign policy and initiator of the "zone of peace" proposal, emphasized the country's economic development. He aptly remarked that peace and development co-exist and cooperate to fight against the 'destitution' of the country. Addressing the Nepal Council of World Affairs on 26 July 1973, he elucidated the idea in the following words:

> We neither have enemies to fight against nor battles to win. If we fight, we must; the battle lies well within our territory. It is a battle against backwardness and destitution, to which I have exhorted the need for development. Indeed, the more I think, the more I feel convinced that a crusade against poverty, however time-consuming and arduous, is a need and a moral responsibility we cannot shrug our shoulders from. Therefore, we are desirous of seeing to it that our foreign policy has a bearing on our aspirations for peace, security, and economic development. It is not enough to harp upon the theme of non-alignment. As we extend our hands of friendship to nations and our neighbours, we expect cooperation and reciprocity in our development efforts. (Bajracharya et al., 1993, p. 2)

In addition to these facts, Nepal's initiation of the South Asian Association for Regional Cooperation (SAARC) in 1985 is a significant achievement in Nepal's foreign policy. Its secretariat stationed at Kathmandu has further enhanced Nepal's prestige in the international community. Birendra's effort to maintain balanced relations with immediate neighbors is appreciated. He imported anti-aircraft guns from China and tried to balance the relations. This act ultimately became the cause of the Indian blockade in Nepal in 1989 (Acharya, 2019, p. 87). However, foreign policy during Panchayat was conducted by limited royal followers. The political system could not welcome people's role in making foreign policy mainly because of over-centralization of power.

4.2.8 The Democratic Era (1990-2006)

People's Movement-II restored multiparty democracy in the country by ending 30 years long Partyless Panchayat system. This Movement was jointly conducted by the Nepali Congress Party and United Left Front consisted of Nepal of Communist Party (Male), Nepal Communist Party (Marxist), Nepal Workers and Peasant Party, Communist Party (Burma), and Communist Party (Manandhar). India imposed blockade on the issue of Trade and Transit and the relations was deteriorated.

However, after the success of the movement, Krishna Prasad Bhattarai, who was leading coalition interim government, made official visit to India. This Visit was fruitful to establish status quo ante by normalizing relations (Acharya, 2019, p.103). The visit also created some controversies due to the words, ‘common river’, ‘common currency’, and ‘common security’ used by Nepali prime minister (Pant, 2022, p. 44). However, Bhattarai led coalition government successfully completed the task of declaring new constitution and holding general election. The government also succeeded to join various international conventions and human right treaties.

Fundamental nature of Nepal’s foreign policy remained the same even after the changes in political system. The constitution was promulgated with constitutional monarchy, multiparty democracy, basic fundamental rights and independent judiciary as the major foundations. The newly promulgated constitution states that “the state, in its international relations, shall be guided by the objective of enhancing the dignity of the nation in the international arena by maintaining sovereignty, integrity, and independence of the country” (His Majesty the Government, 1990, Article 25 (5)). The constitution further stated that “the foreign policy of Nepal shall be guided by the charter of the United Nations, non-alignment, *panchsheel*, International law, and the value of world peace” (Article 26). Highlighting the policy, the constitution states that “the state shall pursue a policy of making continuous efforts to institutionalize peace for Nepal through international recognition, by promoting cooperation and good relations in the economic, social, and other spheres on the basis of equality with neighboring and all other countries of the world” (Article 26 (16)).

Based on the newly promulgated constitution, general election was held in 1991. Nepali Congress Party obtained majority seats and formed the government. Girija Prasad Koirala became the prime minister. This government signed the Tanakpur Agreement during prime minister’s visit to India on 5-10 December, 1991. Signing on his treaty created the disputes whether it was an agreement or treaty. Later, this problem was solved by the verdict of the supreme court decided that it was a treaty and need parliamentary approval (Hamal, 2024, p. 23).

Majority government after the restoration of multi-party democracy, gave priority on human rights and democracy. Addressing the parliament, Girija Prasad Koirala stated:

> the foreign policy of the present elected government of Nepal is based on certain universally accepted principles such as those of respect for a country's sovereignty, and its equality, territorial integrity as well as mutual cooperation and understanding. Respect for human rights and other human values in the spirit behind my government's policy planks (Bajracharya et al., 1993, pp. 241-242).

The government followed liberal economy and relations was extended accordingly. Several high level visits were concluded to strengthen relations. One of the Nepali diplomats opines that Nepal's foreign policy outlook then changed after democratic restoration. He further remarks, "such change brought reassertion of commitment to values of freedom, human right and above all, human dignity, has brought Nepal into line with the growing number of democratic countries (Khanal, 2000). But due to intra-party conflict, the government could not continue for full term. Girija Prasad Koirala dissolved the parliament and went for the mid-term poll in 1995. This was the beginning of political instability in the country that has adverse effect in foreign policy (Manandhar, 2018, p.21).

CPN UML obtained largest seats in the mid-term poll and Manmohan Adhikari formed the minority government. One among Nepal's few prime ministers, he formally proposed a review of the Peace and Friendship Treaty of 1950, which had been hastily signed between the outgoing prime minister of Nepal and India's newly formed post-independence government (Acharya, 2019, p.14). His speech delivered in Indian International Centre on 'Treaty of Peace and Friendship-1950' reads:

> the treaty of 1950 is a Treaty of Peace and Friendship. There is no question of abrogating the treaty. However, the world has undergone major changes since its signing. We want to update the treaty in accordance with the changed realities. (Pant, 2022)

Adhikari's proposal was considered a courageous and noteworthy step towards setting Nepal's foreign policy on a new path. His stand on the review of treaty was realized during the formation of EPG on 20 February 2016. Though the government lasted only for nine months, it aimed to consolidate Nepal's relations on the basis of fundamental principles of equality, mutual respect, and reciprocal benefits.

After the dissolution of the UML government, many coalition governments formed and dissolved. Integrated Mahakali Treaty comprising Sarada Dam, Tanakpur Dam, and Pancheshwor Multipurpose Projects were signed (Pant, 2022). The succeeding governments could not exhibit any remarkable changes in foreign policy matter. Basically Nepal was suffering from political unrest at domestic level. Maiost Armed Revolt commenced from 1996 and parliamentary system could not function well (Manandhar, 2018). This revolt continued for 10 years. During this period, Gyanendra ascended to the throne of Nepal after the royal massacre. Later King started his own rule by dissolving elected government in 2002. His rule continued for four years, till People's Movement-II. The government, chaired by the king himself, was criticized from all sides especially from the democratic countries and institutions around the world for having close tie with non-democratic world. However, the King stated in his proclamation that "Nepal wants to keep friendship with all and is always ready to cooperate for mutual benefit" (Hamal, 2014, p. 27). Nevertheless, Nepal's membership in the WTO (World Trade Organization), its entry into BIMSTEC and diplomatic relations with five more countries were the major achievements in this period. The occurrence of Maoist Armed Revolution and the political protest against the king's direct rule by seven political parties brought about further instability in the country's internal affairs. Consequently, no significant progress was made in the country's foreign policy.

4.2.9 The Republic Era (2007- onwards)

People's Movement-II commenced in April 2006. The movement was jointly conducted by seven Party Alliance (SPA) (Nepali Congress, Nepali Congress (Democratic), Communist Party of Nepal (UML), United Marxist-Leninist (UML), Nepal Workers and Peasant Party, Nepal Sadbhawana Party (Anandidevi), United Left Front, and people's Front, and CPN (Maoist) (Bhandari, 2022 p. 31). The Movement introduced a Loktantric system with total sovereignty in the hands of the people. The beams of hope appeared in foreign policy matters. Mainstream and rebellion forces joined their hands together against the dictatorial rule of the king (Bhattarai & Cirikiyasawa, 2020, p. 56). The interim parliament that the movement restored formally made a historical declaration of making Nepal a secular state. The Interim Constitution of Nepal 2007 made provisions for foreign policy. The constitution stated that "the state shall direct its international relations towards enhancing the dignity of

the nation in the international arena by maintaining sovereignty, integrity and independence of the country" (Article 34 (6)). The constitution highlights the bases of Nepal's foreign policy: "the state shall pursue the foreign policy of Nepal based on the Charter of United Nations, non-alignment, principles of *panchsheel,* international law and norms of world peace" (Article 35(21). It further states that "the state shall pursue a policy of keeping institutionalizing peace in Nepal through international norms by promoting cooperative and harmonious relations based on equality in economic, social and other sectors with neighbouring countries and other countries of the world" (Article 35(2)).

The Constituent Assembly election was held in 2008 for the first time in Nepal. As Nepal was declared a republic, the two hundred thirty-eight years-long monarchical institution came to an end. Nepal Communist Party (Maoist), formed the coalition government under the leadership of Pushpa Kamal Dahal (Prachanda). The Prime minister made his first official visit to China, breaking the tradition of making the first prime ministerial visit to India. The Maoists had their version of Krambhangata (breaking the continuity) in national life, including foreign policy (Acharya, 2019, p. 91). No new achievement was realized in foreign policy matters as the country was engaged in making a new constitution. However, Nepal dragged the attention of the world community in the matter related to the transformation of the 10-year armed revolution into the peace process.

Nepal formally entered a federal set-up after promulgating the 'Constitution of Nepal' in 2015. As per the federal norms, the federal government was responsible for conducting foreign business. However, Nepal faced a blockade immediately after the promulgation of the new constitution. It continued for five months as India was reluctant to recognize the promulgation of the federal constitution, blaming the constitution for not being able to preserve the rights of the Madhesi people. However, a break has occurred in Nepal's dependency on India by signing a trade and Transit Agreement with China during the prime minister and UML leader K. P. Oli's visit to China in March 2016 (Mulmi et. al., 2023, p. 36). China allowed Nepal to use four sea and three land ports. Following the agreement on trade and transit with China, Nepal officially entered China's dream project BRI. The Memorandum of Understanding (MOU), which was signed in 2016 paved the way for Nepal to join the BRI on 12 May 2017. By realizing the growing level of anti-Indian sentiment, the governments of Nepal and India agreed to form an effective mechanism, including the group of

experts in foreign policy called the Eminent Persons Group (EPG). The EPG was formed on 20 February 2016 and given the responsibility to look at a possible review of the 'Peace and Friendship Treaty' that was concluded in 1950 (Baral, 2019, p. 40). The EPG was asked to prepare the report within two years with suggestions about strengthening bilateral relations in the coming days. The report has been prepared in the given time and covers five comprehensive sectors of relations: government-to-government ties, economic exchange, political relations, and social and cultural ties. However, India's unwillingness has obstructed the implementation of the suggestions given by the group. It has created a misunderstanding between two close neighbors.

Despite signing BRI, Nepal has also become part of Millennium Challenge Corporation, an American infrastructure development project. The parliament of Nepal ratified the compact. The project could not be free from the debate that created controversies in Nepali society, especially from the extremist left wing. As a result, it required parliamentary approval, which was later ratified with a '12-point-interpretative declaration' on 27 February 2022 (Nepali Congress, 2079). This issue is still controversial in Nepali political bazaars regarding Nepal's foreign policy.

In a nutshell, Nepal witnessed several ups and downs in its foreign policy. Unlike the previous constitutions, the Constitution of Nepal 2015 has a clear policy in foreign policy matters. For the first time, the constitution speaks on reviewing unequal treaties and agreements concluded in the past (Article 51(m)(2). Nepal is trying to change its traditional tag of 'buffer state 'or 'yam' in the form of 'link state' or 'bridge' (Adhikari et al., 2016). Nepal's main achievements were their engagement with superpowers through global projects like BRI and MCC. Nepal also signed a trade and transit treaty with China and, to many extents, reduced dependencies with its southern neighbors. Chinese President Xi Jinping made an official visit to Nepal. UN Secretary Antonio Guterres also visited Nepal in 2023, which enhanced Nepal's prestige in international forums. As a chairing state, Nepal successfully concluded the 4th BIMSTEC summit, and its involvement in various regional and international forums is increasing. At the same time, the concept of 'extended neighbourhood' became popular on the horizon of Nepali foreign policy. The then-prime minister K. P. Sharma Oli, on 27 March 2018, said that the Nepal government would give top priority to strengthening its relations with countries beyond its immediate neighbour (Acharya, 2019, p. 230). Accordingly, Nepal's foreign policy has confined the aim to prioritise maintaining relations with larger or smaller neighbors with similar interests.

However, the scholars express their worry about deteriorating Nepal's credibility in international forums. The charge comes on Nepal for not arranging the SAARC summit. The operational aspects of both MCC and BRI projects could be improved. Political instability continues even after a prolonged democratic exercise (Pant, 2022). Stakeholders are not able to maintain balanced relations with immediate neighbors. The border issue is often raised. In this context, Nepal needs to do more as a small power to secure its position as a sovereign and independent state.

Further, Nepal's relations with its southern neighbour remained ironically bitter despite people's level of relation and some high-level visits that Shyam Saran called 'paradoxical relations' (2017). The relationship became more complex when India, on 30 October 2019, released a new map incorporating the Nepalese territory of Kalapani, Limpiyadhura and Lipulekh. Protesting against the action, the Nepal government issued a press notice (Government of Nepal, Ministry of Foreign Affairs, 2021). A series of protests were also demonstrated within the country. Despite this, the situation further deteriorated when India inaugurated a road through the disputed territory on 8 May 2020. Protecting against all, Nepal also released a new map (commonly known as *chhuche naksha*) on 20 May 2020, including these territories with an area of 335 sq. km. The Joint House of Parliament later endorsed it. This environment hurts bilateral relations.

4.3 Nepal's Engagement with Regional and International Organizations

As per the liberal view, better world order is possible to establish through institutional arrangement. It is based on the philosophy that it requires joint effort to avoid injustice, aggression, and other activities that challenge on security and stability (Mingst, 2004, p. 62). Engagement with regional and global organizations gives small powers a sense of strength and raise their voice related to their concern. Foreign policy goal is possible to achieve by making institutional arrangement and developing cooperation (Stein, 2008).

Small powers in world politics are peripheries. Their engagement includes a narrow scope of foreign policy issues and is limited within the immediate geographical arena. However, involvement in multilateral institutions is the fundamental behavior of small powers (Hey, 2003, p. 5). Small powers can best serve their interest through multilateral engagement. Involvement in multilateral forums, such as UNO, SAARC, and NAM, provides a unique platform to raise issues

concerned with protecting and promoting their vital interests. They focus on using diplomatic and foreign policy instruments and pay more attention to implementing international law. Since they mostly depend on superpowers for protection, they choose neutral positions and focus on cooperation rather than being involved in conflict. As explained by Liberalists, small-power's behaviour is more cooperative regardless of their size and capabilities. Democracy, trade, institutional affiliation and human values reduce the fear of uncertainty and establish a peaceful world (Thorhallsson, 2018, p. 24). Small powers can increase their ability to obtain their foreign policy objectives by working with other member states. The most minor powers try to promote institutional engagement.

Despite its small strength, Nepal fought several wars with its immediate neighbors. There was no evidence of Nepal's engagement in the organization. Forming alliances was rare. Foreign policy during those periods was the sole matter of the reigning king. However, the foreign policy could not have been more effective after the demise of the Licchavi dynasty. The country gradually started fragmented into small, tiny states, and unhealthy competition weakened the country's capacity to deal with other countries. However, the Baise and Chaubise states had adopted the diplomacy of forming various alliances like Palpa League, Lamjung League, Bhirkot League, Parbat League, Puthan League and Family League (K. C., 2001, pp. 20-21). However, such leagues could not effectively protect their sovereignty and political independence mainly because of internal conflict among themselves. They lacked the environment to join the institution. Rana rulers remained isolated as they adopted British-centric foreign policy (Rose, 1971, p.106). It was only after the 1950s that Nepal's door opened for external engagement. It commenced with Nepal's participation in the Afro-Asian Conference of 1947 in New Delhi, India.

4.3.1 Nepal and the UNO

United Nations Organization (UNO) is a global organization. It was established after the Second World War as a successor of the League of Nations. The devastating Second World War broke out mainly because of the failure of the League of Nations. When the League of Nations was officially dissolved, the UNO took its place. As the fear of war and destruction grew fierce, the idea of establishing a world organization to ensure international peace and security became stronger (Acharya,

2019). It was impossible to establish such an organization without the cooperation among the nations. As a result, the view prevailed that an entirely new organization should be established and should be more powerful and effective than the league so that it might prevent the occurrence of future wars. The establishment of UNO grew out of this idea. American President Franklin Roosevelt coined the name 'United Nations' and established it as an organization after a series of meetings, conferences, and declarations during the war (Hamal, 2014). The Atlantic Charter (14 August 1941), the declaration of United Nations (1 January 1942), the Moscow Conference (30 October 1943), the Teheran Conference (November 1943), the Dumbarton Oaks Conference (August-October 1944), Yalta Conference (February 1945), and the San Francisco Conference (April-June 1945) had contributed to create environment for the establishment of UNO (Palmer & Perkins, 2015, pp. 310-312). Its Charter was also ratified, and the UN came into being on October 24, 1945.

Nepal, one of the smallest countries in the world, was under the Rana rule during the formation of UNO. Ranas (1846-1950) had a limited role in global affairs as they adopted the policy of isolation in foreign policy (Muni, 2016, p.5). Nepal's external outlook began only after the revolution of 1950. Earlier, Nepal had diplomatic relations with only four countries, i.e. Britain, USA, India and France (Sharma, 2006). The world politics during this period was characterized by cold war. It was challenging for small powers (newly independent, third world, small) to survive these days of the superpower rivalry. As a small power, Nepal was under conditions similar to those of the two powers, China and India. China, though not aggressively active in the global power play, concluded cultural revolution and experienced a communist system of governance. India, on the other, introduced parliamentary democracy after its independence from the British colony.

Thinking about the challenge to the survival of the country, Nepal decided to join the multilateral organization. Nepal requested membership in the UNO (newly established World Organization) on 22 July 1949. However, the proposal was vetoed by the Soviet Union (Pandey, 2072 B.S., p.705). However, Nepal joined the UN on December 14, 1955, and Rishikesh Shah was appointed as the Permanent Representative of Nepal to the UN. After joining the UN, Nepal has been advocating for strengthening the organization. The Constitution of Nepal has committed to full adherence to the Charter of the UN as the fundamental basis of Nepal's foreign policy (Government of Nepal, 2015, Article 50(4)). UN, for Nepal, is the representative and

legitimate multilateral institution that protects global interests and serves the entire globe.

Nepal has a keen desire to preserve its independence and enter into a cooperation framework within the community of nations to protest justice and peace. During his address in the 15th session of the UN General Assembly, B.P. Koirala, the first elected prime minister of Nepal, explained:

> The foreign policy of Nepal is wholly inspired by the purposes and principle of the United Nations. We regard the United Nations not only as a bulwark of our independence and security, but also as the protector of our rights and freedom. We look upon it as an instrument for promoting peace and justice among the nations. It is our firm conviction that an enduring peace and a stable world order can be achieved only on the basis of freedom and justice. To this end, we wish to cooperate with other nations within the framework of this organization. (Acharya, 2019, p. 388)

Nepal's engagement with the UN has been active and crucial despite of its limited capacity. Nepal's active participated in the General Assembly of the UN and its various agencies is really remarkable. It served as the temporary member of security council of UNO twice (1969-1970 and 1988-1989) and raised the voice in favor of the protection and promotion of the interest of small powers. Nepal's advocacy for various independent movements has its own importance.

Nepal's continuous contribution is equally mentioned in various UN activities and programs. Refugees, human rights, the environment and the struggle against Apartheid are the areas where Nepal played an appreciable role. It is part of international law and treaties created through various world conferences. Such conferences include Environment and Development, the Law of the Sea (1982), Human Rights (1993), Women Empowerment (Beijing), Rio+20 and others (Acharya, 2019). As a unit of the international system, Nepal's involvement in NAM, SAARC, and BIMSTEC has proved a useful forum to protect the interests of small powers. Forms like LDs, LLDs, NIEO, G-77 and south–south cooperation are, to many extents, enhancing the role of small powers in protecting their interest. Such forums are utilized as the bargaining desk for small powers in their engagement in north–south dialogue (Hamal, 2014, p. 280).

As a small power, Nepal's role is significant in its contribution to the peacekeeping force of the UNO. Nepal started contributing its army to UN missions just three years after its membership in the UN in 1958. Nepal is committed to adhering to the UNO charter, which aims to make a peaceful settlement of distributes. Nepal's policy is also guided by the principle that Nepal is committed to paying full respect for states' sovereignty and territorial integrity and non-intervention in their internal affairs (Patowary, 2021, p. 25). It has been contributing its army and police since 1958 in more than 44 missions and ranks in first position as of February 2024. The total number of forces involved in the mission has reached to 149890 including 2554 female (Kathmandu Post, 8 February, 2024).

Regular contribution to peacekeeping operations has several advantages for Nepal. It has political implications, as it provides the opportunity to have a prominent position in international forums. It also re-justifies Nepal's commitment to maintaining international peace and security. Involvement in UN activities is equally beneficial from an economic point of view, as the soldiers are provided handsome remuneration. It helps boost institutional capacity in security matters, ultimately enhancing national prestige (Patowary, 2021, pp.31-34).

Nepal is a strong advocate of the UN. It fully adheres to the organization's charter and has been engaged in its activities. However, Nepal is focusing on reforms in the UN. The UN's future depends upon timely reform. UN conducted programs should be enhanced. The concept of good governance should be materialized by making the institution transparent, accountable and responsible (Government of Nepal, 2019, p. 84). Nepal has also made a strong plea for reforming the UN structure and procedures to make it more democratic and enhance its capacity to tackle growing international challenges.

4.3.2 Nepal and the NAM

The outstanding contribution achieved by newly independent states of Asia, Africa and Latin America was giving of concrete shape to the concept of Non-alignment. The concept was appeared on the horizon of world politics after the end of Second World War. The second but the most destructive world war (1939 – 1945) gave birth to ideological division of the world into two hostile blocs i.e. the Capitalistic bloc headed by USA and the communist bloc headed by former USSR.

Such bloc formation established the principle of collective security for their members (Morgenthau 1997, p. p. 553). The newly independent countries were very much worried to their newly achieved independence in aligning with either of two blocs. Basically, after the end of Second World War, many newly independent countries had their own political, economic and social problems such as political instability, insecurity, danger of new colonialism, poverty, underprivileged social condition, unemployment, mal-nutrition, and over population. On the one hand, it was difficult for them to tackle with above mentioned challenges and on the other hand the world situation was not in favour of their aspiration. In such situation the newly independent nations of Asia, Africa and Latin America decided to declare their determination to avoid joining any bloc or their alliances, in spite of systematic efforts made by these power blocs to draw them into their own global politics. In this background, the non-align movement was conceptualized and consolidated.

Almost all third world countries were organized under non-alignment movement. The movement played significant role in reducing the tension between two super power blocs during the hay days of cold war (generally from 1945–1990). Their role was equally significant to draw the attention of world powers in solving the world problems. Because of their numerical strength in UNO they could play effective voicing in solving world problems like colonialism, imperialism, racialism and all forms of foreign aggression, occupation, domination, interference or hegemony as well as against great powers and bloc politics (Khanal, 2000). The credit of introducing the concept of NIEO goes upon the movement. The movement remained as an effective tool to bring cold war into an end. The idea gathered so much momentum and popularity that with in a period of three decades more than half of the nations of the world embraced this concept. It became so significant a movement that it influenced the nature of international politics in diverse ways (Malhotra 2012, p. 275). Thus, non-alignment remained both as foreign policy prospective of most new nations and a crucial part of international relations.

Though the term ‘non-alignment’ is of post-1945 origin, this concept was in practice in Nepali foreign policy in the 18th century. Prithvi Narayan Shah knew its tactical implications (Rose, 1971, p.282). It denotes different meanings to different people at different time. It has been termed as neutralism or neutrality. But it is neither neutralism or neutrality. It is an independent policy which does not engaged itself with

the Communist and capitalist blocs (Malhotra, 2012). It is a policy of keeping out of alliance because the alliance and counter alliance may breed tension and ultimately lead to disasters. This policy is equally helpful to preserve small power's independence and freedom.

Nepal has a glorious history as it has never been colonized of any power in the past. However, Nepal's sovereignty always remained under threat. It was in the similar condition as the colonial countries had. Its immediate neighbors; China and India were in new political experience. China introduced communist system in 1949 by ending century long imperial system (Saran, 2017). India, on the other, got independence from British rule resulting the division of British-India into India and Pakistan. The situation developed in the neighborhood forced Nepal to redefine it foreign policy strategy (Shaha, 1990).

Nepal's internal set up was also passing through instability and transition. Mahendra's coming to the power after four years of the ending of Rana rule created new dynamism in Nepal's foreign policy. Nepal's entry into UNO and diplomatic relation to China remained two remarkable achievements in the year 1955 (Rose, 1971, p. 208). At the same year, Nepal got an opportunity to participate in Afro-Asian Conference held in Bangdung, Indonesia in 1955. The conference adopted five principles (mutual respect for each other's territorial integrity and sovereignty, non-aggression, non-interference in domestic affairs of other state, equality and mutual benefit, and peaceful co-existence) which later served as the basis of Non-aligned Movement (Acharya, 2019). Bangdung conference provided the foundation of Non-alignment movement in the name of 'principles of *panchsheel*'. As the founding member of the movement non-alignment has remained the fundamental guidelines of Nepal's foreign policy. Highlighting the importance of following non-align principles, Yadu Nath Khanal opines that "adopting the policy based on non-align principles was a historic necessity for Nepal and as well as others which would create opportunities for the peaceful political development of nations and their survival" (2000, p. 425). The countries adopted the movement as the useful tool for their survival and stability. It was also compulsive necessity for small powers as they had no more effective option than that of it.

Joining NAM has several benefits for small powers. Originally, it's fundamental aim was to reduce tension between two super powers. Together with this,

the movement raised its voice in various international forums for peace and economic development. It remained the appropriate collective forum to raise several issues. It also remained the bargaining forum for small powers. It was equally utilized to make stronger tie with like-minded nations in pursuit of their security and economic wellbeing. It is also the appropriate forum to raise emerging global issues. Addressing the 19th Non-alignment submit, Prime minister Pushpa Kamal Dahal (Prachanda), remarked:

> Nepal pursues independent, objective, balanced, and non-aligned foreign policy. Our foreign policy is based on sovereign equality, mutual respect, mutual benefit, and peaceful settlement of disputes. Principle of non-alignment constitute one of the tents of Nepal's foreign policy. (Government of Nepal, 2024)

Roles During Cold War

Non-Alignment movement itself is a product of cold war. In the initial years, nationalism on the one hand and opposition to military alliance on the other were main issues of NAM. End of colonialism and racism were the early demands of the movement. With the passes of time, as more and more colonies won their independence. This achievement the movement described itself as "history's biggest peace movement".

The non-aligned nations are playing significant roles through UNO. They hold a vast majority even in the UN pattern. These countries on the other side are those who are in minority keeping in their voting power in the UN as they still enjoy real power outside it. They vigorously have campaigned for the NIEO and North–South dialogue even outside the UN through conference diplomacy in different international forums.

Most non-aligned countries fall under 'South' and the movement is being developed as the excellent forum to do collective bargaining with the countries of the 'North'. Their voice can be heard with their cooperation in themselves (Ghosh, 2020). Thus, the formation of the movement remained as the effective forum for co-operation in tackling with global north. The movement is also utilizing LDCs, LLDCS, G-77, NIEO, and other regional and international forums for the sake of their interests.

But along with the downfall cold war politics, the existence of NAM is always found questionable. Primarily, the main objective of the movement was to bring cold war into an end. As the targeted goal was achieved, the existence of the movement became questionable. After the end of cold war in 1990 and its aftermath its height has decreased and existence became questionable regarding the relevancy of the movement (Hamal, 2014). However, the movement still exists as a subject of concern in the study of international relations. Nepal gives considerable importance to the nonaligned movement. Since the very beginning of non-alignment movement, Nepal has been actively engaged in non-alignment movement. It is the philosophy based on the saying of Prithvi Narayan Shah, the founder of modern Nepal (Acharya, 2014, p. 26). Though its relevancy may be reduced, Nepal's geo-politics always recommends to be non-aligned in its dealing with immediate neighbors. So, its relevancy still exists in Nepal's foreign policy.

4.3.3 Nepal and the SAARC

SAARC stands for South Asian Association for Regional Cooperation. It is a group of eight South Asian nations. It is a joint forum of South Asian countries through which countries have started a joint journey since half of the 1980s to improve the quality of life of the people in the South Asia region. It was officially established at the Dhaka summit. It was on 8 December 1985 when the heads of state or governments of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka formally gave birth to the organization (Ghosh, 2015, p. 226). Afghanistan was added to the regional groping at the behest of India on 13 November 2005 and became eighth member on 3 April 2007. Besides these nine members, Australia, China, the European Union, Iran, Japan, Mauritius, Myanmar, South Korea and the United States of America are its observers (Saleem, 2015, p. 42).

SAARC is a governmental initiative to bring out common sharing of regional pain and pleasure (K. C., 1999, p. 34). Bangladesh Zia-Ur Rahman took the initiative to establish such an association. He mooted this idea during 1977- 80 for economic and cultural cooperation among South Asian people. A working paper on 'Regional Cooperation in South Asia' was prepared by Bangladesh in November 1980 and circulated to the countries concerned. It painted out the vast potential for regional cooperation and the benefits that South Asian countries were likely to receive from

such cooperation. During subsequent negotiations, it was agreed that SAARC would actively try for greater regional cooperation based on the sovereign equality of states, protection based on territorial integrity and non-interference in each other's internal affairs (Khatri, 1998, p. 33). The cooperation was likely to grow economically, socially and culturally. Initially, eleven areas of cooperation were identified. They were telecommunication, meteorology, transport, shipping, tourism, agricultural research, joint ventures, market promotion, scientific and technical cooperation, and educational and cultural cooperation. These areas were quite vast in promoting cooperation and seeking regional unity.

SAARC started its challenging journey of regional cooperation nearly four decades ago. The Dhaka summit of December 7 and 8, 1985, formally started its travel with a commitment to regional cooperation, integrating economic strength and collective self-reliance, and encouraging mutual trust and understanding (Vaidya Malla, 2017, p. 4). The organization is being taken as an instrument for promoting peace, progress and stability. During its four decades-long travel, the organization concluded 18 summits with more than 800 declarations.

Objectives and Principles of SAARC

The charter of SAARC has mentioned about its objectives. As mentioned in Article 1, the organization has the aim to promote the welfare of the peoples in South Asian countries and to improve their quality of life. Charter is also committed to accelerate economic growth, social progress and cultural development in the region and to deliver all individuals the prospect to live in dignity and to realize their full potential. The organization steps towards promoting and strengthening of collective self-reliance among the countries of South Asia. For this it is needed to pay due attention to mutual trust, understanding and appreciation of the problems of one another. Further, member states are ready to promote active partnership and mutual assistance in the economic, social, cultural, technical, and scientific fields. Realizing the impact of globalization, the charter aims to strengthen cooperation with other developing nations and regional and international organizations having similar aims and determinations.

Beside the objectives, the charter has mentioned its principles. It is stated that “cooperation within the framework of the association shall be based on the respect for

the principles of sovereign equality, territorial integrity, political independence, non-interference in the internal affairs of other states, and mutual benefit" (Article II). But it is also stated that "such cooperation shall not be a substitute for bilateral and multilateral cooperation but shall complement them" (Article II (1)). The charter further states that "such cooperation shall not be inconsistent with bilateral and multilateral obligation (Article II (2)).

Further, the charter deals about 'general provisions'. These provisions are often criticized as the obstacles for the smooth functioning of the organization. The provision reads:

a. Decisions at all levels shall be taken on the basis of unanimity.
b. Bilateral and contentious issues shall be excluded from the deliberations (Article X).

SAARC was institutionalized through the establishment of a permanent secretariat for implementing, coordinating and monitoring SAARC programs. The secretariat started functioning from 16 January 1987. Beside these, the summit also decided to launch South Asian broadcasting programs covering radio and television, promotion of tourism, provision of facilities to students and academicians and harnessing the idealism of the youth. The commitment was also made to make joint effort to combat terrorism.

Likewise, the Kathmandu declaration of the Heads of States or Government of the member countries of SAARC issued on 4 November 1987. The Kathmandu declaration provided a renewed trust and direction on the future course of regional cooperation. It was emphasized that the fundamental goal of SAARC was to promote the welfare of the people of South Asia. They expressed their faith in the UN charter, commitment to the principles and objectives of NAM, resumption of North South Dialogue, and recognized the need for special measure in favour of the least developed countries in light of recent decisions at UNCTAD VII (K. C.,1999, p. 38). A major breakthrough was the signing of the SAARC Regional Convention on Suppression of Terrorism and the Agreement establishing South Asian food Reserve by the Foreign Ministers of the SAARC member states.

South Asia is the typical home of about one-fourth of the world's population. The region has a common identity despite diversities in culture, religion, caste,

ethnicity, language and economy. India and Pakistan have comparatively large economies, and other countries fall under the small power category. Indio-centric geography, shared identity and economic conditions led to the formation of regional organizations (Aditya, 2017, p.56). Common culture, shared history, geographical proximity and other factors led to the formation of specific beliefs among the region's people. As Hurd (2008) explained, the actor's involvement and formation of the institution are viewed from the social structure (p. 213). This factor is more responsible for encouraging Nepal's engagement in SAARC.

As a landlocked country, Nepal's concern in foreign policy is more sensitive to peripheral problems rather than global issues. Since Nepal is situated at the heart of South Asia, its concern is more acute in the region. However, the region is Indio-centric regarding geography, economy, military might, population, and global influence. However, Nepal has been presiding over SAARC since 2014. SAARC secretariat is stationed in Kathmandu. It looks passive and needs to organize regular summits. It appears complex to materialize the concept of regionalism and multilateralism in the context of SAARC. It is mainly because of the fundamental principle mentioned in the SAARC charter. Article X(I) reads that "decisions at all levels shall be taken based on unanimity (SAARC Secretariat, 1987). Though Nepal repeatedly expressed in commitments to carry out all SAARC activities as per the plan and schedule.

Nepal's Potentiality to Lead SAARC

Once, Mahendra P. Lama, an eminent Indian diplomat, remarked, "we should not lose hope in SAARC. The non-performance of SAARC is not really due to SAARC but due to a deficiency in South Asia" (2017, p.141). Nepal, as a presiding state, should play an additional role in developing the organization as a multilateral institution in a real sense. SAARC is not functioning well. Nepal seems more responsible for its deteriorating position since Nepal has been chairing the organization for the last ten years. Though the organization's charter provides no unique role to the chairing country, it can have a potential lead in the days ahead. Nepal's geographical position in the region's prime location encourages its engagement with the member states (Pandey, 2072). SAARC secretariat is stationed in Kathmandu, and it is morally bound to have a creative role in the future. Nepal has

the moral strength to cooperate with SAARC members as it is honest in following the principle of non-alignment in its foreign policy outlook. Its engagement is active in various multilateral forums, including the UN and its various agencies.

Several questions have been raised regarding the existence of SAARC. It could not function well in its initial days of development. However, as one of the founding members of SAARC, Nepal has been actively involved in promoting regional integration and cooperation in South Asia. Nepal has hosted three SAARC summits, the third summit in 1887, the 11th summit in 2002, and the 18th summit in 2014. It has also worked to strengthen the organization's role in promoting economic growth, social development, and regional stability. Nepal's commitment to SAARC reflects its belief that regional cooperation is essential for addressing common challenges and achieving shared goals in South Asia (Upadhyaya, 2023). It is still counted in world politics. Prevailing cold relations between India and Pakistan are the fundamental cause behind the dysfunction of SAAARC. But people–to–people relations are rooted at the grassroots level, which has been providing oxygen for its survival. Its existence is still essential for protecting the interests of small powers in the South Asia region. As advocated by liberalists, the interest of small powers can best serve by making the institution functional.

4.3.4 Nepal and BIMSTEC

BIMSTEC stands for Bay of Bengal Initiative for Multi-sectoral, Technical, and Economic Cooperation. It was formed by seven member states (Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand) laying in the adjacent area of the Bay of Bengal, constituting a contiguous regional unity. This organization was formally established on 6 June 1997 through the Bangkok (Thailand) Declaration. It was BISTEC (Bangladesh, India, Sri Lanka and Thailand Economic Cooperation). As the fifth member, Myanmar attended the inaugural meeting as an observer and joined the organization as a conforming member in an extraordinary Ministerial Meeting in Bangkok in December 1997 (Ghosh, 2015, p. 477). After that, the name of the grouping was changed to BIMST-EC. The status of the observer was given to Nepal by the second Ministerial Meeting in Dhaka in December 1998. Subsequently, Nepal and Bhutan also acquired full membership on 8 February 2004 (Government of Nepal, Ministry of Foreign Affairs, 2019). Since then, the organization has concluded

five summits hosted by Thailand, India, Myanmar, Nepal, and Sri Lanka in 2004, 2008, 2014, 2018, and 2022, respectively.

BIMSTEC was initiated with the goal of combining the ‘look west’ policy of Thailand and ASEAN with the ‘look East’ policy of India and South Asia (Menon, 2021). It can be seen as the link between ASEAN and SAARC members. The BIMSTEC aims to create a supportive environment for quick economic growth by identifying and executing cooperation projects in various fields such as trade, investment, industry, energy, and infrastructure. The focus is on joint efforts in a spirit of equality and partnership, with active collaboration and mutual assistance on matters of common interest. The goal is to assist each other through training and research facilities in the educational, professional, and technical spheres while promoting tangible benefits for people in raising their living standards, including generating employment and improving transportation and communication infrastructure. BIMSTEC also aims to maintain close and beneficial cooperation with existing international and regional organizations with similar aims and purposes. Cooperation in projects that can be most productively dealt with on a sub-regional basis is encouraged to make the best use of available collaborations among BIMSTEC member countries (BIMSTEC Secretariat, 2024).

BIMSTEC provides a platform for the people of South Asia and South East Asia to work together in a spirit of friendship, trust and understanding. It initiated its challenging journey after a formal meeting in Bangkok in 1997. In the early days, its progress could have been faster. It was mainly because of the absence of the secretariat, which is the central coordinating body (Xavier, 2018). After 17 years of the founding of BIMSTEC as a regional organization, its permanent secretariat was established in Dhaka, Bangladesh, on 13 September 2014. The member states have almost identical geographical, cultural, economic, social and other aspects of national life. Their agendas are similar. It will further benefit the countries to share their dealings at the intra-regional level. The organization aims to develop cooperation in the economic and technological sectors. It had already set up the BIMSTEC Free Trade Area Framework Agreement on 8 February 2004 (Ghosh, 2015, p. 478). There are agreements on counter-terrorism and mutual legal assistance. A long-term master plan for BIMSTEC connectivity has also been introduced to implement BTILS (BIMSTEC Transport Infrastructure and Logistic Study) (Thapa, 2021).

The region has many prospects for development. The region is rich in human resources, as one-fourth of the world's population lives in the region population of the world live here (Xavier, 2018, p. 5). This sizeable human resource will benefit the production of quality and cheap goods. Except for Nepal and Bhutan, the member states have easy access to the sea. The climate is favourable (typically monsoon with hot and wet summer and cold and dry winter) for farming and human settlement. The countries have identified various sectors of cooperation. So, the leaders have stressed the need for deepening rather than widening cooperation. It indicates that much more focus will be given to maximum achievement in the targeted areas. This forum can benefit from the ASEAN and SAARC experiences.

Nepal officially joined the organization in 2004. Initially, the organization had identified six priority sectors of cooperation. However, the areas of cooperation have widened and reached fourteen with leading countries gradually. Trade and investment, technology, energy, transportation and communication, tourism, fisheries, agriculture, cultural cooperation, environment and disaster management, public health, people-to-contact, poverty alleviation, counter-terrorism and trans-national crime and climate change are the sectors of cooperation (BIMSTEC Secretariat, 2024). Nepal also organized the Fourth BIMSTEC summit on 30-31 August with a message 'towards a peaceful, prosperous, and sustainable Bay of Bengal region'. The summit asked for review, restructure, and rationalize the existing areas of cooperation (Government of Nepal, Ministry of Foreign Affairs, 2019). Accordingly, sectors like the 'blue economy' are under the trade, investment and developmental sectors and sub-sections. Likewise, the 'mountain economy' came under the environment and climate sector. Further, Nepal is the leading country in the 'people-to-people contact sector' where 'poverty alleviation' is added as a sub-sector (BIMSTEC Secretariat, 2024). In addition to poverty alleviation, the sub-sectors like 'tourism' and 'culture' are also incorporated.

People-to-people relations are a vital element of foreign policy. It makes the relationship more sustainable. The BIMSTEC Network of Policy Think Tank (BNPTT), Association of BIMSTEC Speakers and Parliamentarians, and Expert Group on Visa Matters have been formed as an instrument of track-II diplomacy. All these sectors are helpful to enhance interaction and promote cooperation among the member states. Seven think tanks are currently involved at the policy level,

representing each member state. The government of the respective state nominates them. Centre for Economic Development and Administration has worked in Nepal under Tribhuvan University.

As an Alternative to SAARC

BIMSTEC members have claimed it will be developed as the bridge between ASEAN and SAARC. Asian powers like Thailand and India have a dominating role in these organizations. Small powers like Nepal, Bangladesh, Bhutan, and Sri Lanka have little influence on the organization's functioning. The SAARC process is in a deadlock position because of the conflict between India and Pakistan. India called BIMSTEC, not SAARC, at the Goa summit of BRICS (Thapa, 2021). Afghanistan, Maldives and Pakistan are excluded from BIMSTEC. India is giving more priority to BIMSTEC to exclude Pakistan from the groupings. So, it has been taken as India's policy of 'minus Pakistan' by minimizing the role of SAARC.

However, the BIMSTEC region is the home of about 1.9 billion populations. The ecological unity from the Himalayan range to the Indian Ocean, developing from a developmental perspective, diversity in culture, tradition, language, and religion, oriented towards modernism, and the impact of Eastern culture are the motivating factors for the establishment of the organization. Significant human and natural resources always support the development of the region. However, despite several potentialities, the countries still need to catch up in development. The economy still depends on traditional agriculture. About 5 million people are still below the poverty line. Millions are the victims of epidemics, starvation, illiteracy and social backwardness. The Sustainable Development Goal (SDG) target will take much work.

To sum up, Nepal's developmental aspirations and geopolitical reality seem more pragmatic in terms of having a closer engagement with BIMSTEC. No doubt, Nepal's historical legacy and neighbourhood ties deny its escaping from NAM and SAARC. However, Nepal's concern about functional cooperation in the areas of energy, trade, climate, connectivity, and other economic sectors prioritizes its engagement with BIMSTEC as it seems more important in strategic balance, broader regional connectivity and economic cooperation. Nepal must play a significant role in achieving the targeted goal of becoming a leading country.

Nepal's engagement with projects like the BRI and MCC has created societal divisions, highlighting the need for balanced diplomacy without favoring one neighbor over the other. These factors, coupled with limited institutional capacity, weaken Nepal's ability to manage regional and international forums effectively. The inactivity of SAARC under Nepal's chairmanship has questioned Nepal's international credibility. Nepal's continued and effective engagement is crucial for its international credibility.

4.4 Survival Strategies of Nepal as a Small Power

The concept of 'small Power' is a byproduct of political realism. It assumes that the international system is anarchical, where large actors (state and non-state) have a dominating role (Waltz, 1979). According to Donnelly (2008), political realism consists of elements like egoism, grouping, anarchism and power politics (p. 150-182). Such characters lead the world towards war, where small power is often the victim. The minor powers are always worried about their Security. In the words of Dahal (2011), "national security is the highest end. The state competes with the other states to maximize its power for national security" (p. 31). The small powers are comparatively weak in protecting their vital interest. However, they have minimal options to choose from in this competitive world. However, based on external and internal factors, small powers try to adopt the best possible option for their survival. Their foreign policy orientation always endeavors to change the international environment to suit their purpose. The intensity and area of involvement will be higher and more significant if the states cherish more objectives. As a small power, Nepal has its own experience of policy options chosen in different phases of history. This reflects that Nepal was able to protect its sovereignty and independent identity even in the critical days of history.

Nepal was an imperial and expansionist power till the beginning of the 19th century (Regmi, 1999). It has remained independent and sovereign since the beginning of civilization. However, its disintegration began during the medieval period (Manandhar, 2018, P .27). It was further unified into a single country by the Prithvi Narayan Shah during the latter half of the eighteenth century. British rule was at the country's southern pole, and powerful Tibet-China was at the northern side. Realizing the geopolitical sensitivity of the newly established country Nepal, the visionary King Prithvi Narayan Shah suggested his successors follow independent

foreign policy. He rightly opted: "Nepal is a yam between two boulders" (Stiller, 1968). Nepal's foreign policy is based on a non-aligned philosophy and is deeply rooted in Nepal's external behavior. Though the term non-alignment is a post-Second World War concept, it was employed practically in Nepal's foreign policy during the regime of Prithvi Narayan Shah. He remarked that "maintain a treaty of friendship with the emperor of China, keep also a treaty of friendship with the emperor of Southern Sea (the company) (Acharya & yogi, 2016).

In this context, the policy of isolation remained in practice to guide Nepal's foreign policy during the Rana regime (Rose, 1971, p. 106). This strategy aims to avoid transactions that harm the nation's Security, liberty, and welfare. The state generally adopts this policy given the topographical characteristics, freedom of action, and freedom from international complications and tensions. However, it is not the policy of isolating oneself from the rest of the world. Instead, it only means to avoid the dangers of international relations, which may jeopardize the national interest (Malhotra, 2012, p. 172). The United States of America adopted the policy of isolation, being aloof from the European alliance before the twentieth century. Japan adopted the same policy prior to the First World War.

After the Kot massacre, political power in Nepal transformed into the hands of Rana, the prime minister. As opined by liberalists, "a change in which actors or institutions control the tiny state's government leads to a change in foreign policy (Jesse & Dreyer, 2016, p. 176). On the other hand, Jung Bahadur was well known for the declining position of Chinese power, which made it impossible to challenge the rising British power. It was almost essential to have good relations with Britishers to keep his power secure and save the country from possible attack. This policy proved beneficial for the continuation of the Rana rule on the one hand and preserving national independence and security on the other.

Coalition/ Alliance Making

Forming alliances and counter-alliances is the most effective tool to maintain the balance of power. The trend of forming alliances and coalitions is common in international relations. Such alliances are formed among the actors with common interests against those with opposite interests. The realists argue that small powers benefitted from alliances or partnerships with more extraordinary powers (Mingst, 2004). The Marxist and neo-Marxist thinkers view that small are weak and are always exploited by the stronger through economic, military, cultural, and political tools

(Jaiswal, 2016, p. 13). However, such alliances are different. Typically, alliances are formed to achieve economic, political, cultural and social goals, while military alliances are purely concerned with security and defence. Most small powers focus on forming economic and political alliances rather than joining military alliances (East, 1973).

Bandwagoning or balancing are the other tactics chosen by an actor for survival. The first is the alliance itself, which is a stronger power in the international or regional system. The country joins the winning side to secure survival. Elman (1995) remarks that "bandwagoning is likely to be a preferred alliance strategy when the threatening great power is geographically proximate and has a solid offensive capacity as well as when alternative great power allies are unavailable (p. 177). However, balance of power refers to keeping close relations with the weaker side. Nepal has no history of alignment in security and defense alliances. It adopted a non-align foreign policy during the challenging days of Cold War politics. However, there existed several alliances like 'Lamjung League,' 'Palpa League,' 'Bhirkot League,' 'Parbat League,' and 'Pyuthan League' during the time of Baise and Chaubise rajya (K.C., 2004, pp.20-21). Bhim Sen Thapa miscalculated the strength and weaknesses of China before being involved in the war with the British. Nepal's engagement in various organizations is more economic and political as a small power. Its involvement in SAARC, BIMSTEC, WTO, and other similar organizations aims to boost its economic interest. However, its engagement with NAM and UNO is more concerned with preserving and protecting the nation's existence. The country commits to remaining aloof from all sorts of military alliances.

Special Relations

The 'special relations' policy often becomes a matter of debate while discussing Nepal's relationship with India. Evidently, the Rana rulers adopted a British-centric foreign policy, being isolated from the outside world (Rose, 1971). However, after the demise of Rana's rule, a new dimension emerged in Nepal's foreign policy. The relationship between India and Nepal was characterized by a 'special relation.' Highlighting the relation, S. D. Muni (2016) remarks:

> India, as the dominant partner in the "special" relationship, exercises immense and decisive influence over Nepal's affairs. This influence is a characteristic feature of the "special relations" pattern and is pronounced in Nepal's

> domestic politics, external relations, and efforts towards economic progress and administrative stability. (p. 63)

Several factors were responsible for having such a relationship. The entire Rana rule's foreign policy remained British-India-centric. Newly emerged Nepali actors had their schooling in India. India had a similar role in concluding the 'Delhi Agreement' (Gupta, 1993). The Indian missions had several visits concerned with administration, security, politics and other matters (Hamal, 2014, p. 18). It is also justified that the Chinese occupation of Tibet in 1950 created a security threat, and Nepal concluded the 'Peace and Friendship Treaty' with India in 1950 (Saran, 2017). Though Tribhuwan's successor, Mahendra, tried to diversify Nepal's foreign policy and maintain balanced relations, Nepal's foreign policy during the democratic era remained 'special' with India. Still, some leaders from the Madhesh-based party suggest having unique relations because of geographical, cultural, religious, economic and historical dimensions.

Policy of Neutrality

Neutrality is the policy of remaining aloof from the disputes. When two or more states are involved in war, the other state may adopt this policy. In this condition, the state does not engage in war but continues pacific activity with the states involved in war (Malhotra, 2012, p.175). So, it is taken as the position of impartiality adopted by third states towards belligerents. Armed deterrent neutrality as a collective good and solidifying neutrality into international law are the significant attributes of a neutral state (Jesse & Dreyer, 2016, p. 59). It requires recognition from the belligerents, which is bound with certain rights and duties. However, article 9 of The Hague Convention of 1905 includes the rights and duties of neutral power. According to Hay (2003), one of the behaviors of a small power is to choose a neutral position. As a small power situated in a buffer zone, Nepal has some cases of following a neutral policy. Nepal adopted neutralism in the Sino-Indian War in 1962 (Institute of Foreign Affairs, 2016, p.6). Further, Nepal exhibited its neutral position during the Sino-Indian confrontation in Doklam. It was in June 2017 that the situation turned into a confrontation, and Nepal strongly expressed its view that it would stay neutral in the conflict (Government of Nepal, Ministry of Foreign Affairs, 2017). Adding more, Nepal humbly requested that the dispute be resolved peacefully.

Policy of Equidistance

Nepal's choice of foreign policy has always remained challenging from a geographical position. However, Nepal's foreign policy remained British-centric as the Rana rulers adopted this policy as a tool of survival. Foreign policy fell under "special relations" with southern neighbors during the reign of King Tribhuwan. However, Mahendra tried to break traditional norms to diversify Nepal's foreign policy (Dahal, 2011, p. 40). Nepal's diplomatic relations with China, its engagement in the UNO, the opening of the Araniko Highway, withdrawal of the Indian military mission in 1969, suppression of the Khampa movement, and engagement super powers in infrastructure development were significant efforts towards equidistant policy (Singh & Shah, 2016, pp. 52–55). Nepal also followed an equidistance policy during the Cold War between the global and regional powers. Nepal's involvement in NAM and other regional and global institutions explores Nepal's equidistance policy in operation.

Nepal's foreign policy choice turned into new dimensions after the 1990s. The globalization process has broadened the country'sforeign policy outlook. The concept of 'equiproximity' became very popular to justify Nepal's relations with power centres, including the immediate neighbors. Highlighting the concept of equiproximity, Dhruba Kumar states:

> Equiproximity is a concept that guarantees a balanced relationship between India and China. Sovereign equality remained central to this proposition. In so doing, Nepal should advisedly undertake an effort to review all the previous treaties and discard the ones that had proved unfavourable to the country's national interests. The thrust of the argument conclusively points towards ending the special relationship with India, which restricts Nepal's freedom to maintain a meaningful relationship with China. Nowhere has this feeling been reflected more concretely in recent memory than in the case of 'Chinese arms versus Indian blockade.' (Dahal, 2009, pp. 34-35)

The policy of 'equiproximity' compared to 'equidistance' is more dynamic and flexible. It is a constructive policy based on cooperation, equal benefit, and mutual trust. Nepal's relationship with India remained extensive for an extended period. However, Nepal has been applying the concept of equiproximity between India and China (Acharya, 2019, p. 255). Despite its rationality, the importance of this

policy has changed in many respects. This change has occurred mainly because of growing economic engagement.

Engagement with Regional and International Institutions

Small powers are much worried about their security. So, they often search for their membership in various forums. "Engagement with regional and international institutions is the traditional behavioral pattern of small power" (East, 1973). The Alliance of Small Island State (AOSIS), Small Island Developing States (SIDS), Organization of Eastern Carrabian States (OECS), and Forum of Small States (FOSS) are some of its examples. Though Nepal is not the member of FOSS, but is has adopted this strategy by joining the UNO in 1955. The small powers have a moralistic-legalistic attitude towards international affairs and support the use of international law (Jaiswal, 2016). Accordingly, Nepal has been expressing its complete adherence to the charter of the U.N. and norms of world peace. Nepal's active involvement in NAM is equally praiseworthy. Nepal has played an active role in establishing SAARC for the same purpose. It acquired BIMSTEC's membership in 2004. In addition, Nepal has maintained diplomatic ties with 182 countries of the world, 31 embassies, seven consular affairs and three permanent missions (as of February 2024) (Government of Nepal, Ministry of Foreign Affairs, 2024a). Furthermore, Nepal's 'zone of peace proposal' forwarded by King Birendra is also considered one of the survival strategies.

To sum up, survival is the primary concern of small powers. Anarchical international system always puts threats upon their existence and independence (Aditya, 2021). So, they attempt to survive in the competitive international system. Maintaining hegemony over the rest is beyond their capacity. It is pointed out that Nepal has the challenge of consolidating multilateral engagement to protect national interests (Government of Nepal, Ministry of Foreign Affairs, 2020, p. 4). However, the policies they adopt to survive are different. No single theory can support their choice. Several internal and external determinants influence this regard. Changing roles of ruling elites, changes in domestic institutions, changes in the power of governmental actors, rising and falling position of neighboring countries, level of an outside threat, change in the regional and global power structure and a host of other factors guided Nepal to bring shift in its foreign policy tilt.

To conclude, countries are classified into superpowers, great powers, medium powers, small powers, and microstates despite the principle of sovereign equality. The small powers remain at the bottom of the structural hierarchy of international politics. But the last four decades have witnessed the arrival of a significant number of small powers that have changed the course of international relations. As a small power, Nepal has earned a glorious history of sovereign and independent identity during its early days of state building. Non-alignment, the policy of isolation, special relations, balanced relations, equidistance, zones of peace, and equidistance remained the major foreign policy shifts. The contemporary rulers succeeded in preserving national identity through the adoption of adequate foreign policy despite facing several challenges in various modes of history. Nepal's involvement in regional and global organizations has further consolidated its efforts to preserve Nepal's historical legacy. The positive qualities of ancient civilizations, including their significant contribution to knowledge and philosophy, have also played a crucial role in enhancing national strength.

CHAPTER V
PRINCIPLES OF NEPAL'S FOREIGN POLICY

This chapter aims to assess the principles that have contributed to shaping Nepal's foreign policy. Hence, the chapter attempts to explore national interest concerning constitutional provisions, existing policies, structural mechanisms, and the views of major political parties in foreign policy formulation.

5.1 Introduction

Foreign policy, as an instrument, is crucial in promoting a nation's interest. In the words of Goldstein and Pevehouse (2009), "Foreign policies are the strategies governments use to guide their actions in the international arena. It spells out state leaders' objectives in a given relationship or situation" (p. 123). The formation of government is essential for running a state, and no state can exist without maintaining international relations. As a unit of the international system, we know that the state cannot remain isolated from each other's assistance. In this age of growing interdependence, there are always reasons for interactions among them (Frankel, 1990). A state best reflects these interactions in its policies towards other states. These policies generally regulate and conduct external relations with other states in the international scenario and are generally considered foreign policies (Smith et al., 2012). Like internal and domestic policies, a state gives special attention to the careful formulation and successful execution of its foreign policy. A successful foreign policy not only enhances a nation's power and prestige in the comity of nations but also increases the government's credibility in the eyes of the public, both internally and externally (Malhotra, 2012, p. 156). In this sense, foreign policy is the policy adopted by a country to attain, promote, and enhance its aspirations and interests regarding relations with other states.

Every state's primary objective is to adopt an adequate policy with the state and other organizations in the world community to protect and promote their national interest. The adoption of a reasonable foreign policy is not just a matter of choice, but a necessity for preserving the state's interest, even though it may vary occasionally (Simkhada, 2018). However, the ability to make sound foreign policy varies among states. Small powers like Nepal face constant threats from dominant powers, making

their survival a perpetual challenge. These countries need to be more robust to protect their interest. Their existence is contingent on the formulation and execution of effective foreign policy (Bhatta & Menge, 2021). Despite its medium size, Nepal, as a small power, managed to preserve its identity during the early days of its political and economic development. In this context, this chapter investigates Nepal's foreign policy in this multi-polar world, highlighting the crucial role of foreign policy in maintaining a state's survival.

5.2 National Interest of Nepal

The concept of national interest is as old as the nation itself. It has been the heart of the state's foreign policy since immemorial (Acharya, 2019, p. 138). British foreign secretary Palmerston has rightly remarked, "in foreign policy, there are no permanent friends or enemies; there are only permanent interests, and those interests it is our duty to follow those interests " (Bishowkarma et al., 2080, p. 9). It is the most crucial concept in the study of international relations. It provides the fundamental materials and basic guidelines based on which foreign policy is made (Malhotra, 2012, p. 73). In foreign policy, it is considered the key. Every nation expects the leaders of the governments to promote the national interest. Attitude formation and the actor's behaviour are governed and conditioned by their national interest (Vandana, 1996, p. 131). The purpose of conducting foreign policy is to achieve national interest to the maximum extent.

National interest exercises significant influence in determining the domestic and foreign policies of the states. By being a member of the international community, every nation tries to fulfil its interests first. "National interests are the images of a future state of affairs and future set of conditions which governments, through individual policymakers, aspire to bring about by wielding influence abroad and by changing or sustaining the behaviors of states" (Holsti, 1968, p. 126). However, the concept of national interest is highly vague and ambiguous. It is tough to determine precisely what national interest is. Its nature in the past was different from that of the present context. In ancient times, national interest was very similar to the interest of the ruler (Acharya, 2019). Luis XIV's statement 'I, am the state, and the state is I' is its best example. French ruler Napoleon also claimed that he was acting in France's interest. So did Hitler in Germany, Joseph Stalin in the Soviet Union, and Mussolini in Italy. Vladimir Putin in Russia and Kim Jong-un in North Korea have similar

views. However, it is broadly divided into two: primary and secondary. Protection of sovereignty, territorial integrity and political independence comes under primary interest. It is also concerned with economic, religious, cultural and other national foundations. States are always committed to protecting their vital interest, even at the cost of war (Morgenthau 1997). The secondary interests may vary depending on the time and situation. Protection of nationals abroad, promoting trade and business, enhancing national prestige, attracting foreign investment and many other situational factors come under it. States cannot deny having their specific interests, which compel them to adopt different foreign policies. The specific terms are commonly known as factors. Such factors include geography, history, economy, public opinion, national capacity and outside environment.

As the fundamental guideline of Nepal's foreign policy, the constitution of Nepal states the national interest of Nepal. The provision reads, "safeguarding of the freedom, sovereignty, territorial integrity, independence and dignity of Nepal, the rights of the Nepalese people, border security, economic well being and prosperity shall be the basic elements of national interest of Nepal" (Article 5(1)). It also states that "any conduct and act contrary to the national interest shall be punishable by the federal law" (Article 5(2)). This clear-cut constitutional guideline on national interest and foreign policy matters (Government of Nepal, Ministry of Foreign Affairs, 2020, p.4) allows Nepal to navigate its foreign policy confidently. In a new environment of political stability and democratic polity, there is a high chance of protecting interests and fostering an optimistic outlook.

Regarding identifying national interest, the National Security Policy 2016 has been broadly categorized into two: subjects of vital importance and crucial national interest. This comprehensive policy, which considers political independence, territorial integrity, sovereignty, national unity, economic prosperity, social harmony and a multiparty democratic system as vital subjects of national interest (Government of Nepal, Ministry of Defense, 2016), provides a detailed understanding of the country's security measures. Further, subjects like national development, national dignity, political stability, poverty alleviation, peaceful coexistence, promotion of world peace, environment protection, human rights, and religious tolerance are crucial interests. It also incorporates issues like the protection of national heritage and human security. Despite all these, Nepal has had a bitter experience of compromising national

interests influenced by party or regime interests. The signing of the Peace and Friendship Treaty in 1950 by the outgoing Rana prime minister is an upsetting example of this (Acharya, 2019, p. 141). This demands a nationally driven and consistent foreign policy having long-term political gains.

5.3 Foreign Policy Objectives

In the words of Karl Deutsch, "The foreign policy of every country deals first with the preservation of its independence and security, and second, with the pursuit and protection of its economic interests..." (cited in Acharya, 2014, p. 1). Nepal government has specified its vision to contribute to "building a strong, prosperous, peaceful, and dignified nation by maintaining Nepal's independence, sovereignty, territorial integrity, freedom and national unity" (Government of Nepal, Ministry of Foreign Affairs, 2024a). The given mission also directs the objectives of Nepal's foreign policy. The mission leads to preserving and promoting national interest by strengthening Nepal's foreign relations based on sovereign equality, mutual benefit, and respect through an independent and balanced foreign policy (Government of Nepal, Ministry of Foreign Affairs, 2024a).

The fundamental objective of foreign policy is to protect and promote its national interest. However, the concept of national interest is not a static one, but has evolved over time. Traditionally, the main objective of foreign policy was to protect the ruling elite's interests. In the past, foreign policy was conducted to increase the number of friends, divide enemies, declare war and sign a peace treaty. However, the situation has changed in the present day. Prakash Chandra (1979) states that maintaining the state's integrity, a crucial aspect of national interest, promoting economic interest, providing for national security, protecting national prestige and power, and maintaining world order are the primary objectives of foreign policy (p. 73). The realists have their interpretation of foreign policy goals. For them, security and survival are the primary objectives of foreign policy (Morgenthau 1997). The liberals aim to establish a better world order by establishing better institutions. Conversely, Marxists aim to consolidate the world revolution to protect the proletariat (Mingst, 2004). Based on these reflections, the common objectives of foreign policies are represented in the following points:

a. To safeguard and promote national interest,

b. To make optimum utilization of available resources,
c. To enhance national dignity and prestige,
d. To promote trade and business,
e. To develop friendly relations,
f. To establish better world order, and
g. To increase one's influence.

No doubt, the protection of sovereignty, territorial integrity and political independence is the fundamental objective of a country's foreign policy. Nepal has limitations in its foreign policy objectives. As stated in 'Foreign Policy-2020', the Ministry of Foreign Affairs of Nepal has forwarded the following objectives:

a. To expand and strengthen bilateral relations with all countries including neighboring countries on the basis of sovereign equality, mutual benefit and respect,
b. To promote national interest by enhancing Nepal's national identity and representation in international and regional forums,
c. To play an effective role in multilateral forums for world peace, disarmament, promotion and protection of human rights, sustainable development goals, mitigation of climate change impacts, controlling pandemics, terrorism and cyber crime, safer migration, and the rights of landlocked countries,
d. To collaborate for creating a just, inclusive, and fair rules-based world order,
e. To promote regional cooperation, peace, and collaborations,
f. To contribute to socioeconomic transformation of the country through the conduct of economic diplomacy in such sectors such as mobilization of development cooperation, and promotion of investment, export and tourism,
g. To protect interests of Nepali nationals as well as legal persons engaged in occupation, business, and employment abroad,
h. To promote soft power by utilizing the country's unique natural beauty, indigenous and rich civilization, culture, lifestyle, diversity, arts, languages, literature and sports (Government of Nepal, Ministry of Foreign Affairs, 2024a).

Foreign policy objective differs from one another. Various internal and external factors have contributed to the determination of such objectives. Realists

believe that national interest always guides foreign policy. Hence, national security is the fundamental and compelling factor a nation must consider when formulating its foreign policy (Dharamdasni, 2023, p.26). Muni (2016) also opines that the first and the most crucial objective of a nation's foreign policy is to work for the preservation of territorial integrity (T) and political independence (P) (p.40). Nepal's foreign policy objective has remained almost the same as that of other small powers. However, some scholars opine that Nepal needs to rethink its foreign policy agenda (Bhatta & Menge, 2021, p.12) because of the changing tides of geopolitics. However, there have been considerable changes in foreign policy due to the shift from the traditional notion of national security to the modern concept of human security. Globalization, migration, flourishment of trade and business, the emergence of fundamentalism, populism, nationalism, and several other factors have compelled the countries to rebalance their relationship (Dahal, 2024, p.186). The small powers like Nepal are directly or indirectly influenced by such events and determine their foreign policy accordingly.

Scope of Nepal's Foreign Policy

Generally, scope refers to the subject matter covered by a particular object, thing or institution. Nepal's Ministry of Foreign Affairs has prioritized its activity while dealing with the outside world. Dealing with immediate neighbour, regional and international organizations, and other global community members regarding security, trade, migration, service delivery, and other issues are prioritized (Government of Nepal, Ministry of Foreign Affairs, 2020, p. 11). Hence, we give priority to immediate neighbour. Nepal's geographical feature compels it to prioritise its immediate neighbours, China and India. It is equally essential to make our foreign policy deal beyond the neighbourhood in this age of globalization (Dahal, 2024). We cannot ignore the relations with our development partners. The World Bank (WB), Asian Development Bank (ADB), Japan International Cooperation Agency (JICA), United States Agency for International Development (USAID), and many other agencies have played significant roles in Nepal's development, such as funding infrastructure projects and providing technical assistance. World powers like the UK, USA, Germany, Japan, Finland, and others have assisted in various development activities, including capacity building and knowledge transfer (Antonopoulos et al., 2021). During the last few years, many Nepali migrant workers have visited the countries. Malaysia, Qatar, Saudi Arabia, and South Korea are the countries where many Nepali

job seekers engage. It is mandatory to prioritize having warm relations even to protect the interest of Nepali foreign job seekers.

Regarding regional and multilateral engagement, Nepal actively participates in various regional and multilateral forums, as emphasized by Dahal (2018). Nepal's involvement in SAARC, BIMSTEC, UNO, and other organizations is its best example. Nepal has an equal focus on international partnerships to deal with cases related to global issues. Refugee, health, migration, the interest of small and landlocked states, terrorism, trade and business, environment protection, protection of the interest of the South, and other development issues focus on global-level partnership.

5.4 Foreign Policy and National Interest

The concept of national interest, deeply rooted in the history of nations, is a cornerstone of international relations. It has always been a serious matter in international relations, as eloquently stated by a former British foreign secretary: there are no permanent allies or adversaries; only national interests are permanent. This historical perspective provides a rich foundation for the study of foreign policy, as it is the principal element that guides the formation of foreign policy. Frankel (1990) defines the concept as the "general and continuing ends for which the nation acts" (p. 93). "Interest offers a theoretical understanding of politics and is helpful to give rational discipline in action" (Morgenthau 1997, p.5). So, it is taken as the 'key' in foreign policy. The leaders of the governments of every nation are expected to promote the national interest. Attitude formation and the actor's behaviour are governed and conditioned by their national interest. The purpose of conducting foreign policy is to achieve national interest to the maximum extent. National interest exercises significant influence in determining the domestic and foreign policies of the states (Bishowkarma et al., 2080, p. 10). By being a member of the international community, every nation tries to fulfil its interests first.

Foreign policy, on the other hand, aims to operate foreign relations to guarantee the edging of national interest as constructively as possible. Despite its vitality, the concept of national interest could be more specific and full of ambiguity. "Promotion of these interests and desires constitutes the dynamic aspects of foreign policy" (Simkhada, 2018, p.85). It is hard to ascertain precisely what national interest

is. Using the term with sufficient clarification creates clarity. National interest can describe the state's aspirations and be used operationally while implementing specific policies and programs. Politically, interest determines the act of opposing or supporting a particular action (Frankel, 1990, p. 93). Its nature in the past was different from that of the present context. National interest was considered as the interest of the ruler. Luis XIV's statement, "I am the state, and the state is I," is its best example. French ruler Napoleon also claimed as he was acting in France's interest. So did Hitler in Germany, Joseph Stalin in the Soviet Union, and Mussolini in Italy. Vladimir Putin in Russia and Kim Jong-un in North Korea have similar views. Even today, the tradition exists to define national interest from the viewpoint of the interest of the party or the ruler. However, it cannot be materialized in a condition that prioritizes the interests of the particular party or individual leader (Simkhada, 2018, p. 58). It needs to focus on substance, where a sense of sacrifice and rationality is required for acquisition.

Interests are broadly classified into two: primary and secondary. The primary interest focuses on the preservation of sovereignty, territorial integrity and political independence of the country. Realists state that the interests are more concerned with the survival of the state (Donnelly, 2008). Hence the main objective of adopting certain policy is to protect and preserve the vital interest of the country. Foreign policy, as the guardian of national interests, cannot be subjected to any other principle than national interest. While all sovereign nations struggle for power in international relations, the foreign policy of all nations refers to their survival as their basic requirement (Vandana, 1996, p. 137). A firm and sound foreign policy and its effective implementation can protect vital interests, providing a reassuring shield against external threats.

Along with the changing international environment, the question of national interest has assumed several new dimensions. In addition to its primary interests, a state has secondary interests. Such interests include protecting its nationals abroad, maintaining prosperity through economic relations, promoting trade, business, investment, and many other activities (Malhotra, 2012). The state is always concerned with preserving its integrity, maintaining law and order, enhancing national prestige, increasing engagement at various regional and global forums, and safeguarding its identity and dignity. Beside the primary and secondary interests, some other interests

remain in periphery and influence state's capacity. These interests are called as peripheral interests.

As the fundamental guideline of Nepal's foreign policy, the constitution is pivotal in shaping Nepal's national interest. The provision reads, "safeguarding of the freedom, sovereignty, territorial integrity, independence and dignity of Nepal, the rights of the Nepalese people, border security, economic well-being and prosperity shall be the basic elements of national interest of Nepal" (Article 5(1)). It is also stated that "any conduct and act contrary to the national interest shall be punishable by the federal law" (Article 5(2)). The provision highlights the fundamental principles that guide Nepal's foreign policy. The constitution emphasizes the factors that constitute the national interest of Nepal. This provision is significant in shaping Nepal's foreign policy and decisions about foreign policy.

Furthermore, the Constitution explores the country's seriousness in matters related to national interest. The provision specifies the commitment of the Nepali government to promote and protect the elements deemed vital to the nation's well-being and security. Small powers are mostly more concerned with protecting their vital interests. The survival issue has always been challenging since the beginning of its history of nation-building. In addition, human security issues, including the enhancement of Nepal's global prestige, are in Nepal's national interest.

5.5 Bases of Nepal's Foreign Policy

Over time, Nepal's foreign policy has stood on various bases, deeply rooted in historical context. Undoubtedly, several tangible and intangible elements have played decisive roles in determining Nepal's foreign policy. The distinct geography, small size, landlocked position, weak economy, diversity in socio-cultural and religious life, pluralistic society, history, several regional and global environment and several other factors have contributed as the determinants" (Acharya, 2014, pp. 2-8). The long-term political transition is equally affecting the determination of Nepal's foreign policy. All these factors have provided certain bases for following a country's foreign policy. They are explained below:

5.5.1 Constitutional Provision

The Constitution of Nepal, 2015, stands as the unique and supreme law of the country, significantly shaping Nepal's foreign policy. Part four of this constitution

delineates the state's directive principles, policies, and obligations, with a specific focus on foreign relations. This section, distinct in its approach, is of paramount importance, as it reads:

> The state shall direct its international relations towards enhancing the nation's dignity in the world community by maintaining international relations on the basis of sovereign equality while safeguarding Nepal's freedom, sovereignty, territorial integrity, independence and national interest. (Article 50 (4))

The Interim Constitution of Nepal also made similar provisions under 'state's responsibility, directive principles and policies of state.' It is mentioned that the state's international relations will promote national dignity by preserving sovereignty, territorial integrity and freedom (Article 34(6)). The Constitution of the Kingdom of Nepal, 2047, also had similar provisions on the topics (Article 25 (5)). Likewise, policies relating to international relations are declared under the topic 'Policies of the State.' It is mentioned that:

> To conduct an independent foreign policy based on the charter of the UNO, Non-alignment, Principle of *panchsheel*, International law and the norms of World Peace, taking into consideration the overall interest of the nation while remaining active in safeguarding the sovereignty, territorial integrity, independence and national interest of Nepal. (Article 51 (m) 1)

The constitution further states a commitment to review past treaties and pursue cooperative relations for peace. This provision, a first in Nepal's constitutional history, demonstrates Nepal's commitment to rectifying any unequal treaties from the past. The state is resolute in Nepal's response to a policy of continuous effort to institutionalize peace through cooperative relations based on equality in economic, social, and other sectors with neighbouring and other countries. Based on the provision made in the Constitution of Nepal, the basis of Nepal's foreign policy seems as follows:

a. Non-alignment

Non-alignment foreign policy is commonly used to describe the foreign policy of nations not in alliance with the communist or the Western bloc (Hamal, 2014, p. 2). Though 'non-alignment' is a post-Second World War phenomenon, it was practised in

Nepal's foreign policy in the early 18th century. Prithvi Narayan Shah, the founder of modern Nepal, was aware of the tactical implications of the concept. (Rose, 1971, p. 282). It is the policy of non-involvement in any power bloc. This movement was formally initiated in 1961 based on the principles of *panchsheel* formulated during the Bandung Conference in 1955. So, Nepal always avoids imperialism, colonialism, military alliance, ideological polarization and other similar forms of groupism (Dahal, 2009, p. 28). Being neutral in international events, Nepal has expressed its views in various international forums.

Following a non-aligned foreign policy was a historical necessity for a small power like Nepal (Khanal, 2000, p.25). However, this policy was adopted to tackle the challenging days of Cold War politics. In the current context, it is clear that we need to innovate a new mechanism to address the challenges arising from the aspiration of the Nepali people and the global power shift in a new environment (Dahal, 2018, p.82). This innovation is necessary for preserving and promoting Nepal's national identity.

b. Principles of *panchsheel*

The five principles of collective thought set during the Bandung Conference of 1955 are called the principles of *panchsheel*. Nepal also participated in the conference and has total respect for it. These principles are:

i) Respect for each other's sovereignty, territorial integrity, and political independence.
ii) Non-aggression
iii) Non-interference in the domestic affairs of another state.
iv) Equality and mutual benefit.
v) Peaceful co-existence.

Nepal has strong faith in the principles of *panchsheel* as the foundation of its foreign policy. The Bangdung conference established certain ideals to govern interstate relations under the collective formula of *panchsheel* (Hamal, 2014, p.53). This policy benefits the interests of the newly independent states of Asia, Africa, and Latin America.

c. **Charter of the UNO**

The League of Nations was established to maintain international peace and security based on idealistic philosophy. It also aims to solve international disputes peacefully (Palmer & Perkins, 2015). However, it failed to attain its goal. It proved unsuccessful after the outbreak of World War II. As a successor of the League of Nations, the United Nations Organization was established as an international organization to maintain international peace and security. As stated in article one, it also aims to settle international disputes through peaceful means (United Nations Organization, 1945). As an active member of the UNO, Nepal fully adheres to the UNO Charter. It is fully committed to attaining the goal as specified by the charter. Small powers are keen on participating in international organizations and enjoying norms and laws to strengthen their influence in the global community (Hey, 2003).

d. **International Law**

It is assumed that comparatively small powers support and appeal to international laws and organizations more than considerable powers (Jesse & Dreyer, 2016, p.176). The small powers always favour the rule of law. Nepal fully cooperates with the code ratified by civilized states and the world community to establish a better world order. Nepal is a signatory of principal international legal codes, such as agreements, treaties, and conventions, and so abides by international law. This has enabled Nepal to perform its roles based on the norms of international law (Hamal, 2014). It is accepted as the basis of foreign policy in the hope that the existence of international law can protect the national interest of countries like Nepal.

e. **Value of World Peace**

The interest of small powers like Nepal can best be preserved and promoted only in a peaceful environment. The value of world peace is a fundamental aspect of Nepal's foreign policy. The then-King Birendra's proposal of a 'Zone of Peace' is its best example (Hamal, 2014). Nepali foreign policy's ultimate goal is to work for world peace. Nepal has been expressing its faith in world peace by deputing its armies and police in the peacekeeping operation of the UNO (Government of Nepal, Ministry of Foreign Affairs, 2024a). The Nepali force has also earned glorious prestige by significantly maintaining peace in various conflicting world areas, such as Haiti, Kosovo, Congo, and other sensitive areas (Patowary, 2021).

Beside these specific bases, Nepal has been adopting independent foreign policy. Any powerful country has never colonized it. So, Nepal always opposes colonialism and new colonialism. Its involvement in the Non-align Movement has also helped boost its international image. Nepal's originality can be found in the involvement of SAARC (Paul, 2021). So, its foreign policy is also biased towards promoting regional cooperation. Disarmament, discouragement of the arms trade, respect for human rights, democracy, New International Economic Order, South-South cooperation, etc., are the other bases of Nepal's foreign policy in recent years.

In addition to above mentioned points, the bases of Nepal's foreign policy are as follows:

a. The constitution of Nepal
b. Prevailing laws of Nepal
c. National security policy and other policies directly related to foreign policy
d. Sectoral policies, periodic plans, and programs of the government
e. The Charter of United Nations
f. Treaties, agreements, and bilateral, regional and multilateral commitments/ declarations to which Nepal is a party
g. Charters/statutes of regional and sub-regional organizations of which Nepal is a member
h. International law, including the Vienna Convention on Diplomatic and Consular relations, customs, practices and the established norms and values (Government of Nepal, Ministry of Foreign Affairs, 2021, p. ii).

5.5.2 Guiding Principles and Norms

Nepal's foreign policy is guided by the following basic principles and norms:

a. Mutual respect for each other's territorial integrity and sovereignty
b. Non-interference in each other's internal affairs
c. Respect for mutual equality
d. Non-aggression and the peaceful settlement of disputes
e. Cooperation for mutual benefit
f. Abiding faith in the Charter of the United Nations
g. Value of world peace (Government of Nepal, Ministry of Foreign Affairs, 2020).

The Government of Nepal has identified the following norms and principles on the basis of which Nepal's foreign policy is conducted:

a. Nepal's independence, sovereignty, territorial integrity, freedom; protection of national interest, and promotion of national respect and dignity
b. Sovereign equality
c. *Panchsheel* (the five principles of peaceful coexistence)
d. Spirit of the Charter of the United Nations
e. Mutual respect and benefit
f. International law and norms of world peace
g. Peaceful settlement of disputes
h. International cooperation
i. Justice, equality and accountability
j. Mutual friendship, help and cooperation
k. Economic progress and prosperity
l. Ecological balance, human security and conservation of the planet (Government of Nepal, Ministry of Foreign Affairs, 2024a).

Officially, the government of Nepal has identified certain norms and principles in its foreign policy outlook. However, small powers seem more verbal than operational. Their adaptive, rather than innovative, behaviour is a serious obstacle to implementing the set norms and principles in making and implementing foreign policy (Aditya, 2021, p.181). Hence, small powers need a better experience in giving adequate consequences. Attainment of the state's objectives mostly depends on solid and visionary leadership, better coalition-building skills and the ability to work on a priority basis (Thorhallsson, 2018). Nepal has defined its foreign policy agenda, bases, and guidelines by the norms and values of international law and geopolitical reality. However, gradual erosion in the implementation capacity of guidelines has raised several questions about these norms and principles.

5.6 Foreign Policy Making: Institutional Arrangement

Generally speaking, a diplomatic institution's structure refers to conducting international relations, mainly using dialogue and negotiations to promote peaceful relations through an organization. The role of institutional arrangements for the operation of foreign affairs in formulating foreign policy cannot be overstated. These

institutions, whether in authoritarian regimes or democratic frameworks, play a pivotal role in shaping foreign policy. Their effectiveness is heavily contingent upon the nature of the political system, the attitudes of leadership, and the societal context, a factor that significantly influences their operation and outcomes. In authoritarian regimes, institutions often have limited influence over foreign policy decisions, as power tends to be concentrated within a select few. Conversely, in countries with institutionalized systems like democratic frameworks, institutions exercise more influence, operating within established norms and procedures.

However, this task could only be systematized and structured briefly. In the past, Foreign policy-making was the reigning king's sole business. It was found that Byzantine emperors were the first to establish separate offices to conduct foreign affairs, marking a significant milestone in the history of diplomatic institutions (Roy, 1978). France and Britain further solidified this concept by establishing institutionalized and organized offices to run foreign affairs in 1626 and 1782. The evolution of foreign affairs through institutions began in China in 1861, whereas Indian foreign affairs took its definite shape only after the declaration of independence in 1947 (Bhattarai, 2076, pp. 18-19). Having a glorious past, Nepal has had a similar experience in this sector. Various institutions, such as governance bodies, diplomatic missions, expert leadership, and political parties, have significantly shaped Nepal’s foreign policy formulation and implementation. This study evaluates the institutional dimensions of foreign policy-making within the background of Nepal’s national sovereignty, international relations, and bilateral or multilateral engagements with various nations in the context of Nepal’s constitutional, political, and administrative framework.

Nepal’s diplomatic institution is one of the oldest institutions in the world. Dating back to the era of Prithvi Narayan Shah in 1769, establishment of the institutions like the *Jaisi Kotha* marked the country’s early efforts to manage foreign affairs. It was assigned to look after the relations with Tibet and China (Acharya, 2019, p. 518). Bhanu Jaisi was assigned to look after the office. This institutional arrangement was set in motion to address diplomacy and international relations matters, reflecting a foundational step in Nepal’s engagement with the outside community.

Later, the name of *Jaisi Kotha* changed to *Munshi Khana* during the premiership of Bhimsen Thapa. This office continued to work during the entire period of Rana regime. However, Jung Bahadur tried his best to make this institution more functional by dividing it into three units: a. British-India Division, b. *Jaisi Kotha*, and c. *Munshi* Captain's Office (Rose, 1971). Chandra Shumsher reorganized and created a new structure for foreign relations. Efforts were made to specialize the functioning of the existing institution, which has five significant divisions and one more associate division. It included: a. *Jaisi Kotha*, b. Sadar Amini Goswara, c. Seema Survey, d. India-Great Britain Division, and e. *Munshi* Captain's Office. *Singh Durbar Farmaisi Adda* was organized under the Associate Division.

In 1934, *Munshi Khana* was further modified and started calling the 'Foreign Department'. The Director General was appointed to command the upgraded institution. Its primary function was to work as per the instructions from the ruling authority, the prime minister. This division was further entrusted with establishing new offices in Lhasa and India. They were named *Alaichi Kothi* (Patna), Honorary Vakil Office (Banaras), Office of the Vakil (Calcutta), and Vakil Office (Lhasa) (Government of Nepal, Ministry of Foreign Affairs, 2023). However, almost the entire structure remained under the control of Rana, the prime minister, because of the centralization of power.

Nepal experienced a significant change in 1951. The revolution overthrew the 104-year-old Rana regime and introduced the democratic system in the country. The post-revolution era brought new efforts in the organizational structure of foreign affairs. For the first time, an independent 'Ministry of Foreign Affairs' was established in 1951. However, prolonged political instability could not introduce substantial changes in its structure. The exact structure continued to work in the country. However, many political and external divisions were established after introducing the Panchayat system in 1960. UN Division, Europe America Division, North-East and South-East Asia Division, Protocol Division, and Administrative Divisions were organized under the Ministry of Foreign Affairs. After the democratic movement of 1990, the newly elected government tried reorganizing the Ministry of Foreign Affairs. 'Foreign Service Regulation' was put into effect. Civil Service Act-2049 was amended, and 'Nepal Foreign Service' was created. The Institute of Foreign Affairs was established to conduct research activities about foreign relations.

Thorhallsson and Steinsson (2021) state that small powers have weaker bureaucracies, fewer embassies and consulates, and fewer diplomats (p.91). Now, Nepal has a federal system of government. According to the Constitution of Nepal, the federal government is responsible for conducting foreign and diplomatic affairs and international-related matters. The Ministry of Foreign Affairs is Nepal's diplomatic institution responsible for formulating and implementing Nepal's foreign policy. It strengthens Nepal's bilateral, regional, and multilateral relations and protects the rights and interests of Nepalese people. It is also responsible for maintaining proper and healthy relations with foreign governments and regional and international organizations in Nepal. It also coordinates Nepali missions abroad and foreign diplomatic missions in Nepal.

The Ministry of Foreign Affairs is headed by a minister who is almost a senior cabinet minister and has control over party affairs. The president appoints a foreign minister on the recommendation of the prime minister. The State Minister and Assistant Minister assist him as necessary. At the secretariat level is the foreign secretary, who is responsible for the overall functioning of the ministry. Ten different sections are formed under the Ministry of Foreign Affairs for specialization (Government of Nepal, Ministry of Foreign Affairs, 2024a).

1. Central Asia, West Asia and Africa Division: This division deals with the countries of Middle East and Africa. The states of Arabian Peninsula, Israel, South Africa and Egypt are few of the countries whose relationship with Nepal is looked after by this division.
2. Europe and the Americans Division: The relationship of Nepal with European and American countries is dealt upon by this division.
3. General Administration Divisions: This division is responsible to coordinate and cooperate between and among the various divisions as well as the Nepali missions abroad. The functions related to personnel management, financial administration, office management, supervision of physical assets and legal consultation are under taken by this division.
4. North East Asia Division: This division looks after the relations of Nepal with countries of North East Asia including Japan, China and Korea.
5. Policy, Planning, Development Diplomacy and Overseas Nepali Affairs Division: This division works to formulate policy and programs of Ministry. Likewise, the

division is entrusted to deal on the matter of economic diplomacy, public and cultural diplomacy and issues of Non Residents Nepalese.

6. Protocol Division: The Protocol Division is responsible for managing diplomatic protocol, including organizing official visits, credentials, and ceremonies. It has the overall responsibility of facilitating communication and the immunities and privileges of diplomatic personnel and missions under international norms.
7. Regional Organizations Division: This division deals with regional organizations like SAARC AND BIMSTEC to which Nepal is a member and works on several issued of regional cooperation.
8. South Asia Division: This division is entrusted to deal with all the south Asian countries. The section I deals with issues related to India and Bhutan and section II deals with other south Asian countries.
9. South East Asia and the Pacific Division: This division is entrusted to handle the works related to the ASEAN countries, Australia, New Zealand and other countries of pacific region.
10. UN, International Organizations and International Law Division: this division is entrusted to oversee the multilateral diplomacy, it deals with United nations and its subsidiary bodies and specialized agencies.

In addition to the above sections, the Department of Passport and the Department of Consular Service are in operation. The passport division is responsible for producing and distributing Nepali passports and travel documents. This department is entrusted to issue Machine Readable Passports per the International Civil Aviation Organization's requirements. Likewise, the primary responsibilities of the consular department include consular attestation, visa recommendation, visa and diplomatic exemption, consular and legal counselling on labour issues, and the death of Nepali abroad. The department deals with the security, immunity, and privileges of foreign missions in Nepal. Currently, there are 31 embassies, 3 Permanent Missions to UN (Permanent Mission to UN-Geneva, Permanent Mission to UN-New York, and Permanent Mission to UN-Vienna) and International Organizations and 7 Consulates Generals (Chengdu (China), Guangzhou (China), Hong Kong (China), Jeddah (Saudi Arabia), Kolkata (India), Lhasa (China), and New York (United States of America), and 39 Honorary Consuls. (Government of Nepal, Ministry of Foreign Affairs, 2024a). The Liaison Office also works under the framework. The office is in Birgunj and was established in 2005. Its primary responsibility is strengthening Nepal-India

relations through consultation with the Ministry of Foreign Affairs. According to the Constitution of Nepal, the president may appoint Nepali ambassadors and special emissaries based on the principle of inclusion for any specific purpose (Article 282). Beside the ambassadors and special emissaries, nearly 500 administrative personnel work under MOFA. In the past, the appointment system was based on a spoil system. Later, they were appointed on a merit basis by the Public Service Commission. Hence, Nepali Foreign Services is one of the country's administrative services. The Public Service Commission appoints the personnel of this service. The organization recruits the candidates after a written exam, an interview, and a personality test. The candidate interested in joining a foreign service should acquire minimum qualifications and be a Nepali citizen.

To conclude, the dominating role of individual leaders is a common problem in policy-making in small powers. The lack of institutionalized domestic institutions is the principal constraint for small power's foreign policy (Jesse & Dreyer, 2016, p. 45). Small powers have minimal choices and weak institutions, eroding their capability to build coherent foreign policy. Nepal's foreign policy decision-making is familiar with this chronic problem, as individual leaders have played decisive roles in many public offices (Aditya, 2021, p.179). Kumar (2021) opines that MOFA could not be utilized as a vibrant policy-making institution. The institution could not function well as the royal palace overshadowed it during monarchial rule. In contrast, it became the hand puppet of *Baluwatar* (Prime ministerial resident in Nepal) during the democratic era. In a democratic system, the chief executive is responsible for matters related to foreign affairs. However, a culture of personalized and centralized foreign policy-making ultimately degrades institutional capacity (Dahal, 2001, p. 50), leading to negative consequences for foreign policy formulation.

As stated earlier, Nepal's diplomatic institution is one of the oldest institutions in the world. It works under the executive organ of governments. The executive head has a direct or indirect impact on the working of the Ministry of Foreign Affairs. The working of the institution mainly depends on the nature of the political system. The reigning king had a decisive role in the functioning of *Jaisi Kotha* (the office established by Prithvi Narayan Shah to look after foreign affairs*)* though *Bhanu Jaisi* was deputed as its chief (Rose, 1971). With the establishment of family rule, the Rana prime ministers enjoyed excessive power in every affair of the country, where foreign

affairs could not be its exception. The king used to exercise sole power of the state during the Panchayat era. Foreign relations was the principal matter of the king despite the workings of the Ministry of Foreign Affairs. King Birendra himself introduced the concept of 'Zone of Peace' (Pandey, 2072). The practice continued during the democratic era. Since the adoption of the parliamentary system of government, the prime minister continued enjoying the actual power related to foreign affairs. It was evident that several times the Prime Ministers themselves took the responsibility of the Ministry of Foreign Affairs of Nepal. Thus, *Baluwatar* played a pivotal role in foreign policy decision-making.

5.7 Foreign Policy of Major Political Parties of Nepal

Political parties, as the cornerstone of modern democracy, represent groups of individuals with shared aims and objectives. They compete in elections, strive to secure more seats, form the government, and implement their policies and programs as promised during the election (Ashiagbor, 2013). Guided by their own ideology, political parties are deeply rooted in society and have the power to shape public opinion, a crucial aspect often overlooked. They serve as the voice of the people in state institutions, significantly influencing the government's operations (Dahal, 2007, p. 15-18). Foreign policy agendas are formulated and efforts are made to garner public support.

Ideology plays a significant role in the formation and operation of a political party, distinguishing them from one another. Policies and programs are also developed based on their unique political ideology. Despite their diverse ideological orientations, a common ideology unites them under a single umbrella. This diversity in ideological orientations, often overlooked, can lead to distinct influences on foreign policy making, making the process more complex than it seems. Domestic actors such as political parties, interest groups, mass movements, and formal institutions have a significant impact on the foreign policy choices of small powers (Jesse & Dreyer, 2016, p.41). The party's stance on foreign policy is expressed during elections, helping to garner public support. Specific voter groups are interested in the party's foreign policy stance. The party provides leadership for the government, and the parliamentary party leader, president, prime minister, or foreign minister can

influence foreign policy-making based on the ideas and support they receive from the people.

Despite having a glorious history and practice, present-day Nepal's foreign policy is being criticized for needing help to maintain its historical legacy. Frequent changes in government due to long-run political instability have made Nepali foreign policy more fragile. This has led to several political, economic, social, cultural, administrative, geopolitical, and diplomatic challenges in its external dealings (Dahal, 2009). With the establishment of a multi-party democratic governance system in the country, the role of political parties is not just increasing but evolving. Party ideology can have a deep-rooted impact on making and executing the foreign policy of the country (Hachhethu, 2022). A political party has the function of electing the state authorities from public policy, running the government, criticizing its mistakes, giving political education and working as a bridge between people and government. In this context, it is essential to examine the view of major political parties as the role of the parties will form the basis of the foreign policy of the entire state. From advocating for regional cooperation to asserting national sovereignty, each political faction in Nepal articulates distinct perspectives on how the nation should engage with the world (Acharya, 2019). This research examines the foreign policy outlook of major political parties in Nepal, examining their approaches, significance, and visions for Nepal's role in the global arena. So, this sub-unit focuses on the views of the major political parties of Nepal in relation to the foreign policy.

5.7.1 Nepali Congress

Though Praja Parishad is the oldest political Party in Nepal, formed on 22 Jestha, 1993 B.S. (Gautam, 2074), it is almost passive now. So, the Nepali Congress is considered the oldest democratic Party in the country. It was established in October 1946 under the leadership of B. P. Koirala. Similarly, Subarna Shumsher founded the Nepal Democratic Congress on 4 August 1948. Both parties with similar political ideologies later merged, giving birth to a single and unified party called the Nepali Congress. It was formed on 10 April 1950 (27 Chaitra, 2006 B.S.).

The initial aim of this Party was to restore the constitutional rights of the King by overthrowing Rana's autocracy (Hachhethu, 2021, p. 28). Nepali Congress has

contributed a lot to the democratic movement in history. The anti-Rana movement of 1950 was conducted under the leadership of this Party, and it successfully led the 2007 revolution. Civil Disobedience Movement (2014 B.S.), Armed revolution (2018 B.S.), plane hijacking (2031 B.S.), supporting multiparty in the referendum (2036 B.S.), leadership in people's Movement-I (2046 B.S.), protesting against King Gyanendra's takeover (2059 B.S.), and leadership in the people's Movement-II (2062/2063 B.S.) are some examples of notable struggles that the party concluded in the past. This party is the largest, with 88/275 seats in the House of Representatives at present.

Nepali Congress aims to establish democratic socialism through parliamentary democracy. Nationalism, democracy, and socialism are the philosophical guidelines (Nepali Congress, 2079). It has the slogan of 'peace, development and stability.' The party published the document and has expressed its views under the title 'International Relations and Foreign Policy Views of the Nepali Congress'. As expressed in the election of the House of Representatives and Province Assembly election 2022, its commitments state that the Nepali Congress will follow the policy based on national consensus. According to the provision, the Nepali Congress is committed to following independent and balanced policy based on the principles of preservation and promotion of national interest, national security, the charter of the United Nations Organization, *panchsheel*, non-alignment, international law and world peace (Nepali Congress, 2079, p. 9-10). The party is also committed to following the principle of sovereign equality regardless of size, economy, military might, and international influence.

Furthermore, Nepali Congress's commitment is expressed to be honest in following the principles of democracy like pluralism, human rights, the rule of law, international law, and democratic norms with complete adherence to international law, treaties, and protocols in which Nepal signs as a party. The party mentioned that it would maintain multidimensional relations with immediate neighbors, such as China and India. Nepal's most vital foreign policy subject will be maintaining good relations with two neighbouring countries, India and China. Relations will further strengthen to achieve maximum benefits based on mutual interest and equal benefit. The party is also committed to the country's approach to the international market through economic diplomacy. Its commitment further focuses on the Party actively preserving

the ‘Trade and Transit Right’ of landlocked countries, establishing required infrastructures, and promoting trade diversification.

Nepali Congress has also clarified that the party will not be involved in any defence and military partnership. Nepal should discard all the subjects related to military alliances and strategic competition among the power countries (Nepali Congress, 2079). It also focuses on Nepal’s active leadership role in reducing the impacts of climate change through ‘green diplomacy.’ Nepal’s position is upgrading from a 'least developing country' to a ‘developing country’ by 2026. The party wants to express its confidence in regulating all transitions by adopting better diplomacy. The party will properly exercise ‘public diplomacy’ and ‘soft power diplomacy.’ Economic diplomacy has been announced to utilize foreign employment sectors that respect technology, foreign investment, tourism development, labour and qualifications. The party will activate Nepali diplomatic agencies to protect the interests of foreign job seekers. Labour diplomacy will be employed to make foreign joB.S. safer and respected. Finally, the party is committed to prioritizing diplomatic partnership and cooperation with organizations like SAARC and BIMSTEC.

Nepali Congress has made its view on nationality and national security policy. It is stated that Nepal is an independent, sovereign, indivisible, pluralistic, multi-religious, multi-cultural, multi-lingual, and diverse nation-state. ‘Unity in diversity’ is our identity, heritage and priceless endowment. Along with geography, people-centred nationalism is the party's central mantra. B. P. Koirala, the founder of the Nepali Congress party, once remarked that ‘nationality is not only the geography but also covers the people living there’ (Chatterji, 1990). When thinking about changing domestic, regional, and international geographical, political, security, and military dimensions, Nepal’s internal and external security challenges seem to be becoming more multifaceted and sensitive. In this regard, national security policy will be guided by territorial integrity, border security, human rights, the rule of law, and the promotion of social and religious harmony. The party suggests redefining the existing security concept from a human security perspective. The party also aims to form a solid national security system by activating national security forces. Nepal Army, armed Police Force, Nepal Police, and the National Investigation Department will be well equipped and made more professional, non-political, accountable, and impartial. Finally, the commitment paper states that relations and friendship with all nations will

be maintained based on mutual respect, harmony and equality. As a member of the United Nations, Nepal's international image will be presented as a peace-loving, democratic, and independent country moving towards national independence. It has been mentioned that relations with neighbouring friendly countries, India and China, will be made friendly practically and objectively based on the values and norms of international relations, respecting equality, freedom, and territorial integrity. Due attention will be paid to the security and other sensitivities of the neighbouring and friendly countries. The commitment paper states that the party will not allow the use of Nepal's land against any nation's interests.

5.7.2 Nepal Communist Party (UML)

Nepal Communist Party (UML)) is the main stream political party of Nepal's left front movement. It is the second largest party in Nepal with 78 seats in the House of Representatives. It is also claimed as the largest party of Nepal in terms of popular vote obtained by the party (2845641) in the election of House of Representatives and Province Assembly that was held in 2022 (Election Commission, 2079).

Being inspired by Marxist philosophy and influenced by Chinese cultural revolution, Nepali youths were motivated to establish communist party. For the first time, on 6 January 1949, Nepal Communist Party was established in the history of Nepal. Pushpa Lal was the president and party was guided by Marxist and Leninist philosophy. The fundamental aim of the party was to 'restore complete civil liberties' that had been seized by the Rana regime for 104 years (Pokhrel, 2024, p. 2). The party involved in the revolution of 2050 under the leadership of Nepali Congress party. It contested in the first general election of 1969 and obtained four seats. But following the fallout between China and the Soviet Union, Nepal's communist leaders also fragmented into pro-Beijing and pro-Moscow groups (Gautam, 2015, p. 123). There appeared three; Keshar Jung Rayamajhi faction (followed King Mahendra's path), Moham Bikram Singh (followed radical path), and Pushpalal (supported parliamentary path). This trend of fragmentation and unification still exists in party activity. However, 'People's Multiparty Democracy' (PMPD) as founded by Madan Bhandari is the ideological philosophy of the party. The ideology focuses on 'liberal democracy' with unique situation of Nepal. This signifies to establish socialism as ultimate goal by making creative application of Marxism by opposing fundamentalism and abandonment (Pokhrel, 2024, p. 1). Opposing the royal coup of

1960, Jhapa Movement of 2069/2070, active involvement in People's Movement-I, forming first communist government in the country in 1994, protesting Gyanendra's direct rule (2002-2006), active involvement in People's Movement-II were some of the examples of party's contributions in the democratic movements of the country.

On pages 71 and 72 of the election manifesto declared in the election of House of Representatives and Province Assembly 2022, party has aptly expressed its view on foreign policy. The title 'independent and balance international relations' states that "party's international relations will be based on the charter of UNO, principles of panchashel, mutual benefit and respect, international commitment, obligation and justice" (Nepal Communist Party (UML), 2079). The party is also committed to follow the policy of "friendship with all, enmity with none." Party will conduct foreign policy on the basis of 'sovereign equality'. Manifesto tells that international relations will be developed by giving priority to neighborhood relations. Further declaration is done to be present strongly in favour of Nepal's interest, reputation, humanity, self-respect, world peace and the security of the earth. The party plans to make effort to strengthen various local, regional, and international forums.

In addition, keeping Nepal's boarder issue at the center, the party expressed its commitment to provide security of boarder and Nepali land including Lipulekh, Limpiyadhura and Kalapani. The matters to consolidate sovereignty, territorial integrity, independence, and freedom of Nepal are also included in the manifesto. UML also demands to make new treaties required for the country and make necessary review of the previous treaties and agreements contrary to national interest (Nepal Communist Party (UML), 2024). Finally, the declaration is about non-resident Nepali. Manifesto declares that capital, experience and skills of non-resident Nepali will be mobilized with high respect for the social and economic development of the country.

Nepal Communist Party (UML) is worry about national security, national interest, and national self-respect. Party will introduce national security policy by thinking about the preservation of independence, sovereignty, territorial integrity, preservation of natural heritage, social harmony, and human security. The party is also committed to promote internal unity. Beside these, security wings; Nepal army, armed police force, Nepal Police and National Investigation Department, will be empowered and modernized. The party is further committed to discourage divisive activities that challenge national unity and territorial integrity (Nepal Communist Party (UML),

2079). It is also said that party will always be free from the tag of “pro-Indian”, “pro-Chinese” or any other else, rather will make effort to be “pro-Nepali”.

5.7.3 Nepal Communist Party (Maoist Centre)

The Nepal Communist Party (Maoist Centre) is a recently established political party in Nepal. Unlike other political parties in Nepal, it does not have a long history. However, its roots can be traced back to the inception of the communist party in Nepal (Gaurav, 2064). The party gained significant attention from both national and international communities when it announced its intention to carry out an armed revolution in 1996, known as the "people’s war" (Gautam, 2015, p. 124).

The armed revolution carried out by the party lasted for a decade until it transitioned into mainstream national politics in 2007, following the signing of a comprehensive peace treaty between the government of Nepal and the Maoists on the 5th of Mangsir, 2063 B.S. The Maoist armed revolution, which spanned a decade, officially concluded with the signing of this agreement (Government of Nepal, Ministry of Peace and Reconstruction, 2063). Prior to this, the party was involved in the 12-point agreement signed between seven political parties and the underground Maoist party, which set the stage for people’s Movement-II (Upreti, 2006). Currently, it stands as the third largest party in Nepal, holding 32 seats in the House of Representatives. In the 2022 elections for the House of Representatives and Provincial Assembly, this party garnered 1,175,684 popular votes.

UNCP originated from the communist party and was previously part of the United people’s Front Nepal (Samyukta Janamorcha Nepal) before transforming into the Maoist party. The tendency of forming, splitting, and merging is a prevalent pattern among Nepali communist parties. As of 2023, the party is known as the Nepal Communist Party (Maoist Centre). The primary objective of this political party is to establish communism. This goal can only be accomplished by safeguarding and advancing the principles of Marxism-Leninism and Maoism (Gaurav, 2064, p. 7). This party declared armed revolution on 13 February 1996 and continued for ten years. The revolt was launched with the slogan “let us march ahead on the path of struggle towards establishing the people’s rule by wreaking the reactionary ruling system of state” (Upreti, 2006, p. 24). The party asserts itself as a force dedicated to promoting Nepal’s progressive evolution. In 2006, the Maoists presented a list of forty demands

to the government, which focused on opposing Indian expansionism, British-American imperialism, and safeguarding Nepal's cultural integrity. Additionally, the party advocates for a true democracy, referred to as "people's democracy," and the elimination of absolute monarchy.

According to UNCP, the current state of world politics is undergoing a transition primarily due to conflicts among western powers. The party is dedicated to supporting liberation movements against imperialistic, colonialist, and expansionist powers (Bhattarai, 2064a). The Maoist party opposes the actions of non-governmental organizations, viewing them as agents of neo-colonialism. Therefore, the party is committed to strengthening the independent movement by opposing capitalism. However, the election manifesto emphasizes that Nepal's position between its two neighboring countries is not a fragile yam but a dynamic bridge (Pant, 2022). The party has expressed its awareness of the need to manage diplomatic relations in the challenging context of globalization and geopolitical competition among major powers. It is crucial to maintain balanced relations with our immediate neighbors, which can be achieved through the principles of *panchsheel*.

The party strongly insists on the revision of the Peace and Friendship Treaty signed with India in 1950. It is imperative to review and amend treaties and agreements that go against national interests (Gautam et al., 2064). Diplomatic efforts are crucial to address border encroachment issues and other disputes between Nepal and India. It is crucial to identify the root cause of the problems and address them based on mutual interests. Additionally, ensuring the protection of citizens abroad, providing citizenship certificates to non-resident Nepalis, enhancing the functioning of Nepali embassies overseas, reducing foreign debt, and implementing a unified policy for all forms of foreign aid are key components of the manifesto. The Maoist faction under Prachanda's leadership contributed in Nepal's transformation from monarchy to republic, from Hindu to secular, and from unitary to federal state (Hachhethu, 2022, p. 60). However, there have been fundamental changes in their view on multiparty democracy and the parliamentary system of government. The party has already adopted the parliamentary wave, thinking it was established by the people's movement (Singh, 2065, p.70). The party is also committed to moving forward with the issues of nationalism, democracy (what people's democracy is), and

people's livelihood. Party's size has been gradually decreased and the trend of fragmentation is still continued.

Nepal's foreign policy has been greatly influenced by the policy adopted by major political parties since the introduction of a multi-party system in the country. All major parties share a similar perspective on foreign affairs, with non-alignment, the principles of *panchseel*, international law, the charter of the UNO, and world peace serving as the fundamental pillars of Nepal's foreign policy, which are accepted by all political parties. However, despite this consensus, Nepali political parties and their foreign policy have not been immune to criticism. The Nepali Congress party is often criticized for its perceived pro-Indian stance, while many communist parties face criticism for being pro-Chinese (Dahal, 2011). Nepali congress party's view is somehow similar to western view and is being criticized as 'pro Indian or pro-western,' whereas leftist parties are against western model of democracy. Majority of voters are communist in Nepal and the parties like NCP (UML), UNCP (Maoist), NCP (Male) are guided by Marxist-Leninist and Maoist philosophy and are often criticized as "pro-Chinese" (Dahal, 2009, p. 35). The parties' manifestos expressed their different views even on the political system within the democratic framework. They have different versions of relations with immediate neighbors. The more serious matter is that Nepali society and parties are influenced by ideological polarization in their foreign policy orientation (Bhatta & Menge, 2021, p.15). It is more interesting that most parties have their normal view on foreign policy matter but become radical when they are in opposition. This tendency creates problem in making and execution of foreign policy agenda.

To conclude, national interest is the pivotal element that guides policymakers. No doubt, Nepal's foreign policy is driven by its interests as specified in the constitution and other policy documents like 'Foreign Policy-2020'. Hence, protection of the country's sovereignty, territorial integrity, and political independence is its permanent interest. The country's foreign policy is based on the charter of the UN, non-alignment, the principle of *panchsheel*, international law, and the norms of world peace. 'The Ministry of Foreign Affairs' has been working since 1951 as a successor to '*Jaisi Kotha*,' '*Munshi Khana*,' and 'Foreign Department.' However, studies show that the institution has not been functioning well due to a culture of personalized and

centralized foreign policy-making. It ultimately leads to the degrading of institutional capacity.

Political parties are the major stakeholders in a country. With the adoption of a multi-party system, political parties in Nepal have been playing a pivotal role in formulating and implementing the country's foreign policy. Nepal's foreign policy is not immune from this fact. The party's views are highly reflected in the constitution and other policy documents. Almost all major parties share a similar perspective on foreign affairs, with non-alignment, the principles of *panchsheel*, international law, the charter of the UNO, and world peace serving as the fundamental pillars of Nepal's foreign policy. However, challenges such as civil war, foreign policy tilt based on party lines, divided public opinion on national issues, and the culture of contradiction have weakened and significantly complicated the country's global standing. Ideological polarization has often influenced Nepal's foreign policy decision-making. Most parties have their normal view on this matter but become radical when they are in opposition. The culture of 'difference between saying and doing' has greatly eroded the party's credibility in the eyes of the public and international community. Even major parties played a dual role in dealing with BRI and MCC.

CHAPTER VI
GEOPOLITICAL TRAJECTORY AND CHALLENGES OF NEPAL'S FOREIGN POLICY

This chapter aims to assess the geopolitical factors, limitations and challenges that shape Nepal's foreign policy as a small power in the context of global power shifts. For the attainment of this goal, the chapter sheds light on Nepal's geopolitics and its impacts on foreign policy, global power shifts, neighborhood interests, and traditional and non-traditional security challenges that Nepal has been facing. The chapter has a special focus on Nepal's engagement with MCC and BRI, the global projects adding complexities in conducting Nepal's foreign policy in a balanced manner.

6.1 Geopolitics and its Impact on Foreign Policy

Geography has always been an essential factor in shaping the destiny of nations. Geographical factors influence the actions and reactions of the state and its leaders. Napoleon Bonaparte once stated, "Geography is the mother of diplomacy and foreign policy" (Acharya, 2019, p. 49). Though geography may not be the sole factor for determining a country's foreign policy, it significantly impacts civilization and natural development. Highlighting the importance of geography, Palmer and Perkins (2015) remarked that "a basic knowledge of political, economic and human geography, as well as of physical geography, is essential to an understanding of the present-day world" (p 35). So, geography is one of the most potent factors influencing foreign policy formulation.

Geography is the fundamental factor that directly determines the aspirations and national goals. Hence, the discipline that explains the relationship between state actions and geographical elements is known as geopolitics (Menon, 2021, p. 3). It refers to location, climate, size, shape, topography, and boundaries. This involves "understanding, acquiring, using, expanding, and adapting the foreign policy of nation states in response to the rise of new power in regional and global politics and the changing balance of power" (Dahal, 2024, pp. 197). As a core element, geography concerns those influencing politics and inter-state relations. There is a gradual decrease in the importance of geography in the age of globalization. It is also said that this is the end of geography because of the coming of time distance, which causes the

international community to be borderless and people to live in a global village (Bhatta, 2022). However, globalization does not override geography. Its importance continues to be in forming alliances, regional groupings, trade, business, regulation of war, and discussing various regional issues (Cohen, 2010). So, it is a dynamic and ever-living concept when making foreign policy.

Nepal, a small state at the lap of the extensive Himalayan range, lies between the two vast land belts of Asian civilizations, China and India. Though it has a glorious history of independent and sovereign states, Nepal has remained a meeting ground of influences from both civilizations. Nepal has retained physical features and other traits from the Mongolian stock of the north, and they have been influenced culturally much more by the south. Realizing this geopolitical influence, Rose (1971) aptly mentioned the geopolitical influence of neighboring countries upon Nepal's foreign policy. The "Yam" metaphor used by Prithvi Narayan Shah is concerned with the geopolitical positioning of Nepal. He asserted that "Nepal is a yam between two boulders" (Stiller, 2017). Considering geopolitical positioning, this suggestion was given to protect the country's sovereignty. This view is still relevant in Nepali foreign policy making.

Geopolitics, combined with geography and politics, concerns power politics, mainly with larger powers. Small powers have little to do with this, mainly because of limited resources (Sulg & Crandall, 2020, p.109). However, Nepal's geographical location, sandwiched between two global powers, China and India, presents unique challenges and opportunities. For instance, China, Nepal's northern neighbor, is 67 times larger than Nepal and ranks as the third most significant military power globally. Its rise as a superpower has led Nepal to consider its foreign policy decisions carefully, balancing its relations with China and its southern neighbor, India. India, on the other hand, boasts the world's largest population and ranks fourth in terms of military might. If a powerful country considers a nation's land significant, that country's bargaining power can be enhanced. Therefore, Nepal should strive to make its neighboring countries recognize the importance of Nepal's territory (Barston, 1973). This juxtaposition of two powerful neighbors significantly influences Nepal's foreign policy, making it a compelling case study in geopolitics. For example, Nepal has to navigate its diplomatic relations with both countries carefully, considering their economic and military might.

Unlike nearby neighbors, Nepal has a population of about 29.2 million, falling nearly to the 51st in the world population rank. In terms of geographical size, it is ranked 93rd in the world. Further, Nepal holds first position for contributing its security force to the Peacekeeping Operation of the UNO (PKOUN). In this context, some controversies exist in placing Nepal in small state/power categories. However, Nepal looks tiny as it is sandwiched between its giant neighbors, India and China (Lohani, 2009). Nepal's positioning between two giant countries—China as a dragon and India as an elephant with power potential and historical image—has made Nepal a small country. Nevertheless, Nepal is a medium-sized country (Dahal, 2011). Thus, Nepal, a small landlocked country in South Asia, is uniquely located between two rival Asian powers, China and India.

Nepal has geographic, historical and cultural linkages with both of its neighbors. India surrounds it on three sides- west, south, and east, and China on the north. It has an area of 147516 sq. km. with a population of 29164578 (Central Bureau of Statistics, 2021). Geographically, Nepal is divided into three distinct regions: the mountain, the hill, and the Terai. One hundred forty-two ethnic groups inhabit it, and 124 languages are spoken here. It was the only Hindu state in the world before 2008, as 81.19 percent of the population still followed Hinduism. However, Nepal is now declared a secular and federal republic. It formally entered the federal system after the promulgation of the Constitution of Nepal 2015, the seventh constitution in the country's constitutional history.

Nepal was ruled by a monarch till 2008 since the time of its emergence. The monarchy was a dominant institution till 1846 when it came to be entirely eclipsed by what came to be known as *Ranarchy* (a system of heredity prime ministership) (Joshi & Rose, 1966). Before this, the country was divided into tiny states called *Baise* and *Chaubise*. It was in 1769 that the brave, visionary and nationalistic King Prithvi Narayan Shah made 'a strong and unified Nepal.' However, the country could not maintain national unity in the following days (Hamal, 2014, p. 1).

Geopolitics has an equal impact on development. Before the Industrial Revolution, India and China were the world's major economic powerhouses. However, the Industrial Revolution caused the transfer of prosperity to Europe. Again, in the 21st century, China and India have made massive achievements to regain their power

(Acharya, 2019, p. 47). China has aimed to be the first economy by 2030, while India has also made tremendous achievements in the development sector. Nepal is also underdeveloped from a developmental perspective but very close to the global power equator. So, it is not a weak country (K.C., 2023). Nepal's closeness to global economic shifts makes its foreign policy meaningful.

Global Power Shift

Europe remained the Centre of power till the Second World War. Following the end of World War-II, the geopolitics changed in to new form. The world turned into bi-polarity from all political, economic, and security point of view (Dahal, 2024, p. 193). The power shifted from Europe to America and Asia, and with the formation of NATO (1949) and the Warsaw Pact (1955), the Cold War began. US-Soviet rivalry led to the ideological division of the world. However, following the conclusion of the Cold War in 1989 and the dissolution of 'Warsaw Pact' in early 1990s turned the world towards unipolarism. The United States established a worldwide power structure that was heavily skewed in its favor. It was proclaimed that there would be no other competing forces that would emerge to challenge their supremacy. This was famously referred to as the "end of history" by Francis Fukuyama (K. C., 2024a, p. 203). However, this situation could not last with the emergence of multiple centers of power; the world is experiencing multi-polarization, and Asian countries have occupied significant positions in the political, economic, military, and technological sectors. All these developments have led to the shifting of global power dynamism.

The global balance of power is gradually shifting due to the emergence of multipolarism. "Foreign policy of small power changes when there is a change in the polarity of international order" (Jesse & Dreyer, 2016, p. 175). Such a shift is equally influential in changing the global and regional hegemony. Nepal, being situated at the heart of South Asia, has been dramatically influenced by this shift. A developing superpower, China, and an established superpower, the USA, are actively involved in Nepal (K. C., 2023). Reproachment of Russia as a global power has an equal impact on it. Nepal has signed a much more controversial Millennium Challenge Corporation (MCC) compact. China is reluctant to engage in MCC, which became part of Nepal's foreign policy agenda after signing in September 2017 (Wagle, 2021, pp.116-117). Again, Nepal signed the RRI. All South Asian countries, except India, have engaged in Chinese development diplomacy under the BRI framework. The formation of regional

alliances and security blocks, i.e. between the U.S., Japan, Australia, and India, the State Partnership Program (SPP), and US advocacy on the Free and Open Indo-Pacific Strategy has added strategic challenge (Bhatta & Menge, 2021, p. 8). China's counter alliance, i.e., the Global Security Initiative (GSI), has created a dilemma in Nepal's foreign policy choice from a geostrategic point of view. China's rise as a global power and the establishment of many Confucian centres have had an equal impact. Hence, the US-China rivalry has been taken as the 'renaissance' or 'return of geopolitics' (Kalpan, 2018).

Coming to the home region, the traditional order of South Asia has been fundamentally challenged mainly because of Chinese engagement. All South Asian countries, except India, have been involved in the Chinese development structure under the BRI framework. However, India, the leading power in South Asia, has been opposing the BRI. China and India have already fought wars. Doklam confrontation of 2016, India's entry into QUAD and IPS, China's effort to block India's entry into the Nuclear Security Group (NSG), and India's protection of Dalai Lama are some issues of conflicting interests (Mulmi et al., 2023). However, there is continuous engagement in trade and investment. Cooperation, competition, and confrontation are practised in their relations. Strong attachment and complete confrontation between these neighbors do not favour Nepal's interests (Pandey, 2072). The African proverb rightly applies here: "It is the grass that gets trampled whether two elephants fight or enjoy a honeymoon". Besides these, Nepal's foreign policy outlook should focus on Geo-economics due to the globalization of the political economy (Dahal, 2001). Political independence should be maintained through economic interdependence to better link domestic politics and foreign policy.

6.2 Neighborhood Interest and Foreign Policy Challenges of Nepal

The neighbor has no alternative. It is said that 'we can choose our friend but not the neighbor.' Neighborhood presence is more crucial for landlocked developing countries like Nepal. The policy and strategy highly influence its foreign policy adopted by more giant neighbors (Acharya, 2019, p. 275). So, understanding the foreign policy of immediate neighbors and other powers is very important for Nepal. China's vision of 'creating a community of common destiny', 'go west' and 'peripheral strategy' has more significant meaning in Nepal's foreign policy (Subedi, 2016). At the same time, India's 'neighborhood first' and 'act east' policies have

similar implications for Nepal's foreign policy. China has almost reserved its position at the 'global high-table' whereas India is in the race to obtain this seat. The question is more than this. Nepal cannot ignore the attitude of regional and global powers while executing its foreign policy (Simkhada, 2018, p.197). It is mainly because of the landlocked position and neighborhood interest, and their policy carries greater significance in Nepal's foreign policy.

6.2.1 Chinese Interest in Nepal

Throughout history, Nepal and China have had a long-standing relationship that dates back to ancient times. A diplomat from China expressed the view that neighboring countries are interconnected by natural features such as mountains and rivers, and they always share good and bad times together (Xuyong, 2016, pp. 143-144). This connection has been maintained through Tibet, an autonomous region of China. The proximity of the two countries, as well as their economic, social, and cultural ties, have played critical roles in shaping their relationship. After establishing diplomatic relations on August 1, 1955, their bond gained even more momentum (Shrestha, 2016, p.1). Before this, China was relatively unknown to Nepal, and our interactions were mainly with Tibet through the Himalayas.

China's engagement with the outside world began to be more aggressive after the Liberation Movement of 1949, and their interest in Nepal grew significantly after the annexation of Tibet to China in 1950. Mao Zedong's Five Finger Policy clearly outlined China's increasing interest in Nepal, Bhutan, Sikkim, Ladakh, and Arunachal provinces of India, which were identified as significant areas of security concern (Basnyat, 2073, p.164). The policy essentially aimed to create a new buffer zone between India and China after Tibet became part of China. Although Nepal is much smaller and less powerful than China, it is a critical security concern for China due to its geostrategic location. Separatism, terrorism, and fundamentalism are some of the leading security threats that China faces, including the Taiwan case, the Free Tibet Movement, and the East Turkistan Movement for freedom in the Xinjiang region (Sangroula, 2018).

According to Singh (2016), China has three main strategic interests in Nepal - the Tibet issue, Indo-Nepal bilateral relations, and Chinese investment in strategically important infrastructure projects. The Tibet issue is susceptible, as it has been a

central point of contention between Nepal and China. With around 20,000 Tibetan refugees living in Nepal, China is concerned that they may be engaging in anti-China activities under the guise of spiritual, cultural, or humanitarian work (Baral, 2019). Although Nepal officially adheres to the 'One China' policy, many Nepalis still have spiritual faith in the Dalai Lama. Despite repeated assurances from Nepal, China remains wary of the situation and continues to express concerns about the potential for anti-China activity on Nepali soil (Upadhaya, 2018).

Despite differences in size, population, development, and power capability, China gives greater priority to Nepal due to security concerns. Nepal's location, in terms of geostrategic, has led China to take its security more seriously. This issue primarily relates to separatism, terrorism, and fundamentalism. The primary security threats in China are the Taiwan issue, the Free Tibet Movement, and the East Turkistan Movement for freedom in the Xinjiang region (Mulmi et al., 2023). China is concerned about preserving its influence in Nepal and opposes external powers using Nepal for their purposes. This is due to past experiences with the Khampa insurgency, which the CIA backed during the 1960s (Kusum, 2016, p. 47). China is also wary of anti-China forces that may be attempting to use Nepal to encircle China. Additionally, China has expressed suspicion of India's involvement in the Free Tibet Movement in Nepal.

China's interest seems to be more than existential; it wants to expand its economic, political, cultural and social influences across the Indian Ocean region. China has strong economic interest in Nepal in addition to political and strategic relations (Gelal et al., 2022, p. 12). Economically, Chinese investors are interested in investing in Nepal especially in the field of hydro-power, mining and cement industries. Investing in critical infrastructure projects such as airports, highways, railways, roads, and hydropower is crucial for China's security interests. Nepal and China have agreed to cooperate under the Trans-Himalayan Multi-Dimensional Connectivity Network, which aims to enhance connectivity between the two nations (Sangroula, 2018). China also uses soft power measures like economic aid, scholarships, and people-to-people contact to extend its reach in Nepal and support various development initiatives. To ensure the security of Tibet, China primarily supports Nepal's security sector and seeks to prevent any anti-Chinese activities in Nepal that could threaten its security. Nepal officially joined China's Belt and Road

Initiative on May 15, 2017, which opened the door for China to expand its South Asian influence (Shekhawat, 2024). Additionally, both countries engage in regular discussions and cooperation at higher security levels to address issues such as crime, trafficking, smuggling, terrorism, and other challenges.

6.2.2 Indian Interest in Nepal

India and Nepal have a strong relationship and share a long border with some security challenges. The two countries have been friendly for a long time, and their relationship was officially established in 1947. Since then, they have signed a "Treaty of Peace and Friendship" in 1950. This treaty is the fundamental root of Nepal-India relations (Dharamdasani, 2023). However, India's security concerns increased after it gained independence, with the division of Hindustan into India and Pakistan and the subsequent unrest in the region. Nepal, as India's northern neighbor, is a critical concern for India's security (Rae, 2021). Jawaharlal Nehru, a former Indian prime minister, once said that any attack against Bhutan and Nepal would be seen as an attack against India. India is also concerned about the Communist revolution in China, which began in 1949. Nehru once remarked:

> Our interest in the internal condition of Nepal has become still more acute and personal because of the development across our borders, to be frank especially those in China and Tibet. Besides our sympathetic interests in Nepal we were also interested in the security of our country. From time immemorial the Himalayas have provided us with a magnificent frontier. Of course they are no longer as impassable as they used to be, but are still fairly effective. We cannot allow that barrier to be penetrated because it is the principal barrier to India. Therefore, much we appreciate the independence of Nepal, we cannot allow anything to go wrong in Nepal or permit that barrier to be crossed or weakened because that would also be risk to our security. (Muni, 2016, pp. 10-11)

Delhi adopted two prolonged policies in its Nepal's policy. Security and stability fall under the primary interest whereas ideology and economic factor has become other areas of interests (Dharamdasani, 2023, p. 27). The statement suggests that India is worried about China's growing influence in South Asia, which has traditionally been India's area of influence. Like China, India wants to regain its

position that had greater influence in Nepali politics. China's recent involvement in Nepal has only heightened this perceived threat, fueling concerns that China may someday cross this boundary.

India's Nepal's policy is still guided by 'Nehru doctrine.' Security, market preference, terrorism, water resource, and irrigation are the minimum Indian concerns in Nepal (Lohani, 2009, p. 9). India has expressed concerns about the growing connections between various terrorist organizations and Pakistan's Inter-Service Intelligence (ISI). India has raised these concerns with its Nepali counterparts on several occasions, along with other bilateral issues. The arrest of Abdul Karim Tunda, a dangerous Lashkar terrorist accused of the Mumbai attacks on 26/11, from Banwasa, Nepal's western border, served as proof of India's worries (Khan, 2016, p. 170). In addition, the hijacking of an Indian plane from Kathmandu and its grounding in Kandahar, Afghanistan, in 1999 made India suspicious about the use of Nepali land against them.

In the view of India, Nepal's security system is not strong enough, allowing criminals to operate freely in the country. India believes that Pakistani terrorists are involved in this illegal activity (Rae, 2021). It has also been discovered that Dawood Ibrahim, one of India's most wanted terrorists, is involved in making these fake notes with the help of ISI. India is concerned about China's recent engagement with Nepal and the border dispute between the two countries (Mulmi et al., 2023). India is worried about fake Indian currency being circulated in Nepal. Therefore, India has been urging Nepal to sign treaties that allow Indian Air Marshal Forces to be stationed in Nepal's airports and to extradite criminals and terrorists who are against India. Due to the weak security arrangements, India sent 70 commandos during President Pranam Mukharjee's visit to Nepal in 2016. Additionally, the open border between Nepal and India has become a security challenge as it is often exploited for activities such as smuggling, human trafficking, terrorist activities, drug abuse, illegal border trade, and other criminal activities.

The long open border (about 1880 km) between Nepal and India has remained a serious issue between these two neighbors. Nepal can have some advantages of having such open border. The citizens do not need passport and visa to visit either country. Easy accessibility of local market has made the price of the goods cheaper.

People to people level contact becomes easier. But having uncontrolled open border may bring several problems. This area is becoming the transit for terrorist, criminals, route to supply fake currencies, drug trafficking, human trafficking, illegal trade and other unwanted activities. Nepal also has the problem of border encroachment in different places like Kalapani, Susta and 70 other places (Shrestha, 2016). So, it should be demarcated scientifically on the consent of both countries. Beside these, border should be regulated to make it crime free zone.

Apart from this, China's growing influence in Nepal has become a cause of concern for India. Most Indian diplomats India is worried about China's construction of several highways from the Tibetan side into Nepal, which cross through high mountains and challenging terrain, down to the East-West highway that traverses Nepal (Rae, 2021). Saran (2017) also expressed his concern that the Tibet highway, extending from Lhasa to Shigazte, could extend to Kathmandu across the border in the next few years. He acknowledges that India missed the opportunity to bring Nepal into its fold, whereas China seized the opportunity to establish its presence there (p. 171).

Finally, small powers are engaged with larger powers with the hope to receive economic assistance. Economic tools like grant and investment are commonly used in bilateral and multilateral relations. But big powers have vested strategic and political interest in relations to their engagement (Gelal et al., 2022, p. 12). As a landlocked developing country, Nepal greatly emphasizes the interests of its immediate neighbors and friendly countries beyond the neighborhood. Nepal has successfully maintained its unique identity and sovereignty during the critical period of nation-building by striking a balance with its neighbors. Given its sensitive geopolitical location, Nepal is a crucial player in the region that has caught the attention of its immediate neighbors, who are keen on becoming global players. It is a challenge for Nepali policy makers to walk in the tightrope of conflicting interests of immediate neighbors. Yadunath Khanal once remarked, "Our foreign policy will break at the point where either India or China loses faith in us and concludes that her vital interests and sensitivities do not receive proper recognition in the conduct of our relations" (Simkhada, 2018, pp. 183-184). Nepal must continue engaging with its neighbors constructively and reasonably to ensure its stability and development while contributing to regional peace and prosperity.

6.3 Security Challenges of Small Powers

6.3.1 Introduction

The study of international relations places a great emphasis on the concept of security. It is the key concept in the formulation and analysis of foreign policy which has been integral to the existence of nation-states since their inception (Schmidt, 2012, p. 189). Throughout history, armies, police forces, and intelligence agencies have been employed to maintain domestic order and protect national sovereignty. While safeguarding a nation is not new, the term 'national security' as we know it today has only been in everyday use since the 20th century. Security is vital for the survival and progress of every individual, society, and nation. It refers to the level of protection and resilience against potential harm or threats, whether for a person, community, nation, or organization (Uberoy, 2004).

Arnold Wolfers posits that "security, in an objective sense, measures the absence of threats to acquired values, and in a subjective sense, the absence of fear that such value will be attacked" (cited in Balzacq & Cavelty, 2018, p. 1). Primarily speaking, security is the state of being free from danger or injury. It is also explained as a guarantee that an obligation will be met. It is also interpreted as the state of being certain that adverse effects will not be caused by some agent under defined condition. Security is about the identification of threats, to a particular referent object, and the formulation of policy responses to those threats (Mutimer, 2018, p. 56). Survival, safety and stability are concerned with security governance and seem equally applicable to the individual, society, nature and technical system. This concept involves a wide range of actors, rules and practices. It operates in a context where in power is dispersed and sources of authority are hotly disputed (Balzacq & Cavelty, 2018, p. 6). The topic has been differently defined by various social scientists, security scholars and ordinary people in their own way. There are many interpretations of security concept and each carries separate explanation to different actors and conditions. It is viewed from two different perspectives: traditional and non-traditional.

6.3.2 Traditional Security

The state was the sole actor in international relations in the traditional state system. Realists claim, "The state is the primary provider of security. If the state is

secure, then those who live within it are also secure" (Bhattarai, 2010, p. 27). Therefore, traditional security was concerned with the external threat to the nation-state. Traditional security responses like defense preparedness, deterrence, and military alliances have significantly maintained national security. In order to prioritize national security, we place utmost importance on upholding the core values of power, sovereignty, territorial integrity, and national independence (Schmidt, 2012, p. 189). It is concerned with protecting, preserving, and furthering the nation's core values or preserving its interests against any external or internal threat. Every state has the highest objective of securing itself. The realist and Westphalian approaches combined made the nation-state the critical actor and saw security success or failure in territorial integrity and external influence. So, foreign policy is interpreted as a self-interested zero-sum and ultimately anarchic competition among nations (Bailes et al., 2018, p. 26). The present worldview mainly focuses on the empirical side dealing with contemporary security problems and issues that analyze the foreign and military policies of the state (Wagle, 2010, p. 220). The conventional perspective emphasizes the importance of the military in foreign policy, where policies are developed with a focus on the military. Military capabilities are decisive for state survival in conventional warfare (Wivel et al., 2018, p. 7). Thus, protection of sovereignty, territorial integrity and political independence are the fundamental security concerns of every state. It was rigid in the traditional state system and is equally important even in the modern world order.

6.3.3 Non-Traditional Security

There have been sea changes in understanding the concept of security. The trend of analyzing the concept has changed after the disintegration of the Soviet Union in the early 1990s. This period witnessed a significant decrease in inter-state war and contributed to the reduction of traditional security threats (Bhattarai, 2010, pp. 27-28). Its interpretation is made beyond the traditional definition of protection of the state. The concept argues that state security is the means, not the end: personal safety, well-being and individual freedom, where economic and social rights are guaranteed as human rights. The modern concept of security is no longer state-centric. The concept is added with several new dimensions. The traditional approach of focusing on the state as the center has now been combined with a more people-centered approach (Bhattarai, 2013, p. 28). Human beings now are facing a large

number of non-traditional threats like poverty, illiteracy, malnutrition, child labor, drug trafficking, environmental degradation, civil war and so on.

As a shifting trend of security, the concept of ‘human security’ was formally introduced by Special Advisor to UNDP, Mahbub ul Haq, with the publication of the 'Human Development Report' in 1994, extensively dealing with this issue (UNDP, 1994). The human security concept is getting popular together with the growing newer and unconventional security challenges in the world because the conventional security arrangements, though getting priority at the political levels, are not able to safeguard the vital interests (food, shelter, sanitation, health, employment etc.) of people, families and communities (Upreti et al., 2013, p. 3). This debate gained momentum once UNDP published its Human Development Report in 1994. Later, the UN created a separate Human Security Commission, and the UN has aggressively promoted the concept through international conferences, meetings and workshops. This effort significantly transformed the traditional notion of security (state and military-centric) to a broader citizen-centric approach (Wagle, 2021, p.114). In 1999, an international network was also established among the 'like-minded states' and organized ministerial meetings to promote human security.

The Commission on Human Security defines human security as "protecting the vital core of all human lives in ways that enhance human freedom and fulfilment" (Mack, 2005). Thus, Human security means protecting fundamental freedom - protecting people from critical threats and situations that threaten their well-being. In a broader sense, it implies creating political, social, environmental, economic, military and cultural systems that give people the building blocks for survival, livelihoods and dignity (Khatiwada, 2013, p. 36). Human security is far more than the absence of violent conflict - it encompasses human rights, good governance, access to economic opportunity, education and health care (Bhattarai, 2010, p. 28). It is a concept that comprehensively addresses both 'freedom from fear' and 'freedom from want' and thus creates an environment for faster poverty reduction and human development.

6.3.4 Security Challenges

The small powers are much more affected by several forms of security threats. The security lies in a two dimensional matrix of national sovereignty; the maintenance of independence and preservation of territorial integrity. Any external challenge to national security from external sources are dealt with military or diplomatic options

(Gashi, 2016). Though all the small powers are not equally vulnerable in the global system, still the degree of threat seems higher in their case. Some small powers in the world can manipulate the interests of the bigger states because of their glorious tradition and the wealth they possess due to the availability of rare resources and their diplomatic capability. But many of them, especially the ones belonging to the developing world, are facing a variety of security challenges from within and outside the country. However, internal threats that emerge from the inadequacy of national integration, political and social disorder, economic vulnerability and environmental degradation are the crucial significant and to be dealt with the combined efforts of elements of national power.

Ancient eastern thinker Kautilya wrote in his book '*Arthashastra*' that a state could face four types of challenges: internal, external, externally aided internal, and internally aided external (Mantoo, 2016, p. 70). He believed that internal problems should be dealt with immediately, as the most dangerous enemy is the one within. The Hindu epic, the Mahabharata, also supports this, which says that internal conflict can lead to destruction. Small states are often victims of internal challenges in the international environment. The perception of challenge emerged in Nepal's security from the very beginning of the foundation of a modern nation. Prithvi Narayan Shah's perception of Nepal as a fragile yam between two rocks still explores Nepal's strategic fragility (Thapa & Thapa, 2018, p. 209). The following are some common problems that small states may face as internal challenges to their national and human security:

6.3.4.1 Political Challenge

Long term political instability is one of the serious challenge that the small powers often face. Several non-state actors, criminal and violent groups are active and pose challenge upon politics (Wagle, 2013, p. 252). Many small powers have struggled with political instability due to their history of colonization by more extensive powers. Only a few have successfully developed their political systems even after gaining independence. It is argued that small size is favourable to democratic governance. Still, most small powers are fragile in maintaining good governance due to weak institutional capacity. Bureaucratic ineffectiveness, priority on patrician politics, ethnic unrest, right-oriented tendency, forced migration, and poor

performance in social governance are the common problems that the small powers face (Briguglio et al., 2021, p. 1). This is a common problem in developing countries, where a few elites often dominate politics and governance, which could be better, leading to issues like a lack of rule of law and maintaining peace (Khanal, 2010, p.102). Nepal is an example of this, with frequent changes in government making it difficult to maintain a consistent foreign policy. It is evident that the commencement of Rana rule through the Kot Massacre in 1846, the anti-Rana movement of 1950, the king's coup in 1960, the People's Movement in 1990, the Maoist Armed Revolt of 1996-2006, and the Madhesh Movement in the Loktantrik era have added several security challenges in Nepal.

6.3.4.2 Economic Challenge

An economically sound country usually has an institutionalized foreign policy (Adhikari, 2013, p. 7). But small states worldwide face a significant economic challenge, with poverty, unemployment, trade deficits, and poor technology being typical characteristics. Moreover, small states' dependency on other countries often means that their policies are guided by external interests, which can lead to further economic difficulties. Though Aditya (2021) argues that a nation's poverty lies in its poverty of thinking rather than in its size and location, physical and natural resources, or even the lack of technology and foreign aid (p.187). However, the weak infrastructure, underutilization of resources, and regional disparities in development are some of the primary sources of conflict that can pose a severe security threat to such countries (Khanal, 2010, p. 101). Economic disparity is a leading cause of many revolutions and civil wars worldwide, especially in developing countries. Therefore, small powers must address their economic challenges to ensure a more stable and prosperous future. In this context, Nepal should strengthen its focus on economic diplomacy to construct a strong foundation of national economy.

6.3.4.3 Erosion of Nationalism

Gradual deterioration in the feeling of nationalism has become a significant security challenge for small powers like Nepal. In a globalized world, where national borders are increasingly porous, it is becoming difficult to maintain a sense of national identity and sovereignty. This is particularly true for countries like Nepal, sandwiched between two major powers, India and China, and struggling to maintain

its independence and security (Wagle, 2010). Nationalism is like a glue that helps to promote national unity. In a country with a diverse population made up of different castes, races, languages, tribes, ethnicities, and cultures, maintaining unity becomes even more essential. These factors can threaten the nation's sovereignty and integrity, making it challenging to keep the country together (Subedi, 2010, p. 84). The erosion of nationalism can lead to a loss of faith in the government and a breakdown of social cohesion, making it easier for outside powers to interfere in the country's affairs. Hence, small powers need to strengthen their national identity and maintain a sense of unity and purpose.

6.3.4.4 Socio-Cultural Factor

Today's world faces a significant problem with ethnicity. At the beginning of the 21st century, many believed the world would become safer with the end of the Cold War and no power struggles between superpowers. However, internal conflicts between people of different states persist. Family, kingship, caste, and villages still exist as social institutions with various ethnic and caste groups (Dahal, 2018, p.159). Nationalities and cultures continue to fight, leading to the disintegration of countries like the Soviet Union, Yugoslavia, and Sudan. Ethnic and cultural groupings have formed small political entities that fight to control territories. Countries with cultural pluralism, like those in Asia, Africa, and Latin America, frequently experience violent ethnic clashes. Nepal, for example, faces challenges from ethno-nationalism that threaten the nation's survival. Religion, language, and caste pose another security threat. Religious fundamentalism has divided India and Pakistan, and Pakistan and Bangladesh. Ethno-nationalist movements challenge national sovereignty and the stability of the international system (Mingst, 2004, p. 133). Many countries that fail to address ethnicity face security problems within their borders. This issue has become a threat to national security for last 15 years. Besides these, the *culture of violence*, the culture of *banda* and similar other cultures rooted in Nepali bureaucracy and party system have added similar challenges in security.

6.3.4.5 Cross Border Activities

Because of Nepal's extensive border with both India and China, there have been numerous instances of illegal cross-border activities such as arms and drug smuggling, human trafficking (including sex trafficking), and other crimes (Bogati,

2023). As a result, Nepalese and Indian security officials have agreed to increase their vigilance and take joint measures to prevent such activities. They hold joint security meetings from time to time to address sensitive issues such as controlling the smuggling of goods, wildlife hides and organs, human trafficking, drug trafficking, and counterfeit currency transactions along the Nepal-India border (Thapa & Thapa, 2018). These issues have a significant impact on Nepal's national security.

6.3.4.6 Out Migration

The International Organization for Migration (IOM, 2020) mentions that migration refers to people or a group of people relocating within a single country or across countries. The reasons for such movement vary, including economic, environmental, family, and political factors. The nature of the movement can be temporary, seasonal, or permanent. Due to insecurity, unemployment, and extreme climate conditions, people have been migrating from rural areas to urban centers. The problem is more acute in a small weak country. Nepal noticed this trend particularly during the armed revolution, which took place from 1996 to 2006 (Ghimire, 2013). The need for better opportunities and a more secure future has driven people towards the cities, where they hope to find a better life. It is crucial to address these issues and provide a conducive environment for people to thrive, regardless of their background or place of origin. About 400,000 youths enter the labour market every year, and around 2000 job seekers go abroad. The record indicates that about half of all households in Nepal have or have at least one member abroad (Adhikari et al., 2023). When people leave their home country, it can negatively affect that nation's development. One of the main consequences is an increase in dependency, as fewer people are available to contribute to the local economy. The hidden human face and social cost being borne by the nation in the name of foreign employment are serious challenges for the nation (Bhattarai, 2013, p.108). Additionally, out-migration can have a significant impact on a country's culture, which can ultimately lead to social unrest.

6.3.4.7 External Factors

According to Hey (2003), every state holds significance within the global system, even the smaller ones, due to their unique resources and numerical strength, which impact the United Nations Organization and other regional forums. Despite

this, smaller states tend to have lower involvement in world affairs and often rely on superpowers for protection, partnership, and resources (Gashi, 2016). As a result, these smaller states face various external challenges. Small powers like Nepal often need help with ensuring their security. In today's world, there are intricate relationships between states, ongoing power struggles on a global level, and the rise of non-state actors who could potentially upset the current balance of power. Nepal's security is also affected by these global trends. Briguglio et al. (2021) opine that "social conflict, political corruption, environmental degradation and economic mismanagement are harmful external influences" (p. 14). The country's geographic location, sandwiched between two regional powers (India and China), makes it vulnerable to external security challenges arising from its rivalry. Nepal must handle the negative impact caused by the strategic competition between world powers and regional powers (Government of Nepal, Ministry of Foreign Affairs, 2020). Nepal is also heavily dependent on foreign aid, which can lead to a loss of autonomy in decision-making and create a reliance on external actors (Khadka, 1997). This dependence on aid can also make Nepal more vulnerable to external pressures and threats.

Furthermore, globalization has increased interdependence between nations, making small powers like Nepal more vulnerable to global economic and political shocks. Weak diplomacy is another factor that can make Nepal more vulnerable to external security challenges (Baral, 2017). The country's limited diplomatic presence and resources can make it difficult to engage with external actors and protect its interests effectively. Nepal's internal security situation, including political instability, corruption, and poor governance, can make it more vulnerable to external threats (Khanal, 2010, p. 6). In conclusion, small powers like Nepal face numerous challenges in ensuring their security. Factors such as global power rivalry, aid dependency, globalization, weak diplomacy, and the contemporary world environment can all contribute to external security challenges. Nepal is also facing the challenge of climate change. Its impacts are being felt throughout the country through the melting of its glaciers and erratic weather patterns (Thapa & Thapa, 2018, p. 209). To address these challenges, Nepal must adopt a proactive approach to diplomacy, strengthen its institutions, and build strategic partnerships with external actors while preserving its autonomy and sovereignty.

Finally, global power dynamics have undergone a significant shift, leading to consequential changes in the distribution of regional hegemony. Nepal, being situated in a geo-strategically important location, finds itself in a challenging position, as its immediate neighbors, China and India, both have competing interests in the region. While Nepal has to navigate the complexities of initiatives such as the Belt and Road Initiative, Millennium Challenge Corporation, and Indo-Pacific Strategy, it also has to address the concerns of its neighbors. Moreover, Nepal faces numerous internal and external security challenges, further complicating its foreign policy decisions. Despite criticisms of the non-aligned foreign policy as being outdated, Nepal needs to maintain balanced relations with its neighbors due to the current geopolitical conditions. Ensuring Nepal's security and stability is crucial not only for the country itself but also for the peace and stability of the region and beyond. Therefore, Nepal has to tread carefully and effectively manage its foreign policy to protect its national interests while maintaining cordial relations with its immediate neighbors and other major powers in the region.

6.4 Nepal's Engagement with Global Projects

Nepal's geostrategic position, a matter of constant concern for global powers, is a delicate balancing act. On the one hand, Nepal's economic needs drive its thirst for international assistance for regional connectivity and infrastructure development. On the other, it must carefully manage its relations with immediate neighbors and the powers beyond the neighbourhood. This complex dance is demonstrated in Nepal's engagement with China-led BRI and US-led IPS and MCC projects (Bhatta, 2022). The topics sheds on the impacts of Nepal's engagement with these projects in Nepal's foreign policy.

6.4.1 BRI

BRI stands for Belt and Road Initiatives. It is an ambitious mega project introduced by Chinese President Xi Jinping to promote connectivity and cooperation among the countries in the region and beyond. President Xi in 2013 announced the desire to revive the 'old Silk Routes' through the 'One Belt One Road' (OBOR) initiative (Shekhawat, 2024). President Xi's official visit to Kazakhstan (Central Asia) and Indonesia (South East Asia) in September and October 2013, respectively, raised the concept of 'One Belt One Road' (OBOR). It is the project aiming to

promote connectivity and cooperation among the countries in the region and beyond (Ujvari, 2019). BRI is one such ambitious project for connectivity and collaboration for a new world in a new age initiated by the latest generation of Chinese leaders under the core leadership of President Xi (Simkhada, 2018, p. 346). As of 2024 more than 151 countries are connected from Asia, Africa and Europe, touching about 75% of the world's population including Nepal.

The idea of jointly building the Silk Road Economic Belt and Maritime Silk Road Initiative became known as OBOR. It has now been named 'Belt and Road Initiatives,' a development approach for materializing the partnership of countries in development for a common destiny and shared future (Rolland, 2020). Formally known as OBOR, it has been referred to as the BRI since 2016, when the Chinese government considered the emphasis on the word 'One' was prone to misinterpretation. However, One Belt One Road is still used in the Chinese tongue. The Silk Road trade system related to trade and connected the people of Asia and Europe through civilization, culture and religion (Sangroula, 2018, p. 466). Now, it has acquired global significance, and Nepal can be the strategic partner of the project as it is the shortcut to joining China with South Asia.

The BRI has different geographical focuses. It aims to encourage the cooperation of Eurasia in interconnected development, including land and sea. It has three communities (interest, responsibility, and destiny) and five links (policy, facility, trade, finance, and people) (Karmakar, 2021, p. 344). The initiative works in six economic corridors: the Pakistan Economic Corridor, the China-Mongolia-Russia Economic Corridor, the Bangladesh-China-India-European Economic Corridor, the China-Central Asia-West Asia Economic Corridor, the China-Indochina Economic Corridor, and the New Eurasia Continental Bridge (Acclime China, 2017). In the same way, China's friendship focuses. The BRI project has both political and economic implication. Its main purpose is to ensure security, especially the problem in Xinjian province thinking poverty as the cause of terrorism (Zhang, 2021, p. 309). In addition, the project aims to fulfill China's desire to be an established world power.

BRI and Nepal

Nepal and China signed a Memorandum of Understanding in 2016, allowing Nepal to join the BRI. On 12 May 2017, Nepal formally became part of this Chinese

project (Acharya, 2019, p. 217). Signing on Memorandum of Understanding on Belt and Road Initiative expresses full commitment from both sides to cooperate with each other within the designated scope. The Silk Road System of the trade not only related with trade but also connected the people of Asia, Europe, Africa and America through civilization, culture and religion (Cai, 2017). The MoU manifests preparedness of co-operation to implement BRI through projects of co-operation for unimpeded trade, investment, infrastructure building and people to people exchanges. A year later after signing on BRI, they gave a list of 35 projects they wanted to include in the BRI. But China asked them to reduce it to nine. Accordingly, Nepal submitted nine projects, including, the upgradation of Rasuwagadhi-Kathmandu highway, Kimathanka-Hile road construction, road from Dipayal to China, Tokha-Bidur road, Galchhi-Rasuwagadhi-Kerung 400 kv transmission line, Kerung-Kathmandu rail (feasibility study), Tamor hydroelectricity project (762MW), Phukot Karnali Hydro Electric Project (426 MW), and Madan Bhandari Technical University (Mulmi et al., 2023, p. 37).

As a signatory of BRI, Nepal can be benefited on different grounds. It is expected that BRI is a way of accessing all South Asian countries (Lin, 2018) and Nepal would be transferred virtually into a transit country between India and China which can turn itself to be a hub of industrial enterprises. The projects on road, infrastructures, energy generation, energy transmission, and enhancing tourism contributes to bring the stakeholders together (Nyaichyai, 2021, p. 157). Nepal's engagement with the project will reduce Nepal's dependency on India and provide transit route to international market that assist in trade diversification. The more important thing is that such co-operation will result in strengthening connectivity and promote people to people exchanges.

Despite these advantages, BRI is not free from shortcoming. Nepal is failed to take initiative for the implementation of the project. This initiative has been debated since its launch. While it aims to connect Asia, Europe, and Africa through infrastructure development, it has faced challenges in implementation. "None of the governments in recent years have shown interest in the BRI" (K. C., 2024). It is very challenging to join the hands with the country having asymmetric relations in terms of size, technology and power. The lethargic administration mechanisms, the overly patrician interests of ruling parties and massive corruption in the country are the

obstacles of the project. Further Nepal is yet not built blueprint of collaboration along the BRI framework. Though government signed the project, internal preparation is yet not made for its implementation. Additionally, there is a debate over whether the initiative is a loan or grant, raising concerns about debt traps. India has expressed its unhappiness with the project, and Nepal is suspicious of the potential adverse outcomes of the Hambantota port development. Despite these criticisms, BRI continues to progress, albeit with some reservations. Regarding foreign grants and loans, Nepal should choose the sources as per its needs and capacity, irrespective of the country.

The BRI is facing several challenges in its implementation. Some people criticize it as a form of new colonialism because of its large scale. The debt burden and geopolitical tensions are also some of the major concerns. In 2018, the Malaysian Prime Minister cancelled a China-funded project and warned about a new form of colonialism (Antonopoulos et al., 2021, p.107). Western governments have also accused the BRI of neocolonialism because of debt-trap diplomacy. The project is also criticized for challenging sovereignty. Some weak and small countries have lost economic stability due to the BRI. For example, Hambantota Port in Sri Lanka, constructed under the BRI with $1.4 billion, has been leased to China for 99 years. The Gwadar Port in Pakistan is facing the same fate (Mulmi et al., 2023). Environmentalists have also strongly opposed the project due to its long-lasting effect on climate change.

Nepal is in a difficult situation as it has committed to the China-led Belt and Road Initiative (BRI) and the US-led Millennium Challenge Corporation (MCC) projects. While the MCC project is currently in operation, the BRI project has yet to be implemented. Despite leaders talking about the prompt implementation of the projects, significant progress has yet to be made. Other South Asian countries like Sri-Lanka, Bangladesh, Pakistan, and Maldives joined the project. However, India, a probable trilateral partner and essential stakeholder in this project, has kept silent about joining the initiative (Adhikari, 2018, p. 69). India is reluctant to join the project but is coming under the umbrella of the US-led Indo-Pacific Strategy. India is unhappy with the strategic partnership between China and Pakistan through the China-Pakistan Economic Corridor (CPEC) (Shekhawat, 2024). Indians believe that China's close relationship (what they called an 'all-weather friend') with Pakistan has

now gone beyond the latter's role as a proxy to constrain India (Saran, 2017, p. 147). This has led China to suspicion whether Nepal is working under Indian red signal or not? China is also suspicious in the implementation of the MCC and the growing influence of IPS. The Sino-US relations are heading for a downturn due to trade wars. If the economic and trade conflict between China and the United States cannot be effectively controlled, the BRI and the Indo-Pacific Strategy are likely to lead to a comprehensive geopolitical confrontation between China and the United States. This has created a question mark on Nepal's balance relations. Making immediate power moves amid this confusion is not advisable, as this poses a foreign policy challenge.

6.4.2 Nepal and IPS

The Indo-Pacific Strategy (IPS) is a relatively new concept that has emerged as a significant aspect of the United States' foreign policy in the Asia-Pacific region. This strategic plan significantly influenced geography and the economy during the second decade of the 21st century. The word 'Asia-Pacific' used earlier now is renamed as 'Indo-Pacific' (Singh, 2021). The strategy aims to promote a free, open, and prosperous Indo-Pacific region by strengthening economic, diplomatic, and security ties among the countries in the region. It focuses on geopolitics and security based on the ocean. The Indo-Pacific region is a significant area in the world that contains highly populated and economically prosperous countries such as India, China, Japan, Australia, and Indonesia. Due to its political and economic power concentration, this region is crucial in global geopolitics.

The Indo-Pacific strategy focuses on geopolitics and security based on the ocean. Its goal is to balance the power of Eurasian countries like China and Russia based on Europe, Asia, sea, and land (Karmakar, 2021, p. 344). China's increasing economic and military power is a significant factor in the Indo-Pacific region's importance. The trade war made Sino-US relations towards down turning that led to the emergence of this strategy. To safeguard their security and counterbalance China's influence, several nations in the region are working towards strengthening alliances and partnerships with other nations that share similar interests.

The Indo-Pacific region plays a crucial role in the global economy. It houses significant maritime trade routes, like the 'Strait of Malacca'. This region also hosts some of the world's busiest and essential ports, which enable smooth trade between

Asia, Europe, and Africa. IPS is based on the ocean and links Indian Ocean and Pacific Ocean which has greater importance from geopolitical and geostrategic point of view (Karmakar, 2021, p. 346). Different regional organizations and forums, including ASEAN, QUAD, and the Indian Ocean Rim Association (IORA), are presently involved in tackling regional concerns, encouraging economic partnership, and improving security. IPS consists of three fundamental components i.e. preparedness, partnership, and promoting a networked region (Singh, 2021, p. 336). Its basic principle is freedom and openness which is the embodiment of its traditional values in geopolitical strategy (Karmakar, 2021, p. 350).

United States of America is the leading donor country of Nepal. Nepal maintained diplomatic relations with USA prior to the establishment of democracy in Nepal. It also paid more priority to maintain relations with Nepal. This was evident that King Mahendra and his successor Birendra were welcomed in USA in 1967 and 1983 respectively (Shaha, 1990). Nepal-US relations became more closed after the restoration of democracy in 1990. China-US rivalry and growing Chinese influence in the region made US cautious her engagement in Nepal. Us has serious strategic interest in Nepal. It is mainly guided by the policy of 'containing China' (Acharya, 2019, p. 321). Beside America, other major countries of the region included into this geographical conception are India, Japan, Indonesia, Australia, Bangladesh, The Philippines, Vietnam and Thailand. As regional dynamics highly influence a country in South Asia, Nepal's foreign policy in the Indo-Pacific and the IPS have become crucial aspects of Nepal's foreign policy (Bhatta, 2022). The Indo-Pacific Strategy has greater impact on Nepal's foreign policy and the country's response to this emerging geopolitical reality.

The Indo-Pacific Strategy is a policy of the United States that aims to increase its control over countries in the Pacific and Indian Ocean regions. This term has become popular in international discussions and official statements in recent years. It was first coined by Gurpreet Singh Khurana in 2007. This term became the subject of international debate after the release of Indo-Pacific Strategy Report (IPSR) on first June 2019. However, the US policymakers have been working on this concept for a while. It is also said that the IPS is a new version of the US policy to contain China, which has been in place for the last ten years (Dahal, 2024, p. 185). The report

accuses China of being a "revisionist" power that wants to change the present world order or status quo. The main text of the report concludes:

> China's economic, political, and military rise is one of the defining elements of the 21st century. Today, the Indo- Pacific increasingly is confronted with a more confident and assertive China that is willing to accept friction in the pursuit of a more expansive set of political, economic, and security interests. Perhaps no country has benefited more from the free and open regional and international system than China, which has witnessed the rise of hundreds of millions from poverty to growing prosperity and security. Yet while the Chinese people aspire to free markets, justice, and the rule of law, the people's Republic of China, under the leadership of the CCP, undermines the international system from within by exploiting its benefits while simultaneously eroding the values and principles of the rules-based order. . . . As China continues its economic and military ascendance, it seeks Indo-Pacific regional hegemony in the near-term and, ultimately global preeminence in the long-term. (Pant, 2022, pp. 430-431)

At the same time, Nepal signed the US-led MCC, a move that has significant implications for Nepal's foreign policy. The US Department of Defense claimed that the US military is engaged with the Nepali Army in several sectors, which further solidifies the statement that "Nepal is an important security partner in South Asia". The US also expressed its readiness to enhance further cooperation at the military level, particularly in areas like capacity enhancement, development of professionalism, and civil-military relations. It was also noted that such engagement is beneficial for the modernization of the Nepal Army. However, Nepal firmly opposed this.

Nepal's decision to engage in the MCC sparked China's suspicion, raising doubts about Nepal's commitment to its non-aligned foreign policy. This led to domestic polarization and triggered an interactive discussion on 29 June 2019 on national dialogue on foreign policy. The discussion concluded that Nepal is in a critical position and needs to recalibrate its foreign policy orientation in response to a changing environment, highlighting the seriousness of the situation (Baral, 2022). In the light of these developments, the House of Representatives of Nepal issued an

'Interpretative Declaration' on 27 February 2022. This declaration reaffirmed Nepal's commitment to the Millennium Challenge Compact, signed on 14 September 2017, between the Government of Nepal (Ministry of Finance) and the United States of America, represented by the Millennium Challenge Corporation. The declaration further emphasized Nepal's unwavering dedication to its foreign policy principles of non-alignment, peaceful co-existence, and mutual friendship (Preamble of the declaration, 2022). It also explicitly stated that Nepal, as a party to the compact, will not be part of any United States' strategic, military, or security alliance, including the Indo-Pacific Strategy (Article 1).

Beside this commitment, disputes still exist within the country and the neighborhood. The Indo-Pacific region is vital to the US, as further corroborated by the fact that the US-Pacific Command was renamed US-Indo-Pacific Command by the Pentagon in June 2018. Indo-Pacific is not merely a geographic framework. It also includes, apart from geostrategic objectives, a wide range of geopolitical and geo-economic issues. China, on the other hand, takes such activities as the counter in its security issue. Despite the geopolitical competition among major regional powers, Nepal has to maintain a careful balance between development and sensitivity to neighborhood interests.

6.4.3 Nepal and Millennium Challenge Corporation (MCC)

6.4.3.1 Background

The Millennium Challenge Corporation (MCC) was established by the United States government in 2004 to address poverty by promoting economic development in developing nations. The main objective of the MCC is to enhance economic development and alleviate poverty in qualified nations by offering financial assistance through grant agreements (MCA Nepal, 2017). These grants are given to countries that satisfy particular eligibility requirements, including good governance, economic freedom, and investment in their people. The Millennium Challenge Corporation utilizes a comprehensive evaluation process to identify qualifying nations for assistance. This process evaluates countries' effectiveness in three critical policy areas: upholding good governance, emphasizing human capital growth, and fostering economic freedoms. The MCC works in collaboration with various stakeholders, such as governments, civil society organizations, and the private sector (Adhikari, 2022).

The agency places great emphasis on the significance of partnership and cooperation in order to guarantee the successful execution of development projects.

In September 2017, the MCC and the Government of Nepal entered into a $500 million agreement, referred to as the Nepal Compact, with the objective of assisting the country in its power sector reform and transportation infrastructure development (Gurung & Ranjan, 2022, p. 75). The primary goal of the Electricity Transmission Project is to enhance the efficiency and reliability of Nepal's electricity transmission and distribution systems, thereby reducing losses and increasing the availability of electricity. This project will involve the construction of new transmission lines, sub-stations, and other related infrastructure. On the other hand, the Road Maintenance Project aims to enhance the road network in Nepal, thereby improving connectivity and reducing transportation costs. The focus will be on maintaining and upgrading specific roads to higher standards, enhancing road safety, and implementing sustainable maintenance practices. The MCC's collaboration with Nepal is based on the country's commitment to good governance, economic policy reform, and investment in its people. The objective is to support Nepal in achieving its development goals and fostering sustainable economic growth. Despite these, several controversies were developed among the public.

6.4.3.2 Public Opinion and Contention on MCC

Many developing countries like Nepal see the Millennium Challenge Corporation of the United States and the Chinese Belt and Road Initiative as means of aid and economic development. The Belt and Road Initiative, launched by China in 2013, is a global infrastructure development strategy that aims to enhance connectivity and economic cooperation between Asia, Europe, and Africa. Nepal has received aid from the MCC compact, which focuses on electricity and transportation projects. It is the largest single grant Nepal has ever received for infrastructure development (Bhatta & Menge, 2021, p. 9). It has two main projects: the road project and the electricity project, with a total funding of $630 million ($500 million from MCC and $130 million from the Nepal government). These programs are expected to benefit about 5.3 million households. However, these strategies have national security implications for recipient countries, as some official statements refer to security aspects. Signing on MCC caused widespread protests by the Nepali political parties. These discussions surrounding the MCC grant have motivated controversy and

opposition from left-wing parties in Nepal, who claim it is a US-backed military ally fighting against China's Belt and Road Initiative (Adhikari, 2024, p. 45). Nepal Communist party (NCP) under the leadership of Pushpa Kamal Dahal and the Madhav Kumar Nepal faction within NCP were in the front-line to oppose the compact. The protests were mainly triggered by the internal political dynamics and apprehensions expressed by some factions within NCP. This has resulted in a political crisis in Nepal.

One of the main worries of critics in Nepal is related to the constitutionality of the MCC agreement. Some claim that the compact may violate Nepal's sovereignty and violate the country's constitution. Bhim Rawal (a member of HOR (CPN UML), was one of the opponents of MCC. He said, "the compact has several provisions against our national interest. If such provisions are implemented our domestic laws, our right to self-determination, our national independence, independent foreign policy, non-alignment etc. will be compromised" (House of Representatives, Nepal, 27 February 2022). These concerns about sovereignty are rooted in the belief that the MCC agreement could lead to undue influence from foreign powers, particularly the United States, in Nepal's internal affairs.

Most radical leftist leaders expressed concerns about the MCC agreement, viewing it as a possible danger to Nepal's sovereignty and highlighting worries about foreign powers, notably the United States, interfering in the country's affairs. They also argued that the agreement is an attempt by the US government to gain political and economic influence in Nepal (Adhikari, 2022). Some demonstrations were also made considering broader geopolitical concerns. The MCC agreement, critics said, could lead to dependency on the US and damage Nepal's relations with other countries, especially with China, fueling a nationalist narrative and opposition to the agreement. Even though the Left politicians did not agree to sign any treaty containing security elements, the MCC debate became public, especially after the US left Afghanistan in 2021. Nepali Congress, Maoists, and other groups formed a new government. Prime Minister Sher Bahadur Deuba and Maoist leader Prachanda had written to the Compact that the treaty would be ratified in Parliament within four to five months. However, Prachanda and his party members publicly opposed the treaty, while UML leader Oli did not support it when out of government (Mulmi et al., 2023, p. 146). It is also viewed from ideological grounds thinking that the MCC Agreement

is an instrument of Western imperialism which could jeopardize Nepal's socialist goals and encourage capitalist neo-liberal policies.

Not many people believe in or understand its economic benefits. Gagan Thapa, who holds the position of Secretary of the Nepali Congress, expressed his support for the MCC and delivered a firm statement in Parliament. He emphasized that "Nepal's internal revenue is inadequate to cover even day-to-day expenses and that the country needs the collaboration and assistance. He clarified that the MCC is not working against Nepal's sovereignty (The Himalayan, February 27, 2022). The opposition to the MCC centred on the perceived loss of sovereignty. However, many Nepali people were drawn to arguments about losing sovereignty despite the opportunities for economic benefits from building new power plants. Many people suspect that MCC projects are handled only by US companies. There is also an argument that the USA is planning to set up a military base in the country to project under the MCC, and the troops stationed here will not go back even after the projects are completed. There were many protests in Kathmandu against MCC, even during the lockdown period. People protested on the streets, charging that MCC was totally against sovereignty—some provisions in the past placed it off of Nepal's law.

The serious question raised against MCC was about its relations with US-led IPS. It emerged as a matter of debate when the US Department of Defense issued a report highlighting several areas in which the US military engages with the Nepal Army. The officials consider Nepal an "important security partner in South Asia" (Bhatta, 2022). Prem Suwal, one of the members of the Parliament of Nepal from Workers and Peasants Party, expressed his concern that "the MCC would contradict Nepal's non-alignment policy. Parliament's approval of the MCC would mean joining the US-led military alliance (House of Representatives, Nepal, 27 February 2022). Durga Poudel, a member of HOR representing Rashtriya Janamorcha, expressed her strong protest by saying that "MCC should not be implemented because it was part of the Indo-Pacific Strategy, which is a NATO-like military alliance" (The Himalayan, February 27, 2022). Addressing the protest, Ishwor Pokharel, the Defense Minister, assured that Nepal would never join any military alliances. Joint military training has remained the tradition and is being conducted to enhance military capacity and professionalism. However, polarization and protest continue in Nepali politics.

Finally, it is interesting to see how the MCC Compact has been a topic of debate and polarization in Nepali politics. Parliament ratified the agreement with a

majority vote on February 27th, 2022, when the US warned that non-ratification of the treaty would lead to a 'review of bilateral ties.' The 12-point interpretive declaration proclaimed by Agni Sapkota, the then speaker oh HOR, attempted to address some of the concerns raised during the debate. Despite this, China called the compact a 'Pandora's box' after the US set a deadline of 28 February 2022 to ratify the treaty (Mulmi et al., 2023, p.146). It will be fascinating to see how the implementation of the MCC Compact progresses in Nepal. So, the fear is that the MCC agreement will drag Nepal into the US competition with China.

6.5 Question of Balance and Independent Foreign Policy

Balance of power is one of the oldest theories in international relations and one of the valuable tools of foreign policy analysis. This policy insists that all states are driven by an urge to enlarge their territory and enhance their prestige and that only military power in other states restrains them. Based on realists' principle, power is only the means to protect one's sovereignty, and the arrangement of national power is possible through the balance of power (Morgenthau 1997). The realists further focus that small powers are much more worried about their security, and their primary concern is survival. So, they either try to balance or bandwagon (Jesse & Dreyer, 2016).

Nepal is situated between two large countries. As a small power, its regional foreign policy is influenced by more considerable powers, especially the immediate neighbors. Though Nepal has a history of independent and sovereign identity, its foreign policy remains changing. After the unification, Nepal tried maintaining balanced relations by following a non-align foreign policy. Prithvi Narayan Shah's teaching of maintaining good relations with the Chinese emperor is a beautiful example of such a policy. He also suggested maintaining good relations with the British-India. He stated that "maintain good relations with the Chinese emperor; also keep a treaty of friendship with the emperor of the southern sea (the British-India)" (Stiller, 1968, p. 42).

During Rana's rule (1846-1950), Nepal followed British-centric foreign policy following the isolation line (Rose, 1971). This policy was adopted when China's power was in a declining position as "foreign policy changes when the power of neighboring country(s) rise or decline" (Jesse & Dreyer, 2016, p. 175). After the political change in 1950, Nepal's foreign policy was characterized by 'special

relations' with its southern neighbor. Political socialization of Nepali leaders in India and their involvement in the Indian independent movement, India's role in the Delhi Agreement and other dimensions led to such relations (Muni, 2016).

But during the mid-1950s, a tremendous shift occurred in Nepal's foreign policy. After King Mahendra's arrival to the throne of Nepal, new dimensions appeared in Nepal's foreign policy. Nepal started diversifying its foreign policy outlook by being out of Indian influence. Nepal entered international forums after acquiring UNO membership and taking part in the Afro-Asian conference at Bandung. This issue of balance relation became the subject of discussion. Having 'pro-Indian' eyes, many foreign policymakers focused on 'special relations' between Nepal and India (Singh & Shah, 2016, p. 56). However, Nepal needed balanced relations due to its geopolitical and geostrategic locations.

King Mahendra is credited for maintaining 'balanced relations' with immediate neighbours. King Mahendra tactfully maintained a balanced relationship with constructing the Araniko Highway despite India's objection (Acharya, 2019, p. 254). He also engaged the USA and the Soviet Union in constructing the Mahendra Highway during the challenging days of Cold War politics. Nepal's decision to cancel the Indian Army check post in 1968, importing arms from China, and forwarding the Peace Zone proposal were examples of efforts to maintain balanced relations. During the 13th SAARC Summit in 2005, King Gyanendra proposed including China as an observer of SAARC. Though this proposal was criticized as Nepal's tactic to play the China card, its main objective was maintaining the balance of power. It is evident that Nepal, as a small power, has neither intention nor power to play the 'China card.'

Even after the restoration of multi-party democracy, efforts are being made to maintain balanced relations with immediate neighbors and beyond the neighborhood. However, foreign policy formulations during this period remained controversial. The rightist governments adopted a foreign policy based on human rights, democracy, the rule of law, and similar Western established norms. So, they are often criticized as 'pro-western' or 'pro-Indian' (Dahal, 2009, p. 37). At the same time, the leftist government is usually blamed for adopting a 'pro-Chinese' policy. This situation sometimes changes into reality, too. This is mainly because of poor economic conditions; development depends on developed countries. The small and medium powers have little priority in choosing friends or taking part in confrontations between

superpowers. However, growing competition makes maintaining balance relations easier (Bhatta, 2021, p. 9).

Despite all these efforts, neither immediate neighbors nor the world powers are confident in Nepal's advocacy for balanced relations. China, the northern neighbor, is still suspicious despite Nepal's repetition of the 'one China policy.' China organized the Olympic games in 2008. During this period, anti-Chinese activities were conducted on Nepali soil. 'Free Tibet Movement' agitators continuously organized the protest using Nepali soil, making China suspicious of Nepal's 'one China policy' (Dahal, 2009, p. 37). China is still suspicious of Nepal's behavior in implementing China-funded development projects. 1200MW reservoir-based Budhi Gandaki project is its best example. This project was handed over to Gezhouba Company in 2017. Ministry of Foreign Affairs signed the agreement during the prime ministership of Pushpa Kamal Dahal (Prachanda). However, this was cancelled by the Deuba Government in September of the same year. It was again awarded to the same company in 2018 when K. P. Sharma Oli became the prime minister. But, the Deuba government again cancelled the agreement in April 2022 (Mulmi et al., 2023, p. 39). China is equally disappointed with Nepal for delaying the implementation of BRI and growing Western influence on its doorstep.

India, on the other hand, claims 'special relations' with Nepal. However, growing anti-Indian sentiment in Nepal always raises the question of balance relations (Saran, 2017). India and China have been harboring the goal of achieving major power status in this century. Hence, China has acquired this position in many respects while India has been trying to achieve this target. So, they try their best to influence the small countries from various projects (Singh & Shah, 2016, p. 53). Despite this, some scholars argue that Nepal's strategy seems a counterbalance. Lately, India seems unhappy with Nepal's turning towards China despite the existence of India as a traditional power (Bhatta, 2021, p. 10). The stability and development of Nepal depend on its ability to handle the crucial concerns of its neighboring countries and nations beyond the region. It has become highly relevant to the international community, including managing climate change in the Himalayan region.

Scholars and politicians have focused on the necessity of following equidistance / equiproximity about Nepal's foreign policy. These approaches are the product of geographical realities. Though the geopolitical dynamics have changed, Nepal's position is still similar. Nepal's development activities may have a direct

impact on foreign policy-making. Prithvi Narayan Shah has already established the foundation of this policy in his teachings. However, the growing big power rivalry between the US and China and Nepal's engagement with their projects may create problems in balancing them (Antonopoulos et al., 2021). Failure to maintain balance might backfire economically as well as politically. So, Nepal needs to maintain a geostrategic balance.

In a nutshell, geography is the mother of foreign policy and diplomacy. Nepal's unique geopolitical position has always remained the decisive factor in shaping its foreign policy. In addition to this, global power has gradually shifted, resulting in a shift in regional and global power hegemony. China's rise as a global power and the emergence of India as a rising power have made Nepal's foreign policy more complex. Both neighbors have their strategic interests in Nepal. Internally, Nepal has been facing numerous conventional and non-conventional challenges, including political instability, a dependent economy, out-migration, eroding nationalism, and environmental degradation. Externally, Nepal's positioning has drawn the attention of major powers, such as the US through the MCC, China via the BRI, and India through many connectivity projects, raising significant concerns about potential entanglement in geopolitical rivalries. Nepal not only relies on its neighbors and donors but also carries strategic importance for them. So, it is too complex for Nepal to manage the interests of neighboring countries and donor allies. Hence, the study shows that Nepal needs to identify its core interests and adopt a balanced, non-aligned policy to enhance its global engagement as a sovereign, independent, and stable power.

CHAPTER VII
SUMMARY AND CONCLUSION

7.1 Summary

Inter-dependency is the fundamental character of today's international relations. There is continuous interaction among the actors of the global community. Directly or indirectly, one actor's behavior affects another actor's behavior. Therefore, the actors, especially the state, should pay due attention to the formulation and execution of policy that guides the relationship with other actors. Such policy is generally known as foreign policy. It is also considered a part of national policy. This policy is based on national interest as it is the primary guideline for foreign policy-making. So, foreign policymakers are keen to ensure that their behaviour toward other states would result in positive responses from them.

Countries with diverse sizes and abilities exist as the principal actors of the international system. All the nations, regardless of their size and ability, are sovereign. However, countries are classified into various types based on size, economy, population, resources, military might, and political influence they put in the global arena. They often face external threats, depend on more considerable powers, and have a limited ability to shape international affairs. Small powers generally exert less influence on global decision-making, and regional/international organizations often assign them secondary roles. However, they can also have strategic significance in specific contexts and play significant roles in shaping regional dynamics and promoting peace and stability.

However, the natural ground of international relations seems different. Some countries like the USA and China appear as systems determining power, whereas Nepal and many other countries remain at the bottom of the international hierarchy. The former is enough to shape the global environment where, whereas the latter becomes the object, as mentioned by Thucydides, that 'the powerful do what they can and the weak take what they must.' Most countries in Asia, Africa, and the Caribbean have a low structure in the international system. In this context, the small powers have limited military, political, economic, and diplomatic capability. However, not all small states are equally vulnerable to the international system. As a small power between

two emerging powers, China and India, Nepal has greater significance in its foreign policy outlook mainly because of its geostrategic positioning.

Friends are changeable, but neighbors are not. Since the early days of civilization, Nepal remained successful in protecting the country's vital interests. Nepal's worldview during the early days of nation-building was guided by the tradition of knowledge generated by sages and scholars. Prithvi Narayan Shah, the founder of modern Nepal, could perform the task of unification mainly because of the successful operation of war diplomacy. The succeeding rulers also exhibited their skill to protect the nation's sovereignty. However, the foreign policy tilt continued to change as per the regime change. Nepal's value of 'nonaligned' foreign policy changed into an 'isolationist' policy during the Rana regime. Nepal maintained 'special relations' with India during the democratic era. However, Nepal's entry into UNO in 1955 paved the way for Nepal's external engagement. The panchayat system made milestone achievements in its foreign policy matters. Following the 'equidistance policy' in dealing with immediate neighbors and the innovation of the 'Peace zone Proposal' brought originality to Nepal's foreign policy.

Further, the second democratic movement established specific values in its foreign policy. Democracy, human rights, the rule of law, and liberalization of the economy became the fundamental bases of Nepal's foreign policy. More priority was given to diversifying Nepal's foreign policy through equiproximity. The new constitution in the Republican era has similar bases and guidelines in foreign policy. The principles of *panchsheel*, non-alignment, international law, the Charter of UNO, and world peace are the fundamental bases of Nepal's foreign policy.

Nepal's engagement with the global community commenced with its participation in the Afro-Asian summit held in 1955 at Bangdung and the UN in the same year. Gradually, Nepal followed multilateral engagement, as this policy is much more beneficial for small powers. It is further needed to have strong attachments with regional and global organizations. Nepal is the founding member of NAM and SAARC. Its engagement in BIMSTEC, adherence to the Charter of UNO, and involvement in the UN's program have enhanced the country's strength at the global level.

Interest is the principal element that guides a nation's foreign policy. Protection of the country's sovereignty, territorial integrity, and political independence is its permanent interest. The issue is more acute for a small landlocked country in the buffer zone. Nepal's foreign policy is based on its geopolitical condition and socio-economic priorities. Based on geographical reality, a country's foreign policy is guided by certain principles as specified by the constitution, the country's leading law. The constitution has also made specific structural mechanisms to mobilize its organs to achieve the targeted objectives. However, foreign policy has stayed the same due to continuing the previous structure in the changing environment.

Along with the structure, political parties are the major stakeholders in foreign policy decision-making. In the past, the king decided the country's foreign policy, but the party and its leaders have started to play a pivotal role in a multiparty democratic system. However, Nepali political parties are blamed for being either 'pro-Indian,' 'pro-Chinese,' or 'pro-Western' as well. The tendency of foreign policy tilt as per the change in government still exists in Nepali politics. Nepal's political parties have a tradition of displaying different positions, whether in government or opposition, even on national issues. Hence, building national consensus in foreign policy matters is necessary, where political parties can play a pivotal role.

Geography has greater significance in the making of foreign policy. This is more influential in the Nepali context. Small power's foreign policy has changed with the shift in global power. There has been a significant change in the polarity of global power. In Nepal's neighborhood, China is emerging as a global player, whereas India is ranked as an established regional power. China and India have their own interest in Nepal in the race to achieve global hegemony. Great power rivalry can provide opportunities to small powers like Nepal. Trade, investment, aid, and technology transfer can change Nepal's position. However, failing to utilize the available prospects may lead to unintended consequences. Hence, Nepal is in a dilemma regarding its engagement with BRI and MCC. Nepal's engagement with these projects has caused significant division within Nepali society. However, it does not seem appropriate to beat the drum of radical nationalism, which can be counterproductive to the security and economic well-being of the nation. Nor can Nepal benefit from playing with one neighbor at the cost of another.

Small powers are more vulnerable in security matters. Traditionally, national security was the country's prime concern. Foreign policy was concerned with the question of war and peace. It was associated with making friends and dividing enemies for the protection of the state. The present-day foreign policy is more concerned with a new security dimension, i.e. human security. In this sector, Nepal has been facing several non-traditional security challenges. Continuous political instability and society's highly politicized and polarized character have adverse impacts on the overall pattern of foreign policy making. Poor economy (donor-based), fragmented society, open border, out-migration, unwanted foreign intervention and other factors have added further challenges to Nepal's foreign policy. The more important thing is that Nepal's capacity to manage internal affairs has led to the deterioration of its strength while dealing with various regional and international forums. Developing institutional capacity to deal with the issues above can enhance the country's strength in foreign policy matters. The Ministry of Foreign Affairs needs to strengthen and supported by research-based think tanks in the formulation and implementation of foreign policy. The relevancy of foreign policy depends on the enhancement of national strength.

7.2 Conclusion

Research Questions a / Objective a

With the impact of political realism, the state's classification has become an essential issue of international relations. Superpower, great power, medium power, small power, and micro-states are the major categories of states. The countries with small sizes, economies, weak military strength, and nominal roles in international forums fell under this category. Research shows that this criterion is partially true. Though small, Singapore in Southeast Asia, Switzerland in Europe, and Botswana in Africa occupy a significant position in the global forums. However, despite their enormous size, some countries are weak in the international community. In this context, Nepal, a landlocked country between two emerging world powers, China and India, is a medium-sized country occupying 93rd in size and 51st position in world population. The facts show that Nepal does not fall into the small state category. However, it is considered a small power because of its strategic location between two enormous neighbors. No single theory can support their choice. Several internal and external determinants influence this regard.

As a nation with a rich and ancient civilization, Nepal has faced numerous challenges to ensure its survival. Despite its limited capacity, Nepal has successfully resisted frequent foreign interventions, thereby preserving its sovereignty and independence. The key to this success has been its effective foreign policy. However, the post-unification era brought about a new dynamic, with survival issues becoming more complex due to a myriad of internal and external factors.

Contrary to adopting 'defensive diplomacy,' the succeeding rulers could not exhibit their excellence in foreign policy. Nepal adopted different policies during the post-unification period. The offensive policy led the country to wars with powerful neighbors like Tibet and British-India. However, Nepal could preserve its survival. Rana rulers adopted a British-centric foreign policy, whereas Nepal's foreign policy tilted towards India in the name of 'special relations' during the post-democratic era. At the same time, the country's foreign policy behaviour turned toward multilateralism, having its engagement with several global and regional organizations. Nepal's foreign policy towards its immediate neighbors remained paradoxical despite a commitment to 'equidistance' and 'equi-proximity.' This paradoxical nature adds an intriguing dimension to the country's diplomatic relations. Regime change, changing roles of ruling elites, changes in domestic institutions, changes in the power of governmental actors, rising and falling position of neighbouring countries, level of an outside threat, change in the regional and global power structure and a host of other factors guided the state to adopt the specific policy. Principally, the researcher found that the axis of Nepal's foreign policy revolves around the concept of 'balance relations' based on non-align policy. Contemporary rulers tactically adopted divergent strategies to ensure the survival of the regime and the country.

Multilateralism is the fundamental foreign policy behaviour of small powers, as this policy can best serve to protect the interests of small powers. As liberalists argue, a peaceful world order can be achieved through institutional arrangements where the small powers can protect their interests by participating in regional and global forums. Nepal also has been engaged in various regional and global forums that are beneficial for protecting national interests. Nepal's engagement with global organizations commenced with its entry into UNO. It is one of the founding members of SAARC and an active member of BIMSTEC. There has been a gradual rise in the involvement of multilateral forums, but the role is decreasing in order. The declining

role of SAARC under Nepal's chairmanship has questioned Nepal's international credibility. Hence, Nepal's continued active and positive role is not just desired but crucial.

Security and survival are the primary concerns of every state, and small powers, in particular, face significant challenges in this regard. As a small power, Nepal has been a beacon of resilience, tirelessly striving for its survival since the beginning of nation-building. Despite its small size and the daunting presence of powerful neighbors, Nepal has managed to preserve its sovereign identity, even engaging in wars with its larger counterparts. Unlike its powerful neighbors, the fact that Nepal has never been colonized is a testament to its astute foreign policy and diplomacy. The positive qualities of ancient civilizations, including their significant contributions to knowledge and philosophy, have also played a crucial role in enhancing national strength and securing sovereignty.

Research Question b / Objective b

National interest is the pivotal element that guides policymakers in formulating foreign policy. Nepal's distinct geographical position has offered sensitive grounds for formulating its foreign policy. The crucial element of national interest, rooted in the constitution, has been driving Nepal's foreign policy. The researcher found that the reigning rulers sometimes formulated foreign policy to fulfil their interest in protecting the regime. Rana's British-centric policy is its best example. However, the country's primary interests include safeguarding its freedom, sovereignty, territorial integrity, independence, and dignity, as well as the rights of its people, border security, and economic well-being. Guided by these interests, Nepal's foreign policy objective is to build a peaceful, strong, prosperous, and dignified nation. The constitution also upholds the principle of non-alignment, which advocates for maintaining independence and not aligning with any significant power bloc. This principle is significant for Nepal, given its geopolitical location and historical context. The principles of *panchsheel,* international law, the charter of the UNO, and world peace serve as the fundamental guidelines of Nepal's foreign policy.

The norms and values of international law and geopolitical reality have defined Nepal's foreign policy agenda, bases, and guidelines. However, the researcher found that gradual erosion in the norms and values of foreign policy guidelines has

raised question marks in its commitment to foreign policy. The government found more verbal and adoptive rather than operational and innovative. Furthermore, Nepal's Ministry of Foreign Affairs is the official body to oversee foreign affairs. However, researchers found that Nepal could not develop this institution into a vibrant policy-making body. Institutional capacity has degraded due to personalized and centralized policy-making culture. By adopting a multi-party system, political parties in Nepal have played a pivotal role in formulating and implementing the country's foreign policy. Their influence on a country's external behaviour is significant, as they are decisive in managing domestic affairs. However, challenges such as civil war, foreign policy tilt based on party lines, divided public opinion on national issues, and the culture of contradiction have weakened and significantly complicated the country's global standing. Ideological polarization has often influenced Nepal's foreign policy decision-making. These complexities have made foreign policy implementation challenging but crucial and intricate, further exacerbated by the failure to enhance institutional capacity. People have questioned the sustainability of a regime-oriented foreign policy.

Research Questions c / Objective c

The geopolitical setting has always been decisive in shaping Nepal's foreign policy. So, a nation can change its friends but not its neighbours. Hence, geography is crucial in determining a nation's foreign policy. Nepal's geostrategic position provides both challenges and opportunities. Being landlocked and facing geopolitical challenges are among the difficulties we encounter. These challenges, such as limited access to sea routes and dependence on transit countries, are unique to Nepal and require careful consideration in its foreign policy decisions. However, being located in proximity to large markets like India and China provides Nepal with the potential to benefit from their thriving economies. These countries are significant trade, investment, and tourism sources, offering several advantages. However, both immediate neighbors have their interests in Nepal. Despite Nepal's commitment to 'one China policy,' China is only partially confident with Nepali policymakers.

On the other hand, India is still guided by the 'Nehru doctrine,' thinking Nepal is a sensitive region for its security. Nepal must recognize neighborhood interests and keep them in complete confidence. Hence, the researcher found that Nepal's foreign policy needs to address the security sensitivities of its immediate neighbors. In

addition to the security concerns of immediate neighbors, Nepal has faced several traditional and non-traditional security challenges that emerged from the very beginning of the foundation of modern Nepal. Most small powers are undoubtedly vulnerable in their security matters. Protecting sovereignty, territorial integrity, and political independence remains Nepal's greatest security concern. Beyond these, several internal and external factors have added security challenges. Nepal's capacity to address all these challenges without relying on super powers is still lacking.

The global power dynamics have undergone a seismic shift, and Nepal's foreign policy is not immune to these changes. The escalating rivalry between the established superpower, the USA, and the rising superpower, China, has created a new Cold War. This, coupled with India's active participation in QUAD and IPS and China's ambitious initiatives like BRI, GSI, and GEI, has significantly complicated Nepal's foreign policy. The interests of immediate neighbors further influence Nepal's foreign policy choices, adding another layer of complexity.

In conclusion, given Nepal's geopolitical positioning as a "yam between three boulders," a careful and strategic approach to its foreign policy is imperative. While India remains Nepal's traditional ally with deep-rooted historical, cultural, and economic ties, China's rise as a superpower presents opportunities and challenges that Nepal must navigate wisely. The Western-oriented aspects of Nepal's national life such as the legal and administrative system, economy, education, justice, security alliance, and others, further complicate its external relations. Nepal must foster consensus among stakeholders on foreign policy matters. Institutional strengthening and a research-based approach to policy-making incorporating insights from think tanks are urgent. Furthermore, Nepal should focus on implementing the principle of balanced relations, avoiding engagement in security alliances that may strain relations with its immediate neighbors and regional and global partners. It is, therefore, imperative that Nepal effectively handle 'two-level games' to manage its complex relationships through a balanced, non-aligned policy taking identified national interests into consideration.

Area for Further Research

The world community is aware of the need to "take small states seriously" due to the numerical strength of the small powers in the contemporary world order.

However, their position remains at the lower level of the world hierarchy. They are always worried about their survival. Traditionally, national security was the state's primary concern, and it is still a serious concern. However, the trend has changed now. Nepal's foreign policy agenda should focus on development diplomacy, prioritizing economic development to achieve foreign policy goals. A vital aspect of this shift is the importance of learning from its immediate neighbors and other small powers. By studying their strategies and successes, Nepal can accelerate its economic growth. Upcoming research should focus on "foreign policy for prosperity."

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