

NEPAL'S ENGAGEMENT IN MULTILATERALISM

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LETTER OF RECOMMENDATION

I certify that this dissertation entitled "NEPAL'S ENGAGEMENT IN MULTILATERALISM" was prepared by Bhuwan Bhusal under my supervision. I hereby recommend this dissertation for final examination by the Research Committee Department of International Relations and Diplomacy, Tribhuvan University, in fulfilment of the requirements for the Degree of MASTER'S IN INTERNATIONAL RELATIONS AND DIPLOMACY.

.....
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Supervisor

April, 2021

DECLARATION

I hereby declare that this dissertation is my own work and that it contains no materials previously published. I have not used its materials for the award of any kind and any other degree. Where other author's sources of information have been used, they have been acknowledged.

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APPROVAL LETTER

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ABSTRACT

The fundamental goal of this study is to elucidate Nepal's engagement in multilateralism, with an objective to assess how presence in multilateral forum is drive and influenced by the initiatives taken by Nepal and show how multilateral approach plays a crucial role in influencing international presence of Nepal in world politics and in order to overcome vulnerabilities. With its unique geopolitical situation along with the globalized and changing dynamics of world politics, the behavior of Nepal in multilateral arena is often informed by its multilateral strategies, which dictate how Nepal behave in multilateral arena. Here in this dissertation, the driving factors are analyzed to assess Nepal's preference for multilateralism. Having analyzed driving factors, findings indicates that Nepal's preference of multilateral presence is not only influenced by its driving factors, but by the limiting factors and available multilateral strategies. Moreover, the findings conclude that effective use of multilateral foreign policy strategy become a vital tool for effective international positioning and focalization of Nepal's multilateral relations that in term can derive great contributions and the string representation of Nepal at regional and international agenda. Nepal in the modern world does not want to be left behind the other nations and it's representation in the international arena. In this changing dynamics of world politics Nepal face day to day the crucial need to explore new diplomatic mechanism and strategies which can be used either in bilateral or multilateral engagements.

Keywords: Multilateralism, multilateral approach, international arena, strategies

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ABBREVIATIONS

ADB	:	Asian Development Bank
APEC	:	Asia-Pacific Economic Cooperation
ASEAN	:	Association of South-East Asian Nations
BIMSTEC	:	Bay of Bengal Initiative for Multi-Sectorial Technical and Economic Cooperation
CELAC	:	Community of Latin American and Caribbean States
EU	:	European Union
FOSS	:	Forum of Small States
G-77	:	Group of 77
HRC	:	Human Rights Council
IMF	:	International Monetary Fund
LDC's	:	Least Developed Countries
MOFA	:	Ministry of Foreign Affairs
NAM	:	Non-Aligned Movement
NATO	:	North Atlantic Treaty Organization
NGO's	:	Non-Governmental Organizations
SAARC	:	South Asian Association for Regional Cooperation
SAFTA	:	South Asian Free Trade Agreement
SDG's	:	Sustainable Development Goals
SIDS	:	Small Island Developing States
UK	:	United Kingdom
UN	:	United Nations
UNASUR	:	Union of South American Nations
UNGA	:	United Nations General Assembly

UNMIN	:	United Nations Missions in Nepal
UNPKO's	:	United Nations Peace Keeping Operations
UNSC	:	United Nations Security Council
US	:	United States
USSC	:	Use, Select, Change and Create
USSR	:	Union of Soviet Socialist Republics
WB	:	The World Bank
WW I	:	World War I
WW II	:	World War II

CHAPTER I INTRODUCTION

The changing dynamics of world politics since the end of World War II set by the top superpowers (United States) along with other major powers of world politics United Kingdom, Germany, France, Japan, China, Russia established new world order in the diplomatic world. These changing dynamics paved the way for the superpower countries to dominate the political and economic framework throughout the world.

These changing dynamics shows not only the United States and European countries as a superpower, new emerging powerful states (Such as India, Brazil, South Africa, Australia) also became new actors with the United States and as the superpower in world politics and economy followed by the p5 countries (United States, China, Russia, United Kingdom, and France of the security council of the UN, where each country have a veto power).

This new dynamics of world politics has left very small room for Nepal in the geopolitical sphere and scenery and its international presence. Along with the very limited opportunity organizations such as the United Nations (UN), the regional organizations such as the South Asian Association for Regional Cooperation (SAARC), the financial institutions such as the World Bank, International Monetary Fund, Asian Development Bank provide a financial and political framework to reduce the gap of developed and developing nations.

As a result, Nepal in the modern world does not want to be left behind the other nations and it's representation in the international arena. In this changing dynamics of world politics Nepal face day to day the crucial need to explore new diplomatic mechanism and strategies which can be used either in bilateral or multilateral forums.

For instance Niche diplomacy (focusing resources on one area in order to get the best results and recognition in the international arena) by focusing resources within one area in order to get the best results and recognition in the international community.

Also to transform Nepal's status in the international arena through international cooperation in developing programs and combating common national threats such as poverty, foreign investment, terrorism, natural disasters, pandemic situation, and reducing the limited presence of Nepal in the international arena and continue search for cooperation in multilateral level.

Nepal has been facing a historical unbalanced situation and low international presence even before the creation of the world's largest multilateral organization known as the United Nations until the present.

Nepal's economic issues, poverty, and its unique geopolitical location and underdevelopment are strong barriers for Nepal to achieve strong diplomatic and political presence in the international scenario, world forums, International Organizations, and world decisions mainly in the diverse international agendas.

This situation drives Nepal in the constant search of most effective diplomatic strategies to get more international and regional attention and recognition in the changing dynamics of world politics and overcome vulnerabilities.

Since the end of the cold war states like Nepal have gained increasing elevation in International relations. The growing influence of multilateral organizations such as the United Nations (UN), World Trade Organization (WTO) has offered a wide range of multilateral strategies to overcome structural vulnerabilities. However, Nepal is often bound to accept the international system as given and obliged to be vulnerable

without the proper strategy and power to influence the system, as summarized by Robert Keohane in his masterpiece "Lilliputians" Dilemmas: Small States in International Politics (Keohane: 1969).

Multilateral organizations such as the UN, WTO have demonstrated a greater role for countries like Nepal than previously seen or expected. For instance, the use of successful tools in conducting diplomacy can indeed have a positive outcome for Nepal such as the Bandwagon strategy (the strategy is known as bringing other powerful states and allies to support initiative on Nepal in the international agenda or world forums such as the UN and its subsidiary specialized agencies for having voice heard). Small states lead a number of coalitions in international organizations, such as negotiating or pressure groups like the 3G (the global governance group 3G is an informal group of states) and Small Island Developing States (SIDS) group that have influenced the institution's agenda and behavior of major states (Suilleshain: 2013). Countries like Singapore, Norway, and Finland are recognized for their strategic efforts of good governance practices and conflict mediators in world politics.

The contribution of small states within the United Nations, regional organizations, and cooperation within other states will be described by using key examples to understand the representation of states like Nepal in the international arena to influence the world forums by consolidating multilateral forums, regional forums, or political instances to speak with a strong voice in international community and benefits they gained.

The literature in International Relations has started to recognize that states like Nepal have been able to exert influence on their structural vulnerabilities, particularly within multilateral structures and effective multilateral foreign policy strategy. Early works

attempt to conceptualize the power of small states, viewing it as unconventional and bounded by institutionalized multilateral settings (Chong, Mass: 2010, P.381). After the end of the cold war, the literature has expanded for the specific impact of small states along with the theoretical frameworks to explain the foreign policy and their presence in world politics, multilateral and world forums. These frameworks depart from a pure realist of power to new forms of power represented by developing states like Nepal. The strong presence of sates like Nepal has been recognized by the former General-Secretary of the United Nations Kofi Annan in 1998 speech in Uruguay by acknowledging the impact of small states that plays central and innovative roles in numerous issues of world politics (Source: UN Website)

The interconnectedness and globalization in the Twenty-First Century, has emphasized mostly in the multilateralism as no nation-state can remain in isolation and most of the nation's pursue the multilateral foreign policy strategy to overcome the vulnerabilities and enhance their representation in multilateral forums and global decisions making process. Particularly, states within their structural vulnerabilities like Nepal often tend to pursue the strategy of multilateralism as their most effective strategic choice in world politics. Nepal can enhance its representation in international arena as a small power by applying more influential strategies of multilateral engagements.

This paper focuses on Nepal's engagement in multilateralism to surmount vulnerabilities, in terms of influencing behavioral change among greater powers in the international structure. The unique geopolitical location of Nepal and its vulnerabilities have lead Nepal to pursue strategic choice in selecting multilateralism

as a tool in conducting diplomacy and representing and protecting national interests in the international arena.

The multilateral world order allows Nepal to use innovative strategies such as Niche Diplomacy, hiding, and binding strategy, and alliance formation to strengthen diplomatic resilience and position in the world system. Such strategies are taken by Nepal for the strategic relevance to building resilience as a response to vulnerability. This research paper also focuses on driving and limiting factors of Nepal's strategic choice in selecting multilateral strategies and also aims to find the strategic choices Nepal has in selecting multilateral strategies.

This analysis draws from Nepal's strategic choice in selecting the multilateral forums in the international arena to represent and protect the national interest in today's changing and complex world dynamics.

1.1 Statement of the problem

This paper aims to add to an understanding of the position of Nepal in its multilateral engagements. This analysis concerned with domestic and international conditions that influence and shapes Nepal's choice for multilateral foreign policy and strategies which enable it to play proactive roles in the multilateral arena. This research explains Nepal's engagement in multilateral forums where global decisions and programs are developed which are directly related to Nepal's vulnerabilities. To overcome various issues and vulnerabilities (Such as poverty, climate-related issues, access to the sea, and many more) Nepal is a member of the world's largest multilateral organization the United Nations, Group of 77, World Trade organization for trade-related issues, financial organizations such as the World Bank, International Monetary Fund, Asian Development Bank, some regional organizations like South Asian Association for

Regional Cooperation and so forth. The unique geopolitical location and no access to the sea have forced Nepal to experience some structural vulnerabilities. Hence the changing dynamics of world politics with the creation of multilateral forums has allowed Nepal to overcome vulnerabilities and strengthen its position in the international arena, but there are some driving and limiting factors to pursue the multilateral foreign policy strategies by Nepal. There are some multilateral foreign policy strategies that can be very influential for Nepal's strategic choice in selecting multilateral strategies to overcome vulnerabilities and strengthen Nepal's position in the dynamics of the world. This research will help to outline actionable policy implication which can guide Nepal's multilateral foreign policy in response to its vulnerabilities.

1.2 Research Questions:

- 1) What are the driving factors which enhance Nepal's multilateral engagements?
- 2) Why multilateral engagement of Nepal is limited?
- 3) Which strategic choices Nepal can exercise in multilateral engagement?

1.3 Objective of the study:

- 1) To discover the driving factors which lead Nepal to enhance multilateral engagement;
- 2) To study the limiting factors which obstacle the multilateral engagement of Nepal;
- 3) To explore strategic choices Nepal have in selecting multilateral engagement;

1.4 Delimitation

Like most developing countries, Nepal seeks multilateral forums and organizations in shaping its international presence and overcome global and national vulnerabilities. Within this in mind, the research limits its focus of Nepal's presence in multilateral organizations since the formation of the world's largest multilateral organization the UN, and other multilateral forums such as the WB, IMF, WTO, and so forth, as research endeavors to ascertain the strategic choice in selecting multilateral foreign policy strategies. The study is mainly based on the published and unpublished secondary data and information available on the foreign policy strategy of Nepal.

1.5 Significance of study

Analyzing Nepal's strategic engagement in multilateralism should not be done only by the state-level analysis (foreign policy in terms of state characteristics), other factors such as Nepal's presence in the multilateral arena, driving and limiting factors to pursue the multilateral strategy and available strategies always influenced selecting multilateral foreign policy strategies and its international presence and influence in the changing world dynamics. Likewise, multilateral strategies are also influenced by the influence of larger power along with the power exercise of immediate neighbors of Nepal India, and China in the international arena. In this regard, this research aims to examine Nepal's presence in the multilateral arena with driving and limiting factors and available strategies. Nepal's presence in the multilateral arena will be examined to assess the most influential strategies available for Nepal to enhance its international presence. It is most useful to provide analysis at the multilateral level, which sheds light on how Nepal's driving and limiting factors play an important role in shaping multilateral strategies.

1.6 Organization of the study

This dissertation is divided into seven chapter as follows:

The first chapter provides a general introduction of the topic. The chapter includes the statement of the problem, research questions, and objectives of the study together with the limitations of the study.

The second chapter include the review of related literatures to this study and identifies gap and this study aims to fill that gap.

The third chapter deals with the conceptual framework and the methodology employed for the research. The research design and nature of data is also defined.

The fourth chapter elucidates the driving and limiting factors of Nepal's engagement in multilateral arena. It also explains how Nepal is driven to pursue multilateral engagement and why Nepal's multilateral engagement is limited.

The fifth chapter explains the available strategies to engage in multilateral arena. It analyses the strategies which can pursue by Nepal in multilateral arena to protect its national interests and sovereignty.

Finally, the sixth chapter concludes the research work with the summary and conclusion.

CHAPTER II

REVIEW OF THE LITERATURE

The multilateral world order is considered as the international system where the decisions are taken by states. The theoretical description presented in this literature review define multilateralism, and characterize multilateralism as a choice for states.

2.1 Multilateralism

As its core, multilateralism refers to coordinating relations among three or more states with certain principles (Keohane, 1990, p.731). One of the multilateralist principles is a collective security system. A war against one state is considered as a war against all. Most of the nation response to vulnerabilities via diplomatic means, then via economic sanctions and finally by the collective collaborative approach to use force if necessary.

Multilateralism can be defined as the practice of coordinating national policies in groups of three or more states, through ad hoc arrangements or by means of institutions (Keohane, 1990, P.731). Through the means of institutions Nepal can practice coordinating national policies in multilateral arena and achieve the desired outcomes. John Ruggie elaborates the concept based on the principles of 'indivisibility' and 'diffuse reciprocity' as an institutional form which coordinates relations among three or more states on the basis of 'generalized' principles of conduct which specify appropriate conduct for a class of actions, without regard of particularistic interests of the parties or the strategic exigencies that may exist in any occurrence (Ruggie, 1992, P.561-598). The generalized principles of multilateral via a rule based world order provides an appropriate class of actions to pursue through multilateral engagement.

Keohane has defined institutions, generically, as "persistent and connected sets of rules, formal and informal, that prescribe behavioral roles, constrain activity, and shape expectation (Keohane: 1990, P. 732). The multilateral institutions provides a set of rules which helps to address constrains of Nepal through multilateral engagement. Very simply the term 'multilateral' is an adjective that modifies the noun 'institution' (Ruggie: 1992, P.570). Thus multilateralism is a global and generic institutional form in international relations.

Not only in collective security multilateralism offered states to coordinate in economic issues. Another is international economic order an 'open' or 'liberal' international economic order is multilateral in form and is a maritime order based on the principle of *mare liberum* (Ruggie: 1992, P.572). Generalized principles of multilateralism allows states to distinguish their coordination in international arena. What distinguishes the multilateral form other forms is that it coordinates behavior among there or more states on the basis of generalized principles of conduct (Ruggie: 1992, P.574). The generalized principles of conduct helps to collaborate in networks of international institutions and multilateral agreements.

Multilateralism is an approach taken by Ruggie (1992, 1993) which suggests that multilateralism needs the following three features; indivisibility, generalized organizing principles, and diffuse reciprocity. Through the indivisibility, generalized organizing principles and diffuse reciprocity of multilateralism maximum outcomes of multilateralism can be achieved.

Using the term 'regime', Stephen D. Krasner defines multilateral cooperation as 'sets of implicit or explicit principles, norms, rules and decision-making procedures around which actor expectations converge in a given issue-area (Krasner, 1983, P.1).

Multilateralism is an ideology to promote multilateral activity among nations with the normative principles with advocacy and existential beliefs.

The history of multilateralism then defining and stabilizing international property rights, solving coordination problems, and resolving collaboration problems. Mostly the multilateralism arises from the main ideas of property rights, coordination problems from history. Which are described below:

Property rights

Not surprisingly, the earliest multilateral arrangements instituted in the modern era were designed to cope with the international consequences of the novel principle of state sovereignty (Ruggie: 1992, P.575). The issues of sovereignty was one of the major issues which paved the way for collaboration among nation to protect their sovereignty. For instance, claim of ocean trades routes by Spain and Portugal leads to the formation of governance system of ocean. After that an agreement of multilateral solution was reached. Therefore multilateralism is driven to protect and preserve the sovereignty via multilateral negotiations. Since then the rule based order had been sought by various nations. *Coordination problems*

Another dimension to arise the multilateralism is the lack of coordination in common problems to resolve the issues. The best example of coordination of nations to resolve the common problem is the formation of The International Telegraph Union. The International Telegraph Union (1865) was established to resolve the communication complex of trades, diplomatic missions/messages, and so forth with several multilateral arrangements. They established a network of telegraph lines to connect European countries and other parts of the world, established a permanent secretariat to administer the day-to-day implementation of the rules, and convened a periodic

conference to make necessary revisions of rules. Similar multilateral arrangements were instituted in the field of public health in the 19th century (Hass: 1964, P. 14-17).

The practice of coordinating among nations and solving the common problem via multilateralism is not new in international relations. Since the establishment of the world largest multilateral body The United Nations most of the states pursue the policy of multilateralism. The incentives of multilateralism are high for states while dealing with common problems. In situations exhibiting coordination problems, the incentives are high for states to order on the basis of generalized principles of conduct (Ruggie: 1992, P.578). However, the powerful nations had greater influence and use multilateral platform as a hegemonic arena.

2.2 Hegemonic theory of Multilateralism

Another theory of multilateralism is hegemonic theory. This theory is used by the powerful states of international arena. The role of the United States is taken in this theory to describe how multilateralism is used to for hegemonic purpose. Hegemonic theory gives a veto role to the United States (US) acting as a post-world war II hegemon, a position which it occupies by virtue of its dominance of the global distribution of capabilities, as indicated by traditional measures of 'hard power'- military, economic and technological resources that translates into influence over other states (Ikenberry: 2011, P.43). This meant the US plays a crucial role to determine the international system, using multilateralism over alternatives.

Hegemonic theory sees US leadership as an important factor for the development of the multilateralism and maintaining the world order via various strategies and vision of governance across the world.

The incentive for the hegemon to choose multilateralism is its ability to retain its dominance and safeguarding its interests, even after its asymmetric possession of power resources has relatively diminished which Ikenberry (2011) has identified as a form of hegemonic preservation (Ikenberry: 2011, P.107). This is clearly exposed in the establishment of the UN after the immediate aftermath of World War II where the US was the pioneer for the formation of the United Nations. Furthermore, the dominant role of powerful states must be accepted by other states during their agreement to participate in the multilateral world order.

Cooper et al. (1991) found that followers acquiesce to the hegemon's dominance for reasons that largely take reference from the leader's actions- they gain reciprocal benefits from the institutional arrangements; the leader influences followers interests to reflect those of the leader and the global order; or followers may perceive the leader to possess legitimacy and leadership ability (Cooper, Higgott, Nossal: 1991, P.391). For instance, the formation of NATO and security bargain in Europe rooted the foundation of hegemonic multilateral order which acts as an initial point for the expansion of multiculturalism to the other parts of the world. The hegemonic origin of multilateral orders provide countries like Nepal to mitigate its security threats with strong participation in the order.

The durability of the US leadership and multilateral order founded the hegemonic stability theory. Ikenberry sees this in the expansion of multilateral institutions and integration of emerging economies into the multilateral order, in the years following the fall of the USSR (Ikenberry: 2011, P.236). In the beginning the US pursue the hard power strategy to dominate the multilateral order later on US also pursue the soft power policy to hegemon the international order. In addition to hard power

dominance, the multilateral order also maintains US leadership by its soft power attraction rather than coercion, and through norms and institutions that influence behavior (Keohane, Nye: 2001, P.220-221). The US pursues the soft power policies such as expansion of culture, tourism, providing scholarships for foreign students among others which leads to win the hearts and minds of others.

In the meantime, new challenges have emerged in the multilateral world order. The end of the cold war has diminished the perception of the US role as a global security provider. The emergence of regional and trans-regional arrangements such as Group of 77, Group of 8 (G8), Group of 20 (G20) along with the rise of other major powers' the engagement of states are increasing and the shape of multilateral order is changing. Multilateralism is considered as a guiding principle of global governance structures where the hegemony to maintain this principle is diminished. This shows that the durability of the multilateral order no longer depends on the hegemon's leadership but also on the other states/members of the multilateral world order. The drawbacks of hegemonic leadership indicate the possible role/space/platform where other states may gain a greater role. Therefore, countries like Nepal may be expected to act as a catalyst to strengthen multilateralism. Multilateral strategies allow Nepal to acquire strategic relevance among major powers to build resilience against its vulnerabilities through the choice for strong institutions for collaborative approach.

2.3 Institutional Rational Choice Theory

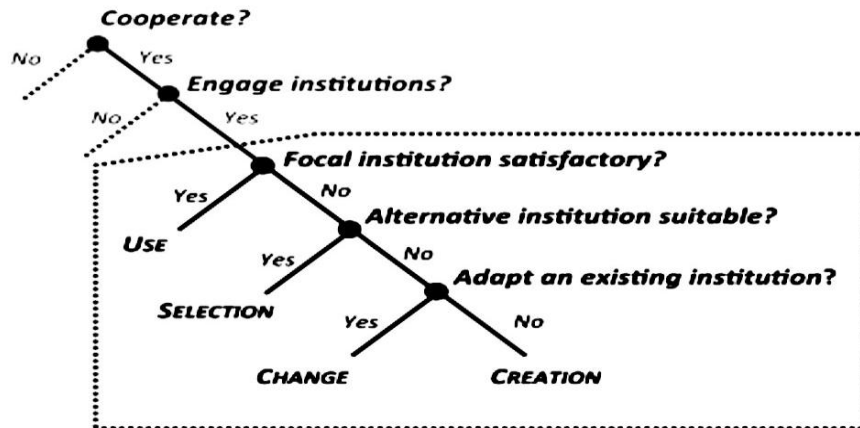
The institutional rational choice theory emphasizes on rational choice of selecting multilateral institutions to maximize their outcomes. This theory assumes that nations aim to join multilateral arenas to maximize their preferences. The hegemonic theory

focuses on the supreme role of leading states, whereas institutional rational choice theory sees multilateralism as the choices made by states. States enhance multilateralism in order to resolve cooperation problems between states. The structure of institutional arrangements set up to manage these problems reflects the rational choices of the state's actors; involved; multilateralism, therefore, serves some joint functional interest of states who wish to cooperate (Koremenos, Lipson, Snidal: 2003, P.21). As a choice multilateralism can account for Nepal to pursue multilateral strategies to strengthen its presence in world politics.

An institutional rational choice theory provides the use of a comparative statistic approach for the selection of multilateralism. This theory emphasizes that cooperating on common problem influences multilateralism as an outcomes. Caporaso (1992) further clarifies that the institution of multilateralism is one of a number of alternative conceptions of how the world might be organized, others being bilateralism or imperial hierarchy these do not merely indicate different institutional forms but also the rules and norms that accompany them (Caporaso: 1992, P.602). The multilateral order depends on participant's principles at various stages to suits the needs of the cooperation problem.

Jupille, Mattli, and Snidal (2013) present a simplified framework of path-dependent institutional choice, which may be used to explain the emergence of multilateralism. States during this framework satisfice using institutional arrangements until it's now not sufficient in meeting the wants of the cooperation problem, following which the next attainable alternative would be sought. This form of bounded rationality improves on previous frameworks that assume states to make institutional choices from a complete menu of options, with full information, as rational actors.

Fig2.3.1: USCC Model of Choices with Institutionalized cooperation (Jupille, Mattli, Snidal: 2013, P.29).



This 'use, select, change, create (USCC) model presents four options for Nepal to respond in collaborative approach in multilateral platform. By selecting the proper institutions Nepal can manage an issues through an existing institutions. For instance, Nepal can use either the World Trade Organization or other regional trade agreements to resolve trade disputes. Furthermore, through this model Nepal can opt to change existing institutions if it is not bale resolve issues then it can change or create new institutions. As a result Nepal can look for multilateral institutions by expanding the substantive agenda through cooperative arrangements. Nepal can take decisions of multilateral engagement through rational choice to exist the institutional framework by abandoning institutional cooperation. However, the preference for developing countries like Nepal has a larger capacity to influence the outcomes of multilateralism.

2.4 Constructive theory

The constructive approach sees the multilateral world order as a product of shared understandings that multilateral principles are a legitimate way to organize inter-state

interactions (Kratochwil, Ruggie: 1986, P.764). This theory emphasis on normative setting, and sees the multilateralism through the changes in norms among inter-state interaction. This approach describes the deeper generative logic of multilateral principles and institutions, and accommodates small state's use of norms and ideas to support the multilateral order, presenting another avenue through which small states have a role in shaping the institutional structure (Kratochwil: 1993, P.458).

Constructivist approach focus on regimes as norm-generated structures. Kratochwil and Ruggie (1986) see regimes as governing arrangements constructed by states to coordinate their expectations and organize aspects of international behavior in various issue areas, indicating that they emerged not solely because of cooperation problem, but from expectations generated by patterns of interaction between states. This theoretical approach sees that inter-subjective understanding of the multilateral properties of indivisibility, generalized principles of conduct, and diffuse reciprocity may matter as much as the properties themselves (Ader: 2006, P.37). In addition, this theory emphasis the beliefs and assumptions of agents in the international political realm.

Multilateral institutions shaped the ideas of governance. Leus-Smit (1998) cites the emergence of universalistic values such as individual rights and human security as issues that create space for transnational concern with what is still essentially a domestic prerogative of nation-states (Reus-Smit, Paolini, Jarvis: 1998, p.10).

Concerns of states among their common issues paved the way to international institutions for monitoring and promoting cooperation.

Also, the historical experience of major international actors in the interwar years and WW II led to the development of multilateral institutions directed at international

regulation and cooperation, seen as the answer to the failure of global governance that allowed large scale conflict to arise (Reus-Smit, Paolini, Jarvis: 1998, p.10).

The principles of conduct in multilateral institutions and ideas of cooperation among states, present an opportunity for countries like Nepal to exercise power beyond its material capacity. Norm entrepreneurs mobilize support for practices that become legitimated to the point where they come to be taken for granted, such as Nordic country's advocacy for international cooperation on the environment and peace (Alder: 2006, P.43). The norms of multilateralism present Nepal with the opportunity to expand its footprint in the multilateral order.

2.5 Multilateralism to Nepal

Nepal's preference for multilateralism relies on responses to the state's structural constraints and vulnerabilities. For Nepal, the foremost pivotal feature of multilateralism is that the strategic shelter that mutually agreed rules provide an available structure to influence beyond the fabric power.

First, the strategic shelter provided by multilateralism relies on the security considerations for survival and protection of sovereignty. With the assumption of solving threats through external engagement and partnership. Generally, Nepal has two methods to respond to security threats. Firstly, Nepal can remain neutral or withdraw from committing to a position on conflicts involving larger powers. In addition Nepal can participate in a network of international institutions and multilateral arrangements, seeking protection through cooperation, as well as expanded influence to shape the institutional response to the threat. With the changing dynamics of world politics, the latter option is more relevant for Nepal to cater to a broad spectrum of challenges such as climate change, transnational crimes, money

laundering, and so forth. The increasing impact of threats as compared to powerful states is one reason for Nepal's strategic choice in selecting multilateralism.

Nepal's participation in the UN and its subsidiary organs, the formation of the UN Convention on the Law of Sea, and member of various regional and global organizations such as the South Asian Association for Regional Cooperation (SAARC), World Trade Organizations, the World Bank, International Monetary Fund (IMF), the Asian Development Bank and so forth can be considered as one of the strategic choices in selecting multilateralism. These engagements act as forums for Nepal's various agenda to be heard in the international community. The geopolitical situation and its unique location between the rising two superpowers of the world China and India, Nepal's preference for multilateralism is a matter of necessity. Furthermore, the multilateral structure and strategies allow Nepal to play an active role in organizing a collective response to non-conventional threats as played by small states.

Small developing nations have used similar multilateral strategies to overcome climate change and other threats. Recognizing that these problems can only be addressed at a global level, small states have found that multilateral forums are the most suitable avenues to generate international cooperation, by keeping environmental issues on the global agenda (Powels: 2002, P.67). The multilateral forums provides an environment of raising issues at global levels where voice of Nepal can be heard.

Nepal seeks to actively engage in different multilateral initiatives to facilitate cooperation on threats that are unable to resolve on its own. The broad feature of multilateralism allows Nepal to overcome vulnerabilities via multilateral solutions.

Small states can rely on multilateral forums to end the small states syndrome in global arena.

Nepal has, on many occasions, successfully utilized multilateral forums and the UN to neutralize and minimize the influence of neighboring countries in its internal matters (Nayak: 2014, P. 24). Nepal is a founding member of the Non-Aligned Movement (NAM) and the South Asian Association for Regional Cooperation (SAARC). In both these multilateral forums, Nepal has raised the concerns of small developing states and has sought for non-interference policy at international level.

Since 1945 Nepal have been advocated in multilateral forums. Former King Mahendra and King Birendra, prominent diplomats and ambassadors such as Yadunath Khanal, Rameshnath Pandey had always sought the activeness in multilateral forums to preserve the national dignity and overcome the vulnerabilities within the collective norms and rules. They focus to enhance Nepal's presence in UN, WTO, SAARC and other bodies. Yadunath Khanal play pivotal role in formulation of regional organization SAARC and establishing its secretariat in Kathmandu.

Similarly, each diplomatic envoys sent to multilateral arena seems to preserve and protect sovereignty and national interests at multilateral level. Till now Nepal is in favor of strong multilateral order where it can achieve national interests. For instance, Deputy Prime Minister for Foreign Affairs Narayan Kaji Shrestha said at the 67th session of the UNGA held on 28 Sep. 2012:

While every country has the legitimate right to pursue its enlightened national interests.....the wider respect and observance of the principles of sovereignty, territorial integrity, political independence and non-interference are the bedrock

principles of international relations. These principles cannot and should not be made subject to political test under any circumstances (Ministry Of Foreign Affairs).

2.6 Nepal's Engagement in multilateral arena

Since the end of World War II, Nepal pursues the policy of engagement in multilateral organizations in order to promote and protect national interests via global and regional agencies. For instance, as a member of NAM Nepal seek the policy of neutrality during the cold war period, UNMIN was established in Nepal to settle down the combatants of the Maoist insurgency, activeness during the formation of SAARC to reduce the influence of India. In the global and regional forums, Nepal has raised the concerns of small and developing nations in global and regional forums. Nepal's engagement in some global and regional arena is discussed in brief below. Nepal engagement with NAM, SAARC, the UN, BIMSTEC and WTO are taken to exemplify the active participation of Nepal in regional and global organizations among other as Nepal is engaged with other regional and global multilateral forums.

Nepal and NAM

The term non-alignment movement (NAM) itself was coined by the Indian Prime Minister Jawaharlal Nehru in the course of a speech in 1954, in Columbia (Subedi: 2012, p. 131). The origin of NAM could be traced back to a conference hosted in Bang dung, Indonesia in 1955. Where the world's non-aligned nations declared their desire not be involve in the ideological confrontations of the cold war. The confrontations between the two social and economic system in the latter half of the 1940s, which took the form of a frontal standoff in the military, political, ideological, economic, diplomatic and other areas, and turned into a mirage the erstwhile brief idyll of the opposition of Hitler coalition, filed the non-alignment policy with more

concrete and quite tangible content as expressed in the non-acceptance of the block policy, which both east and west started implementing in practice.

In September 1961, the first conference of NAM head of states took place at Belgrade with the representation of Nepal and other member countries. Nepal got an opportunity to assert the sovereign status of Nepal in the global order with its strong commitments to the five principles known as Panchasheel, which are:

- (a) Mutual respect for each other's territorial integrity and sovereignty,
- (b) Mutual non-aggression,
- (c) Mutual non-interference in domestic affairs,
- (d) Equality and mutual benefits,
- (e) Peaceful co-existence.

From the Belgrade summit to Azerbaijan summit Nepal has attended all the summits at the highest level. The then king Mahendra led the first Nepalese delegation in the NAM and spread the message of all states are equal and no states should dominate other states. In the 1st NAM summit in Belgrade(1961), King Mahendra had emphasized on greater economic cooperation between countries and opposed the idea of military alliances and blocs (Nayak: 2014, P.24). In all the summits Nepal as a founding member of the NAM has strongly supported the cardinal principles of NAM. The policy of non-alignment is best suited to Nepal's national interests, and has been consistently pursued by all governments before and after the restoration of the parliamentary democracy in 1990. The election of Nepal to the Bureau of the 13th NAM summit as one of its vice chairman was a recognition of Nepal's active participation in and its commitment to the cardinal principles of NAM. In summits of NAM Nepal urged all member countries of NAM to pledge for collective works

towards achieving the common goal of peace, security, economic development and justice, establishing a peaceful, prosperous and equitable world order to promote global peace and security. Such urged in NAM emphasizes Nepal's strategy for collaborative approach to tackle such issues. The summits also provide an ample opportunity to brief the peace, security, socio-economic development taken by the government of Nepal. Nepal also expressed her position on various issues confronting the NAM such as poverty, illiteracy, disease and the growing gap between the least developed countries and other developing countries.

Nepal has been pursuing the policy of non-alignment as a core stone of her foreign policy. Nepal believes that the policy of non-alignment should reinforced relations among nations. Nepal's strong commitment to the principles of NAM is illustrated by the fact that they have been enshrined in the constitution of Nepal as a guiding principles of Nepal's foreign policy. As one of the founding member of NAM, Nepal expressed her abiding faith for a system of international relations based on peace, justice, equality and full respect of the principles and objectives enshrined in the non-alignment along with the respect of territorial integrity and sovereignty of state. The globalization era has brought the countries to collaborate with each other and world has become interdependent weather in terms of trade, commerce, economy and security.

With the collapse of the bipolar world and changing international political scene, Nepal believes that to deal with the problems of the developing and least developed countries, in relation to continuing their concern for independence and for more equitable international economic order, NAM provide ample opportunity and is a

matter of immediate interest. However Nepal should reflect the international development in today's world and changes in the non-alignment countries.

Nepal and the UN

Nepal became the member of the United Nations on 14th December 1955 and continues to contribute to the world's largest multilateral body. Although Nepal applied for the membership of the UN in 1949. On behalf's of Government of Nepal Major –General Bijaya Shamsheer, express Nepal's interest in world body on 22 July, 1949. Shamsheer wrote a letter to the UN expressing Nepal as a sovereign nation, and its relations with major power of the world, the United Kingdom, United States, France and India (Nepal Army).

However, Nepal's expression of interest to become the member of the world's largest body was rejected by the Security Council due to a veto against it by the Soviet Union on 7th September, 1949. Nepal obtained the membership of the UN in 1955. In seven years between Nepal's UN membership application and its acceptance, Kathmandu just added one more bilateral relations with China on 1st August, 1955. The membership in the UN was strategically important for Nepal to express its sovereignty across the world and its representation in international arena. (For instance, the bilateral relations with India are more conflicting as a result Nepal signed a treaty with India in 1950 (Indo-Nepal treaty of peace and Peace and Friendship) to reduce intervention form India, however, Nepal sought the membership of the UN to feel safe, secure, protect sovereignty and independent foreign policy.)In addition membership in the UN helps to enhance the diplomatic ties within the member states of the UN.

Since 1955 Nepal actively participated in the UN and its subsidiary's bodies. The delegates from Nepal in General Assembly expressed Nepal's strategy to join the world's largest multilateral organization to safeguard its independence and sovereignty. Nepal sent its first permanent representative to the UN in 1956.

Rishikesh Shaha was the first person to represent Nepal in world largest body. Shaha made an enormous impression on world leaders and other UN representatives, and present Nepal's view and strategies in world largest multilateral body. Since then Nepal have been sending permanent representative in the UN to present's its ideas, policies and strategies to the world largest body. Nepal has established its permanent mission to the UN located at New York, USA, Geneva, Switzerland, and Vienna, Austria to represent Nepal at the UN and other international organizations (MOFA).

Nepal's active participation in the UN was recognized by the world's largest multilateral organs as a result, the policy of eradication of racial discrimination in 1962 was handled by the leadership of Nepal. Since 1958 Nepal started to send Nepalese security forces in peacekeeping operations around the world. In 1958, under the banner of the UN observation group five military observers from the Nepal Army were deployed in Lebanon. The Nepal Army deployed its first batch of "Blue Helmets" in Egypt in 1974. Nepal is among the top four troops-contributing countries for the UN peacekeeping mission's worldwide. Contribution to the UN peacekeeping operations is Nepal's strategic choice for collective security approach and world peace order. Nepalese peacekeepers are actively engaged in peacekeeping operations in Congo, South Sudan, Sudan, Western Sahara, Israel, Lebanon, Mali, Syria, Central African Republic, Iraq and Libya. Nepal has been one of the major contributors to UN peacekeeping operations. The contribution of Nepal in peacekeeping operations around the world is highly recognized and Nepalese peacekeepers have also received

various medals for their contribution. In 1965 Nepal played the role of mediator in the Indo-Pak war which was strategically important for Nepal to maintain its adherence to the principles of the United Nations (Nepal Army).

In 1968, Nepal was elected as the non-permanent member of the Security Council for two years. For the second time, Nepal was elected as non-permanent member of the Security Council for the year 1988-89. Being a non-permanent member of the United Nations emphasizes the importance of developing nations in the multilateral arena. During various summits after 1965 Nepal support disarmament, peace and security, eradication of poverty, good governance, and accountable government. In 1983 Nepal vote for the support of South Asia without atomic weapons to protect its sovereignty and to promote peace and security in the region(MOFA). Nepal also include the policies of the Millennium Development Goals and Sustainable Development Goals to its national polices. Inclusion of such polices are strategically important for Nepal, as Nepal seeks to work with the collaborative approach to those problems which Nepal is not able to resolve itself.

Nepal signed numerous UN declaration to protect Nepal's national interests and support for the rule-based world order. At present Nepal is a member of the Human Rights Council (HRC) for the term 2018-2020. Such active participation express Nepal's strategic choice to influence and enhance national dignity in the international arena.

Nepal and SAARC

Nepal is one of the founding members of the South Asian Association for Regional Cooperation. Nepal joined the SARRC mainly with aims of the promoting welfare and quality of life of Nepalese citizens, acceleration of economic growth, social and

cultural development and promoting and strengthening collective self-reliance in South Asian region (Ministry Of Foreign Affairs). Nepal's strong support and commitment to regional cooperation in line with the goals and objectives of its charter exemplifies Nepal's preferences for multilateral engagement. Nepal joined the SAARC for deepening regional integration, reinvigorating regional cooperation and partnership via SAARC member countries in common interests to become visible in regional cooperation.

Nepal has been firmly committed to making the South Asian Association for Regional Cooperation (SAARC) a dynamic regional organization (Nayak: 2014, P.25). As a result Nepal has successfully organized the 3rd, 11th and 18th SAARC summit in 1987, 2002 and 2014 respectively (MOFA). SAARC regional convention on suppression of terrorism, regional study on consequences of natural disasters and protection and preservation of environment during the 3rd summit. Two conventions named as SAARC convention on preventing and combating trafficking of women and children for prostitution and SAARC convention on regional arrangement for promotion of child welfare in South Asia were signed during the 11th summit in Kathmandu. Nepal's initiative in cooperation in the fields of migration cooperatives and social protection was declared during the 14th summit in Nepal. Such declaration and signing of various agreement are strategically important for Nepal to enhance its identity in regional and world politics.

The different bodies of SAARC such as Council of Ministers, Standing and Programming Committee plays significant roles for Nepal. As foreign ministers and foreign secretary level body can formulate, monitor and review the strategies and progress of SAARC and Nepal in the region. The programming committee of SAARC

provides Nepal a forum for discussion of its strategic program where Nepal can be beneficial in finalized calendar of activities, programs and budgets.

Most importantly, the establishment of SAARC secretariat in Kathmandu on 16th January, 1987, is strategically important achievement for Nepal. The overall functioning of SAARC such as coordinating and monitoring of SAARC activities, services meetings of SAARC mechanisms, and importantly as a channel of communication in SAARC process are done through the secretariat and as headquarter of the SARRC in Kathmandu, where Nepal had a platform to strengthen and promote its multilateral engagements.

The efforts of SAARC to enhance physical and people-to-people relations among member states provides Nepal a strategically important platform to enhance the public diplomacy in region and ensure cross-border flow of goods, services, capital, technology and people. Not only connectivity meaningful cooperation in trade, finance, investment and economic activities uplifts Nepal's economic development. A commitment on Economic Cooperation plays vital role to promote economic diplomacy of Nepal. Finance Ministers meeting, inter-governmental expert group on finance issues and SAARC Public Debts Manager's forums are strategically important for Nepal to establish its strong presence in regional forums. Agreements on SAARC preferential trading agreement in 1993 and the agreement on South Asian Free Trade Area (SAFTA) in 2004 provides higher level of trade and economic cooperation by promotion of fair competition by removing barriers and facilitating cross-border movement of goods (Ministry Of Foreign Affairs).

SAARC mutual administrative assistance in customs matters and SAARC multilateral agreement on avoidance of double taxation are significantly important for Nepal.

Similarly, agreement on promotion and protection of investments, SAARC motor vehicle agreement, SAARC railway service agreements and SAARC regional air service agreement provides Nepal a platform to enhance its regional dignity.

Furthermore, the cooperation on environmental issues such as climate change and natural disasters, poverty alleviation, cooperatives, public health (Nepal host SAARC Tuberculosis and HIV/AIDS Centre (STAC) in Thimi, Bhaktapur with the vision of ADIS-free generation in SAARC region), terrorism and trans-national crimes provides a platform for Nepal to present its strategic ideas and an opportunity to resolve such issues via regional cooperation.

The integrated program of action (IPA) in the five regions: agriculture, rural development, telecommunications, meteorology, and health and population activities during the initial initiative of SAARC provide a suitable platform for Nepal to overcome these issues with regional collaborations. Later on, these activities were modified, however, the inclusion of various activities such as transport, scientific and technological cooperation, and sports, arts, and cultures helps to expand the involvement of Nepal in the regional organization and enhance its identity in the regional forum.

Nepal and BIMSTEC

Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) was came in to existence on 6 June 1997 via Bangkok declaration (Ministry Of Foreign Affairs). Nepal joined BIMSTEC on 8 February 2004 with the aim to create an enabling environment for rapid economic development, acceleration of social progress, and promote collaboration on matters of common interests among member nations.

The 14 priority areas of BIMSTEC plays significantly important role for joining it. Those 14 areas are: (i) trade and investment (ii) technology (iii) energy (iv) transportation and communication (v) tourism (vi) fisheries (vii) agriculture (viii) cultural cooperation (ix) environment and disaster management (x) public health (xi) people-to-people contact (xii) poverty alleviation (xiii) counter terrorism and transnational crimes and (xiv) climate change. Nepal's strong support to those 14 priority areas emphasizes Nepal's strategies to join regional organization to overcome the common problems and enhance the development of nations (Ministry Of Foreign Affairs).

BIMSTEC summit is the highest policy making body of BIMSTEC and its play important role in formulation of policies and presence of Nepal in summits. Nepal held fourth BIMSTEC summit on 30-31st August, 2018 in Kathmandu under the theme of "Towards a peaceful, prosperous and sustainable Bay of Bengal Region" (Ministry Of Foreign Affairs). Commitment to work together for the implementation of the 2030 agenda of sustainable development, multi-dimensional connectivity, trade and investment on the key enablers to economic integration among other are strategically important for Nepal to overcome its vulnerabilities and strong representation in regional forums.

Ministerial meeting is the second apex body policy making forum of the BIMSTEC. Where Foreign Ministers of Nepal receive a platform to present their best strategies to overcome vulnerabilities and enhance the area of cooperation among member states. The sixteenth Ministerial meeting was held in Nepal on 29th August 2018, which shows Nepal's commitment for multilateral cooperation and its strategy to strong representation in multilateral level. Another forum where Nepal can represent its

multilateral strategies in BIMSTEC is senior officials meeting. The senior officials of Foreign Ministers have the opportunity to discuss on the various issues monitoring and providing overall direction to the BIMSTEC activities.

Nepal's cooperation on poverty alleviation, business forums and economic forum are more strategically important to reduce poverty and strengthen economy of Nepal. Nepal as a lead country to prepare the BIMSTEC Poverty Plan of Action (PPA) to reduce the poverty is one of the strategic choice of Nepal in BIMSTEC to combat poverty. The establishment of Trade Negotiating Committee (TNC) to conduct the negotiations set out in the BIMSTEC FTA creates huge platform for Nepal to gain influence in trade and reduce the trade related issues. Numerous agreements on trade related areas are strategically important to Nepal, such as:

- Agreement on Trade in goods of the framework agreement on the BIMSTEC-FTA,
- Agreement on trade in services of the framework agreement on the BIMSTEC-FTA,
- Agreement on investment of the framework agreement on BIMSTEC-FTA,
- Agreement on cooperation and mutual assistance in customs matters of the BIMSTEC-FTA,
- Agreement on rules of origin and operational certification producers for the BIMSTEC-FTA,
- Agreement on trade facilitation for the BIMSTEC-FTA,
- Protocols to amend the framework agreement on the BIMSTEC-FTA
(Ministry Of Foreign Affairs).

Other areas of cooperation where Nepal has been working are technology with the establishment of the BIMSTEC Technology Transfer Facility (TTF), energy cooperation under the BIKSTEC grid interconnection coordination committee, transport connectivity. Nepal's six priority project (i connection road between integrated check post and inland clearance depot bypass at Birjung, ii, Kathmandu – Terai fast track road, iii, Nijgadh-Pathalaiya_raxual road up gradation, iv, five new rail connections with India, v, major development of Kathmandu airport and vi, integrated check post at Birjung) under the transport connectivity which are coordinated by the transport connectivity working group plays vital roles in connection with other nations and strengthen Nepal's connectivity(Ministry Of Foreign Affairs).

Furthermore, tourism, socio-culture relations, agriculture, environment and natural disaster management, climate change and public health are among other sectors which can be fruitful for Nepal to over the challenges in such sectors and enhance the Nepal's dignity in regional forum. Nepal seeks to utilize an intra-regional transportation network, expansion of trade, develop the region as a common hub of tourism via BIMSTEC. Through BIMSTEC Nepal is able to expand its economic relations, expansion of trade in the region, liberal policies to attract more foreign direct investment than SAFTA and WTO and strong private-public partnership.

Nepal and WTO

Nepal became the first least-developed Country member to access the membership of the World Trade Organization on 24, April 2004 as a 147th member (Maskay: 2012, P.210). Strategically Nepal's strategy to become a member of WTO is to optimum

utilization of three objectives to gain access to free trade. The three objectives of WTO are:

- a) To help trade flows as freely as possible,
- b) To achieve liberalization gradually through negotiations and
- c) To set up an impartial means of settling trade disputes (Acharya: 2016, P.175).

Nepal's journey to the WTO has been strategically important to reduce the trade related issues. In May 1989, the government of Nepal formally applied for GATT membership following a trade disputes with India, which has resulted in the establishment of the working party for Nepal's membership in WTO.

Nepal became the first least developed country to accede to WTO through the accession process. Nepal's membership is an achievement which marks the end of one journey. The membership in WTO provides opportunity of stable trade relations without discriminations. Other benefits are increase in market access, level playing field, transparency and predictability, dispute settlement and so forth. World trade organization offers special and differential treatment that can be used in the protection and promotion of Nepal's interest in trade.

Nepal's economic integration with the global economy lies in the expansion of trade opportunities through increased market access and by improving competitiveness in exports having comparative advantages and matching quality and prices in the economic market (Acharya: 2016, P.175). Liberalizing trade and investment was another strategy of Nepal to join the WTO. Nepal raises the issues related to LDCs and supports the position taken by the LDCs coordinator or a focal point on behalf of the group in WTO. The technical assistance provided by WTO is beneficial to

enhance Nepal's human and institutional capacities. However, Nepal's participation in the WTO negotiations is severely handicapped by its limited human resources, institutional capacity, understanding of complex dynamics of the multilateral trade regime, logistics in the Geneva based permanent missions.

CHAPTER III

RESEARCH METHODOLOGY

The research will strive to examine and analyze Nepal's multilateral foreign policy strategies. The research will analyze the driving factors and limiting factors of pursuing multilateral engagement of Nepal. In this regard, the research will employ a qualitative method of research focusing on Nepal's presence in the multilateral forum since the end of World War II. The qualitative method is used to understand the multilateralism along with Nepal's engagement in multilateral arena. Nepal's presence in a multilateral forum is chosen to draw the attention of Nepal's geopolitical situation and the opportunity of multilateral forum on foreign policy behavior. Mainly presence of Nepal after World War II in multilateral organizations such as the UN, NAM, WTO, will form the basis of analysis for the research.

During the research, the variables that will be analyzed include the foreign policy strategies and approaches implemented by Nepal after World War II in multilateral forums. Likewise, the speech of Nepalese delegates and Ministers of Foreign Affairs in global organizations will be analyzed accordingly to how effective Nepal is in facilitating multilateral forums. The political motivation will also be analyzed as a state-level factor in influencing foreign policy strategies.

In utilizing the aforementioned variables the geopolitical locations, structural constraints, and vulnerability of Nepal at state-level analysis will be analyzed. This research will focus on how the driving and limiting factors have influenced the multilateral presence of Nepal and which strategies Nepal can pursue in multilateral forums.

3.1 Theoretical framework for the research

Analyzing the foreign policy of Nepal at present focuses on the effects of the international system. Nepal is often compared as a small state and its survival strategy as compared to superpowers. Therefore, the international system will be the most relevant level of analysis to explaining the multilateral strategies of Nepal. As the international system is influenced by great powers, Nepal is typically facing threats from its geopolitical situation, the multilateral foreign policy of Nepal reflects Nepal's presence to overcome the constraints in the international arena. However, the domestic political process is less concerned. In view of this, the research has found its focus on analyzing Nepal's presence in the multilateral forum with available strategies. Hence, the presence of Nepal's actors in the multilateral arena will be analyzed to gauge its influence in world politics. This research focuses on the multilateral choice of Nepal which reflects its driving and limiting factors of multilateral presence. In doing so, it will attempt to analyze how the post-World War II events of multilateral forum affect the multilateral presence of Nepal and which strategies may be beneficial for Nepal in the multilateral arena.

3.2 Data collection and processing

Data collection for the research was conducted via a contextual analysis of literature present on multilateral foreign policy. The analysis was focused on the multilateral presence, the research attempts to explain the driving and limiting factors of Nepal's multilateral foreign policy strategy along with the available strategic choices Nepal can pursue in the multilateral arena.

Based on the qualitative nature of the research, information collected for the dissertation has been examined through the qualitative process of content analysis.

Relevant data has been collected through secondary sources for instance scholarly articles and writings, journal articles, official documents and statements, government publications, and newspapers to provide the required support for the research.

CHAPTER IV

DRIVING AND LIMITING FACTORS OF MULTILATERAL ENGAGEMENT

The interrelated or independent variables such as the geographical location, economy, territory, sovereignty, vulnerability, international positioning in multilateral arena, participation in the multilateral organizations such as the UN and its subsidiary bodies, regional organizations, influence in global politics and so on have always influenced the foreign policy strategy of Nepal.

Looking back historically it can be found that Nepal had territorial disputes with India during the British Colonization, however, Nepal remains an independent nation historically but its international positioning is constantly influenced by its immediate neighbors India and China. With such incidents and the growing presence of multilateralism in world dynamics, Nepal has been seeking and implementing multilateral engagements.

The international position of Nepal also depends on the capacity and bargaining techniques done by Nepal to build important blocks in multilateral forums, the UN, and other regional meetings to push for regional and international positioning.

The strategy chosen by Nepal to foster its internal development such as good governance and investment environment helps to contribute to conduct effective diplomacy and overcome dimensional issues such as sovereignty issues, security, and economic issues and a position in world politics. A good example to be considered could be Afghanistan and Laos, where both are landlocked states with different realities, the way they faced challenges in several areas such as diplomatic ties and

international position clearly shows different ways of conducting diplomacy and enhancing international relations.

The foreign policy of Laos during the cold war was entirely focused on the western power with the Soviet Union. Most of the foreign assistance was depended heavily on the Soviet Union. The end of the cold war changed the foreign policy strategy of Laos. Laos started to strengthen its diplomatic relations with other nations such as Japan, China, France, Australia, and so forth. Lao's also seek active participation and focused on multilateral engagements by becoming a member of ASEAN in 1997, a member of WTO in 2016. Which shows Laos emergence from international isolation to international positioning.

In the case of Afghanistan, its presence in multilateral forums such as the UN in 1946, NATO, Organization of Islamic Cooperation Organization, the NAM, SAARC, and so forth the country is suffering from high levels of terrorism, poverty, corruption, and bad governance. These conditions of Afghanistan result in facing government instability and resulting in poor diplomatic ties and poor positioning in the world community to tackle the vulnerabilities such as requesting for large foreign aid, collective security.

The way Nepal overcome vulnerabilities such as security, poverty, economic issues, development, good or bad governance and importantly its foreign policy strategies and conducting diplomacy in an effective way in the multilateral arena within the framework of international organizations, regional forums, and summits to create a platform to have the voice heard and convincing powerful nations and receiving pivotal cooperation and increasing international positioning always influence the multilateral approach.

In case of Nepal, since the end of WWII and formulation of the UN and NAM, Nepal constantly looks forward to working in the multilateral forum to overcome common issues such as poverty, unemployment, human affairs, and migration, economic development and many more as a unit of exerting some influence in the international community, however changing dynamics of world politics has been forcing Nepal to do more strategic work in formulating foreign policy and conducting diplomatic initiative and techniques in multilateral forums to reach international presence.

Since becoming the member of UN in 1955, Nepal has been constantly lobbying with the international community in harmonizing economic issues, trade issues, tackling poverty, terrorism, good governance, human affairs and migration is common effort to impact not only the UN but through the WTO, free trade agreements such as SAFTA in order to penetrate more market throughout the world and South Asian region.

Geographically, Nepal is considered as a small state with the unique geopolitical situation, vulnerable economy, and the landlocked nation has shown signs of a leading role in formulating United Nations Convention on the Law of Sea, SAARC and the first least developed countries to become a member of WTO in the regional and international arena.

Such presence and the leading role of Nepal have a huge impact on the multilateral scenario. Nepal's active role during the Non-permanent member of the UN, active participation in peacekeeping operations in coordination with the UN peacekeeping operations, and humanitarian efforts (various missions in different parts of the world) can be considered as an important contribution in peacekeeping in the multilateral scenario.

The limited resource of Nepal force it to rely on the role of effective negotiation technique of foreign service strategically operating in the permanent mission in New York and Geneva, Austria, and regionally through the secretariat of SAARC in Kathmandu and through the embassy in New Delhi, Cairo and Myanmar to maintain a strategic and important presence in the Asian region. Nepal's foreign service has been helping in providing the strategies and the guidelines to conduct state diplomacy in the most effective way to achieve development and push for strong public diplomacy and positioning in the bilateral and multilateral scenario.

In terms of economic development, Nepal's economic diplomacy has been a vital tool for development by safeguarding the rights and privileges of landlocked countries in multilateral arena promoting trade diversification, in the hydropower area, tourism, foreign trade and foreign direct investment which can be achieved by reaching vital economic partner in bilateral relations such as the US, Japan, India, China, UK, Singapore among others.

Some of the major driving and limiting factors which drive and limit the international presence and influence of Nepal in changing world dynamics are described below:

Driving factors

4.1 Political motivation

The foremost aspect of the driving factor of multilateralism is political motivation.

Within the changing dynamics in the world since World War I and II Nepal seeks the multilateral forum to represent its problem and its impact in the world. For example, Nepal sought the membership of the world's largest multilateral institution the UN since its inception and become the member of it in 1955. Not only in the UN, but

Nepal is also an active member of the non-aligned movement and other regional and global organizations and in favor of multilateral engagements with the changing dynamics of the world. The unique geopolitical situation and the changing dynamics of politics in Asia particularly India and China and around the world forced Nepal to pursue a multilateral approach. Nepal seeks to survive in changing dynamics of world politics via a rule-based multilateral order. As a result, after world II Nepal became a member of NAM to protect its sovereignty, where Nepal raise the issues of sovereignty and establishes itself as an international actor.

Not only in NAM but Nepal also had the strong motivation to preserve and protect national interests and sovereignty. As a result, Nepal sought the door of various multilateral institutions. Such as the world's largest multilateral organization WTO, WB, IMF, Group of 77, and so forth to increase its international presence and influence in changing dynamics of world politics. With its commitment to solidarity and diplomatic efforts Nepal became a non-permanent member of the United Nations Security Council twice with successfully conducting the tasks. This reveals the belief that multilateralism offers huge platforms to pursue national interests and enhance the international presence of Nepal. Another example can be, Nepal's constant lobbying for the reformation of the United Nations Security Council for active participation of the small states. Apart from the United Nations Security Council, Nepal is well recognized in the United Nations General Assembly. Nepal has adopted various multilateral agreements adopted by the General Assembly. The top leaders of the world meet with the Nepalese delegation in United Nations General Assembly every year which can be considered as one of the major achievements of multilateral engagements where Nepal can share its overall development with top leaders of the world.

In order to defend its independence, sovereignty, and territorial integrity, Nepal sought the long term defense arrangement with the world's largest multilateral organization the UN's collective security approach, regional security approach by SAARC as anti-terrorism agreements, and so forth. One good example of this can be the management of former Maoist combatants by the United Nations Missions in Nepal. The political motivation to seek the multilateral organization to settle the political disputes was high to mitigate the country's security needs.

With the interdependence and globalized world, Nepal pursues the policy of active participation in multilateral forums. The article 50.4 of the directive principle of the constitution of Nepal states that ' The state shall direct its international relation towards enhancing the dignity of the nation in the world community by maintaining international relations on the basis of sovereign equality while safeguarding the freedom, sovereignty, territorial integrity and independence and national interest of Nepal' (The Constitution of Nepal 2015). Which emphasizes active participation in the multilateral forum.

This exemplifies that Nepal is constantly looking for multilateral organizations to enhance its presence and influence. At the same time, Nepal is seeking to protect its national sovereignty, territorial integrity, independence with the mechanism of international and regional organizations.

4.2 Geographical location

Another major driving factor for multilateral foreign policy is Nepal's geographical location. Geography is considered as the major component of power in world politics. During the period of war or conducting trade with different nation's geography plays a vital role. The country's access to the sea and its geographic location plays a crucial

role in establishing relations in the international community. Within the landlocked geostrategic position, Nepal relies mainly with India to access the sea. For instance, Nepal's lack of access to the sea and its dependency on India to trade with world communities play a vital role in conducting trade.

Nepal after the unification by the then king Prithivi Narayan Shah, Nepal has competed with British colonization to preserve sovereignty and independence. This means the geostrategic location of Nepal was very crucial and Nepal always looks to defend its sovereignty either with colonization or with the increasingly interconnected world. Within the unique geopolitical situation along with the emerging powers of world China and India as neighbors, Nepal seeks collaboration with other countries and multilateral forums to protect its sovereignty and territorial integrity.

The major powers of world US, China, UK, and Russia among others they have huge geography which is strategically beneficial for them such as the access to the sea, huge amount of natural minerals and resources which plays pivotal roles in formulating foreign policy and their participation and influence in the international arena. In this changing dynamics and growing interdependence, no nation can remain in insolation therefore, to access the sea to conduct trade either importing or exporting with other countries, Nepal relies with its neighbors. To have an easy and greater access to sea Nepal plays an active role in formulating and adopting the UN Convention on the Law of Sea. Not only in the formulation of the UN convention on the law of sea, to resolve the trade related issues, and to deal with trade-related policies due to its geographical situation Nepal seek the membership of the World Trade Organization, UN, ASEAN and SAARC among others. Therefore the geographical location is another major driving factor of multilateral approach.

4.3 Structured constrains/ capacity constrains

Structured constraints are one of the driving factors for multilateralism. With its structural constraints Nepal has experienced numerous capacity constraints. The vulnerabilities experienced by Nepal can be pointed out in two dimensions- Nepal's content and intensity. The former one is concerned with the perception associated with Nepal's sovereignty. Nepal lacks the necessary means to defend itself relying on its assets. With the growing advancement in technology and military weapons and terrorism, Nepal relies on outside power and multilateral agreements to protect the sovereignty and security of the nation. For instance, during the Maoist insurgency, the US and China support Nepalese security forces with advanced weapons. Later on, the UN was involved to settle the soldiers of Maoist with the mission named UNMIN.

Not only for protecting the sovereignty of the nation, but Nepal also relies on India for export and import goods from and to other countries. Dependency over India to trade with other countries made Nepal difficult to survive in today's globalized and interconnected world. The best example of the difficulty faced by Nepal with the dependency over India be the 2015 unofficial blockade by India due to the promulgation of the new constitution of Nepal. There was no import of liquid petroleum gas, medicines, no import of foods and vegetables, daily consumable products, and other necessary supplies. As a result, nearly all sectors of the economy has taken a severe hit, from transport to tourism to agriculture.

Not only is the security perspective, the economic resources of Nepal limited. Nepalese economy highly depends on remittance, agriculture, foreign aid and investment, and so on. Remittance and agriculture are considered the major backbone of the Nepalese economy. To overcome the economic difficulties and development of

the nation Nepal seeks support from multilateral organizations such as the WTO, IMF, ADB, and the WB to name a few. Such structural constraints lead Nepal to pursue the multilateral engagements. Not only the above mentioned constraints but the growing impact of terrorism and other non-conventional threats in the Asian region and world, protection of nation has been a great challenge and Nepal has sought for the collective security approach of multilateral organizations.

Limiting factors

4.4 Identity

Identity in international relations is defined with *inter alia*, constructivism, which propounds that identities of states and political actors within the states are shaped by universal norms (Reus-Smit: 2009, P.220). The interests of nations in the international arena also identify the identity of states. In the international arena, the identity of Nepal is quite low and is recognized as a small land-locked developing nation. It is an inevitable fact Nepal is recognized as one of the major contributing states for peacekeeping operations and became a member of the United Nations Security Council twice. However, Nepal lacks the strategic relevance of one of the major influential countries in the world.

Three mechanisms shape the identity of a state (Reus-Smit: 2009, P.220). At first, the thinking of states how they take and act in the world political system with the best measures they need to use to fulfill their objectives. In such a scenario, Nepal lacks the think tank option along with unclear multilateral policies and as a small state syndrome. Secondly, on a specific issue states/actors adopt conventions as norms of behavior to achieve their objectives and goals. Till now, without the proper study and analysis of multilateral agreements and conventions, Nepal had adopted many

conventions at a multilateral forum after the declarations. These shows that Nepal lacks the strategic analysis of multilateral agreements which best suits the national interest of the nation. At last, the normative structure of world politics serves as a constraining factor, especially to the behavior of states. The accepted universal normative principles in which Nepal is subscribes also exemplifies the identity of Nepal in the international system as less influential nations in terms of hard and soft powers.

Above discussion exemplifies that Nepal is not highly identified in the international system as compared to the presence of Singapore, Finland, Switzerland, and so forth. The identity of Nepal in the international arena has limited the effectiveness of multilateral foreign policy strategies. Despite strong recognition as a peaceful nation in the international system, Nepal lacks its strong presence in key issues of the world such as climate change, global warming and digital terrorism such inactiveness decreases the identity of Nepal in the international political system.

4.5 Vulnerability

Nepal is always vulnerable to trade balances, particularly with India, due to exporting Indian goods under non-competitive conditions. Approximately 65 percent of Nepal's total export and 63 percent of total import is with India. This emphasizes that the Nepalese economy fully depends on India. The best example of Nepal's dependency over India can be the economic vulnerability during the unofficial blockade in 2015. Being a member of WTO Nepal has the opportunity to raise these issues in world's largest trade organization world trade organization but Nepal was not able to raise the voice in WTO and other multilateral organizations due to its geographical and economic vulnerabilities. In the changing dynamics of post-cold war era, Nepal

sought the support of its Northern neighbor China to reduce its vulnerability by numerous agreements. As a result, the transit and transportation agreement with China was signed in 2016, but entails of policy coordination, good connectivity, financial cooperation, good transport networks are still underway. Lack of efforts to formulate good connections with Chinese authorities shows the vulnerabilities of accountability and ineffectiveness of the government to resolve the structural constraints. Therefore, Nepal required a multilateral framework to overcome such vulnerabilities.

The development of emerging economic and political movements from its immediate neighbor China and India has posed serious threats in Nepal's presence in multilateral forums. The unique geopolitical situation and dependency over India have lead Nepal to rely on India rather than a multilateral forum. In the policymaking process, negotiation in the multilateral forum especially in the United Nations is affected by India. Due to India's strong desire to become a permanent member of the United Nations Security Council, India always seeks support from Nepal with its close ties and dependency. Sometime Nepal is organized with India to improve India's bargaining power in the international system. Nepal's vulnerability is exacerbated due to its difference in approaching the issues, especially when negotiations are damaging the image and reputation of benefactors. For instance, Nepal being a chair of SAARC it was unable to organize the 19th summit due to the unwillingness of India.

Another increasing vulnerability is environmental issues, for instance, climate change. Such as unpredicted rainfall patterns decrease agricultural production and increase dependency over large states, especially in China and India. In such a scenario, Nepal will focus on mitigating the caused problems and needs to be active in the

international arena to raise such issues such as in UN environment program, SAARC, ASEAN among others.

4.6 Constrains in influencing international agenda

It is an inevitable fact the multilateral diplomacy provides security for Nepal, however large states dominate the setting of agenda in multilateral institutions. For instance, the representation of Nepal in the United Nations is shadowed by the presence of its strong neighbors China and India. China and India tend to dominate the discussion of issues related to their neighbors.

Another constrained to strong representation is policy formation. Due to the lack of strong foreign policies, Nepal is not able to influence terms of trade, negotiations, and climate change issues in the international political system. Instead, Nepal is obliged to choose the agenda set by powerful states. Despite shaping the agenda of Nepal's national interests, Nepal adjusts itself to follow the agenda in which Nepal finds itself. This means Nepal's input in making a difference in the international political system is minimal.

Nepal is often bound in limited resources and concentrate in strategic areas where it can achieve advantages. Nepal often seeks to use public diplomacy to influence public interests. The policy of public diplomacy helps to understand the attitudes and behaviors with necessary strategies that ensure maximum influence. Therefore, the dialogue between leaders and the public is crucial. However, the proper analysis of public opinions and strategies is very low in Nepal. There is no provision of proper research or surveys to collect public opinions and no dialogue between the public and leaders. Public diplomacy allows Nepal to attract attention and create its own visibility in the world's political system. Proper management of media to spread the

achievement in a multilateral forum is vital. For instance, New Zealand is using digital tools to enhance its presence in the national and international arena.

4.7 Attitude of neighbors/large states

Despite the strong advantages of multilateral diplomacy, it poses some challenges to Nepal. In terms of multilateral economic diplomacy, Nepal faces the threat of being marginalized in the world economy. Nepal lacks massive production capacity and relies on imports. Due to its limited economic diversification, Nepal faces the threat to unilateral trade liberalization.

The international political system is inherently characterized by the stereotyping of small states by large states (Batora: 2005, P.5). Nepal's neighbor India uncompromised in its attitudes towards the capacity of Nepal. This means in economic diplomacy India behaves in the manner it is negotiating from a position of strength versus weak Nepal. Most of the time India expects Nepal to accept its proposals, without any questions in terms of economic diplomacy or supporting India in multilateral forums such as the United Nations or the World Trade Organization. Such an attitude engaged Nepal in dealing with India rather than focusing on multilateral forums. Similarly, with China, USA, UK and other nations Nepal lack the negotiation power in multilateral forums in diverse issues and is forced to act as the catalyst of the powerful nations.

CHAPTER V

MULTILATERAL STRATEGIES AVAILABLE TO NEPAL

In today's changing world dynamics Nepal needs to adopt its diplomacy with the inclusion of other actors such as the civil society, media, non-state actors (NGOs), private sectors, think tanks among others to have a greater influential representation and international positioning in multilateral forums and global decisions. Through effective multilateral foreign policy strategies, Nepal can gain support in its initiatives in the international agenda by Niche diplomacy, hiding and binding strategy with powerful states or by building alliances or bargaining in specific issues which could grab attention from the majority of states in the world's largest multilateral body the UN, its subsidiary bodies or regional organizations such as the SAARC, BIMSTEC to mention a few.

The geographical situation of Nepal is very important to formulate and have an inclusive foreign policy and diplomatic system and contacts before a diplomatic envoy is sent to another receiving state. Having a sound knowledge of host country and its presence in the multilateral arena has to be considered before practicing niche diplomacy or economic diplomacy or negotiation for a specific policy or program that Nepal desire to be considered by any specific country in the multilateral platform such as the UN, WTO, IMF or the WB among others.

Nepal tends to operate in accordance to the rule of law and legitimacy in the multilateral setting, multilateral diplomacy plays a vital role to represent a great advantage for Nepal to show its initiatives in global and regional issues, or to obtain cooperation in the global agenda that can be discussed in multilateral forums such as common security, poverty, and SDG's among others. Despite a degree of power and

development compared to middle powers (Brazil, India, South Africa and many more) Nepal have the power of engaging in coalitions like in the G77 (with the emerging power of world China) and in the economic forums such as the WTO, the WB or IMF.

Multilateral order allows Nepal to develop innovative strategies to exercise influence. Nice diplomacy, hiding, and binding strategy and coalition building have been frequently used and available strategies in the multilateral forum. These strategies came in function in the diplomatic space granted by multilateral order, enabling countries like Nepal to have a greater impact in multilateral forums. Some of the strategies which Nepal can pursue in multilateral forums to protect the national interests and enhance the international presence of Nepal are point out as follows:

5.1 Niche Diplomacy

One strategy Nepal may pursue in multilateral level is Niche diplomacy. Through the niche diplomacy, Nepal can develop specialized expertise on limited range of issues such as a focus on peacekeeping operations, prioritizing specialized areas in UN and other regional organizations. The use of niche diplomacy provides a response to the limited diplomatic resources to extended issues in multilateral institutions. This strategy provides an advantage for Nepal to focusing its resources on issues that are very close to its national interests so that Nepal can create a chance to influence outcomes. Niche diplomacy allows Nepal to advocate specific issues in a multilateral forum.

Niche diplomacy has been pursued by different developing states. Mostly niche diplomacy is exercised in the Law of Sea, where Small Island and coastal states have a major interest. They thus took on a larger role in negotiations for the UN

Convention on the Law of Sea where the chair of the third conference was Ambassador Tommy Koh from Singapore and the international seabed authority is now permanently sited in Jamaica (Henrikson: 1998).

Nepal is able to position itself as a service provider for specific needs of international peace by providing peace crops in different parts of the world. The multilateral forums has provided an opportunity for Nepal to leverage multilateral forums. For instance, every year Nepal has been invited to peacekeeping operations around the world. Larger and more active participation in the UN peacekeeping operations should be one of the major foreign policy agendas of the country (Shrestha: 2012, P. 48). Because of Nepal's robust performance, credibility and accountability Nepal's presence in peacekeeping operations is highly praised in world dynamics.

In this manner, the generalized rules of conduct that characterizes multilateralism, grant Nepal's diplomatic space carve a specialized role. One major aspect to enhance the nation's dignity and representation in the international arena is international security through the use of effective diplomacy and coordinated foreign policy. In this regards peacekeeping operations can be an effective tool of niche diplomacy. For instance, New Zealand has contributed to non-UN peacekeeping operations, which includes assistance in the Rhodesia. New Zealand played an active role in peace accord for Bougainville in Papua New Guinea along with Australia, Tonga, Fiji, and Vanuatu.

Similarly, since 1958 Nepal has been a great contribution to peacekeeping operations around the world. The peacekeeping operations performed by Nepal can be taken as an effective tool of niche diplomacy. As of 15 March 2020, Nepalese peacekeeping operations have been deployed in different countries (Nepal Army). The following

figure highlight the role played by the Nepalese security force in the promotion of international peace.



Fig. 5.1. Participation of Nepalese security force in UNPKO's (Source: Nepal Army Website)

This exemplifies the presentational of Nepal in international arena as peacekeepers and how international peace promoter can be an effective tool of niche diplomacy. In addition of peacekeeping operations Nepal can develop specialized expertise on hydropower (as being the world's second largest country in terms of water resources) and labor diplomacy (as Nepal is one of the major country in sending human resources in middle east country).

5.2 Coalition Building

Early works on small states indicate a clear reliance on alliances and coalitions, which are extended to its participation in multilateral structures. Coalition building is especially important to small states seeking to increase their influence, which is more dependent than larger states on the support of others in the system (Thorhaltson: 2012, p.157-158). The coalition-building offers Nepal to share structural features, such as in the Forum of the Small States, United Nations, and Non-alignment Movement, and so on.

Coalition building creates a stronger negotiating position for Nepal. The multilateral institutions offers the principle of sovereign equality where more nations can pursue the coalition functions which functions as vote banks for UN resolutions and other resolutions at multilateral and regional level. The strength of the coalition is also associated with the possession of more material resources, such as ASEAN states which together make the eighth largest economies of the world (ASEAN Economic Bulletin: 2013). The diplomatic leverage that ASEAN provides for its small members was best seen in its successful lobbying efforts to muster an international response to Vietnam's 1978 invasion of Cambodia (Furston: 1998, P.53).

Coalition building creates a platform for Nepal to raise a greater voice. The UN, WTO, G77 has emerged as a tool for Nepal to build common negotiating positions with other countries and engage in dialogue for common economic interests. Coalition allows Nepal to sustain diplomatic activity in multilateral institutions by pooling resources for intelligence and data gathering.

The coalition-building offers Nepal to overcome the diplomatic resources constraints and limited influence. The availability of a coalition-building as a strategy is

grounded in the mutually agreed rules of conduct in the multilateral structure, including the principles of sovereignty equality. The distribution of power among states give rise to plural structures in multilateralism. Being a member of such groups or as observes outside these groups Nepal can use coalition building to advance multilateral principles.

One body that demonstrates the power of Nepal in coalition building is the United Nations Security Council. Nepal being a non-permanent member of the Security Council uses coalition building to influence outcomes. As United Nations Security Council member's small states are able to use coalition building to influence outcomes such as New Zealand's lobbying efforts to declare the incidents Rwanda in 1994 a 'genocide' (McLay: 2011, Speech at UN).

Coalition building utilizes the rules of voting in the UNSC, which requires the support of non-permanent members to influence outcomes, so that small states have the opportunity to influence agendas and fight for different better outcomes that may run counter to the interests of more powerful states (McLay: 2011, Speech at UN). Nepal have an opportunity to influence agendas and fight for different better outcomes in multilateral arena via the strategy of coalition building. Nepal can also play an active role in advocating transparency and accountability to strengthening the norms of multilateralism. Nepal can actively participate in various pressure groups such as Switzerland's leadership of Accountability, Coherence, and Transparency (ACT) to lobby to UNSC to enhance accountability to the wider UN membership.

One example on conducting effective diplomacy by small and developing nations by coalition building can be considered as the Four Asian Tigers (Hong Kong, South Korea, Singapore, and Taiwan) in the early '90s, influencing the world community

and reaching the status of middle power with not too many resources but with producing goods, electronics, high technology and services and exporting them to all over the world. Unfortunately, the Asian financial crisis hit the economic development and diplomacy of Asian Tigers.

Coalition building with powerful nations or with middle powers is one of the most vital mechanisms for Nepal. Such in the case of the Caribbean with Canada and in the Pacific region with New Zealand and Australia. Grouping is another important mechanism that Nepal can have a stronger voice and representation in the multilateral arena, such as the UN, WTO, IMF, and regional organizations like SAARC, BIMSTEC. For example, the FOSS coordinated by Singapore has greater influence in the UN.

Countries like Switzerland and the Nordic States demonstrate how coalition-building can be an effective diplomatic tool to obtain desired results throughout the multilateral forum such as the International Court of Justice in the Anglo-Norwegian Fisheries case. This exemplifies that Norway's fight for territorial rights with the reference of international law against the powerful state Great Britain sets a massive win with an example for developing countries like Nepal. The same success can apply for Nepal in the case of Doklam issues, facing the access to sea within Indian Territory or other economic, investment, and trade-related issues and problems.

5.3 Strategic Hedging

In international realities states pursue the policy of strategic hedging: a strategy of balancing and engagement. States pursue the policy of balancing the relations by maintaining a strong military relations building and strengthening alliances when their relations are not balanced. Building trade networks, increasing diplomatic links,

creating multilateral frameworks to enhance the policy of engagement are some strategies which pursue in international arena. Security and influence in the international arena are the two things Nepal do not have on its own to pursue its foreign policies. To improve its situation, there are several strategies Nepal can pursue apart from membership in global organizations. Nepal can engage with great powers in multilateral arena through three different strategies when seeking to limit the costs and maximizing the potential from multilateral arena. Hiding, binding and strategic hedging with other nations in multilateral forums can help Nepal to overcome its obstacles in world dynamics.

The hiding strategy allows Nepal to aim to stay out of trouble by staying out of sight. Nepal quietly conducts its own affairs hoping not to get entangled in the quarrels of the great powers. Hiding strategies allow Nepal to do not support or enhance any nation's policies in regional and global level organizations where the great powers struggle to seek the attention of supporting states at economic, military, and developmental issues. Nepal can pursue the strategy of hiding when there is no real advantage or achievable issue that suits the national interests of the nation. This strategy allows Nepal to stay out of trouble and follow the principles and orders to set great powers in regional and global platforms.

The binding strategy is more ambitious than the hiding strategy. Binding strategy allow Nepal to prevent trouble from occurring at all by creating and strengthening the governance of international affairs by international rules and institutions. The binding strategy can be a fundamental strategy of Nepal. For instance, the collaboration of Nepal with NAM during the cold war is one of the most perfect strategies of binding at a multilateral level. The principles of NAM have been considered as the basic

norms in conducting foreign relations by Nepal. Not only in the NAM, but the strategy of binding has also been used by Nepal in the formation of the SAARC in the South Asian region to reduce the threats from its neighbors and South Asian region, and in the UN in numerous times.

However there is another strategy which Nepal can pursue in international level which is strategic hedging. Strategic hedging is defined as the "the behavior of the country pursuing the offsetting of risks by choosing multilateral policies with the intention of making mutually reactive effects" (Lee, 2017). This strategy allows Nepal to compensate for lack of power, scale back the potential risk in relation while negotiating with regional and multilateral powers without confronting either of them.

Despite of structural vulnerabilities and capability of power, there is some space for Nepal to leverage its power in multilateral arena to gain foreign policy independence. Hedging strategy helps Nepal to maintain relations with great powers in multilateral arena by getting too close and moving too far from multilateral arrangements. With its unique geopolitical location and historical interaction Kathmandu can pursue the policy of hedging to offset and reduce the scale of threats in its both regional and multilateral powers. This strategy allows Nepal to preserve its relation with threatening states and simultaneously allows Nepal to balance the threats of rising power without challenging threats from great powers. By applying the hedging strategy Nepal will be ready to reduce the threats from rising regional and global superpowers like form China and India as regional superpowers and form US, Russia, and other nations as superpowers.

Pursing of hedging strategy in multilateral level is to gain benefit of preventing security threat via collaborative approach and enhancing economic harmonizing and

Nepal's presence in multilateral level. This strategy helps Nepal to change its actions or combine different approaches in order to better safeguard its national interests and balance the power in multilateral arena.

This strategy will be adopted by Nepal when Nepal doesn't want to support either side of power in regional or multilateral forums. Southeast Asian countries have used this strategy as a good security option because of the direct intervention from the US and China. This strategy will allow Nepal to keep up ties with regional and global powers by not binding with one power at regional or global levels.

CHAPTER VI

DISCUSSION AND CONCLUSION

The global order since the end of the World War II has been characterized by interconnectedness and interdependence in the international political system. States are the major actors of the global system, where they interact with each other to protect and enhance their national interests. The growing interdependence and globalization prevent nations from remaining in isolation and force them to interact among the actors in common principles to protect and promote common interests via international processes. Interactions of states are best reflected in the policies adopted on the multilateral arena. These policies are generally known as multilateral strategies, which involve conducting and regulating the multilateral relations of states in the multilateral arena. States should pay special attention to carefully formulate and execute multilateral strategies. It is only through the adoption of sound foreign policy and its effective implementation that a nation's sovereignty is preserved, international dignity is enhanced, and national interests promoted (Thapa: 2014, P.1). Multilateral forums provide opportunities to overcome the vulnerabilities of small states with well-constructed multilateral strategies. However, not all states are capable of formulating strong multilateral strategies with regard to their vulnerabilities. For countries like Nepal, which face political and economic challenges, multilateral strategies are constrained due to geographical situations and domestic priorities.

Since the end of World War II, Nepal has tended to pursue multilateral strategies to overcome its vulnerabilities. Nepal's presence in the Non-Aligned Movement and the UN reflects Nepal's active participation in addressing common interests.

Despite its geopolitical situation, Nepal seeks multilateral forums to prevent and

preserve its national interests. In contrast, Nepal regularly attempts the general assembly of the UN to ensure its active participation in the world's largest multilateral forum. With the strong participation in multilateral organizations, Nepal has built a strong presence towards fostering to overcome vulnerabilities of state. In order to solidify the country's presence in the international system, Nepal is well recognized in peacekeeping operations of the UN, successfully complete the tenure of non-permanent members of the UN Security Council twice in the years 1969-70 and 1988-89. Active participation in formulating the UN Convention on the Law of Sea, a founding member of the NAM, and SAARC exemplifies Nepal's preference for multilateral organizations to overcome vulnerabilities.

On the one hand, Nepal's response to multilateralism is to overcome the structural vulnerabilities due to its geopolitical situation and influencing global order. The geopolitical location between the two larger power China and India forced Nepal to seek of other strategies such as the multilateral foreign policy strategies. For instance, the land lock structure of Nepal stops it from access to the sea for import and exports of goods across the world. To overcome the influence of other states despite its unique geopolitical location Nepal seek multilateral arrangements. In addition capacity constraints lead Nepal to look for multilateral strategies such as collective security to protect sovereignty from external threats, economic institutions to overcome economic vulnerabilities for instance, Nepal seeks membership of WTO, BIMSTEC, and SAARC to overcome economic and trade-related difficulties. Strong desire of a rule-based world order, presenting Nepal's voice in front of top world leaders and organizations along with the changing dynamics of world politics forced Nepal to pursue the multilateral foreign policy strategy.

On the other hand, the maximum outcomes for Nepal from multilateral arena has been hindered from the identity of Nepal in the international arena as a small state and lack of key influence and interest in the global agendas such as climate change. Despite of recognition in peacekeeping operations, successful members of a non-permanent member of the Security Council of the UN, constantly raising the voice of non-interference in domestic affairs Nepal lacks its strong voice as an identity in key international issues such as access to the sea, global warming and terrorism. In addition, vulnerabilities such as economic vulnerability, structural vulnerabilities, security and political vulnerabilities always limited the multilateral strategies of Nepal. Furthermore, the attitude of neighbors and powerful states has always influenced Nepal's presence in a multilateral forum. The large states expect Nepal to accept their proposals at the multilateral arena without any questions. Nepal's neighbor China and India always expect Nepal to support their agenda in multilateral forums for instance, India expects Nepal to support India's agenda of a permanent member of the UN Security Council. In such condition, Nepal is not able to raise its voice in global forums. Moreover, the lack of capacity to influence international agenda limited the multilateral presence of Nepal along with the lack of strong representation in policy formation at the multilateral level.

Multilateral diplomacy has now become an established and diverse feature of modern diplomacy, conducted through global institutions (Braston: 2014, P. 43). The global institutions provides an arena for Nepal to demonstrates its sovereign equality and creating disparities of economic and other power at global forums. The multilateral forum provides Nepal to pursue some strategies which may be fruitful in pursuing and protecting national interests. One of such strategies is pursuing niche diplomacy. By pursuing Niche diplomacy Nepal can focused on specialized expertise on a limited

range of issues. For example, Norway focuses on good governance and conflict mediators. Likewise, Nepal is well recognized as a service provider for the specific needs of international peace by providing peace crops around the world. Being one of the top contributor for the peacekeeping operations across the world can enhance its national identity and influence in international political system. Therefore, niche diplomacy allows Nepal to advocate specific issues in a multilateral forum. Another strategy Nepal can pursue in a multilateral forum is coalition building. Coalition building offers Nepal to share structural features in a multilateral arena such as in the UN, NAM, WTO, and so forth. Coalition building offers a stronger negotiating position for Nepal in international arena. The principles of sovereign equality and the platform for small states like Nepal to exercise leadership or trade influence of multilateral institutions made coalition building as a strong multilateral strategy. Coalition building gives Nepal a greater voice and tool to build a common negotiating position with other countries for common interests. Coalition building offers Nepal to overcome the diplomatic resources constrains and limited influence. In addition, Nepal can pursue the strategic hedging as one of the strategy in multilateral level. The strategic hedging allows Nepal to aim to stay out of trouble when there is no possible outcomes and change its actions and approaches to create and strengthen the bond in international affairs to prevent trouble from occurring and safeguarding its national interests.

In view of such strategies of multilateral foreign policy, Nepal is able to formulate its foreign policy strategy to overcome the structural vulnerabilities via multilateral arrangements. Nepal is prone to formulate its multilateral foreign policy agenda based on changing international system and external exigencies. However, Nepal's presence

in the multilateral arena has possessed the dynamics to influence its foreign policy behavior in the international arena.

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