Structural Approach in International Relations and Its Limits: Domestic Variables as an Alternative Approach

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Abstract

For a long time, the study of Nepal’s foreign policies has been concentrated on a power-centric structural approach, essentially realism, which remains the dominant approach to analyzing foreign policy of Nepal. The objectives of this paper is to point out the gaps that realism fails to explain when it comes to the matter of the foreign policy analysis of Nepal and provides an alternative approach of also looking into the domestic determinant like national policies, party system, historical context and social structure of Nepal and other domestic determinants that are influencing Nepal's foreign policy's behaviour besides Nepal's geo-political location. The research used extensive discourse analysis as a methodology to show that limiting to structural realism to analyze Nepal's Foreign policy behaviour has produced narrow-understanding of the subject, and it is essential to go beyond the structural approach and have a more critical approach to have much nuance understanding of Nepal foreign policy and what impacts it.

Keywords: Nepal's foreign policy, structural realism, domestic determinants, discourse analysis, narrow understanding, critical approach.

Introduction

Several internal and external factors influence Nepal’s foreign policy decisions. However, academic studies have focused on specific structural factors compared to alternative approaches such as domestic ones. In fact, the others were highly neglected. So, this study seeks to address the gap in understanding of Nepal’s Foreign Policy behavior that the structural approach fails to address. Also, it will look at the potential approaches that can be applied to strengthen Nepal’s strategic autonomy and advance its interests at the global level.

The existing literature on Nepal’s foreign policy often focuses on specific events, bilateral relationships, or regional dynamics without delving into the underlying internal factors that influence the state's decision-making. This knowledge gap makes it difficult for decision-makers to establish reasonable strategies that complement Nepal’s geo-political situation as well as its internal demographic. In addition, there is a paucity of research that systematically explores alternative approaches to foreign policy formulation and evaluates their viability and implications in the context of Nepal. There have been intermittent discussions about diversifying Nepal's foreign relations or engaging in alternative approaches to the dominant structural approach focusing on Nepal’s geo-political location, and because of this, the current study seems relevant and significant.

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This research promotes a discussion on innovative and adaptable strategies that can more effectively link Nepal's foreign policy with its ongoing shifting domestic goals and the shifting global order. It also encourages a critical examination of the current foreign policy paradigm.

The analysis considers the influence of neighboring powers, such as India and China, as well as regional dynamics within South Asia. While the study acknowledges the potential impact of global factors on Nepal's foreign policy, the primary emphasis is to take into account historical factors, including key events, agreements, and alliances, which are very much internal matters that have shaped Nepal's foreign policy landscape. The study aims to comprehensively analyze these factors and their interplay in influencing Nepal's foreign policy decisions. It includes examining the feasibility and implications of diversifying foreign relations beyond traditional alliances, strengthening regional cooperation, engaging in multilateral forums, and pursuing economic diplomacy.

Although this study seeks to offer a thorough examination, it does not encompass all facets or specifics of Nepal's foreign policy. The study's focus is intended to enhance our understanding of Nepal's foreign policy dynamics and propose potential strategies for Nepal to address its diplomatic obstacles and capitalize on opportunities within the evolving global landscape.

**Theoretical Framework**

**Realism**

According to realist researchers, nations in anarchic international systems are motivated by self-interest, the pursuit of power, and security (Mearsheimer, 2001; Waltz, 1979). Small and middle powers, although lacking the capabilities of great powers, still operate within the realist framework. Realism posits that states prioritize their own national interests and security, and small and middle powers are no exception (Gilpin, 1981; Walt, 1985). These states strive to protect their sovereignty, maintain regional stability, and secure their economic well-being. They employ various strategies to navigate the international system and maximize their power and influence within their constraints. In the view of realism, small and middle powers act in a balanced or bandwagoning manner depending on how they perceive opportunities and threats (Walt, 1987; Schweller, 1994). To protect their interests, they might partner with powerful nations or form alliances or coalitions to resist prospective threats (Lake, 2009; Christensen & Snyder, 1990). They aim to increase their power by carefully associating themselves with other states or regional organizations (Hurrell, 2007; Acharya, 2014). While realism offers helpful insights into the conduct of small and middle powers, other elements such as domestic variables, historical conditions, and ideational elements also affect these countries' choices towards foreign policy (Ripsman & Levy, 2008; Katzenstein, 1996).

In the realm of international relations, the bandwagoning approach represents a strategic behavior employed by states seeking to secure their interests and navigate the complexities of the global landscape. This approach involves aligning with more powerful actors or coalitions, driven by the belief that it is advantageous to be on the winning side. Through an analysis of various scholarly works, we gain valuable insights into the concept of bandwagoning and its implications in international relations. According to Kenneth N. Waltz, renowned international relations scholar, bandwagoning emerges as a response to the anarchic structure of the international system. Waltz
argues that states engage in bandwagoning to enhance their security by aligning with stronger actors, thus avoiding potential isolation or threats (Waltz, 1979). In this context, bandwagoning serves as a strategic maneuver to bolster a state's position and safeguard its interests. Further exploration by Robert L. Schweller delves into bandwagoning as a profitable strategy employed by revisionist states (Schweller, 1994). Schweller highlights that states may choose to bandwagon with dominant powers to secure economic benefits, expand their territories, or seek protection against rival states. This perspective illuminates the self-interested calculations made by states, where bandwagoning is seen as an avenue for maximizing gains within the international system. In the context of Nepal, rather than being a balancer, Nepal has been practicing a bandwagoning approach.

**Foreign Policy**

Foreign policy determinants are the various factors that affect how a nation interacts with the rest of the world. A few significant influences include the historical context, national interests, domestic politics, economic variables, security considerations, public opinion, and geo-political dynamics. A nation's foreign policy is created and carried out as a result of the interaction and influence of these factors. Domestically, small-medium nations cannot balance bigger powers. As a result, they are more likely to rely on alliances with major powers, which must provide genuine security assurances and general protection through the military presence and power projection capabilities (Acharya, 1999).

**The Nepalese Context**

Nepal, a landlocked country situated between China and India, faces significant challenges in its foreign policy due to its geopolitical position and underdevelopment (Baral, 2018). Being surrounded by India on its east, west, and south, and by the Tibet Autonomous Region of China on its north, Nepal's socio-economic development heavily relies on external assistance (Nayak, 2008). Countries like the United States, the United Kingdom, Germany, France, Japan, and South Korea have provided substantial economic aid, while India and China, as neighboring nations, have also offered assistance and hold considerable influence in Nepalese politics (Nayak, 2008).

Despite being located between these two powerful neighbors, Nepal has historically maintained a stance of neutrality and non-alignment in its foreign policy (Baral, 2018). However, there have been instances where Nepal has been compelled to take sides in conflicts between China and India. For example, the 2020 border clash between the two countries almost led to the alignment of smaller South Asian nations (Bhattarai, 2021). Additionally, China's strong reaction to the parliamentary approval of the MCC agreement and its subsequent visits indicate the confrontation between China and the United States within Nepal, creating an unfavorable situation for Kathmandu (Bhattarai, 2022).

The enmity, cooperation, and competition between India and China have a direct impact on Nepal, particularly in terms of border issues, trade, and strategic matters (Khanal, 2016). The case of LipuLekh, for instance, has raised concerns about Nepal's position, as there were reports of a bilateral understanding between China's President Xi Jinping and India's Prime Minister Narendra Modi regarding the use of this corridor to serve their interests (Baral, 2016). This raises the crucial question of whether a balanced trilateral relationship can exist between Nepal, China, and India, given the political, strategic, and geopolitical realities at play. Overall, Nepal's foreign
policy is shaped by the complex dynamics and interactions between China, India, and other external actors, which have both positive and negative implications for Nepal's development and political landscape.

**Domestic Variables in International Relations: As Alternative Approach**

When analyzing a country's decision to formulate foreign policy, it is important to consider the domestic factors that influence such a decision. Domestic factors can be defined as "factors that relate to or originate within a particular country, as opposed to those arising from external influences" (Kegley&Wittkopf, 2018). These factors can range from political, economic, social, and cultural factors and can have a significant impact on a country's foreign policy decision-making.

**Historical Context and Social Structure**

Historical events have a significant impact on a country's foreign policy because they have shaped that nation's perceptions, attitudes, and relationships with other nations (Smith, 2010). A nation's approach to international relations and its strategic choices are influenced by historical context, which is a key domestic factor in determining foreign policy. The historical context includes a country's interactions, wars, and alliances with other countries as well as its involvement in colonization, imperialism, or independence movements. These historical events leave a mark on a nation's collective memory and shape how that nation sees other players and the international system (Kaushik, 2010).

**Domestic Politics**

Foreign policy choices are significantly influenced by the domestic political environment, which includes a country's government structure, political ideology, and interest group dynamics. This environment reflects the political preferences of a country's leaders and other key players (Putnam, 1988). In Smith's (2020) research, domestic political factors like interest groups, political parties, and public opinion play a significant role in influencing decisions about foreign policy. By highlighting the intricate interactions between them, the study highlights the significant role that these domestic political actors play in creating a country's foreign policy objectives and strategies. In light of this, Johnson (2020) examines the influence of political parties on foreign policy. The study examines the ideological preferences, electoral dynamics, and public opinion considerations of various political parties across countries to demonstrate how domestic political issues significantly influence a party's foreign policy stance.

**Economic Considerations**

Economic factors, such as trade relations, resource access, and global market competition, play a crucial role in shaping foreign policy decisions. Smith's (2010) comparison between nations reveals that economic factors are now a major domestic factor in deciding on foreign policy. The study demonstrates how significantly these countries' foreign policies were influenced by economic factors. It examines how economic variables, such as trade ties, investment opportunities, and economic competitiveness, play a significant role in determining the plans, alliances, and goals pursued by these countries on the international stage. Lee's (2020)
examination of the connection between economic factors and foreign policy outcomes highlights the intricate interplay between domestic economic issues and outcomes. The study emphasizes how a nation's foreign policy decisions are frequently driven by economic considerations. It examines how economic factors like GDP growth, income inequality, resource dependence, and fiscal stability impact how a country sees its place in the world. The economic policies of a nation are also impacted by economic factors. The complex role that economic issues play in determining foreign policy is highlighted by Garcia's (2021) analysis of the political economy of foreign policy.

Public Opinion/Perceptions

Leaders consider the preferences, values, and attitudes of the people, especially in democratic societies, which influences public opinion and popular sentiment (Holsti, 1991). The influence of public opinion on governmental decision-making and behavior in the area of international affairs is highlighted by the role of public opinion in forming domestic foreign policy. For policymakers, public opinion is crucial because it can influence the choices they make to maintain domestic legitimacy and support for their foreign policy initiatives. If a sizable portion of the public is against certain foreign policy initiatives, policymakers may face political challenges and be reluctant to pursue these initiatives (Holsti, 2004). In democracies, the public's opinion is a crucial tool for holding decision-makers accountable.

Party System

The party system is a significant intervening factor that can have an impact on the connections between various political variables (Mainwaring and Scully, 2018). Social cleavages, or divisions within society based on factors like ethnicity, religion, class, and regionalism, are important factors that can influence the party system (Lijphart, 2012). Researchers have discovered that a party system based on regionalism can exacerbate societal tensions while a system that crosses regional boundaries can aid in bridging these gaps (Mainwaring & Scully, 2018). The quantity of parties present in a political system is another element that can affect the party system. A system with more than two dominant parties may lead to a winner-take-all situation, whereas a multi-party system may allow for more voices to be heard and a better representation of various points of view (Sartori, 2005). A multi-party system makes coalition governments more likely, and the number of parties can also have an impact on how governments are formed (Katz & Mair, 2018).

The Chinese Communist Party (CCP) in China, which seeks to develop a robust private sector, is a prime illustration of how the party system is a key determinant of trade policy. The CCP seeks to achieve this by enhancing candidate selection processes within private institutions, enhancing political arrangements, and strengthening education and training. A strong private sector enhancement mechanism has been established by CCP by adhering to selection and employment standards with high ideological and political requirements, strong industry representation, high requirements for political and deliberative participation, and high requirements for social reputation.

Interplay of Institutions

According to Jinnah (2010) and Oberthür and Stokke (2011), institutional interplay broadly refers to circumstances in which one institution's operation, performance, and/or development is
impacted by another institution. The "interplay of institutions as domestic determinants of foreign policy" describes how domestic political institutions affect a nation's foreign policy judgments and actions. Institutions like the executive branch, legislative branch, judiciary, interest groups, and civil society fall under this category. According to Benvenisti (2005), institutions create administrative laws for their own purposes, and as they interact with other institutions, cross-institutional pressures produce a pull towards conformity with general laws.

In a similar way, institutions play a crucial role in determining international political structures, and their dynamics can affect how foreign policy is developed, carried out, and changed. According to March and Olsen (1998), interactions between international organizations, such as the United Nations and the World Trade Organization, shape the global political system and have an impact on state behavior, including foreign policy choices. International institutions serve as a framework for the creation of trade- and foreign-policy-related policies, as well as a venue for interaction and policy coordination between states.

The Canada-US Free Trade Agreement was a significant moment for Canadian foreign policy, impacting things like trade dynamics, political identities, and the relationship with the United States. The agreement played a vital role in shaping Canada's economic and diplomatic path, as shown by its impact on exports, foreign direct investment, and geo-political dynamics, which various sources support (Brown & De Mello, 1999; Ries & Vanderhill, 2018; Scholte & Schnabel, 2011; Swackhamer & Winsborough, 1991).

The Canada-US FTA was approved during the 1988 Canadian election, which brought about a significant shift in Canadian foreign policy. According to scholars like Scholte and Schnabel (2011), it marked the most significant change in the country's foreign policy history. One of the notable outcomes of the FTA was the reshaping of the party system. The Conservative Party, led by Brian Mulroney, adopted a pro-free trade "continentalist" political identity, which changed the dynamics of party competition (Scholte & Schnabel, 2011; Blais & Massicotte, 2010). The FTA also redefined the Conservative Party's position, advocating for new institutional relations among the central government, provinces, and linguistic communities (Scholte & Schnabel, 2011; Geddes, 1994).

During the 1988 election, both the Liberal and New Democratic Party (NDP) opposed the FTA. The Liberal Party promised to "tear up" the agreement and seek better terms through renegotiation, while the NDP fundamentally rejected any such agreement (Scholte & Schnabel, 2011; Graham, 1998). Research by Brown and De Mello (1999) shows the positive impact of the Canada-US FTA on Canadian exports, resulting in a significant 44% increase from 1987 to 1995. Additionally, the FTA stimulated foreign direct investment (FDI) in Canada, leading to a substantial rise from CAD 22.8 billion in 1988 to USD 120.8 billion in 1997 (Brown & De Mello, 1999; Thomas & Smith, 1994; Cohen, 1992).

Over more than three decades, the Canada-US FTA has shaped the relationship between the two countries, establishing a framework for trade and economic cooperation (Ries & Vanderhill, 2018; Scholte & Schnabel, 2011). However, due to the complex nature of the agreement, disagreements have emerged regarding specific industries such as dairy and softwood timber (Ries & Vanderhill, 2018; Stanbury, 2003; Howse, 1994). The re-negotiation of the FTA under the Trump administration resulted in the creation of the United States-Mexico-Canada Agreement
The Free Trade Agreement (FTA) between South Korea and Japan has been marked by complexity, difficulties, and developments that have been impacted by historical and political tensions between the two nations. With the intention of fostering bilateral trade and investment, South Korea and Japan started negotiating an FTA in 2002. Due to historical and territorial conflicts, particularly those resulting from Japan's invasion of Korea in the early 20th century, these negotiations were, however, hampered. The development of the FTA negotiations has been hampered by these historical tensions, which have also occasionally impacted their economic ties (Mimura, 2006). Despite these obstacles, there have been substantial advancements in the talks over the FTA between Korea and Japan. A restricted FTA known as the Korea-Japan Partial Economic Partnership Agreement (KEPA) was agreed in 2019 between the two nations. With the KEPA, tariffs on particular items were to be reduced, and cooperation in areas including services, investments, and intellectual property rights was to be improved (Yoshida, 2019). However, ensuing political and commercial tensions between South Korea and Japan have hampered the KEPA's implementation.

Domestic economic factors have influenced the FTA negotiations between Korea and Japan. The strained economic ties have been exacerbated by the trade conflicts and diplomatic tensions between South Korea and Japan. Trade between the two countries has been directly impacted by Japan's application of export restrictions on key materials needed in the manufacture of semiconductors, a crucial industry for South Korea (Oh & Park, 2020).

These problems have been addressed, and efforts have been made to strengthen South Korea and Japan's economic ties. The current conflicts have been discussed through diplomatic channels and talks in an effort to achieve a consensus that will allow for collaboration. A thorough settlement has not yet been achieved due to the slow pace of these issues' resolution (Kwon, 2020). The resolution of these concerns has proven to be a challenging task, with modest progress, despite continued diplomatic attempts.

**Structural Vs Domestic Variables of Foreign Policy: A Comparison**

Structural variables are elements that concentrate on the international system and have a significant impact on a number of states. These factors, which are influenced by external dynamics, have an ongoing effect on long-term trends and patterns in the formulation of foreign policy. Power dynamics, social norms, institutional structures, and economic interconnectedness are a few examples of structural factors (Goldstein & Pevehouse, 2020). The distribution of power and the presence of dominant actors in the international system can influence the behavior and choices of states (Mearsheimer, 2001). Structural variables also include social norms. International norms, including those pertaining to human rights or non-proliferation, offer common expectations and standards of conduct that impact state activities in the global sphere (Finnemore & Sikkink, 1998). These norms and conventions influence the broader environment in which foreign policy choices are made and direct how states engage with one another. The category of structural variables also includes institutional structures. Frameworks for
collaboration and coordination among nations are provided by international organizations like the United Nations and the World Trade Organization (Keohane & Nye, 2001).

Domestic variables are those that concentrate on internal elements inherent to a given state. These factors, which are influenced by internal dynamics, have a more direct bearing on short-term policy choices. Domestic variables include elements that are more changeable and susceptible to domestic impact, such as domestic politics, public opinion, the economy, and security concerns (Goldstein & Pevehouse, 2020). One significant domestic variable that affects foreign policy decisions is domestic politics. A state's foreign policy decisions are influenced by its political and governmental structures as well as its political leaders' interests and preferences (Hudson, 2005). Different political ideologies or party dynamics may produce different approaches to foreign policy. Public opinion is yet another crucial domestic factor. Government decisions and available policy alternatives may be influenced by public perceptions, attitudes, and opinions about international affairs (Page & Shapiro, 1992). The level of public support or resistance to particular foreign policy initiatives can have a big impact on how a state goes about things. The status of the economy is another domestic factor that influences decisions about foreign policy. Economic factors that can affect a state's resources and priorities, such as growth rates, employment levels, or income distribution, may have an impact on how that state conducts its foreign policy (Milner, 1997). Trade policy, aid for development, and regional economic integration decisions can all be influenced by economic factors.

The Relevance of Domestic Variables Approach in Understanding Foreign Policy of Nepal

In the context of Nepal, when analyzing the country's foreign policy decisions, it seems crucial to consider the domestic variables that influence its approach. Domestic factors, including historical context, domestic politics, economic considerations, public opinion, the party system, the interplay of institutions, and security concerns, all play a significant role in shaping Nepal's foreign policy choices. The historical context of Nepal, including its interactions, wars, and alliances with other countries, as well as its struggles for independence, has a lasting impact on the nation's foreign policy outlook. Understanding Nepal's historical experiences is vital in comprehending its approach to international relations and its strategic choices. Domestic political dynamics, such as interest groups, political parties, and public opinion, significantly influence Nepal's foreign policy decisions. The interests and preferences of political leaders and key actors shape the direction and priorities of Nepal's engagement with other countries. Public opinion acts as a significant driver, and policymakers often consider the sentiments and attitudes of the public when formulating foreign policy strategies.

Economic considerations, including trade relations, foreign direct investment, and economic growth, also have a substantial impact on Nepal's foreign policy choices. Economic factors shape the country's priorities, objectives, and interactions with other nations. Additionally, the security concerns of Nepal, such as territorial integrity, border disputes, and regional stability, influence its foreign policy decisions and engagements. The party system and the interplay of institutions within Nepal play a crucial role in determining foreign policy objectives and actions. The dynamics between political parties, as well as the influence of various institutions, shape the
country's foreign policy goals, strategies, and diplomatic engagements. All these collectively advocate the strong relevance of Domestic Variables Approach in understanding Nepal's Foreign Policy.

Nepal's foreign policy has consistently maintained neutrality and non-alignment despite its position between China and India. However, there have been instances where Nepal has been compelled to choose sides in conflicts between the two countries (Bhattarai, 2021). The recent conflict in 2020 between China and India nearly resulted in smaller South Asian nations forming alliances (Bhattarai, 2021). Additionally, China's strong reaction to the parliamentary approval of the MCC agreement suggests a confrontation between China and the US within Nepal, which could have negative consequences for Kathmandu (Bhattarai, 2022). The enmity, cooperation, and competition between India and China directly impact Nepal, particularly concerning border issues, trade, and strategic matters (Khanal, 2016). The recent case of LipuLekh has raised questions about Nepal's position, as there were reports of a bilateral understanding between China's President Xi Jinping and India's Prime Minister Narendra Modi regarding the use of this corridor (Baral, 2016). This raises the important question of whether a balanced trilateral relationship is possible between Nepal, China, and India, given the political, strategic, and geopolitical realities involved.

China's growing influence in Nepal has significantly shaped the country's diplomatic engagements, with Beijing's investments and provision of COVID-19 vaccines playing a role (Kugelman, 2023). On the other hand, the United States has been increasing its partnership with Nepal as part of its Indo-Pacific strategy, aiming to balance China's presence in the region (Kugelman, 2023). The competition between these global powers, particularly in terms of banking and infrastructure investments, directly affects Nepal's foreign policy decisions (Dahal, 2018). Nepal's foreign policy has evolved over time, influenced by its geostrategic position and relationships with neighboring countries. The concept of Nepal as a "yam between two boulders" has long been recognized, emphasizing the need for independent behavior in dealing with neighboring countries (Lamsal, 2017). Different ruling regimes have adopted various foreign policy orientations, such as a British-centric approach during the Rana regime and an India-centric focus after the departure of British rule from India (Rose, 1971; Muni, 2016; K.C., 2015).

The geopolitical competition between China, the United States, and India has intensified in Nepal, affecting its political transition (Khanal, 2023). China's interest in shaping Nepal's governance and political system for economic development and closer affinity poses challenges, while the US has faced diplomatic setbacks and seeks to appease political elites (Khanal, 2023). The border issue between Nepal and India, including Kalapani, Lipulekh, and Limpiyadhura, has become a matter of emotive nationalism, creating uncertainties and a lack of realism in the ongoing negotiations (Baral, 2023). Thus, Nepal's foreign policy is influenced by the complexities of its geopolitical position and the competition between major global powers in the region. The country faces the challenge of maintaining a balanced approach while navigating the interests and dynamics of its neighbors, China and India.
Conclusion

This article comes to the conclusion that the prevalent dominant approaches of realism have both theoretical and practical limits. It also makes the case that the internal determinants approach is appropriate for illuminating the foreign policy behaviors of small- and medium-sized nations like Nepal. Small nations often have constrained economic and population resources, which can limit their ability to have a significant impact on world affairs. They are less equipped to defend their interests through military or economic methods because of their small size, making them more susceptible to outside forces. Smaller nations may therefore depend more on internal variables, such as domestic political dynamics and economic limits, to influence their choices regarding foreign policy.

The research concludes that the international behavior of small countries can be greatly influenced by domestic issues as well, including nationalism, state capacity, party system, and the interplay of institutions, the strength of the diplomatic corps, the caliber of diplomatic associates, and the negotiation capabilities at the global stage. As a result, domestic issues, such as internal politics, public opinion, economic considerations, security concerns, and limited diplomatic resources, can frequently play a more decisive role in influencing the foreign behavior of small states.

As a foreign policy variable, if we use the structural approach to identify the barriers to Nepal's electricity exports to Bangladesh and India, it will be an ineffective approach to address them. Despite structural characteristics, we have a few domestic variables that influence electricity exports, such as the interplay of institutions, the capacity of domestic energy production, infrastructure, and transmission capacity, energy trade policies and regulations, cross-border transmission capacity, political stability of the country security should be taken into account while explaining the electricity export policy of Nepal. Thus limiting oneself to analyses the Foreign policy behavior of Nepal through the lenses of structural realism gives an incomplete picture, and to have a complete understanding, it is essential to look inside the Black box that realism creates.

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