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Comparative Geopolitics of Small States: Nepal, Bhutan & Sri Lanka

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Abstract

This paper i explains the comparative tgeopolitical situations of Nepal, Bhutan and Sri Lanka and examines how they protect their sovereignty and promote national interests in relation to regional and global power relations. This study has adopted a qualitative thematic literature review based on secondary data from resources dating between 2000 and 2026. The findings of this study reveal a moderate authority in case of Nepal as it balances major powers; Bhutan has a very restricted level of diplomacy while Sri Lanka displays a higher strategic engagement. The choices of foreign policy made by the three countries are invariably shaped by economic dependency, political system and external pressure. The role of India and China remain detrmntal to how these countries act. On the whole, the study claims that these small countries do contribute to regional security and international politics by making a comparative analysis of these three countries while highlighting the constraints they face and the distinct foreign policy they have adopted to secure their national interests and sovereignty.

Keywords: small states, geopolitics, foreign policy, regional security, strategic agency

Introduction

Small states have a very precarious position in the international political system. They have very limited economic strength, military capacity and political influence. They face the challenge of implementing diplomacy and foreign policies strategically to pursue their national interests. The lack of a consensus definition is not a problem tied exclusively to the study of politics of small states (Baldacchino & Wivel, 2020). According to van Efferink (2019), Geopolitics primarily relates to the study of how geography, natural and human resources and political status of countries can impact and shape their international relations and foreign policy strategies. This comparative study provides an insight into the geopolitical strategies of three small South Asian states, namely Nepal, Bhutan and Sri Lanka and how their history and geographic realities influence their diplomacy. Taking the case studies of the three countries, the study seeks to highlight both shared pattern and divergent approaches in the diplomacy and foreign policy in the South Asian region.

Nepal's unique geographical position between two major powers, China and India, has directly influenced its national security, economic aspirations and political stability. (Gajurel, 2024,). Raj (2025) observes that landlocked countries Nepal and Bhutan face a strategic challenge of balancing two major powers, namely China and India. Nepal has equally engaged China and India for its economic development and political development. Nepal and India enjoys a long historical relations built on mutual trust and security cooperation (Kharel, 2024). Bhutan has very few diplomatic connections to the rest of the world and is dependent on India for economic and foreign policies. These distinct approaches to diplomacy by each country is influenced and shaped by domestic political structure and leadership.

Sri Lanka presents a different yet equally compelling case, as an island nation located along critical maritime routes in Indian Ocean. Protection of territorial integrity and promotion of autonomy in decision making are the most important dimension in ensuring security (Atmakuri & Archana, 2021). In contrast to Nepal and Bhutan, Sri Lanka is separated from the South Asia by Indian ocean and lies on world's major shipping lanes giving it a maritime importance. Sri Lanka is a South Asian nation, with a strategically important location in Indian Ocean. Whereas, Sri Lanka is located at the center of the international sea routes and has a geopolitical importance in the world, (Kawshalya, 2020). Sri Lanka practices diplomacy with multiple global actors, with

the main being with India, China and Western countries, attracting investment and development assistance. Due to its location on the sea route, Sri Lanka has been an important country where both China and India have a high stake which has led it to undergo intense foreign pressure.

Further analysis proves how geography, political systems and economic relations determine the foreign policy of these small states. Though all three face overwhelming pressure from large nations they have opted for very distinct approach of diplomacy showing their flexibility, resilience, and strategic adjustment. Nepal's approach of balancing between major powers, Bhutan's careful alignment, and Sri Lanka's more active, multi-directional engagement each represent different ways of trying to preserve strategic space and autonomy. Taken together, this study demonstrates the important role small nations play in global stage and how strategically they navigate through major powers. This study also shows the constant shift in geopolitics in South Asia, with the change in power relations at regional and global level. This study presents a theoretical understanding of role and strategy of small states in an increasingly multipolar world.

The main research question of this study is following: In the context of regional and global power relations, what are the foreign policies and geopolitical strategies of small nations in South Asia, namely Nepal, Bhutan and Sri Lanka and what influences them? Further purpose of the study is to identify the structural challenges faced by these countries in their attempt to protect their sovereignty and national interests.

Literature Review

There is a considerable body of theoretical and empirical scholarship when it comes to the study of small states and their international relations. The small states have traditionally played a marginal role in the construction and maintenance of international security orders (Wivel & O.S., 2014,). From realist viewpoint small states are often depicted to be inherently vulnerable and largely under pressure of major powers, with no or limited capacity to influence international outcome. But that seems to be not true within neoliberal institutionalism and constructivism where diplomacy, international institutions and normative frameworks have all enhanced the role of small states.

The conventional perception that small states have no or small role play in international power politics has been challenged by recent studies as they are seen more active in using soft

power and their geographic position for their national interests. As Timilsana (2024) observes that small states can equally mobilize their diplomatic power, to maintain their foreign-policy and international relations. Likewise, Snidal et al. (2024) further argues that despite their limited resources, small weaker nations can use their international links and network for international engagement. Small states can also take advantage of multilateral engagement with major powers and joint partnership to influence international politics argues Lupel et al. (2024). Studies show that small states are increasingly using their limited power and resources to make their presence felt in international relations and their success depends how effective they are in exploiting these tools. However, such recent studies have only focused on small countries outside South Asian region. In contrast this study attempts to carry out a comparative analysis of the geo-political strengths and foreign policy challenges of three countries, namely Nepal, Bhutan, and Sri Lanka.

Within the South Asian context, the geopolitics of Nepal and Bhutan has frequently been analyzed through lens of their geographic positioning between India and China. Nepal as a small Himalayan nation lying between two Asiatic giants India and China, has a unique geopolitical location (Thapa, 2025). Past studies have depicted these small countries only as “buffer states,” whose foreign policies are influenced by the needs of these two regional powers. Nepal follows a policy of non-alignment and non-interference engaging with China to counterweight to India’s traditional influences. Nepal avoids being drawn into one camp or the other that could threaten her sovereignty and security. Nepal’s Foreign Policy-2077 reflects her commitment to defending sovereignty and ensuring national security amid evolving geopolitical challenges, (Bastola, 2025,). Scholars argue that Nepal’s foreign relation is directly impacted by its economic and political instability. However, Bhutan has been historically aligned with India and maintains cautious engagement with China.

Being a landlocked country between India and China, Nepal’s non-alignment foreign policy is strongly influenced by the two major powers on whom it is directly dependent for economic development and political stability. Maintaining equal and balanced relations with both countries is vital to protect its sovereignty and national interests ((Ministry of Foreign Affairs, Government of Nepal, 2021). Like Nepal, Bhutan is a landlocked country between India and China however, unlike Nepal, it heavily relies on India for not just economic development but also for defense and foreign policy. Bhutan has border disputes with China but has better

relations with India (Ministry of Foreign Affairs, Royal Government of Bhutan, 2009). Sri Lanka, on the other hand, is strategically located in the Indian ocean giving it a maritime advantage as it engages multiple major powers including India and China while pursuing its national interest and territorial sovereignty (Ministry of Foreign Affairs, Foreign Employment and Tourism, Sri Lanka, 2014, 2016).

Studies on Sri Lanka show that it has played a greater role in diplomacy because of its strategic location in the Indian Ocean. Sri Lanka has leveraged its maritime position to attract foreign investments and infrastructure development of which the recent one is China's Belt and Road Initiative. In the Hambantota Port development project, Sri Lanka relied on development funding from China and subsequently defaulted (Wibisono, 2019). There have been concerns of debt dependency and loss of strategic autonomy due to such engagement. Sri Lanka has a complex relation with India influenced by long history and cultural affiliation. According to Ekanayaka & Yasmin (2025), The global geopolitics and foreign policy strategies of the countries in the region particularly between Pakistan, Sri Lanka and the United States following end of Cold War. This study shows dual nature of strategic opportunity and vulnerability that defines Sri Lanka's geopolitical positioning as a small island state.

There has very few comparative studies done particularly of the small states in South Asia. Khalid et. al. (2025) observes that federalism and local power devolution in small states have reshaped their foreign policy strategies. Recent studies suggest that small nations are strategically playing a balancing act between major powers which in turn is influencing their domestic politics and foreign policies. Scholars have pointed out that while structural factors such as geography and power relations are important, domestic variables like political stability, political leadership and economic status play a crucial role in determining how small states respond to external pressures. In this context, this study of Nepal, Bhutan and Sri Lanka is an important contribution to analyze and understand the geopolitical realities of small states.

Given that there exists some literature on this research topic, there are many study gaps that have to be addressed by future studies. There may have been few comparative studies but such studies have only focused on individual countries. This scholarship differs from other studies in that it makes a comparative study by bringing together three countries under one framework as it examines their geography, economic status and their relations with China and

India. With the growing influence and dominance of China and India, this study is both timely and relevant as it attempts to identify common structural patterns and differences. There is a need for further studies as the global power is shifting rapidly with economic rise of China and India and the international call for the world to move from unipolar to multipolar world. This study is a small step towards this direction in that it offers some understanding of how small states behave in a complex and competitive global environment.

Research Methodology

The study adopts a qualitative comparative literature-review approach and thematic analysis to identify and compare the geopolitical challenges and foreign-policy strategies, and external relations of three small nations in South Asia: Nepal, Bhutan, and Sri Lanka. The study is limited to secondary data drawn from academic papers, policy reports, government documents and publications of international organizations published between 2000 and 2026. The secondary sources are chosen based upon their relevance to the topics of this study such as geopolitics, economic relations and foreign policies of small nations.

A systematic and comparative analysis of literature was adopted to identify common and recurring patterns as well as similarities and differences in foreign policy strategies, economic relations and geography of Nepal, Bhutan and Sri Lanka. This study is focused on a timeframe starting from 2000 to 2026 when the whole of South Asia underwent significant geopolitical challenges. This was a period of considerable economic rise of China, major political change in India, and increasing global attention of western countries in the Indian Ocean.

Results & Discussion

1. Geostrategic Location and Its Implication

Both Nepal and Bhutan are landlocked countries located between t two major powers, China and India. As a developing and landlocked buffer state, Nepal extends over a thousand kilometers along the central Himalayas, (B.K. & P.K., 2026) This geographical location had often allowed scholars to label them as buffer states, whose sovereignty and security depends on careful diplomacy. Nepal is uniquely positioned between India and China, and shares cultural and historical ties with both countries. Both nation's civilizations have a profound shared cultural legacy. Each tradition and culture values harmony, spiritual calm, peace, dedication and social

harmony, closely linked for centuries through trade and exchange with spiritual and cultural sharing, (Bhusal, 2025). Because of this, Nepal has always adopted for a peaceful, non-interfering and non-aligned diplomacy to increase its security and protect sovereignty. But this also exposed Nepal's vulnerability time and time again often at the expense of to periodic tension, especially when relation between India and China become strained, thereby constraining its strategic autonomy.

In contrast, Bhutan has established closer ties with India for development and internal political stability. Bhutan is a small, landlocked developing state, situated between the India and China, (Theys & Rieting, 2020). Because of its geographical location, Bhutan is reliant on India not just for defense and foreign policy strategy but also for its economic development. Bhutan has unresolved border issues with China and its cautious approach to diplomatic expansion illustrate a highly calibrated geopolitical strategy that prioritizes risks avoidance over diversification. On the other hand, Sri Lanka is strategically located in a major maritime route of Indian ocean and has made pragmatic approach to foreign policy by equally maintain relations with China, India and western power centers. This unique approach has led Sri Lanka to receive development assistance and major projects from major countries. However, this strategic centrality also intensifies external competition and pressure, demonstrating that while geography can provide opportunities for small state, it simultaneously amplifies their vulnerability to great-power rivalries.

2. Foreign Policy Strategies: Balancing and Hedging

This comparative study reveals that Nepal's foreign policy is a combination of balancing and hedging strategies, shaped by its geopolitical vulnerability and desire for the strategic autonomy. Nepal maintains a cordial relation with both India and China and at the same seeks closer relations and development assistance from major western powers and multilateral institutions. Advanced development in the field of transportation and communications has led to the emergence of globalization. The traditional game of global politics was played by the Europeans and Americans, (Baral, 2019). Nepal's diversification approach is meant to avoid over dependence on any one major power. Nepal is a partner of EU, UN, ADB, World Bank thus allowing it to receive development assistance and also to power balance. However, this strategy is often impacted by domestic political instability and inconsistent foreign policy.

Bhutan makes a cautious and the security-oriented approach that aligns closely with the concept of selective band-wagoning. Its closer relations with India provides critical economic assistance, security guarantees and infrastructural support, forming the backbone of its external relation. Bhutan's foreign policy reflects a deliberate choice to prioritize stability and regime security over diversification, although recent developments indicate a gradual effort to broaden its diplomatic engagement, particularly through controlled interactions with China.

Sri Lanka in contrast has a very pragmatic hedging strategy that includes active engagement with multiple global and regional powers. It maintains good relations with China, India and Western countries simultaneously for both its national security and economic development. China provided diplomatic support for Sri Lanka at the global forums on various issues, particularly human rights issue risen by the western countries (Uluwaduge, 2022). This approach has made it geopolitically important placer while securing investments and development assistance. However, Sri Lanka often finds it challenging to balance competing interest from world powers.

3. Economic Dependencies and Development Pattern

Economic dependence on foreign aid and development assistance can often influence the foreign policy of these countries. Nepal relies heavily on India not just for aid and trade but also as a job market for its migrant workers. Nepal has an open border with India which has presented numerous security challenges for Nepal. India has time and again forced economic blockade against Nepal when there was political tension between the two countries.

Kharel (2024) observes that the various treaties between Nepal and India have not only increased mutual cooperation and trust but also led to border disputes and political disagreement. The ongoing dispute over Kalapani has strained bilateral relations between two countries. Economically, the interdependence between Nepal and India is significant, with robust trade volumes and substantial Indian investments in Nepal's infrastructure, telecommunications, and hydropower sectors." To avoid such risks, in recent years, Nepal has strengthened its trade and connectivity with China and receive investments. Nepal is still far from reaching economic independence which has caused it to lose its strategic autonomy.

Bhutan has a concentrated model of economic dependency, with its development strategy closely tied to hydropower generation and exports, primarily to India. This arrangement has

ensured Bhutan with stable revenue and stable politics. But this has pushed Bhutan to become over reliance on India thereby losing its autonomy. In contrast, Sri Lanka has pursued an ambitious development model based on large-scale infrastructure project, often financed through external borrowing, particularly from China. China emerged as a major source of development finance, with Sri Lanka seen as a particularly attractive destination due to its strategic position at the tip of South Asia, (Jayasuriya & Sisira, 2019, p. 95). Sri Lanka has achieved modernization and economic power through investment in ports, highways and urban development. This has however led Sri Lanka to carry debt burden and fiscal stress. This has made Sri Lanka vulnerable foreign pressure and external shocks. Overall, the comparative findings suggest that while economic dependency can provide critical resources for development, it simultaneously creates strategic constraints, making effective management and diversification essential for enhancing small-state resilience and the geopolitical agency.

Table 1 *Comparative Economic Indicator between three countries*

Indicators	Nepal	Bhutan	Sri Lanka
Major Economic Partners	India, China and others	India	India, China, USA
Key Sectors	Remittance, Tourism, Services, Hydropower	Hydropower, tourism/services, remittances	Service, Tourism, Transport, Manufacturing
External Debt Exposures	Moderate	High, largely hydropower	High
Economic	Remittance Dependence & Diversifications	Hydropower, Strong India Integration	Greater Sectoral Diversification but high external financing exposure

Source: (World Bank, 2025)

4. Political Systems and Domestic Influence

Domestic political structures play a decisive role in shaping the foreign policy orientation of small states, often determining the degree of consistency, adaptability and strategic clarity in their geopolitical behavior. Although Nepal created greater political participation by adopting

federal democratic republic, Nepal's recent history is marked continued political instability. The Gen Z movement was a significant political event in Nepal's history. According to Magar (2026), the Gen Z movement was a counter-hegemonic action that is yet to evolve into an institutional challenge. This instability coupled with lack of coherent policy has directly influenced Nepal's external relation, often resulting in shifts in diplomatic priorities and inconsistencies in its approach toward major powers such as India and China.

In Bhutan a stable constitutional monarchy under a democratic structure and its close ties with India has led to stable foreign policy. Policy decisions in Bhutan are often made with national interest in mind as it pursues cautious approach in external relations. Bhutan maintains a cautious relation with China with whom it has border disputes but maintains a more integrated and economically close relations with India. In contrast, Sri Lanka pursues a more strategically balanced relation with all major powers including China and India by using its maritime location to its advantage. Changes in government have often led to reorientation in foreign policy, particularly in balancing relations between India, China and Western actors. Nehru drew the parameters and set the tone for Indian foreign policy (Chiriyankandath, 2004). This study shows how governance, policies and internal political dynamics all influence and shape a country's foreign policy and international alignment and how small states particularly navigate through complex world order.

5. Roles of India in Regional Geopolitics

The predominant regional power in South Asia is India which exerts geopolitical pressure on Nepal, Bhutan and Sri Lanka, to a varying degree. Influenced by access to technology, digital literacy and socio-economic status (Magar D. P., 2026). Nepal has a long historical and cultural relationship with India along with an open border where people and trade flows smoothly. Nepal's almost 60% trade is with India making it the largest trading partner. This equation plays a significant role both positively and negatively in the bilateral relations between the two countries often leading to political tension. India has already imposed economic blockades over half a dozen times. The recent one was over India's disagreement with certain constitutional provision. This has prompted Nepal to seek closer engagement with China to reduce overreliance on India.

Bhutan, in contrast, has a stable and peaceful relationships with India in the region, largely driven by shared security interests and the economic interdependence. India has a direct say over Bhutan's defense and foreign policy, as well as in its economic development. It sets the stage for understanding the importance of hydropower collaboration between the India and Bhutan, including benefits beyond energy imports that present a strong rationale for Indian investments (Saklani & Udisha, 2018). This arrangement has brought Bhutan some degree of political stability and economic development however at the cost of its complete independence.

Sri Lanka's relationship with India however is built on both neighborly cooperation and strategic competition at the same time. While India remains an important partner in trade, security and regional diplomacy, Sri Lanka has also expanded and built a closer relation with China and other global powers. India has raised issue of Chinese investments in Sri Lankan infrastructure, such as ports and Sri Lanka's participation in Belt and Road Initiative. India's often hegemonic and 'big brother' role has turned small states to adopt foreign policy that involves balancing or hedging strategies to protect their national interests as well as sovereignty.

6. China's Expanding Influences

China is the largest trade partner for most South Asian countries and its growing presence in South Asia as a development partner is reshaping geopolitical strategies of Nepal, Bhutan and Sri Lanka. Nepal's increasing engagement with China, particularly through infrastructure initiatives such as road and railway connectivity, trade facilitation projects and participation in the Belt and Road Initiative (BRI), has been a welcoming factor as it seeks to reduce its dependence on India. The redefinition of Nepal's geopolitical position implies a series of dynamic actions and efforts that bring fundamental changes to its strategic roles, perceptions and leverage both internally and externally, (Paudel., 2026). With its growing engagement with China, Europe and the US has allowed Nepal to assert greater strategic autonomy and economic independence. Still Nepal needs to carefully and cautiously balance its relations between India and China through pragmatic diplomacy.

Bhutan's dependence on India meant it has not made any meaningful engagement with China. Indeed, Bhutan has yet to establish official bilateral relations with China. The country has undertaken periodic border negotiation with China to resolve territorial claims while simultaneously strengthening its longstanding partnership with India for security and economic

support. It concludes that these factors effectively enhance food security, (Khadka, 2025, p. 14). How this relationship will evolve in a multipolar world is too early to tell but a broader diplomatic engagement is possible in future.

In case of Sri Lanka, the country has expanded its relationship with China on a deeper level inviting heavy investment and cooperation. Large-scale infrastructure project, including development of Hambantota Port, highways and urban development initiatives with China has shifted the geopolitical situation in South Asia. Such massive investment has put Sri Lanka on the rapid path to modernization and even making Sri Lanka a key player in this region. In spite of this progress, alleged concerns over debt sustainability, economic dependence and potential strategic vulnerability. Overall, the rise and presence of China in the region created both challenges and opportunities for the small states in the region.

Table 2 *Engagements with China*

Aspects	Nepal	Bhutan	Sri Lanka
Diplomatic Relation	Established	Not Formalized	Established
Infrastructure Project	Moderate/expanding	Limited	Extensive
Strategic Dependence	Emerging	Limited	Significant
Border Issue	Limited/Resolved	Significant Ongoing boundary negotiations	No land border issue

Sources: (Ministry of Foreign Affairs, 2026; (Ministry of Foreign Affairs of the People's Republic of China, 2024); Moramudali and Panduwawala (2024).

7. *Security Concern and Strategic Autonomy*

Economic security and strategic autonomy are key factors that directly influence foreign policy of small states. Internal political stability, economic independence, and peace are major security issues for Nepal. The country's low military capacity and geographic location make it vulnerable on all levels so neutral position in international affairs, engagement with multilateral forums and cooperation with both India and China is necessary to safeguard Nepal's territorial sovereignty. According to Paudel (2023), Nepal focuses on promoting its national interests and protecting its sovereignty while overcoming its structural constraint imposed by its landlocked

geography and neighboring powers. Bhutan's security, both economic and political, is intertwined with India's security. Forming a close relationship with India remains a major national focus. Its foreign and defense policy is largely influenced by India.

As opposed to Nepal and Bhutan, Sri Lanka has a far more complicated security situation. Its location in the Indian Ocean puts Sri Lanka on a globally important maritime route. There are multifold interest groups focused on Sri Lanka, from India and China to other major western powers. Sri Lanka has built close relationships with all global powers, while preserving its sovereignty and national interests. This comparative study shows that small states often have to compromise and make trade-offs not particularly suited to their interests. They may give up some degree of decision-making freedom in exchange for security and stability. Navigating and balancing relations usually correlated with perceived threats, resources, and their geographic position.

8. Comparative Assessments of Small-State Agency

The comparative analysis of Nepal, Bhutan and Sri Lanka show that the strategy implemented by small states differ from each other and is directly impacted by geographical location, internal politics, economic capability and external vulnerability. Nepal demonstrates a moderate degree of agency, primarily through its balancing and hedging strategies aimed at maintaining cordial relation with both India and China while engaging other international partners. It reflects the aspirations of the Nepali people and is intended to safeguard national interest amid shifting domestic and international dynamics, (Lamichhane, 2025, p. 123). Nepal's internal political issues, policy inconsistencies, economic dependency are all a challenge to its long-term foreign policy. Nepal is strategically constrained given its political instability and geographical position.

Bhutan has a limited strategic capacity given it is under the security umbrella of India. This mechanism has protected from outside threats as well as to achieve certain degree of economic development. However, Bhutan in recent years has cautiously approached to establish with China and other countries. Bhutan has follows a coherent and stable policy. This approach shows how a small state with limited resources can still protect its sovereignty by playing it safe and thinking long term.

Sri Lanka operates with greater assertion and strategic autonomy. Its location along key Indian Ocean trade routes give it strategic importance, and it actively engages with multiple major powers, including China, India, and Western countries. This has provided Sri Lanka with economic and strategic advantages, but the trade-offs include foreign pressure, debt risks and political volatility.

Table 3 *Comparative Geopolitical Strategy*

Dimensions	Nepal	Bhutan	Sri Lanka
Strategy Types	Balancing or Hedging	Selective Alignments	Hedging
Level of Agency	Moderate	Limited but Stable	High
External Influences	India & China	Primarily India	Multiple Powers
Risks Exposure	Medium	Low	High

Sources: (Johny, 2024); (Kaul, 2022); (Xie, 2026)

Overall, the findings of this study reveal that with global power shift and emerging multipolar world, small states can also become strategic player through smart policy navigation, external partnerships, and shrewd diplomacy. However the case differs from county to country. While Nepal has a moderate strategic approach, Bhutan has a constrained and very limited diplomacy, and Sri Lanka exercises higher level of strategic independence. These differences are the reflections of internal political situation, the consistency and coherence of policies, geographic position and economic viability.

9. Future Research Directions and Implication

Further research and study are required to understand small-state geopolitics in South Asia and how it is transforming with the emerging multipolar world order. Future studies should include other countries in south Asia to find the risks and challenges they face in the 21st century. India–China relations, Indo-Pacific region, strategic autonomy, climate-related risks, and Artificial Intelligence (AI) are some topics that could be very useful scholars. Advances in AI, such as big data analytics and real-time monitoring technologies allow countries to gather data and analyze security threats and manage borders (Magar & Chaudhary, 2026).

Small states can and will have go beyond survival strategy to reinforce their strategic position. Also policy strategist and lawmakers have to emphasize on governance and political stability.

Small states must be recognized they play to maintain global order and security shaping the outcomes at both regional and global levels.

Conclusion

This study has shown how small states in South Asia region, viz, Nepal, Bhutan and Sri Lanka are navigating through complex global order in spite of the limitations they have to cope with. Geographical location, internal political situation, economic dependence are all critical factors that shape and influence the foreign policy of these small states.

Nepal has a moderate approach to its foreign policy precariously balancing the two major super powers India and China. Bhutan, on the other hand, has limited action when it comes to exercising its foreign policy which is largely handled and managed by India. Sri Lanka in comparison demonstrates a higher level of independence and strategic autonomy while promoting strong relationships with India, China, US and other western powers. This study shows small states are not powerless but do have the capacity to be a player in the evolving modern multipolar world while protecting their sovereignty and pursuing national interests. The study theoretically contributes to this rapidly evolving discourse and debate on small states and their role in global stage and calls for further research and study in this area.

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