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The Influences of Geopolitics on Foreign Policy of Nepal: 2015-2026

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Abstract

The theoretical synthesis paper examines the present structural shifts in the geopolitics and global power configuration. They are used to assess their differential impact on the foreign policy frameworks of Nepal. Nepal occupies an exception geostrategic conditions, being a landlocked, strategically vulnerable country located between the two regional giant of China and India. These are two emerging and nuclear-powered states. The increased security monitoring and diplomatic activity of Western countries such as the U.S. The structures will be assessing within the frameworks of realism theory, neorealism structural constraints, the strategic security hedging approach and qualitative research methodologies. This study analyzed twenty-five (25) peer-reviewed academic articles. The paper has analyzed the ways in which increase the global and regional rivalries between India, China and the United States affects the foreign policy of Nepal. The role of developmental aid, financial infrastructure model and strategic security as a form of great power competition will be examine. This paper analyzes the modern geopolitical situation, the China, Belt and Road Initiative (BRI) and the United States, Indo-Pacific Strategy (IPS) implement via the Millennium Challenge Corporation (MCC). The India has "special relationship" doctrine. The article demonstrates how development finance has evolved into a primary geopolitical mechanism. The study argues that Nepalese long-standing stance of non-alignment is under severe threat from systemic structural polarization and internal ideological fraction. It is concluding that Nepal must urgently move away from a reactive "yam between two

boulders" fatalism. The states need to implement proactive, institutionalize policy of multi-alignment, strict geo-economic diversification, resilient climate diplomacy to protect, sovereignty and achieve sustainable strategic autonomy.

Keywords: Geopolitics, Small Power Theory, Foreign Policy, Strategic Hedging

Introduction

The present international contexts political architectures are experiencing a drastic change in terms of post-Cold War unipolar domination by the Power of the United States. The multi-polarity in the global power become increasingly prevalent and fiercely contested. This shifts in global power structure has been marked by the return of great power rivalries, aggressive economic protectionism and the gradual deterioration of multilateral normative structure. The changing dynamic impacts on the grand strategies of the major powers. The ripples of this are felt more acutely at the periphery and particularly among the strategically located buffers state of South Asia. Nepal can be considering one of the main geographically junction for both regional and global structural force.

Geostrategic ideas of Nepal have been defining historically through its physical geography. From the 18th century, King Prithvi Narayan Shah famous described Nepal as "yam between two boulders". This timeless metaphor reflected the structural pressures applied by Nepal immediate neighborhoods, India and China. The dualistic structure of this nature have been extend in the modern day. According to literatures and Continuous political events of Nepal, the contemporary structured can be more aptly described as "yam between three boulders". the overt structure of the Western powers. It most notably the United States into the Himalayan security theaters. The competing security architectures of Nepali immediate and distant neighbor. It has become intricately links to the countries internal political dynamic and external diplomatic possibility.

Statement of the Problem

The limitation of military strength and profound economic vulnerability and land locked geo-political position of Nepal positioning profound constraints in terms of operational flexibility. The strategic significance of this country to the international system has increased significantly due to the rapid rise of China to global prominence, economics and geopolitical

expansion of India. The major global player has started using security alliances, infrastructure projects and development assistance as competitive tools to bind peripheral governments within their respective spheres of influences.

Nepal has external relations; scholarly discourses remain heavily fragment across competing paradigm line. The old realist analyzes often treat Nepal as a passive, helpless buffer state bound by geography. The power underestimating the agency of small states to manipulate regional rivalry and exploit international legal frameworks. The liberal institutionalist account emphasizes trade treaties, regional integration (SAARC and BIMSTEC) and international law. The soft powers, constructivist paradigms focused non-alignment, Panchsheel and cultural heritage. They struggle to explain hard-power power plays, border disputes (such as the Kalapani-Lipulekh-Limpiyadhura and Susta region) and economic blockaded.

Objectives of the Study

The primary objectives of this theoretical synthesis paper is to analyze the influences of geopolitical on Nepalese foreign policy behavior from 2015 - 2026. The theoretical critique of contemporary scholarly literatures.

The specific study objectives are follow:

- a. To the examine the core conceptual foundation and theoretical frameworks developed by contemporary political scientists to analyzed Nepali foreign policy and geopolitical positioning.
- b. Nepalese foreign policy concepts-transitioning from traditional "buffer state" and "yam" paradigm toward active "hedging," "trilateralism," "soft power mobilization," and "strategic pivoting".
- c. To the comparative of political theories (Realism, Liberalism, Constructivism, Neoclassical Realism and Small State Hedging) as used to foreign policy of Nepal choices between 2015 and 2026.
- d. To the finding area of theoretical convergences and divergences within the literatures, focused the critical relations, gaps, conceptual overlap, analytical limitations of Geopolitics and foreign policy. For the academic and theoretical implications for future M.Phil. and Ph.D. research in Future foreign policy analysis and geopolitical studies in Nepal.

Research Gap and contribution

The existing literatures extensively examine Nepali traditional posturing as a landlocked buffer state between India and China. There is critical empirical and theoretical lacuna regarding how Nepali post-2015 constitutional frameworks and geopolitical recalibration (2015-2026) have reshaped the foreign policy positioning. Scholarly work the frequently analyzed structural asymmetries, strategic hedging and non-alignment conventional realpolitik frameworks. They disproportionately focus on binary Sino-Indian rivalry or short-term crisis management rather than synthesizing multi-vector diplomatic dynamics. The Contemporary research has under-theorized the intersection of Nepali domestic institutional shift under the constitutional federalism and its evolving economic statecraft such as cross-border connectivity initiatives and energy diplomacy. The accelerating broader Indo-Pacific and major-power rivalries. A comprehensive theoretical synthesis addressing how these theoretical, regional and internal variable interacts to operationalize strategic autonomy and transform historical "transit dependency" into a proactive foreign policy matrix between 2015 and 2026.

In summary, the current synthesis paper will make significant contributions to the international relations literature, as well as political science and alliance theories. The contemporary theoretical -based framework in analyzed the Nepali foreign policy implementation for a decade amidst political instability following from the constitution making process 2015. This research enhances the small state strategy frameworks in shows how small and land-locked nation use multi-vectors diplomacy and Socio- economic diversification to ensure the preservation of sovereignty, geographical Integrity, security and policy autonomy in a highly contested world order.

The promulgation of the Constitution of Nepal in September 2015 codified a federal democratic republican structure. Nepal has immediately five-month border blockaded by the southern frontier. This crisis exposes the acute vulnerabilities of Nepali asymmetric economics and transits dependent on India. The catalyzing a historic political drive toward diversification of transit route through China and the formal articulation of an updated, integrated Foreign Policies documents by the Ministry of Foreign Affairs (MoFA) in 2020. The period 2015-2026 demands the rigorous re-examination of how traditional geopolitical imperative and

contemporary global structural shifts interact to shape Nepali diplomatic maneuver, theoretical paradigm and statecraft choice.

Methodological and Theoretical Frameworks

i) Methodology and Data analysis

Nature of Theoretical Synthesis

This study related the qualitative research design. It has studies the meta-analytical and theoretical synthesis research design. Its theoretical synthesis evaluates, critique and integrate. The existing theoretical perspectives, conceptual model and theoretical insight. This synthesis treats existing literatures as an arena of competing ideas, deconstructing how different political paradigms conceptualize state behavior, power dynamics and foreign policy outcome in small states. e.g. Nepal.

Sources of Literature

The main sources for this synthesis paper of the 25 peer-reviewed academic journal articles. Researcher collected the 55 articles then selected the relevant journal articles. It studies doctoral dissertations, policy monograph and specialized research papers selected from the main bibliography. These sources are drawn from indexed publications including the *Journal of Political Science* (Central Department of Political Science, Tribhuvan University), *Journal of International Affairs*, *Nepal Public Policy Review*, *Unity Journal*, *International Politics*, *The British Journal of Politics and International Relations*, and specialized publication series from the Institutes of Foreign Affairs (IFA) and Observer Research Foundation (ORF).

Criteria for Selection of Literature

The maintained methodological rigor, objectives and relevance to the theme of geopolitical influences on foreign policy of Nepal.

- a. **Thematic Relevance:** The literatures must address the intersection of geopolitics, small state behavior, major power rivalries (India, China, USA) and foreign policy formulation in Nepal.
- b. **Temporal Coverage:** The literatures must cover, reflect upon, or theoretically frame the critical decade of 2015-2026. The provided foundational theoretical model directly applied to this period.

- c. **Theoretical Rigor:** The selected literatures should be beyond descriptive historical narrative to utilizes and evaluates established International Relations theories. (e.g. Realism, Liberalism, Constructivism, Neoclassical Realism, Hedging Strategy and Hegemonic Stability Theory).
- d. **Scholarly Authority:** To the peer-review journal articles, doctoral dissertations from the universities (e.g. Tribhuvan University) and peer-review institutions report.
- e. **Geographical and Institutional Diversity:** The literatures about the perspectives from Nepalese scholars, regional researchers and political theorists to ensure a balanced meta-analysis free from bias.

Search Procedures and Databases

Literatures acquisition follow a systematic search protocol utilizing electronic journal database and digital repository.

The primary database research included are follow:

- a. **Nepal Journals Online (NepJOL):** The peer-reviewed Nepalese journals like *Journal of Political Science*, *Journal of International Affairs* and *Nepal Public Policy Review*.
- b. **ResearchGate and Academia.edu:** The working papers, pre-prints and institutional research reports.
- c. **Tribhuvan University E-Library:** The Mphil, doctoral dissertations.
- d. **Global Publisher Databases (SpringerLink, SAGE, Taylor & Francis):** the international journals. e.g. *International Politics* and *The British Journal of Politics and International Relations*.

Framework of Analysis and Synthesis

The analytical frameworks have three distinct level of analysis standard in Foreign Policy Analysis (FPA):

- a. **Systemic/Structural Level:** The Analyzing how change in the global power distributions (multi-polarity, Sino-US competition and Sino-Indian rivalry) create structural constraint and opportunity for Nepal.
- b. **Sub-Systemic/State Level:** Examining how Nepal has internal political transition, constitutional development, regime change and domestic political instability mediate external pressure.

- c. **Conceptual/Theoretical Synthesis Level:** The selected 25 articles into a thematic grid to compare theoretical assumptions, explanatory power, variables and divergence points.

Credibility and Methodological Soundness

The Methodology is the maintaining the theoretical triangulation and sources verification. The cross-analyzing works produced by different theoretical camps (Realist, Liberal, Constructivist). There was compared the finding across different time nodes (2018, 2020, 2024, 2025, 2026). Its synthesis minimizes the analytical bias. Every cited or references claimed the direct anchored in the selected scholarly database, internal consistency and academic validity and maintaining patent right.

ii) Major Theoretical Perspectives and Conceptual Frameworks

The literatures synthesize main Political theories. The explain Nepali foreign policy conducts during the 2015-2026 period. The research evaluate the foreign policy behavior of a state structurally situated like Nepal. The analysis cannot rely on a single theoretical paradigm. this study utilizes some multilayer frameworks that integrates neorealism (structural realism), small power theory and strategic hedging model. These distinct viewpoints offer a comprehensive account of how small states manage the structural opportunity and limitation about by tectonic shift in regional and global powers.

Realism and Neo-realism

Its theories explain the behavior of states in the Nepali case, (Baral, (2018) (2022) Acharya, (2025) is Structural Realism, (Waltz, Mearsheimer). The behavior of the states depending on the anarchic international structure and distribution of the material power. The realists approach priority the physical closeness, economic strength and military might compel small states. To put survival and integrity above anything else. There is an increase in the security concerns for a state from other actors. it will adopt the hard balancing or defense of neutralization.

Neo-classical Realism (NCR)

The limitations of pure structural realism, Neoclassical Realism (Cerioli, 2025) introduce domestic variables as transmission belts between systemic pressure and foreign policy output and applied to Nepal, (Fearon, (1998) Baral, (2025). NCR explain why Nepal response to the major power competition fluctuate across different political regime. Nepali Internal political instability, party-line ideological divide (e.g. left-leaning parties favoring China vs. centrist/democratic parties

favoring India and the West). The elite perception mediate how external structural pressures are operationalized into actual diplomatic decision.

Liberal Institutionalism and Economic Diplomacy

The liberal theories argue that international organizations, economic interdependences and trades can help to overcome the problems of power disparities. Its avoid the conflicts. The authors were focusing on economics diplomacy. (Kanwar, (2025) Sharma et al. (2024) Abels & Bieling, (2023). Nepal has sustained autonomy and depend on the institutionalization of transit privileges, multilateral development bank and regional mechanism, (SAARC, BIMSTEC). The liberalism perceives the ratification of the US MCC agreement (2022) by Nepal as a rational step of creating infrastructure and integrating in global market without joining any military organization.

Constructivism and Identities

The Constructivist literatures (Karki & KC (2020) Baral, (2026) focus on the role of identities, norms, sharing the history and idea shaping the foreign policy. Nepalese long-standing adherence to non-alignment, Panchsheel, world peace and anti-colonial solidarity represents a constructivist strategy to establish a distinct international identity. The Constructivism also focused the "special relationship" rhetoric between India and Nepal based on shared cultural, religious and open-border ties. Nepal is constructing to resist perceive external dominance.

Small Power Strategic Theories and The Hedging Paradigm.

The theoretical development in the recent literatures of (Johny, (2024), Baral (2026) is the application of *Hedging Theory*. The old Political theories presented small states with a false binary, *bandwagon* dominating power and *balancing* against it. Johnny (2024). Nepal rejects both extreme. Bandwagoning with China would provoke severed Indian hostility. The bandwagoning with India risk total loss of strategic autonomy.

Nepal adopts a **hedging strategy** consisting of:

Economic Maximization: Deepening trades and infrastructures ties with both China (BRI) and the US/India (MCC, regional power trades).

Indirect Balancing / Risk-Countering: Using the ties with Beijing to prevent Indian overreach. It is maintaining core security and economic co-operation with India to avoid Chinese dominancy.

Neutrality and Diplomatic Binding: The Binding powerful neighbors to bilateral agreements and international norms to prevent unilateral coercion.

To the survive within a system dominated by stronger actors, small powers typically deploy distinct set of strategic behaviors:

Risk Minimization: Small states consistently seek to minimize risk by avoiding formal entrapment in military alliance or great power rivalry that could turn their territory into a geo-political battle ground.

Reliance on International Law: The Lacking hard power, small state heavily relies on international law, sovereign equality norms, multilateral organization like the United Nation to legitimize their position and shield themselves from unilateral coercion.

Geo-economics Diversification: Small power actively seek to diversify their foreign trade, transit route and diplomatic partnership to reduce structural dependence on any single external actor.

iii) Comparative Analysis of Political Theories as Applied to Nepal. (2015-2026)

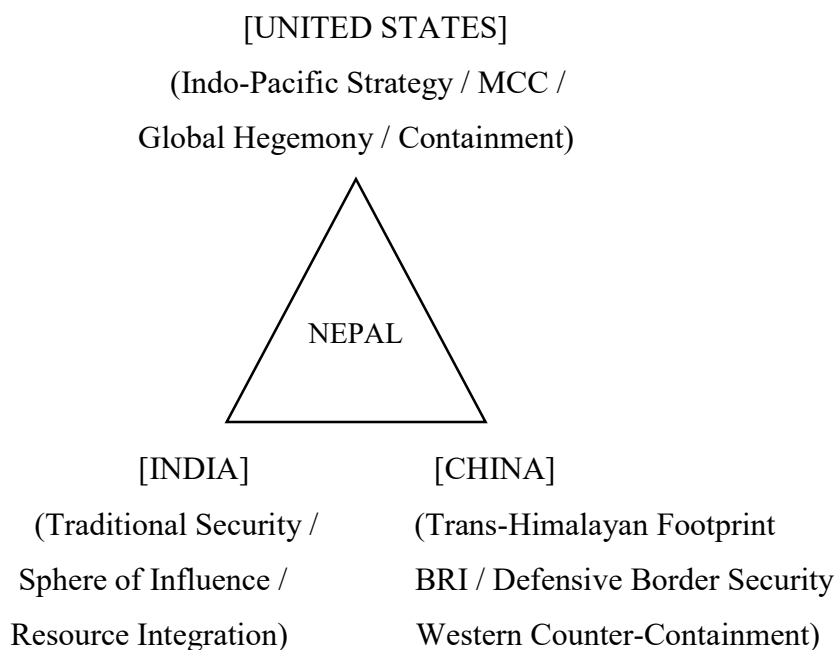
To clearly understand how these theoretical lenses. The foreign policy course of Nepal between 2015 and 2026 can be understood as a result of the dynamic relationship between systemic structural pressure and small state agency. The Structural Realism see of Nepal as being limited structurally by the imbalances of power within the system. The Neoclassical Realism and Constructivism show how elite perceptions, internal constitutional conflicts and non-alignment identity have all influenced the strategy. Nepal uses to react to external events such as the 2015 blockade. On the other hand, Liberal Institutionalism and Hedging Theory emphasize Nepalese ability to hedge against its structural limitations through multilateral transit agreements and economic diplomacy.

Finding \ Discussion

Theme 1. The Trilemma of Great Power Interests in Nepal

The primary operational challenges confront the contemporary Nepali diplomacy is managing the competing and frequently irreconcilable strategic objectives of its three primary main external stakeholder, The India, China and the United States. Each of these actor views Nepalese distinct security lens, generating a structural "trilemma" for policymakers in Kathmandu.

By Figure;



A) Indian Neighborhood Policy and the "Special Relationship"

The Indian strategic orientation towards Nepal is grounded in a wide range of historical, economic, social-culture and geographic reality. Historically, Since the colonial time when security doctrines of British Empire used to view the high Himalayan ridge line as a key natural protective belt that secured the fertile plain of the Indian subcontinent against possible threats from the north. Since it is independence in 1947, the foreign policy of India was built on preserving such structural perspective towards the entire Himalayan space including Nepal, Bhutan and Sikkim which constitute an essential part of Indian primary security perimeter and sphere of influence. The institutional framework of this bilateral relationship is the 1950 Treaty of Peace and Friendship concluded at the time of systemic change in Asia. The treaty established some asymmetric models of deep inter-dependence between Nepal and India in economic, political and security spheres. The treaty provided for open border regime and reciprocal economic rights of the Nepalese nationals within India. It also provided for tight integration of Nepali security system into Indian defense interest.

From the perspectives of Indian security apparatus, New Delhi core strategic calculation regarding Nepal center in the three enduring priorities:

- a) **Security Maximization:** Nepalese sovereign territory is never exploited by hostile foreign intelligence network, military asset or competing global power to threaten Indian expose northern heart-land.
- b) **Open Border Governance:** Managing the unique, Near 1,800-kilometer open border between the two nation. This frontier facilitates deep, everyday socio-cultural and economic exchange. often referred to as *Roti-Beti* (bread and bride) relationships. it also present persistent cross-border security, law enforcement and counter-terrorism challenges.
- c) **Hydro-Hegemony and Resource Integration:** The priority access to Nepali vast, untapped hydropower potential to fuel Indian rapidly growing domestic energy market, maintaining structural control over the downstream trans-boundary water resources.

This deepest entrench regional doctrine, India views any significance external shift by Kathmandu. An expansion of infrastructure connectivity with China or an increase in security-link development cooperation with Washington and the direct challenge to its traditional regional position. This perception has historically led to severe bilateral frictions, visible during periodic border blockades, intense diplomatic interventions in Nepalese internal constitutional and political process.

B) Chinese Trans-Himalayan Footprint and the Belt and Road Initiative (BRI)

Historically, the Chinese strategy engagement with Nepal was reactive in nature and had a very narrow focus on internal security threats to Tibet Autonomous Region. For a long time, the overriding aim of Beijing in Kathmandu has been to ensure the strict control of border in order to ensure that the Tibetan exile movement or international intelligence agencies do not use Nepalese soil against China. Nepal maintained a strict "One-China Policy" and repressed the domestic Tibetan political movement, Beijing had no other option but to respect Indian dominance in Kathmandu. With the rise of President Xi Jinping to the global leadership, Chinese foreign policy toward its periphery moved from passive containment to proactive and holistic statecraft. China replaced its passive security policy with a multi-faceted and proactive strategy that combined large-scale state-backed investments, infrastructure connectivity and institutional political engagement. The main platform for such an extended engagement strategy has been the Belt and Road Initiative (BRI), which Nepal signed up to in May 2017.

Chinese modern strategic ambition in Nepal operate across two main level:

- a) **The Trans-Himalayan Multi-Dimensional Connectivity Network:** the BRI, China seek to construct a permanent network of highway, high-voltage transmission lines, optical fiber cables and a proposed cross-border railway linking Tibet directly to Kathmandu. From a geo-economics perspective, this network aims to break Nepal's absolute, single-choke-point dependence on India for access to global transits and maritime trades route.
- b) **Political and Institutional Deepening:** The Moving beyond traditional elite diplomacy, Beijing has significance expand. its direct interaction with Nepali political parties (particularly communist faction), bureaucratic structure and civil society space. This calculate outreach seek to cultivate a resilient, pro-China constituency within the country governance apparatus.

From Beijing's perspectives, a stable, friendly and structurally connect to the Nepal serve as an essential southern buffer zone. This connectivity secure, its vulnerable Tibetan frontier and provide a counter-weight against Western containment strategies unfolding across the wider Indo-Pacific region.

C) The United States and Nepal Emerging Strategic Landscape

The United States represent the third major power center operating within contemporary stage in Nepal. The Washington established formal diplomatic ties with Kathmandu in 1947. The priority to Nepalese admission to the United Nations-it is engagement for much of the Cold War and post-Cold War era was define by humanitarian assistance, development aid and democracy-promotion program. The global system transition into an era of direct U.S.-China systemic rivalry, USA approach to Nepal under-went a significance structural reorientation, becoming tie to its overarching Indo-Pacific Strategy (IPS).

The primary manifestation of this strategic shift was the introduction, debate and eventual parliamentary ratification of the Millennium Challenge Corporation (MCC) Compact. It is Signed in 2017 and ratified amidst intense political domestic polarization in February 2022. the MCC is a \$500 million direct bilateral grant from the United State. It is explicit design to fund high-voltage electricity transmission lines and critical road connectivity infrastructures inside Nepal. The MCC has been portrayed as a technocratic, poverty-reducing grant in the US and among other actors domestically while it has become a battleground for great power competition within a very short time after its creation. The terms of the compact, which made the

construction to be seen as national priority infrastructure and to be superior to the local laws in the process of implementation. This has generated harsh criticism not only from the domestic players but also from external players as well. The controversy around the MCC caused by public and parliamentary debate has caused public protest and intense diplomatic dispute between Washington and Beijing.

This polarization revealed that Washington modern interest in Nepal are driven by clear and systemic geopolitical goals:

- a) **Countering Chinese Expansionism:** Nepal from integrating fully into Beijing economic, technological and infrastructural orbit via the BRI. There by maintaining a regional balance of power in to the Western interest.
- b) **Promoting Liberal Institutionalism:** Supporting the institutional consolidation of Nepalese federal democracy, judicial independence and human right framework to ensure the state remain align with the normative rule-based international order.
- c) **Strategic Surveillance and Presence:** Maintain the robust diplomatic, developmental and civic presence in close proximity to south-west China and the geo-politically sensitive Tibetan plateau.

Theme 2. Development of Economic and Geopolitical Mechanism

One of the most defining trend in contemporary international relation is the transformation of development aid, concessional loan and infrastructure investment into explicit instrument of competitive statecraft. For Nepal, the suffer from limit domestic capital accumulation, a persistent infrastructure deficit, development projects cannot be evaluated through a purely technical or economic lens. The infrastructure financing has become a primary arena for geopolitical competition. External powers deploy financial allocations, project conditionality, structural loans to protect and assert or expand their respective strategic interests.

By Table:

Geopolitical Initiative	Primary State Patron	Core Funding Mechanism	Dominant Strategic Sector	Primary Geopolitical Objective

BRI	People's Republic of China	State-back loan, commercial credit, and state-investment portfolio.	Trans-Himalayan connectivity, rail networks, international airports and highways.	Breaking Nepal's absolute geo-economic dependency on Indian. securing the southern Tibetan frontier.
MCC	United States of America	Direct bilateral grants with strict legislative and regulatory conditionality.	High-voltage electricity transmission lines and strategic road connectivity	Counterbalancing Chinese regional dominance; binding Nepal to the Western rules-based normative order.
Neighborhood First / BBIN	Republic of India	Mixed grants, soft lines of credit and cross-border energy purchase pacts.	Hydropower extraction, cross-border transmission lines, and petroleum pipelines.	Maintaining traditional regional hegemony; locking South Asian energy grids into New Delhi's domestic market.

This monetization of geopolitics creates structural vulnerabilities for the recipient state. Nepal relies heavy on external capital to the execute and its national development goal. Nepal frequently struggle to evaluate infrastructure proposal solely on their economic merit. Every major infrastructure decision carried an unwritten diplomatic signal. The accepting a Chinese loan under the BRI causes anxiety in New Delhi and Washington. The ratify the U.S. grant under the MCC provoke warning from Beijing.

Nepalese development landscape has become fragment by competing project model. This competition is visible in the slow implementation of the BRI due to disagreement over interest rate and funding structure, juxtapose against the highly contest legally rigid implementation of MCC transmission lines. In this environment, infrastructure choices are rarely neutral economic policy. they operate as visible signal of strategic alignment or non-alignment to watching global rival.

Theme 3. Domestic Political Vulnerability and Foreign Policy Volatility

The fundamental principle of Foreign Policy Analysis (FPA) is that a state external diplomatic effectiveness is directly dependent on its internal political consensus, institutional cohesions and governance stability. In Nepal, the structural capacity to project consistent, independent foreign policy is frequently undermining by deep internal political fragmentation, institutional weakness and persistent lack of a binding national consensus in external affairs.

Elite Cycle of Dependency and Rent-Seeking

It is historic transition from an absolute monarchy to a federal democratic republic of Nepal. The political landscape has been defining by chronic institutional instability, short-lived coalition government and intense intra-elite rivalry. This political instability is reinforcing by a structural vulnerability in the state political economy. The domestic productivity remains low, leaving the macro-economy dependent on labor migration and remittance inflow. It contributes approximately 25% of the national GDP.

This structural environment has a political culture where competing domestic elite frequently look to external power for political patronage to secure, stabilize or advance their position within domestic power struggle. The anchoring foreign policy choice in long-term, objective national interest. Nepalese primary political organization - ranging from the RSP, Nepali Congress to various communist faction like the CPN-UML and the CPN-Maoist Center. Their geopolitical rhetoric and diplomatic stance base on immediate domestic calculation. Foreign policy choice is frequently instrumentalist as tools to build internal political coalitions or delegitimize domestic rival.

Ideological Polarization and Party Politics

The absence of an institutionalize, non-partisan national consensus means that Nepali foreign policy is highly vulnerable to sudden reversal whenever the governing coalition change. This volatility typically aligns with the ideological affinities of the dominant political actors:

- a) **Left-Leaning Communist Coalition:** Have historical demonstrate a strong ideological and institutional affinity toward Beijing. When in the power, these factions often fast-track transit and transport agreement with China. The seek closer structural alignment with Chinese state organ and take a more critical stance toward traditional security tie with India and Western aid mechanism.

- b) **Centrist Formations (Led by RSP and Nepali Congress):** Have traditionally favored maintaining close, stable relationships with New Delhi and Western capital market. These administrations generally prioritize alignment with Washington Consensus principle, support Western-backed developmental program and show greater caution regarding large-scale, loan-financed infrastructure projects from China.

This institutions volatility weakens the long-term capability of the Ministry of Foreign Affairs (MoFA). The critical diplomatic engagement is concentrate within informal elite political circle rather than formalize bureaucratic structure. the state capacity to conduct professional, consistent diplomacy is diminishing. External powers quickly learn to exploit these internal ideological division, leading to a steady erosion of regional trust and a pattern where international commitment are repeatedly made, delayed or reversed.

Theme 4. Emerging Non-Traditional Geopolitical Vectors

The great power competitions intensify across the Himalayan region and the geopolitical landscape is expanding beyond traditional military balance and infrastructure loan. Two primary non-traditional security vector are altering Nepali foreign policy environment. It has the digital/technological sovereignty and climate diplomacy.

a. Digital Geopolitics and Technological Dependency

The global race for technological dominance between Western state and China has directly affected Nepal domestic telecommunication and data infrastructure. Nepal modernize its digital network. It faces difficult choice regarding hardware procurement, data sovereignty and national cybersecurity architecture.

The widespread adoption of Chinese 5G core technology, smart-city surveillance model and hardware from state-links firm like Huawei and ZTE has drawn close attention from Western and Indian security network. The actor views the integration of Chinese hardware into the communication system of a strategically located buffer state as a potential long-term vulnerability for intelligence collection and data security. Nepali domestic digital ecosystem is shifting from a standard developmental asset into a contest front in great power competitions.

b. Climate Vulnerability and Environmental Diplomacy

Climate change has transforms from an isolate environmental concern into a significant driver of regional geopolitical dynamic. The highly vulnerable mountainous nation located

downstream from melting Himalayan glacier. Nepal face environmental disruption that exceed its domestic mitigation capability.

These ecological disruptions have direct consequences for regional stability.

Transboundary Water Security: Shifting river volume directly impact downstream water availability for India and Bangladesh. The complicating long-standing bilateral water-sharing agreements and heightening resource anxieties in New Delhi.

Hydro-Geopolitical Contestation: Change in water volume alter the long-term economic and technical viability of large-scale hydropower project. these mega-dam are frequently fund, construct or manage by competing international actor (such as Indian state companies or Chinese engineering firms) energy production site become areas of strategic contestation.

This deep environmental vulnerability also provides clear avenue for international diplomatic engagement. The state experiencing the immediate impact of global warming, Nepal possesses the moral authority to pursue an active strategy of climate diplomacy. advocating for climate justice, loss-and-damage compensation and international adaptation financing within broad multilateral forum like the United Nation. Nepal can diversify its diplomatic activity beyond rigid bilateral security constraint. This approach allows the state to build broad-base coalitions that insulate it from the zero-sum pressure of immediate great power rivalry.

Theme 5. Strategic Options for Nepal

The great power competitions and shifting global power dynamic of Nepal. The Preserves sovereignty independence and expanded strategic autonomy required transitioning an institutionalize strategy of **proactive multi-alignment**. It demands maintaining predictable, constructive relations with all international actor while avoided exclusive alignment with any single power block.

a. Codifying a National Consensus on Strategic Autonomy

The Nepal primary defense against external geopolitical pressure is internal institutional cohesion. The state must cultivate a binding, cross-party national consensus on foreign policy that priority core national interest over short-term political calculation. To the achieve this, the

Ministry of Foreign Affairs (MoFA) must be structurally empower and insulate from domestic political transitions.

The bilateral negotiation, treaties evaluation and ambassadorial appointment should be handle by a permanent, professional diplomatic crop rather than being treaty as spoil for political patronage. Nepal can present a predictable, unify posture to international partner, reducing the capacity of external actor to exploit domestic political division for strategic leverage.

Diversifying the Geo-Economic Portfolio

To minimize it is vulnerability to sudden regional trade disruptions or economics coercion, The Nepal must continue to expand its geo-economic diversification. The absolutely geographic independence from the southern plain of India is not possible due to terrain and cost efficiency. The operationalization of northern transit points under the Nepal-China Transit Transport Agreement is an essential structural safe-guard.

- a) **Transit Corridors:** Nepal must upgrade internal road infrastructure leading to northern border pass and secure functional access to Chinese sea and land port. This development establishes an alternative supply chain networks, reducing the vulnerability of the national economy to single-choke-point trade blockade.
- b) **Multilateral Aid Prioritization:** Kathmandu should active prioritize development financing from non-aligned multilateral institution. the World Bank, the Asian Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB), over highly conditional bilateral grant or commercial loan from single great power.
- c) **Clean Energy Export:** Nepal must leverage it growing hydropower capacity to embers itself as an indispensable green energy supplier within the sub-regional markets. By utilizing framework like the Bangladesh-Bhutan-India-Nepal (BBIN). Nepal can transform its energy wealth into tool for regional economic integration rather than a site of external contestation.

Revitalizing Rule-Based Multilateralism

The small power navigating deeply asymmetrical relationship with global giant and multilateral institution offers an important structural shield against direct power politics. Nepal must revitalize its engagements within regional and global body, diplomatic strategy in international law and collective security norms.

The like South Asian Association for Regional Cooperation (SAARC) remain frozen due to the structural rivalry between India and Pakistan and sub-regional grouping offers practical alternative. Nepal should focus its diplomatic energy on functional, issue-base economic integration through organizations like the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). By actively building coalitions with other small and medium state facing similar structural pressure. Nepal can amplify its voice on the global stage, ensuring its sovereignty is protected by international normative framework rather than left vulnerable to raw balance of power.

Limitations of the Study

In this way, understanding these constraints enhances the scholarly limitation of the paper. The paper reducing the validity of its primary finding, First, because of being a purely theoretical analyzed which is derived only from secondary sources. There is no first-hand field experience and data or interview data available within the scope of this research. Second, since this paper largely uses secondary sources in English, valuable insights from publications in local language might not be available here. Lastly, due to the facts that the geopolitics and foreign policy environment in Nepal changes very rapidly. The strategic insights provided by this paper can change with changing regional events.

Conclusion

Mainly, Nepali Foreign Policy: National Interest, Non-Alignment, and Balanced Diplomacy. So, Nepali foreign policy should primarily be based on three pillars: First: The supreme national interest of Nepal. Second: Cordial and balanced relations with neighboring countries. Third: Broad international relations and brotherhoods. It concluded that based on these three pillars, Nepal must always remain firm on the principles of non-alignment, (not taking sides with major military power blocs) and Panchsheel (the five principles of peaceful coexistence).

Modern geopolitics have a profound and constant impact on the foreign policy of Nepal. The shift of the global international order from unipolarity to highly competitive multi-polarity. The calculation of security for small countries is changing completely. The role of the country within the framework of the intersection of the South Asian and Himalayan security systems has become much more prominent. The state has changed into a highly important region for India,

China and the United States. They use competitive development financing, connectivity infrastructure and digital infrastructure to safeguard their strategies interest. The neorealism capture the limitations imposed on Nepal permanently due to its geographic location. The Small Power Theory and Strategic Hedging model show that even vulnerable countries have an agency to use diplomacy, institutional insulation, multi-alignment to defend their sovereignty and prevent entrapment in great power rivalries.

This theoretical synthesis paper examines the influences of geopolitics on Nepali foreign policy from 2015 to 2026. It papers for a systematic review of 25 core scholarly works.

A. The foreign policy of Nepal has had undergone a conceptual shift-from being the “yam between two stones” in the 18th century to becoming an “active small power hedging and strategic pivot.”

B. The 2015 blockade on Nepalese border by India is a structural turning point. It has influenced the strategies culture of Nepal. The state adopts transit diversification agreements with China and formulating the New Foreign Policy in 2020.

C. The contemporary strategies situation of Nepal is marked by multi-polarity due to the presence of BRI infrastructure capital, strategic assistance from the U.S. in the shape of MCC/IPS. Indian dominance in the region through the “Neighborhood First” doctrine.

D. All the theories, its provides the best explanation for the current policy of Nepal is the theory of Small Power Hedging.

E. The domestic political instability, changing regimes, elite division remain significant mediating factors preventing Nepal from having institutionalized and consistent foreign policy.

Academic Conclusion

The course of foreign policy of Nepal from 2015 to 2026. The demonstrates that small states operating in a highly geopolitical environment do not remain simple pawns or buffers. Its multi-vector diplomacy, hedging, use of international laws, transit diversification and small states can achieve diplomatic agency. The internal politics is highly polarized and foreign policy is at risk of devolving from an effective hedging strategy to one of irrational and unstable swing provoking great power competitions.

Policy and Theoretical Implications

1. Policy Implications for Nepali Statecrafts

National Consensus Institutionalization: There need to be protection of foreign policy from domestic regime shifts. Nepal desperately needs an institutionalized non-partisan national foreign policy consensus that is rooted in the Foreign Policy 2020 document and the fundamental principles of Panchsheel.

Balanced Execution of Infrastructure Projects: For not becoming entangled in the power struggles of the Great Powers, Nepal needs to ensure absolute transparency and strict standards of economic feasibility for projects under BRI, MCC, focused on grants and soft loans for high-impact connectivity projects.

Enhancing Professional Economic Diplomacy: The Ministry of Foreign Affairs need to change its diplomatic service to include economic diplomacy, diaspora diplomacy, climate finance negotiation and digital trade governance.

2. Implications for Academic Research and Future Direction

For M.Phil. and Ph.D. scholars in Political Science, International Relations, and Foreign Policy Analysis, this synthesis points to several promising avenues for future research:

Empirical Analysis of Hedging Strategies: Further research must theoretically assess the effectiveness of Nepali hedging approach based on trade, development assistance and diplomacy indicators under different government.

Environmental/Diplomatic Relations: There is an urgent need for developing a theory about the interaction between environmental geopolitics, water diplomacy and climate vulnerability with traditional foreign policy in this environmentally sensitive Himalayan region.

Federal/Sub-national Diplomacy: Nepali federal transformation, exploring the new role of provinces in international business and diplomacy has emerged as a previously unexplored dimension of Nepali, FPA.

Sub-national and Federal Diplomacy: As Nepal transitions to a federal structure, researching the possible role of provinces in trans-boundary business, tourism and diplomacy becomes a new research area in Nepali FPA.

Development of “Global South” politics and political theories: It is high time that scholars stopped relying on Political or IR theories from the West and created localized political theories, (such as “formal” or “Prithvi/Himalayan School of Geopolitics”).

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