



Bridging borders: India-Nepal smart power cooperation

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Abstract

This article examines the evolving landscape of India–Nepal relations through the lens of smart power, a strategic blend of soft power persuasion and hard power capabilities. While the two countries share deep historical, cultural, and economic ties, their relationship has increasingly been shaped by changing regional dynamics, China’s growing presence, and shifting domestic politics in Nepal. The study analyzes how India has integrated development assistance, connectivity projects, cultural diplomacy, digital cooperation, and defence collaboration to strengthen its influence while addressing emerging geopolitical challenges. Recent initiatives such as cross-border electricity trade, railway expansion, petroleum pipelines, and digital payment linkages highlight India’s shift toward a more holistic and people-centric approach. Despite periodic tensions and border disputes, smart power offers a sustainable framework for building mutual trust, enhancing interdependence, and promoting regional stability. The article concludes that a cooperative smart-power strategy can significantly deepen India–Nepal partnership in the coming decade.

Keywords: India–Nepal relations, smart power, soft power, hard power, development assistance, connectivity projects

Introduction

A special relationship exists between India and Nepal through centuries-old cultures and religious and historical associations whereby free movement of people and goods occurs by an open border. The association is not merely a reflection of geographical closeness; it also represents profound socio-economic and strategic dependence. The geographical position of Nepal, which is situated between the two Asian giants, India and China, introduces a geopolitical twist to this bilateral relationship, which means that Nepal is one of the highlights of the system of power of South Asia. In the past, India has contributed a lot to Nepal's politics and economy with a lot of collaboration in the aspects of trade, infrastructure, education and security. (Narasimhan *et al.*, 2019) ^[1] However, the emergence of several challenges in recent years has the potential to alter this conventional relationship. (Mustique, 2022) The new complexities have been presented by the political instability in Nepal, the problem of border disputes such as the disagreement at Kalapani-Limpiyadhura, and the influence of the Belt and Road Initiative of China. Occasionally, these challenges have led to diplomatic tensions, heightened public suspicion, and a reevaluation of strategic alliances among Nepali policymakers. (Chaturvedi, 2020) It is a changing world, and mere hard power instruments (economic aid, security cooperation) are not enough to respond to the subtle needs of bilateral relations. (Pankaew & Kaewkhunok, 2022) ^[5] Similarly, India has not strategically and cohesively maximised the aspect of soft power, which encompasses cultural interactions, educational initiatives, and even religious foreign affairs. (Observer Research Foundation, Nayak, 2023) ^[2] The concept of smart power, which integrates both hard and soft power, can serve as an effective model for India to navigate these dilemmas and maintain its influence over Nepal. Smart power enables maintaining a balance between coercive methods and the combined use of attraction and persuasion, which is essential for determining cooperation between states based

on mutual respect and shared interests. Applying this framework to India-Nepal relations is important because it can help India offset the increasing Chinese presence in the partnership and also reconnect India with its historical roots, which can strengthen this partnership. The purpose of the given study is to examine the existing status of the smart power strategy of India in the context of Nepal, formulate the gaps and limitations, and, based on them, come up with policy suggestions to boost collaboration. It will examine several major areas that have recently led to a high level of collaboration, including security cooperation, infrastructure, cultural diplomacy, and educational exchanges, while also placing them within the context of the region's broader geopolitical rivalry. This research aims to develop a more effective strategy for how India can successfully utilise smart power to strengthen relationships with Nepal and reduce barriers, ultimately promoting greater regional stability and prosperity.

Research objective

1. To analyse the concept of smart power and its relevance in contemporary India–Nepal bilateral relations.
2. To examine India’s current use of hard and soft power tools in its engagement with Nepal.
3. To assess the challenges and limitations faced by India in effectively implementing a smart power strategy in Nepal.
4. To evaluate the impact of China’s growing influence on India’s smart power approach in Nepal.
5. To identify opportunities for enhancing India–Nepal cooperation through integrated smart power strategies.
6. To provide policy recommendations for strengthening and sustaining smart power cooperation between India and Nepal in the evolving geopolitical landscape.

Literature review

The literature available on Nepal's foreign relations has focused its attention on the complicated relationships of the

Nepalese geographic location between the two regional powers—India and China—as well as the overall implication of the said trilateral relations on the geopolitics of the region. Simkhada (2021) ^[19] looks closely at Nepal's foreign policy, which is developing, pointing out the importance for Nepal to maintain an independent foreign policy as China's influence grows through initiatives like the Belt and Road, alongside India's long-standing presence. To complement this, Jaiswal (2019) ^[20] offers descriptions of Nepal's strategic diplomacy towards great powers that have captured its attention, as it strives to preserve its sovereignty while managing the demands of external influences. Mandal (2016) ^[21] then turns to bilateral cooperation in such important areas as water resources and outlines media of asymmetry power as well as pays attention to the necessity of sustainable management that provides the balance in the region. Dharamdasani (2001) ^[22] reviews the issue of power asymmetry between India and Nepal, providing the information about Nepalese efforts to proclaim its independence in the face of its dominance by India. Upadhya (2012) ^[23] investigates the Nepal geopolitical playing out in its various manoeuvrings to the growing India-China feud, particularly to its domestic political transitions. Mulmi (2021) ^[24] addresses the change in the strategic focus in Nepal towards China and explains that the shift involves a geopolitical realignment. Some other articles (i.e., Jaiswal and Kochhar 2016, Jain 2021, Baldwin 2016, and Whiton 2013) ^[25, 26, 27, 28] present a more theoretical approach to the issues of power/soft power/smart power and fix Nepal diplomacy in the context of the changing paradigm of international relations. All of that assists in enhancing a multidimensional understanding of the challenges of strategy and diplomatic possibilities in a multifaceted regional environment in Nepal.

1. *Nepal-India-China Relations in the 21st Century* by Shambhu Ram Simkhada, published in 2021, provides a timely and insightful analysis of Nepal's evolving foreign policy amid the growing geopolitical competition between its two powerful neighbours, India and China. Simkhada, a long-time Nepali diplomat and scholar, states that Nepal should follow an independent, equal, practical policy of foreign policy that would not only be able to oppose foreign domination but also would work in favour of the interests of its state. The book focuses critically on the impact of Chinese economic expansionism, especially utilising the Belt and Road Initiative, which has upset the traditional Indian imperial declaration of jobs in Nepal, causing a diplomatic course adjustment by Nepal. Meanwhile, the author also outlines the shortcomings of the Indian strategy, as he describes it as momentarily reactive and excessively interventionist and thus destroying mutual trust. Simkhada does not focus on the conventional accounts of either India or China; instead, he presents a Nepali vision of strategic autonomy based on the ideals of democracy, inclusive development, and regional cooperation. Referring not only to past events but also to the current situation, he upholds the significance of smart power, or the combination of hard and soft power, as the option that Nepal can use in its interaction with the complicated regional environment. The book is a useful addition to the South Asian geopolitics and foreign policy study literature, providing subtle guidelines to the scholars, diplomatists and

policymakers who want to know and influence the role of Nepal in the rising multipolar Asia.

2. *Nepal and the Great Powers*, by Dr. Pramod Jaiswal, published in 2019 ^[20], offers an in-depth exploration of Nepal's diplomatic and strategic relations with major global powers, focusing on how this small Himalayan nation navigates pressures from its powerful neighbours and other influential states. In this case Jaiswal focuses on the history of the relationship and geopolitical relevance as well as the changing nature of the foreign policies in Nepal in light of increasing rivalry between India, China, and the international community. The book draws attention to the fact that despite the unstable position of Nepal, the country tends to preserve its sovereignty and continue to operate socially neutral diplomacy and take advantage of the strategic location receiving economic and political benefits. It also examines the influence of the domestic political processes in Nepal on its external activity and difficulty in handling the interests of great powers in a rapidly evolving regional environment. With the integration of both theoretical and empirical evidence in the form of case studies of Nepal, Jaiswal offers a detailed explanation of how Nepal assumes the position of a critical player in South Asian geopolitics. The book is particularly beneficial for policymakers, scholars, and students who specialise in small-state diplomacy, power politics, and the complexities of Nepalese foreign affairs in the 21st century.
3. *Water Resources Cooperation between India and Nepal* by Monika Mandal, published in 2016 ^[21], offers a comprehensive analysis of the multifaceted cooperation between India and Nepal regarding their shared water resources. Mandal critically reviews the historical facts, legal contracts, and politics involved in bilateral water management that specifically concentrates on hydropower arrangements, flood control systems and irrigation systems. The book indicates the role of water as a critical source of development to the economy and the region. Mandal also talks about major treaties such as the Water Treaty held in the year 1950 and how its principles can be applied in modern cooperation, realising that the management practices need to be sustainable and equitable and with a mind to environmental impacts. She points out asymmetrical power relationships, divergent national interests and environmental issues that complicate cooperation. The inclusion of case studies of the collaboration projects and policy analysis helps the author demonstrate the potential of using the water cooperation to establish the trust and long-term strategic relationship between India and Nepal. The book also offers practical solutions that will help in enhancing institutional machinery and greater transparency as well as community participation. The research is valuable to scholars and policymakers who focus on transboundary water management, South Asian regionalism, and sustainable growth issues.
4. *India and Nepal, Big Power-Small Power Relations in South Asia* by M. D. Dharamdasani, published in 2001 ^[22], explores the complex and often asymmetrical relationship between India and Nepal through the lens of power dynamics in South Asia. Dharamdasani explores the political, economic and security aspects

that characterise this bilateral relationship and lays emphasis on the issues that Nepal, as a smaller neighbour, has to cope with due to the power of a more powerful India. The book looks at the past relationship, border relations, economic interdependence and the role played by India's foreign policy on the sovereignty and national politics in Nepal. Dharamdasani asserts that the country's foreign policy generally stems from the need to balance between responding to India and safeguarding national interests. The author also discusses Nepal's efforts to maintain its autonomy, which it achieves through diplomatic support and regional alliances. Based on a close account of the major happenings and policy choices, the book is a useful piece of information on the larger picture of small-state diplomacy in an area with power imbalance. It becomes an important source of knowledge for academicians and policymakers who want to learn about the strategic issues and opportunities in India-Nepal relations in the context of the larger South Asian region.

5. Nepal and the Geo-Strategic Rivalry between China and India by Sanjay Upadhyaya, published in 2012 ^[23], offers an insightful and comprehensive analysis of Nepal's critical position amid the growing strategic competition between two Asian giants, China and India. Upadhyaya (2012) ^[23] focuses on the navigation of Nepal in terms of foreign policy and national interests in the plurilateral rivalry of geopolitics, highlighting the experience of the country that is distinctly a small state set along two political adversaries. The book examines historical, political, and economic dynamics that influence Nepal in its interactions with neighbours by bringing out some important aspects of it like border security, infrastructure and trade development, and regional connectivity. Upadhyaya evaluates critically the rising power of China in Nepal and its increasing economic and political presence via such projects as the Belt and Road. Meanwhile, he assesses the past hegemony of India and how it is trying to maintain its strategic influence via development aid, cultural diplomacy and collaborating on security. This major dilemma facing Nepal takes into account these two factors to ensure sovereignty and seek development milestones, as explained by the author. Notably, the book puts the domestic political dynamics of Nepal, such as the Maoist insurgency and transition to democracy, in the context of how they influence the external relations. Upadhyaya emphasises that the way Nepal handles geopolitical influences can be considered an example of how small countries navigate diplomacy, where their survival and independence depend on how they leverage their strategic importance. The book is of use to scholars, foreign policy diplomats, and policymakers concerned about South Asian geopolitics, international relations theory, and the dynamics of regional power competition. It greatly aids in understanding how Nepal manages its internal affairs within the dynamic realm of geopolitics.
6. All Roads Lead North: Nepal's Turn to China by Amish Raj Mulmi, published in 2021 ^[24], provides a compelling and nuanced analysis of Nepal's recent strategic shift toward China amid evolving regional dynamics. Mulmi discusses how Nepal and China have increased their economic, political, and infrastructural relationships and states that this shift is a major foreign policy adjustment in Nepal, which has always been infiltrated by India. The book looks at how the Belt and Road Initiative of China and its increasing investments have offered Nepal options in terms of development and connectivity, thus neutering India in the historical power role in the region. Mulmi points out that the complicated mix of Nepal's local politics, sense of national identity, and regional power dynamics is driving this change and highlights Nepal's goals to be independent and varied. India has implemented unwise and sometimes confrontational policies against Nepal, which the author criticises for pushing Nepal into the Chinese orbit. An extensive field research, history and policy analysis inform this work and help to depict a comprehensive picture of the process of strategic recalibrations in Nepal. It provides a significant amount of information as to how small states make power bargains in a multipolar world and how it impacts South Asian regional stability. All Roads Lead North is a must-read among scholars, policymakers, and all the individuals interested in Himalayan geopolitics and the transformation of the India-China-Nepal triangle.
7. Unique Asian Triangle (India-China-Nepal) by Pramod Jaiswal and Geeta Kochhar, published in 2016 ^[25], offers a clear look at the complicated relationship between India, China, and Nepal, highlighting the political, economic, and cultural factors that influence their interactions in this important area. The peculiar location of Nepal as a buffer state between two emerging Asian powers is developed by Jaiswal and Kochhar, who focus on how the efforts of Nepali foreign politics affect the regional stability and prospects of development. The book explores historic connections, territorial conflicts, and economical and infrastructural initiatives that characterise the trilateral relationships. On the one hand, the authors emphasise the increasing role of the Belt and Road Initiative established by China and the consequences of this new role on the India-Nepal relations, and, on the other hand, they discuss the traditional relationship between India and Nepal in terms of history and economy. They argue that Nepal's ability to maintain peace and cooperation in South Asia is crucial. The book throws light on the opportunities and challenges of this new triangle by uniting empirical research with policy analysis. The work is a great guide for the students of political science, policymakers and analysts concerned with South Asian geopolitics, small-state diplomacy and the interrelationship of regional powers. The book underscores the necessity of sharing cooperative efforts to capitalise on mutual benefits and lessen competition among India, China, and Nepal.
8. China's Soft Power and Higher Education in South Asia: Rationale, Strategies, and Implications by Romi Jain, published in 2021 ^[26], provides a detailed exploration of China's use of soft power through higher education as a strategic tool to expand its influence in South Asia. Jain (2021) ^[26] suggests that the Chinese move is a long-term plan to influence the formation of attitudes and to create goodwill and diplomatic relationships between China and the rest of the neighbours, such as Nepal, Bangladesh, Sri Lanka, and

India. It also looks at the logic behind China developing higher education as a form of soft power, pointing out that academic collaboration promotes cultural knowledge and gives birth to a web of alumni willing to serve Chinese geopolitical aspirations. As an example, Jain considers certain projects, such as Confucius Institutes, exchange programs, and joint research activities, and shows how they are used by China to advance its image and policy objectives. The author has also examined the implications of Chinese educational outreach on the higher education systems and foreign policies of South Asian countries, focusing on both opportunities and challenges. With the integration of both empirical material and theoretical approaches to the concept of soft power and international education diplomacy, the book offers important perspectives on the role of education as a subtle but efficient instrument within the regional policy of China. It will be of enormous use to academicians and policy makers who are keen on international interactions, soft power, and South Asia-China associations.

9. *Power and International Relations: A Conceptual Approach* by David A. Baldwin, published in 2016^[27], offers a foundational and comprehensive analysis of the concept of power within the field of international relations. In her article, Baldwin (2016)^[27] addresses the multidimensionality of power in the context of specifying the different domains of power and understanding the way the various types of power shape state conduct and international relations. The book situates power at the core of understanding diplomacy, conflict, cooperation, and policies among nations. Baldwin is also critical of classical and contemporary theories of power analysis, such as realist and liberal, and incorporates the arguments of constructivism and critical theory. His delicate perspective considers both measures and operationalisation of power in various international situations. The book also discusses the fluctuating powers in the current international system, including the emergence of non-state actors as well as the significance of non-martial methods of influencing. Using simple conceptual frameworks and case examples, Baldwin manages to make readers understand the ambiguities associated with power relations within global politics. The work is a significant source of information for scholars, students, and practitioners who would want to know more about international relations theory, strategy, and diplomacy. It is especially valuable for those studying the interplay of hard and soft power and the evolution of smart power strategies in the 21st century.
10. *Smart Power: Between Diplomacy and War* by Christian Whiton, published in 2013^[28], explores the concept of smart power as a strategic middle ground between traditional diplomacy and outright military conflict. According to Whiton (2013)^[28], smart power integrates the features of hard and soft power (military and economic, as well as cultural influence and diplomacy) to produce agile and efficient tools of foreign policy, capable of addressing emerging circumstances of global challenges. Examples lie in history and in current practices of U.S. foreign policy; it is evidenced in the book on how smart power can be exercised to solve certain advanced international

predicaments, including terrorism, regional conflicts, and competitive involvement among great powers without necessarily reaching war. Whiton underscores the significance of incorporating coercion. Whiton emphasises the importance of combining coercion with attraction, as well as how resource deployment can benefit the state by providing various strategies to achieve its national interests. This approach moves beyond solely relying on military power, instead advocating for a more balanced perspective in addressing problems in international relations. Other impediments to the deployment of smart power mentioned in the book are resistance of bureaucracy, incoherence of the policy, and the complexity of linking the different government agencies and international allies. The piece offers excellent ideas to policymakers, researchers, and learners interested in contemporary strategy and the dynamic of power in international politics. It highlights how smart power is important in handling relations across the globe in the complex interdependent world.

Literature Gap

Although the topic has received a lot of analysis, the literature usually addresses the relationships between India and Nepal and between China and Nepal independently without providing an in-depth study of how Nepal uses smart power to manage the two relationships simultaneously. The available empirical studies on the overlap of hard and soft power instruments employed by Nepal to strike a balance of conflicting interests and protect sovereignty and development agendas are very sparse. Moreover, though the economic and political aspects are properly addressed, the cross centres of domestic political dynamics in Nepal and its foreign politics, particularly the smart power interests thereof, have not been examined thoroughly. Current literature also lacks in discussing the long-term consequences of the diplomatic change that occurred in Nepal to the stability and cooperation of the region specifically because of a looming global multipolarity of the world being created. Such a vacuum encourages the necessity of a study on Nepal's smart power cooperation strategies, including its connections with India and China, while examining the overall trilateral relationships and their deeper geopolitical implications in a comprehensive manner.

Understanding Smart Power

Two major concepts of power in the international relations perspective have long been present: hard power and soft power, as postulated by Joseph Nye. Hard power concerns how a state can control others by coercion, such as the use of military forces, economic sanctions, or diplomatic measures, commonly referred to as sticks and carrots. (Pallaver, 2011)^[6] Soft power, in its turn, is the ability to attract and persuade by influencing preferences due to culture, political values, and diplomacy at the expense of legitimacy being established by moral authority instead of coercion. The complexities of the contemporary global scene that have been characterised by multipolarity, asymmetric threats and profound interdependence mean that neither hard power nor soft power can be used alone to successfully realise sustainable foreign policy aims. (Tchotchua, 2024)^[7] It gave rise to the introduction of the

smart power concept, which effectively involves a mixture of hard and soft power instruments for maximum impact. The concept of smart power represents an evolution from reliance on military superiority to a more nuanced approach that combines military force, economic benefits, and cultural attraction within subtle diplomacy. (Wilson, 2008)

^[8] It focuses on contextual solutions, the ability to improvise, and the combination of coercive and appealing methods to address the new demands of geopolitics. The period after the Cold War, particularly in the 21st century, witnessed how great powers realised that military capability alone, without cultural validity or development partnerships, would not be sufficient to influence global events. (Kuimova *et al.*, n.d.) In South Asia, smart power is especially relevant because of the conflict history of the region, the economic interdependence of countries, and rivalry, in particular, between India and China. In the case of India, where the nation dreams about regional leadership, smart power can be considered the combination of military and economic potential with such soft power resources as cultural diplomacy and interaction of peoples. (Mamadjonov, 2024) ^[10] Nepal serves as a buffer state between its two neighbours, India and China; therefore, applying smart power diplomacy in Nepal is strategically relevant. To maintain power, India should combine security collaboration and infrastructure integration practices with cultural interactions and educational outreach activities. This strategy will overcome obstacles like the issue of boundaries, political instability, and the rise of Chinese influence in Nepal and establish a contemporary, multilateral strategy that supports the creation of sustainable, resilient bilateral ties.

India-Nepal Strategic History

The relationship between India and Nepal is ancient and dates back over the centuries beyond the lines of the current political demarcation based on a common culture, religion, and people-to-people connection. There are centuries-old Hindu and Buddhist traditions, as well as pilgrimage destinations such as Pashupatinath and Lumbini, that help connect the two countries on a spiritual basis. (Kushwah & Anand, 2023) ^[11] The open border policy allows millions of people to move freely, enabling them to engage in trade, seek employment, and maintain family connections, which fosters social and economic interdependence. Such ties have produced a special bilateral relationship characterised by mutual admiration and faith between these nations, as well as cultural perspectives that have historically contributed to their partnership from various angles. (Kandel, 2024) ^[12] A significant point of establishing the official relations was the signature of the Treaty of Peace and Friendship in 1950, a document that set the grounds of open borders, commercial relations, and diplomatic cooperation. The treaty signified the existence of the special relationship between the two countries, which enabled the free movement of people and goods and the assurance of respect of the other country with regard to its sovereignty. This treaty for decades had formed the cornerstone of close political, economic and security cooperation, and India is the biggest trading partner of Nepal and a major development partner. Nevertheless, India's relations with Nepal have not been smooth. The political unrest experienced in Nepal, such as the ten-year Maoist rebellion and the ultimate abolition of monarchy, has brought in instabilities as well as changes in the foreign

policy priorities. Bilateral tensions occasionally resulted from these alterations, manifesting as border demarcation and trade disputes. The unofficial economic blockade, which occurred in 2015 after Nepal adopted a new constitution, was likely the most notable flashpoint. The blockade, which was viewed to be led by the Indian government, crippled the supply chains and the populace of Nepal, and there was a free fall in the trust levels between the two nations. There has also been occasionally. purulent nationalism, even diplomatic tensions, over border disputes, notably over such spots as Kalapani, Lipulekh, and Limpiyadhura, places that India traditionally dominated. At the same time, the increasing Chinese role in Nepal has created a twist in the two-sided affair. (Kharel, 2024) ^[13] China has also increased its infrastructure investments in Nepal, which involve the construction of roads, hydroelectricity projects and telecommunications, through its Belt and Road Initiative (BRI). The political leadership in Nepal has become more balanced regarding its foreign policy, as it now tends to involve both India and China, thereby maximising its economic and strategic advantages. Such manoeuvring diplomacy is witnessed in the recent constitutional amendments, revision of border maps, and a stronger front over regional forums in the case of Nepal. (Murthy, n.d.) Increasing Chinese influence is providing Nepal some options beyond Indian aid and trade and forces India to reassess its past policy of relying on its old connections exclusively. India has responded by implementing diplomatic offensives, including increased developmental assistance, cultural diplomacy, and infrastructure undertakings, to align with Nepal's interests. Relation between India and Nepal today is a multifaceted dynamic that can only be described as both an extension of the past goodwill, coupled with a power struggle, and dynamic national interests. Therefore, it is important to first understand the historical and strategic background in order to develop smart power tactics that balance the deployment of hard power plans with the utilisation of soft power, promoting sustainable cooperation amidst evolving regional processes.

Smart Power Tools in Action

The example of India in its interaction with Nepal is an illustration of smart power practice since it used both hard power and soft power tools to build a better bond between the countries.

Hard Power Cooperation

Defence and security cooperation between the region's neighbours, India and Nepal, has been managed to be friendly by the two countries through numerous military drills, cross-border security, and training between the countries, hence maintaining stability in the region and building trust between the two nations. Another central facet of Indian hard power is infrastructure projects, such as huge hydropower projects, including Arun III and Upper Karnali, which will help Nepal achieve energy security and which will produce energy that will be exported to Indian markets. Moreover, the physical connectivity is towards trade and strategic mobility via the development of road connectivity schemes along with the development of energy lines. (Jain, 2020) ^[17] Trade-in-transit agreements between the countries provide benefits by ensuring that goods move smoothly

and by strengthening Hong Kong's role as Nepal's largest trading partner.

Soft Power Engagement

India is leveraging its cultural and religious similarities with Nepal as a form of soft power by supporting pilgrimages, joint festivals, and cultural exchanges that strengthen people-to-people ties. Educational cooperation through scholarships and programs offered by institutions like the Indian Council for Cultural Relations (ICCR) attracts Nepalese students to Indian universities, fostering goodwill and knowledge sharing (Limbu, 2022) ^[15]. Additionally, India's humanitarian aid and disaster relief efforts during the 2015 earthquake, along with outreach initiatives by the Indian media, have established India as a friendly and dependable force.

India's Use of Hard and Soft Power in Nepal

India and Nepal have remained two nations with a balanced relationship described by a multi-dimensional interaction of geography, history, culture, and power relationships. Given the bigger and stronger neighbour, India has tried several times to exercise its interests in Nepal with the instruments of hard power like military support, economic coercives, and border control (Dharamdasani 2001) ^[22]. But along with these instruments of coercive power, soft power has also been a significant category of Indian investments, involving the invocation of civilisational relationships, religious connections, cultural diplomacy, and education dialogue (Nye 2004). Upon further examination of the historical progression of India-Nepal relations, it can be seen that although the policy of hard power yielded positive results in terms of enabling India to make short-term strategic gains periodically, it has resulted in backlash more often in Nepal (Upadhyaya 2012) ^[23]. Soft power projects, as a rule, have proven to be more effective, in that soft power is more effective when nurtured over time within an integrated construct (Wilson 2008). This ambivalence puts Nepal under the microscope of India's innovative approach in play (Simkhada 2021) ^[19].

India's Use of Hard Power in Nepal

The hard power tool has played a critical role and been depicted in the involvement of India in Nepal, which has always been a thorn in regard to its security, territory and influence in the region (Kharel 2024) ^[13]. The origins of the strategy can be detected in the 1950 Treaty of Peace and Friendship that formalised free movement and cooperation but gave India excessive security control in Nepal (Kushwah & Anand 2023) ^[11]. India was allowed to post security forces and counsel Kathmandu in terms of external threat, and many Nepalis saw this as a limitation on sovereignty rather than collaboration (Kandel 2024) ^[12]. This sense of Indian superiority over the Nepalese in matters of security architecture preconditioned further quarrels. Along with treaties, India further achieved its solidification of hard power via military aid (Murthy 1999) ^[14]. New Delhi has long been Nepal's primary source of arms and has trained many Nepali officers in its institutions. India took a vital role during the Maoist insurgency (1996-2006), providing both weapons, logistics and intelligence to the Royal Nepalese Army (Limbu 2022) ^[15]. Although this assisted the government of Nepal in fighting insurgents, it strengthened the argument that India was a formidable

external force in terms of influencing internal security in Nepal. The Indian economic blockades might best exemplify Indian hard power. In 1989, Nepal bought arms without India's consultation, and thus India retaliated by declining to renew trade and transit agreements (Dixit 1990). Since Nepal is a landlocked country with its only access to ports in India, this blockade caused severe economic downturns and problems regarding the needs of regular people. Even though it has forced Kathmandu back to the table, the blockade left a trail of resentments that continue to cast a shadow on how Nepalis perceive it (Jaiswal 2019) ^[20]. Very much the same episode took place with the Nepali Constitution of 2015. An unofficial blockade of India, where fuel and other basic supplies were stalled at key crossings, was widely blamed on deliberate agitation by India that was seen to have highly prejudiced Madhesi and Tharu groups in the text (Mulmi 2021) ^[24]. The shortages that ensued saw New Delhi wash its hands of the development progressed anti-India feelings, and led Nepal to turn towards China (Pankaew & Kaewkhunok 2022) ^[5]. Likewise, hints about the hard power can be found even these days, although in much less potent forms. India has gone on to exert influence over Nepal by using trade dependence, hydro power development talks, and market control (Narasimhan *et al.* 2019) ^[1]. Strategic coercion is also reflected in border disputes over Kalapani, Lipulekh and Limpiyadhura (Chaturvedi 2020) ^[4]. Military activities like Surya Kiran ensure India has a continuing security role. Therefore, although the open blockades might have been discarded, the remnants of the past Indian dependence on the use of hard power are still present in its ties with Nepal.

India's Soft Power in Nepal

The source of the Indian soft power in Nepal lies mainly in the civilisational, cultural, educational and humanitarian aspects, which tend to create more endemic goodwill than assistance provided by coercion (Mamadjonov 2024) ^[10]. Hindu and Buddhist traditions of centuries are common between the two countries, and the Pashupatinath Temple in Kathmandu and Lumbini, the birthplace of the Buddha, are spiritual centres that have linked the countries over time (Kushwah & Anand 2023) ^[11]. These relations are bolstered by festivals (shared like Dashain and Tihar, which are enjoyed by both sides of the open border), which develop a feeling of unity in terms of culture despite the differences in politics (Kandel 2024) ^[12]. What supplements these relations is an intense educational diplomacy that has provided a knowledge bridge between the two countries over a long period. The Indian universities annually offer admissions to thousands of Nepali students, and many are granted scholarships by the Indian Council of Cultural Relations (ICCR) (Jain 2020) ^[17]. Eminent schools, including the IITs and AIIMS, are frequented by Nepali children, forming a community of alumni who otherwise hold high statuses in the governance, academia and professional fields of the Nepalese society in general, which further anchors pro-India sentiments among the ruled elite (Limbu 2022) ^[15]. The influence of media and entertainment also boosts the cultural appeal of India, which is evident through the fact that popular culture in Nepal is dominated by Bollywood films, Indian television programs, and other Hindi-language content, which shape the aspirations and values of the people in Nepal (Whitton 2013). Though such overwhelming cultural presence leads to awe, it also, at

times, causes anxieties of cultural overshadowing, leading to calls to protect national culture in Nepal (Upadhyaya 2012)^[23]. Other than its culture and educational support, humanitarian aid has been instrumental in consolidating the benevolent perception of India. The immediate and extensive relief efforts following a 2015 Nepal earthquake in the form of Operation Maitri demonstrated the ability of India in terms of compassion and solid aid in times of severe distress (Johny 2021)^[16]. Economic assistance, such as regular medical missions, disaster relief efforts, development aid, e.g. the construction of hospitals and schools, also makes India an increasingly recognised, reliable partner (Mostaque 2022)^[3]. Besides, religious diplomacy and connectivity initiatives enhance the people-to-people ties. Efforts like Ramayana Circuit, connecting Ayodhya to Janakpur and promotion of Buddhist tourism enhance the spiritual exchange, and cross-border rail lines and roads serve military interest, as well, as the people listen to this carrot (Nayak 2023)^[2]. The implicit meaning of all these relations is that India exudes a form of soft power that has great significance to the general Nepali, whose similarity of culture and understanding of desires is desired. But it can be defeated when the hard power of force cancels out these non-action forces, e.g., blockades or political pressure that creates bad will, even as the generations of investment create goodwill (Simkhada 2021)^[19]. Against this background, in the case of India, the key to maintaining influence in Nepal lies in balancing the advantages that the former has in the structure with regular soft power outreach that generates trust and mutual respect (Baldwin 2016)^[27].

Challenges to Smart Power Strategy

Although such an approach has numerous pros, there are still major challenges with the smart power strategy in Nepal, and this complicates the implementation of this approach. Political instability in Nepal, characterised by changes in governments and internal discord, makes the situation unpredictable and destabilises long-term planning and policy implementation. Nationalist emotions and anti-India propaganda, often stemming from border tensions such as the Kalapani issue and perceptions of Indian intrusion, create suspicion and tension among both the people of Nepal and the governments involved. Such feelings complicate the effectiveness of soft power outreach to India and restrict the reception of Indian initiatives at the grassroots level. The other great problem is the growing role of China in Nepal. Through rapid infrastructure development under the Belt and Road Initiative (BRI) and increased economic assistance, China presents an attractive alternative partner. Speaking of the Nepali situation, the fact that China can provide huge development projects rather swiftly and without the intrusion of political sensitivities that occasionally characterise Indian aid puts India in a rather unenviable position as far as the development wizardry in Nepal goes. (Nepal, R. M, 2017)^[18] This expanding influence forces India to compete, often on uneven terrain, where it must increasingly employ more innovative and inclusive uses of smart power. Institutional weaknesses and coordination gaps within India's diplomatic and development agencies exacerbate the situation. There is no coherent approach to balancing a hard power tool with soft power that is dissipating force. Also, inadequate strategic communication and follow-ups harm the image of India and make its promises look less sincere. The best way

to resolve these difficulties is to be sharper, more culturally sensitive, and a team player and to act in ways that are coherent with the changing aspirations and realities of Nepal and the region.

Conclusion

This study highlights that India–Nepal relations are undergoing a significant transformation shaped by shifting geopolitical realities, developmental needs, and the rise of new diplomatic instruments. The findings reveal that India's approach toward Nepal has increasingly moved beyond traditional political engagement toward a more comprehensive smart power strategy, combining cultural diplomacy, development cooperation, connectivity enhancement, and calibrated security collaboration. Initiatives such as cross-border railways, hydropower projects, digital payment integration, petroleum pipelines, and people-to-people exchanges demonstrate how soft and hard power tools are being aligned to create deeper interdependence and trust. At the same time, India's engagement acknowledges Nepal's economic aspirations, political transitions, and its strategic importance amid China's expanding influence in the Himalayas. The analysis underscores that smart power represents the most viable future path for India–Nepal ties, as it provides a balanced alternative to coercive diplomacy and avoids overdependence on soft power symbolism. By focusing on development partnerships, digital connectivity, energy cooperation, and culturally rooted public diplomacy, India can reinforce its position as Nepal's most reliable and accessible partner. Smart power allows India to remain sensitive to Nepal's domestic politics while advancing its broader neighbourhood and regional objectives. In the broader context of South Asia, enhanced India–Nepal cooperation can serve as a stabilizing force. Shared energy frameworks, resilient supply chains, disaster management collaboration, and coordinated infrastructure planning can contribute to subregional integration through platforms like BBIN and BIMSTEC. A strong India–Nepal partnership reduces strategic vulnerabilities and strengthens collective capacity to address external pressures, especially in the context of the India–China rivalry. Ultimately, the future of India–Nepal relations requires cooperative, balanced, and forward-looking diplomacy. Mutual respect, timely project execution, and institutionalized dialogue will be crucial for sustaining trust. By embracing smart power, both nations can build a resilient, future-oriented partnership that supports regional peace, prosperity, and stability.

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