



Cross-border Ethnic Linkages and the Making of Foreign Policy: The Madhesi Question in India–Nepal Relations

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Abstract

This study investigates the impact of cross-border ethnic linkages on foreign policy behavior through a focused case study of the Madhesi question in India–Nepal relations following the 2015 constitutional crisis and border blockade. It examines how India's ethnic affinity with the Madhesi community, which shares linguistic and cultural ties with populations in Bihar and Uttar Pradesh, influenced its diplomatic stance toward Nepal's constitutional restructuring. Using a theoretical framework that integrates constructivist perspectives on identity-based foreign policy and small state behavior, the paper traces how India's initial interventionist approach triggered nationalist backlash in Nepal and prompted Kathmandu to recalibrate its foreign alignments—most notably by strengthening ties with China. Empirically, the research highlights shift in bilateral relations, constitutional amendments, and the institutional mainstreaming of Madhesi political actors. The analysis shows that coercive diplomacy around ethnic grievances can be counterproductive, and sustainable resolution requires mutual respect and inclusive domestic governance. The Madhesi issue illustrates the broader regional reality that identity politics within states often transcend borders, necessitating a nuanced and balanced foreign policy. This case contributes to international relations literature by showcasing how ethnic kinship and domestic diversity shape geopolitical alignments in South Asia.

Keywords: Madhesi, India–Nepal relations, ethnic foreign policy, blockade, small state behavior, cross-border identity, South Asia diplomacy

Background

The Madhesi people of Nepal's Tarai plains have long straddled the Nepal–India border, forging deep ethnic, linguistic, and cultural linkages with communities in India's bordering states. Madhesis constitute roughly one-third of Nepal's population and are predominantly settled in the southern lowlands adjacent to India (Jha, 2017). They speak languages like Maithili, Bhojpuri, and Awadhi, which are also spoken in the Indian states of Bihar and Uttar Pradesh, and intermarriage across the open border is common (Sharma, 2015). This has given rise to a cross-border kinship: many Nepali Madhesis have relatives in India and share religious and cultural traditions, reinforcing a sense of shared identity.

However, within Nepal, Madhesis have historically faced political and social marginalization by the hill-dominated power structure. Early state-building by Nepal's Gorkhali rulers and later the Rana oligarchy actively discriminated against Madhesis—for instance, Madhesis were once barred from joining Nepal's security forces, and many were long denied citizenship documents, impeding land ownership and government employment (International Crisis Group [ICG], 2007). Well into the 20th century, the Nepali state promoted a hill-centric nationalism (exemplified by the slogan “*ek desh, ek bhasha, ek bhasa*”—one country, one dress, one language) that implicitly excluded Madhesi identity (Jha, 2017). Kathmandu's policies even encouraged the migration of hill people (Pahadis) into the Tarai, partly to dilute Madhesi presence, under the suspicion that Madhesis were inherently pro-India (ICG, 2007).

These historical factors fostered Madhesi grievances about being treated as “second-class” citizens or even foreigners in their own country. Madhesi discontent came to a head during Nepal's recent political transformations. After Nepal's civil war and the 2006 People's Movement, longstanding Madhesi demands for inclusion gained momentum. The first Madhes Andolan (uprising) in 2007 led to commitments in the Interim Constitution to restructure the state and promises of federalism to empower the Tarai region (Jha, 2017). Yet progress remained halting and contentious.

When Nepal's Constituent Assembly finally drafted a new constitution in 2015, many Madhesi and Tharu groups felt that the document failed to address their core concerns, particularly regarding federal provincial boundaries, electoral representation, and citizenship rights. The new federal map combined Madhesi-populated lowlands with hill districts in several provinces, potentially turning Madhesis into minorities even in their home provinces (Ganguly, 2015). From the Madhesi perspective, this diluted their political voice and fell short of the autonomous Madhes province envisioned in earlier agreements. As a result, protests erupted across the Tarai. By August 2015—before the constitution was formally promulgated—Madhesi and allied groups had begun agitating, demanding amendments for a more inclusive and federal setup. The protests escalated in September 2015 after the constitution was adopted over Madhesi objections. Clashes between protesters and security forces turned deadly; over 50 people were killed in the unrest (Jha, 2017).

Tensions also flared along the Nepal–India frontier: beginning in late September, segments of the Madhesi population and supporters obstructed key border crossings, resulting in a de facto blockade of shipments into landlocked Nepal (Wikipedia, 2024). Nepal immediately accused India—which had expressed open dissatisfaction with Nepal's constitutional process—of deliberately backing or even orchestrating the blockade in support of Madhesi demands (Jha, 2017). Indeed, New Delhi had voiced concern that Nepal's constitution did not sufficiently “accommodate all segments” of society, implicitly referring to the Madhesis and other marginalized groups (Ganguly, 2015).

India's long history of involvement in Nepal's internal politics fed Kathmandu's suspicions. Only a decade earlier, India had facilitated Nepal's 2005–06 democratic transition, and historically India had played a role in most Nepali regime changes since the 1950s (Sharma, 2015). In 2015, Indian Prime Minister Narendra

Modi's government reportedly conveyed specific constitutional amendment suggestions to Nepal and sent its Foreign Secretary as a special envoy to urge Kathmandu to pause the promulgation (Sharma, 2015). When those efforts failed and the constitution was enacted unamended, India's stance hardened. Indian officials, sensitive to their own Madhesi-linked constituencies (especially with elections underway in the state of Bihar at the time), had both strategic and domestic political reasons to support the Madhesi cause (Ganguly, 2015). The ensuing blockade, though never officially declared by New Delhi, was widely seen—at least in Nepal—as an Indian-backed effort to force Kathmandu's hand (Jha, 2017).

For nearly five months (late September 2015 to February 2016), vital supplies of fuel, medicine, and other essentials into Nepal were severely curtailed (Panda, 2016; Wikipedia, 2024). This created a humanitarian crisis in a country still reeling from a devastating earthquake in April 2015. The blockade was lifted in early 2016, but not before Nepal made some concessions. Under sustained pressure, the Nepali legislature passed a constitutional amendment in January 2016 that addressed certain Madhesi grievances, such as provisions to ensure proportional inclusion in state institutions and somewhat more flexibility in electoral district delineation (Sharma, 2016). Madhesi leaders, however, considered these changes incomplete, as the sensitive issue of redrawing provincial boundaries was deferred and remains unresolved. Nonetheless, the Madhesi movement's immediate phase subsided, and cross-border tensions eased when commerce resumed. The stage was set for a recalibration of India–Nepal relations—and for an evolving dynamic in which the Madhesi question would continue to influence both countries' domestic and foreign policies after 2015.

Literature Review

Cross-border Ethnic Politics

International relations scholars have long observed that ethnic groups divided by national borders can significantly impact the foreign policies of states. Transnational ethnic linkages often create a *kin-country* effect, wherein a state feels compelled to support or protect populations in a neighboring state with whom it shares ethnic or cultural ties. The presence of ethnic kin across borders can heighten diplomatic frictions and even provoke interventionist policies (Saideman, 2001). For example, research on transnational ethnic alliances finds that shared ethnic ties tend to “heighten diplomatic conflict [and] influence decisions to provide support” to the kindred group (Saideman, 2001, p. 25).

Such dynamics have been documented in various contexts: from Russia's involvement in favor of ethnic Russians in its near-abroad to India's historical support for Tamil minorities in Sri Lanka. In theoretical terms, Rogers Brubaker's model of the “nationalizing state” and “external homeland” is instructive. It posits a triadic relationship between national minorities, the state in which they reside, and an external kin-state that champions their cause (Brubaker, 1996). In the case of Nepal and India, Nepal's Madhesis constitute a large minority with close cultural ties to India, which positions India as a potential external advocate—or patron—for Madhesi interests.

This falls into the category of identity-based foreign policy behavior, where a state's foreign relations are partly driven by ethnic or ideational affinities rather than only realpolitik. While realist theories might predict that states act solely on material power interests, constructivist approaches and studies of ethnic politics demonstrate that shared identity can shape state preferences and actions (Wendt, 1999). However, scholars also caution that overt kin-state intervention can backfire, inflaming nationalist backlash in the host state and complicating bilateral relations (Sharma, 2015). The Madhesi issue exemplifies these tensions: India's inclination to support the Madhesis' inclusion emanates from ethnic linkage and domestic political calculations, blurring the line between principled support for inclusive democracy and interference in a neighbor's internal affairs.

Small State Behavior in IR

Nepal's responses to the Madhesi crisis also invite analysis through the lens of small state behavior. In international relations theory, small states are typically characterized by limited material capabilities and an inability to unilaterally shape their external environment (Thorhallsson, 2006). Nepal, despite a sizeable population of about 30 million, is constrained by its landlocked geography, modest economy, and military weakness—especially relative to its giant neighbors India and China (Pokharel, 2021).

The literature on small states suggests several strategies these states employ to safeguard their interests: bandwagoning with a powerful ally, balancing between rival powers, hedging to keep options open, or leveraging international institutions and normative appeals (Ingebritsen et al., 2006). Nepal's foreign policy since the 1950s has largely been one of cautious balancing, often referred to as an “equidistance” or non-alignment policy between India and China (Muni, 2016). Rather than firmly bandwagoning with one neighbor, Nepal seeks to diversify its partnerships to maximize its autonomy. Scholars have described Nepal's approach as a form of hedging—maintaining cooperative relations with both India and China while avoiding an exclusive security alliance with either (Pant, 2019). This strategy allows Nepal to extract economic support from multiple sources and reduce over-dependence, albeit within the limits imposed by geography and economics.

The concept of “small state syndrome” is relevant: Nepal's policy elites are acutely aware of their country's vulnerability to external pressure, which historically has bred a mix of pragmatic compliance on some issues and assertive nationalism on others (Pokharel, 2021). The 2015 blockade underscored these vulnerabilities and activated classic small-state behaviors—turning to an alternative patron (China) for support, invoking international sympathy as a victim of big-power coercion, and rallying domestic nationalism as a shield against external meddling (Sharma, 2015). Academic studies of South Asian small states (e.g., Bhutan, Nepal, Sri Lanka) highlight how these countries often invoke the “China card” to counterbalance Indian dominance (Sharma, 2015). Nepal has perhaps the longest experience in South Asia of managing a precarious position between two powers, making it a valuable case for exploring small-state strategies in foreign policy.

Identity-Based Foreign Policy Formation

The role of identity in foreign policy decision-making is another crucial dimension. Identity here refers to the self-conception of states based on religion, culture, ideology, or ethnicity, and how that shapes their external relations. Constructivist international relations theory argues that state interests are not just material; they are also ideational, shaped by historical and cultural identities (Wendt, 1999). In the context of India–Nepal relations, identity factors are deeply intertwined: both nations have Hindu-majority populations, shared civilizational heritage, and an open border that has facilitated social intermixing for centuries (Ghimire, 2021).

India has traditionally viewed Nepal as part of its natural cultural sphere of influence—epitomized by the notion of a “special relationship” underpinned by the 1950 Indo-Nepal Treaty of Peace and Friendship, which codified open borders and mutual rights for citizens in each other's country (Ghimire, 2021). This closeness can breed expectations in New Delhi that Nepal's political evolution should mirror India's interests and values (such as secular democracy and pluralism), and that India has a role to play if those values are at stake.

The Madhesi question highlights an identity-driven foreign policy impulse: many Indian policymakers see the Madhesis as an extension of India's own social fabric (sometimes evoking the phrase *roti-beti ka rishta*, denoting marital and livelihood ties) and thus feel a normative responsibility to ensure they are treated justly

in Nepal. Moreover, domestic identity politics within India also come into play. The Madhesi' cause resonated particularly in Bihar and Uttar Pradesh, where linguistic and caste kinship created public pressure on the Indian government to act (Ganguly, 2015).

Scholars of foreign policy analysis note that when ethnic lobbies or culturally linked populations exert influence, a state's foreign policy may align with those identity affinities even at the expense of interstate relations. However, such identity-based interventions are double-edged: they can be framed by the target state as violations of sovereignty and feed into counter-nationalism. In Nepal's case, India's advocacy for Madhesi was interpreted by much of the hill elite as an assault on Nepali national identity and dignity (Sharma, 2015). This dynamic illustrates the intersection of identity and realpolitik: India's self-image as a regional guardian of certain values (inclusive democracy, minority rights) dovetailed with its ethnic kinship with Madhesi, producing a foreign policy stance that was moralistic in tone but widely seen as strategic in intent.

The academic literature on identity and foreign policy emphasizes that such policies are sustainable only if carefully managed; otherwise, they risk deepening the very conflicts they seek to resolve by adding an overlay of nationalist resistance.

Research Methodology

This study adopts a qualitative case study approach to examine how cross-border ethnic linkages (the Madhesi issue) have influenced foreign policy outcomes between India and Nepal in the post-2015 period. A case study methodology is appropriate because the research seeks to provide an in-depth understanding of a single, complex case – often termed an “intrinsic case study” – where contextual detail is vital. The Madhesi question in India–Nepal relations is treated as a critical case through which broader theoretical propositions about ethnicity and foreign policy, and small state behavior, can be explored. We integrate both **theoretical** and **empirical** analysis in a blended design.

On the theoretical side, the study draws from International Relations (IR) frameworks related to ethnic politics, small states, and foreign policy formation (as reviewed in the literature above). These frameworks informed the formulation of our research questions and guided our interpretation of events. On the empirical side, we undertook a comprehensive review of secondary data, including scholarly literature, policy reports, media coverage, and official documents from 2015 onward. The use of multiple sources allows for **triangulation** – cross-verifying facts and interpretations across different types of evidence, which enhances the validity of the findings. For instance, claims about India's involvement in the 2015 blockade are corroborated by sources ranging from human rights fact-finding reports to diplomatic statements and academic analyses, ensuring a balanced consideration of differing perspectives.

Concretely, data were gathered through library and online research covering the period *after the 2015 Nepal blockade* up to the present (2025). Key search terms (e.g., “Madhesi movement post-2015,” “India Nepal blockade 2015 aftermath,” “Nepal small state China India”) were used to locate relevant sources. Priority was given to **peer-reviewed journals** and respected policy think-tanks for analysis of the evolving India–Nepal relationship. Media sources – Nepali, Indian, and international – were used to establish a timeline of events and capture statements by political leaders. The methodological approach is thus **qualitative-interpretive**: we employ process tracing to connect the sequence of events (e.g., Madhesi protests → blockade → shifts in diplomacy) with the motivations and strategies identified by theory. By using a case study, we acknowledge the context-specific nature of India–Nepal relations, but we also relate our insights to broader IR debates.

This research is also informed by a **case comparison logic** implicitly: while focusing on Nepal, the analysis occasionally invokes analogous cases (like India's approach to Sri Lanka's Tamil issue, or general kin-state behaviors) to shed light on the uniqueness or commonality of the Madhesi case. The single-case design does come with limitations (as discussed later) in terms of generalizability. However, methodologists argue that carefully chosen case studies can richly illustrate causal mechanisms and generate hypotheses for further study. In line with best practices in case study research, we have sought to be transparent about data sources and have cited evidence extensively to allow readers to assess the basis for our conclusions. The combination of empirical data and theoretical lenses in this case study is aimed at producing a nuanced analysis that captures both the **real-world diplomatic developments** and the underlying forces at play in shaping foreign policy. This approach enables us to answer the central question: How did cross-border ethnic linkages – epitomized by the Madhesi issue – factor into India's and Nepal's foreign policy behavior after the 2015 blockade?

Results and Analysis

Impact on India's Foreign Policy Behavior

The Madhesi issue fundamentally reshaped India's approach toward Nepal in the aftermath of 2015. India's initial behavior during the crisis—tacitly supporting the border blockade—demonstrated an assertive willingness to leverage ethnic linkages as a foreign policy tool. By many accounts, the unofficial blockade was New Delhi's attempt to compel Kathmandu to amend its constitution and address Madhesi grievances (Kantha, 2021). This marked a significant intervention in Nepal's internal affairs, propelled by India's perception of itself as a stakeholder in Nepal's stability and its calculation that an unstable or unjust settlement would have spillover effects on India's own regions.

In the short term, this hardline policy strained bilateral relations to a breaking point. Trust between the two governments plummeted; Nepali officials publicly decried India's "bullying," while Indian officials insisted they were advocating for democratic inclusivity and merely responding to Nepali Madhesi protests. The fallout pushed India into a defensive posture internationally, as images of Nepali people queuing for fuel and essential goods tarnished India's reputation as a responsible regional power (Panda, 2016). New Delhi denied enforcing a blockade, blaming the disruption on Madhesi protesters, but the Nepali narrative of Indian culpability gained wide traction (Panda, 2016).

Chastened by the aftermath, India's foreign policy toward Nepal post-2016 showed signs of recalibration. Prime Minister Modi's government, after seeing K.P. Sharma Oli—a staunch nationalist seen as antagonistic to India—come to power in Kathmandu partially on an anti-India platform, moved to repair relations. Indian diplomacy subtly shifted from public pressure to back-channel engagement. For example, when Pushpa Kamal Dahal "Prachanda" became Nepal's Prime Minister in 2016 following Oli's brief first tenure, New Delhi welcomed the change; Prachanda had pledged to take Madhesi concerns on board, which aligned with India's interests (Panda, 2016).

India supported constitutional amendment efforts through quieter diplomacy rather than overt ultimatums. Over 2016–2017, India's embassy and envoys engaged with a spectrum of Nepali leaders, including Madhesi parties, to encourage a compromise. However, a second constitutional amendment bill (which would have adjusted provincial boundaries to create a more Madhesi-dominated province) stalled in Nepal's parliament in 2017 due to insufficient support—a setback for Madhesi aspirations. Recognizing the limits of its influence, India appeared to step back from that specific demand. By 2018, as Nepal's politics shifted again with Oli's return (heading a strong left alliance), India adopted a pragmatic tone, emphasizing

connectivity and people-to-people links, and avoiding public commentary on Nepal's internal constitutional matters (Sharma, 2018).

This was evident during Modi's 2018 state visits to Nepal: he highlighted historic cultural ties—including pilgrimages to Janakpur, a major city in the Madhesi heartland—but refrained from explicitly mentioning constitutional issues, a departure from 2015 when India had openly listed desired amendments (Sharma, 2018). The cumulative effect is that India recalibrated from a strategy of direct pressure to one of cautious engagement, aiming to rebuild goodwill in Nepal without renouncing its underlying goal of seeing the Madhesis fairly integrated. Indian strategists realized that an antagonized Nepal could drift further into China's orbit, which would be a strategic loss for India far outweighing the gains of any single diplomatic victory. Thus, in the years after the blockade, India's foreign policy behavior oscillated between principle and pragmatism: it continued to press for Madhesi inclusion, but in subtler ways, and simultaneously worked to mend fences with Kathmandu's establishment.

This dual-track approach reflects an attempt to balance India's identity-driven interests (supporting kin and democratic pluralism) with classic realist imperatives (maintaining influence and stability in its neighborhood).

Nepal's Domestic Responses and Foreign Policy Shifts

From Nepal's perspective, the post-2015 period was marked by an assertive push to safeguard sovereignty and diversify external partnerships, alongside internal efforts to address (or at least manage) the Madhesi demands. The immediate domestic response in Nepal to the blockade was a surge of nationalist sentiment. The hashtag "#BackOffIndia" trended among Nepali social media users, and public demonstrations in late 2015 and 2016 protested what was seen as India's unjust meddling (Ghimire, 2021). K.P. Sharma Oli, who became Prime Minister in the midst of the crisis, capitalized on this sentiment. Oli took a hard line, refusing to publicly concede to India's terms and instead accused India of imposing a punitive blockade on a small, earthquake-hit nation.

Domestically, his government framed the Madhesi protests as being fueled by external forces, which somewhat delegitimized Madhesi claims in the eyes of many Nepalis in the hills. At the same time, recognizing that the discontent in the Tarai could not be ignored, the Oli government passed the January 2016 First Amendment to the constitution, which increased Madhesi and other minority representation in state bodies and signaled willingness to revisit provincial borders in the future (Sharma, 2016). This move was intended to quell the unrest and show both the international community and India that Nepal was addressing the issue. The amendment was enough to persuade key Madhesi leaders to temporarily relent—even as they labeled the changes incomplete (Wikipedia, 2024).

On the foreign policy front, Nepal's most dramatic response was turning to China as an alternate partner. Feeling betrayed by India, Oli courted Beijing's support to break Nepal's dependence on Indian transit routes. In March 2016, Nepal signed a slew of agreements with China, including trade and transit pacts, aiming to open road and rail connections northward (Panda, 2016). For the first time, Nepal secured access to Chinese ports for third-country trade. Although geographic and logistical constraints mean that China cannot easily replace India as Nepal's supply lifeline in the near term, these steps had important strategic signaling value (Sharma, 2018). They demonstrated that Nepal had options and would actively counter India's pressure by embracing China—a classic small-state balancing tactic.

Beijing, sensing an opportunity, increased high-level visits and offered overt diplomatic backing to Oli's government (Panda, 2016). Analysts noted that post-2015, China's policy toward Nepal shifted from a

minimalist focus (Tibet issues only) to a more proactive engagement, including its first-ever joint military exercise with the Nepali Army in 2017 and accelerating Belt and Road Initiative (BRI) investments (Panda, 2016). In essence, India's handling of the Madhesi crisis arguably "pushed Nepal into China's arms," altering the geopolitical calculus in South Asia.

Within Nepal's domestic politics, the Madhesi question continued to evolve in the years after 2015. The Madhesi parties that had led the protests transitioned into a phase of negotiation and electoral participation. Several Madhesi political groups united to form broader coalitions (e.g., the Rastriya Janata Party Nepal, and later the Federal Socialist Forum) and contested the 2017 provincial and federal elections. The outcomes were notable: Madhesi parties won control of Province No. 2 and secured representation in the national parliament. This was a milestone, granting the community a measure of self-administration and signaling a shift from street agitation to institutional politics.

Madhesi leaders adopted twin tactics: pressing for constitutional amendments from within the system and making strategic alliances at the center. For instance, they bargained for support during the formation of coalition governments in 2018 and again in 2020–21, in exchange for commitments on citizenship law reform. While progress was slow—e.g., a second constitutional amendment failed, and the citizenship bill was delayed until 2022—the Madhesi movement remained a potent force.

From 2018 onward, Nepal's strategy emphasized an inclusive national process for further constitutional changes, subtly telling India that Nepal would handle its issues independently. Nepali diplomats reassured India that Madhesi inclusion was necessary for Nepal's stability—aligning with India's concerns—but asserted that such inclusion would not come under foreign pressure.

India and Nepal also began engaging through bilateral forums like the Joint Commission to address long-standing issues such as infrastructure, border development, and revisions to the 1950 treaty. Madhesi-related developmental concerns were framed as general governance or federal implementation challenges rather than ethnic grievances per se.

The post-2015 period also saw new bilateral irritants, including the 2019–2020 border dispute over Kalapani–Lipulekh. Nepal responded with a new national map asserting sovereignty claims, deepening tensions. Analysts argue that India's preoccupation with the Madhesi issue and Nepal's resulting strategic outreach to China emboldened Kathmandu to adopt a firmer stance on territorial issues (Kantha, 2021). By 2020, ties were at a low point, with China openly supporting Nepal's territorial assertions.

Nonetheless, by 2021–2022, efforts resumed to stabilize relations. India delivered COVID-19 vaccines to Nepal and informally supported Nepal's MCC ratification, viewing it as a counter to Chinese BRI leverage (Pokharel, 2021). Throughout these turbulent years, the Madhesi issue remained a constant: a source of both leverage and liability for India, and a driver for Nepal's broader assertion of sovereign agency. Policy responses on both sides demonstrate that ethnic politics—especially cross-border ones—can redefine foreign policy, especially in small state–large state relations.

Conclusion

The Madhesi question in Nepal—essentially a struggle for recognition and inclusion by a cross-border ethnic community—has proven to be a litmus test for India–Nepal relations in the years following the 2015 blockade. This research has shown that cross-border ethnic linkages can significantly shape foreign policy choices: India’s initial intervention and subsequent recalibration were deeply entwined with its ethnic affinity to the Madhesi, and Nepal’s foreign policy realignments were catalyzed by its need to resist perceived infringement on its sovereign decision-making.

Theoretically, the case bridges insights from ethnic politics and small state behavior. It illustrates Brubaker’s (1996) notion of the external homeland in real time, with India playing (or attempting to play) the role of protector of Nepal’s marginalized community, and it highlights how a small state like Nepal can employ balancing strategies—turning to China—in response. Empirically, the period after 2015 witnessed concrete shifts: a nadir in India–Nepal diplomatic ties, an unprecedented increase in Chinese influence in Nepal (Panda, 2016; Sharma, 2018), incremental constitutional reforms within Nepal, and the mainstreaming of Madhesi parties in Nepali politics.

Several key insights emerge. First, identity and foreign policy are inextricably linked in South Asia’s neighborhood diplomacy. A state’s internal diversity and its transborder ethnic ties can no longer be neatly separated from its international relations. In this case, India’s foreign policy was partially an extension of its domestic political narrative—championing the cause of culturally akin people—which suggests that analysts must account for domestic identity politics when assessing state behavior externally.

Second, the Nepal–India experience underscores that small states are not merely pawns; they exercise agency by exploiting big-power rivalries to their advantage. Nepal’s engagement with China post-2015 was a calculated move to secure its interests and neutralize an overbearing neighbor’s pressure (South Asians for Human Rights [SAHR], 2016). This demonstrates a classic outcome predicted by balance-of-power theory, but with an ethnic trigger setting events in motion.

Third, the Madhesi case shows that coercive diplomacy around ethnic issues has limits. While India’s hard tactics did yield some immediate concessions (Nepal amended the constitution in January 2016 to increase Madhesi representation), they also had enduring costs in terms of goodwill and trust. Kathmandu’s political class grew more suspicious of India’s intentions, and a segment of Nepali society became more assertively nationalist in direct response to India’s actions (Sharma, 2015; Ghimire, 2021). In the long run, sustainable resolution of cross-border ethnic issues seems to require dialogue and mutual respect rather than unilateral coercion.

This study’s case study methodology allowed a detailed tracing of how events unfolded and interlinked, but it also has limitations. A single-case analysis of India–Nepal relations means the findings are context-specific. Caution is needed in generalizing to other situations—each cross-border ethnic dynamic (be it Kurds in the Middle East or ethnic Russians in Ukraine) has unique historical and geopolitical contexts. Moreover, this research relied on secondary sources; access to internal government deliberations in New Delhi and Kathmandu would further enrich the analysis, but such data are limited.

Future research could build on this work by conducting comparative studies—for example, comparing India’s handling of the Madhesi issue with its approach to Tamil issues in Sri Lanka or to other South Asian small states’ ethnic politics. Such comparative work could help distill whether there is a consistent “identity-based foreign policy” doctrine at play for India as a regional power, or whether its behavior is case-by-case.

Additionally, as Nepal's experiment with federalism matures, longitudinal studies could assess whether Madhesi inclusion has progressed and how that affects Nepal's foreign policy alignment.

In conclusion, the Madhesi question after 2015 has been a catalyst for change in India–Nepal relations, exemplifying the powerful role of ethnic linkages in foreign policy formation. It forced India to confront the duality of being a regional power with moral commitments versus a realist actor guarding its interests, and it pushed Nepal to redefine its strategic posture amidst big neighbors. The episode offers a valuable lesson: in South Asia, ensuring that domestic diversity is equitably managed is not just a matter of internal governance, but a prerequisite for stable and balanced international relations. Both India and Nepal appear to have recognized this in hindsight. Going forward, a relationship built on mutual sensitivity—where Nepal continues to address the aspirations of its Madhesi citizens and India supports Nepal's stability without heavy-handedness—would be the optimal path to prevent ethnic politics from again becoming a flashpoint in bilateral ties. Such an understanding, if achieved, would turn a once-contentious cross-border linkage into a cornerstone of friendship, illustrating how foreign policy can be deftly crafted in pluralistic societies.

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