Once the most isolated country in the world, Bhutan has unwillingly become headline news. Forty years ago, foreign policy posed no complex problem for this landlocked, sheltered kingdom. When Prime Minister Nehru made his historic visit to Bhutan in late 1958, he was the first head of a foreign government ever to penetrate the kingdom. At that time, Bhutan had no diplomatic relations. Today, the kingdom maintains diplomatic relations with 18 countries and has 5 missions abroad. It has joined more than 150 international organisations including the United Nations. As a result of a skilful and surprisingly developed diplomacy, Bhutan has chosen to adopt a low profile on the international scene. It has made cautious and calculated moves to enlarge its approach to the world. Among Asian countries, Bhutan probably succeeded best in conciliating three mutually exclusive objectives: sovereignty, preservation of its cultural heritage, and broadening of its foreign relations. Today, amidst political unrest Bhutan is experiencing one of the most critical moments in its history. Indeed, the balance between tradition and modernity achieved through thirty years through thirty years of careful planning and prudent diplomacy is in danger.

The growth of diplomacy has affected Bhutan's social and political life. When the kingdom decided to end its isolation in the early 1960s, following Chinese military incursions and Indian political pressure, it started an inexorable process. Every step meant a new opportunity and challenge to Bhutan. In 1961, the year of the launching of the first Five Year Plan, the opportunity of an "open policy" was the beginning of a new and productive partnership with India which has played a major role in the emergence of modern Bhutan. The challenge, however, was a growing political and economic dependence that Bhutan had to overcome by opening new channels of communication to the world. This was done in 1971 when the kingdom joined the UN. The major step gave Bhutan an international status. But it also challenged its ability to adapt to the international rules of diplomacy and to the set of cultural values imposed by Western countries through international institutions. To compensate for the dilution of its identity and to avoid these influences, the kingdom entered into new commitments that corresponded more to its interests.

In 1973, it joined the Non-Aligned Movement by subscribing fully to the principles of the Panch Shila. Regional initiatives were also essential for Bhutan in order to balance India's hegemony in South Asia and to develop new co-operation with neighbouring countries with similar problems. The creation of SAARC (South Asian Association for Regional Co-operation) in 1983 furthered the kingdom's interests, but also became a challenge, as South Asia is a troubled region confronted with ethnic problems and political rivalries.

The growth of diplomacy has allowed Bhutan to assert its independence and sovereignty. But it has also increased its exposure to the world and has dragged it into shifting world politics.

This doctoral dissertation, using political science and sociology as a framework, aims to study the process of political development in Bhutan through the analysis of interaction between external factors (foreign policy) and internal factors (institutionalisation).