



International Balance of Power:

National Context and Nepal's National Security Policy

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Executive
Summary

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This paper, authored in July 2023, examines how rapidly shifting global power dynamics and complex domestic vulnerabilities impact Nepal's national security environment. It underscores the urgent need to reassess and revise Nepal's security frameworks to safeguard national sovereignty, economic independence, and internal stability in an increasingly unpredictable and contested world.

Shifting International Power Dynamics

The post-Cold War unipolar global order led by the United States is rapidly giving way to a more contested and volatile multipolar order. Driven by rapid economic and military growth over the last decade, China has emerged as a major power to directly challenge the existing Western hegemony. In response, the United States has expanded its Indo-Pacific Strategy (IPS), alongside alliances and partnerships such as the Quad, the US–Japan–Korea trilateral partnership, and Partners in the Blue Pacific, aimed in part at containing China's growing influence. Concurrently, China has sought to counterbalance these moves by expanding and strengthening its global influence through initiatives, including the Belt and Road Initiative (BRI), Global Development Initiative (GDI), Global Security Initiative (GSI), and Global Civilisation Initiative (GCI).

These competing strategic initiatives and power struggles present severe geopolitical risks for South Asia, particularly due to the intense rivalry and unresolved 3,440 km border dispute between Nepal's immediate neighbours, China and India. While India collaborates with Western powers to limit Chinese expansion in the Indian Ocean and South Asia, smaller nations risk becoming collateral damage amid geopolitical and global proxy struggles. Global conflicts, such as the Russia-Ukraine war, which has resulted in hundreds of billions of dollars in economic costs and widespread global economic fallout, and the long-standing Israeli-Palestinian conflict, demonstrate how geopolitical rivalries, weak governance and strategic misalignments can subvert a small nation's sovereignty and devastate civilian populations.

Furthermore, global powers frequently exploit non-traditional vulnerabilities in developing nations. Historical and contemporary interventions in mineral-rich African states (e.g., the Democratic Republic of the Congo, Sudan, and Ivory Coast) and Asian states (e.g., Afghanistan) highlight how external powers seek to gain control over critical resources such

as lithium, gold, copper, and rare minerals. Nepal, with its rich but largely untapped mineral and natural-resource potential, faces long-term exposure to similar external influences.

Domestic Context and National Security Vulnerabilities

These external pressures are compounded by significant domestic vulnerabilities that affect Nepal's overall national resilience. Internally, Nepal is beset by traditional, non-traditional, and structural security threats that can weaken state's capacity to respond effectively to emerging challenges:

Border Security and Cross-Border Issues: The porous open border with India creates opportunities for cross-border criminal and other illicit activities. Further, unresolved boundary issues, including those relating to Limpiyadhura, Lipulekh, Kalapani, and Susta, remain Nepal's major national security and foreign-policy concerns.

Economic Fragility and Food Insecurity: Chronic trade deficits, heavy reliance on external aid, worsening food insecurity, and unfavourable agricultural impacts tied to regional trade dynamics weaken state autonomy. **Governance Breakdown:** Pervasive corruption, administrative inertia, slow service delivery, and poor implementation of development projects foster growing public frustration and contribute to mass youth out-migration, thereby reducing the country's productive capacity and weakening state resilience. **Social and Political Polarisation:** Rising ethnic, regional, and religious polarisation, aggravated by foreign political influence and the activities of fringe political groups seeking to revive abolished political systems, such as the monarchy, can undermine social cohesion and confidence in republican democratic institutions. **Emerging Non-Traditional Threats:** Risks associated with rapid technological shifts such as development and application of artificial intelligence (AI) alongside severe climate change, natural disasters, and global health pandemics pose complex security concerns.

These external pressures and domestic vulnerabilities suggest that Nepal's national security cannot be addressed through conventional security policy and institutions. It requires a coherent national security framework that connects foreign policy, resource management, governance, social stability and human security.

Strategic Recommendations for Policy and Institutional Reform

To navigate these internal and external challenges, the paper outlines a clear framework for policy overhaul and institutional capacity building:

Formulation of an Overarching National Core Policy (*Rastriya Mool Neeti*): Nepal must urgently establish an overarching National Core Policy grounded in the constitutional definition of ‘National Interest’, including the protection of sovereignty, territorial integrity, independence, and economic prosperity, and aligned with the national ambition of ‘Prosperous Nepal, Happy Nepali’. This overarching policy should serve as the strategic foundation and primary directive for all sectoral policies, including foreign policy, economic strategy, defence and security, infrastructure development, natural resource management and social security.

Comprehensive Revision of the National Security Policy: The National Security Policy of 2075 BS (2018/19), which has remained classified, must be reviewed, updated and made public. A revised security policy should move beyond purely military dimensions to encompass holistic human security, social harmony, climate resilience, water and food security, and emerging technological risks such as AI and cyber threats. Furthermore, specific legislation should be enacted and institutional mechanisms established to support the effective execution and periodic review of the security policy. **Restructuring and Empowering the National Security Council (NSC):** The NSC and its Secretariat require structural empowerment and specialised expertise to support long-term national security planning. This should include the following measures:

- Legally establish key leadership roles, including clearly defined the positions, responsibilities and operational mandate of the National Security Advisor.
- Form specialized thematic desks within the Secretariat to handle critical domains such as geopolitics, climate change, natural resources, (including minerals and water), foreign trade, food and energy security, and boundary management.
- Build formal and institutionalised research partnerships with independent think tanks, university departments, and specialised bodies, such as the Policy Research Institute (PRI), Institute of Foreign Affairs, and Water and Energy Commission, to ensure and strengthen evidence-based policymaking.
- Ensure that the Prime Minister and cabinet actively consult the NSC Secretariat prior to making long-term strategic, geopolitical, security or mega-infrastructure decisions



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