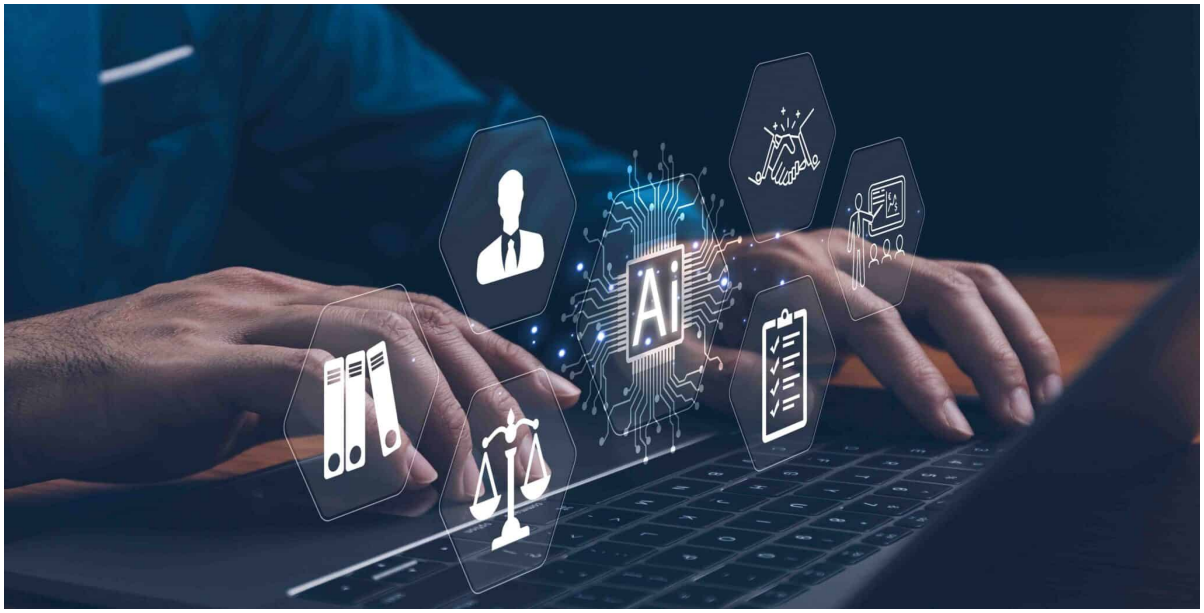
BIPSS Commentary
www.bipss.org.bd August -2026
BIPSS Towards a Secure World

Beyond Non-Alignment: Strategic Neutrality in the Age of Artificial Intelligence

Farhana Rashid[1]



Source: Netgain

Introduction

The international system is entering an era in which technological power is becoming inseparable from geopolitical power. The usage of artificial intelligence has gone beyond from improving productivity or automating routine tasks. Now, it is shaping economic competitiveness, national security, diplomacy, public administration, information environments, and scientific innovation. But it is quite noticeable that the global AI landscape. is becoming increasingly concentrated around a small number of technologically advanced states and corporations. The United States and China, remain central competitors in Advanced AI while the European Union, India, Japan, South Korea and others seek greater technological influence and autonomy. For the middle and

[1] Farhana Rashid is a Research Assistant at the Bangladesh Institute of Peace and Security Studies (BIPSS). She completed her BSS & MSS in International Relations from the University of Chittagong. She has a keen interest in Geopolitics & Non-Traditional Security discourses.

smaller powers, this autonomy creates a familiar geopolitical dilemma in a new technological form; how can they benefit from competing centers of power without becoming dependent on any one of them?

In 1955, twenty-nine Asian and African governments answered that question at Bandung by refusing to join either the American or Soviet bloc. Six years later, it formalised that refusal into the Non-Aligned Movement (NAM) at Belgrade. This non-alignment provided many developing states with a diplomatic framework for maintaining political independence amid rivalry between major powers. The primary objective of traditional NAM was to focus on the support of self-determination, national independence and sovereignty, and territorial integrity of States; opposition to apartheid; non-adherence to multilateral military pacts; and the independence of non-aligned countries from great power or block influences and rivalries.[2] Yet the contemporary environment is fundamentally different. In this globalized world structure, AI does not divide the world into two neatly separated blocs. Instead, countries can simultaneously depend on one power for cloud infrastructure, another for telecommunications, another for investment, another for educational cooperation, and another for access to AI applications. Thus traditional non-alignment is increasingly becoming insufficient to manage technological interdependence.

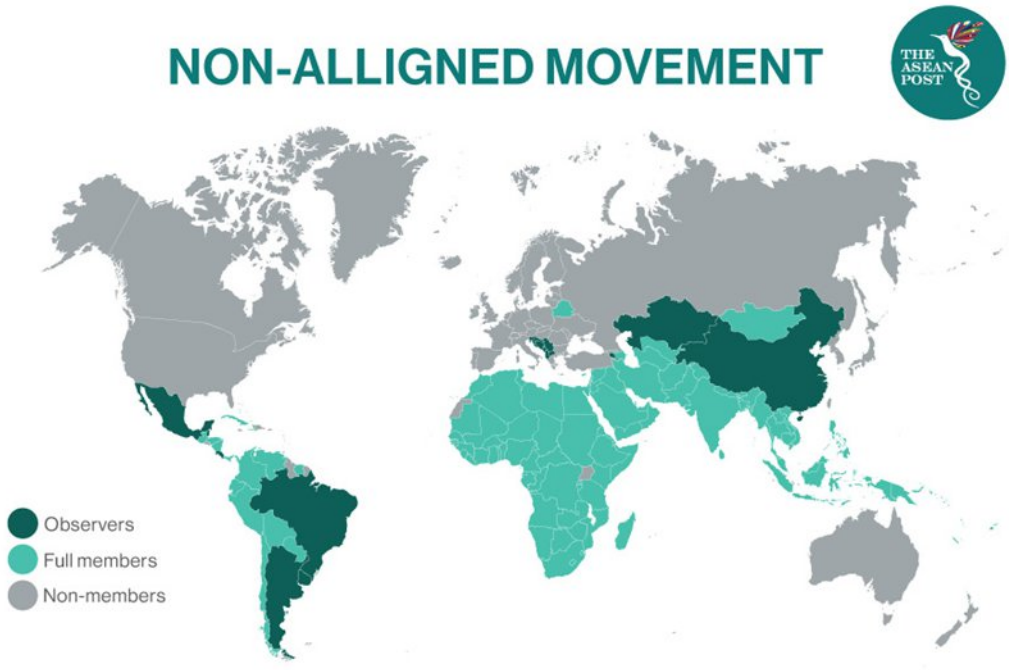
From Non-Alignment to Strategic Neutrality

What is emerging instead is strategic neutrality; an approach in which states deliberately preserve room for manoeuvre by diversifying technological partnerships, avoiding exclusive dependence, developing domestic capacity where feasible, and participating actively in international AI governance. It means maintaining the ability to cooperate with competing powers without allowing technological relationships to determine foreign-policy choices.

Non-alignment was fundamentally a political and strategic response to great-power rivalry. Its central concern was sovereignty: newly independent states wanted to avoid becoming instruments of either Cold War bloc. A country could decline a mutual-defence pact, keep foreign bases off its soil, and still trade, borrow, and industrialize on largely independent terms. Nehru, Nasser, Tito, Nkrumah and Sukarno built NAM around the Bandung principles of sovereignty, non-interference,

[2] 2026. Namchrcd.Ir. 2026. https://namchrcd.ir/portal/generalcategoryservices/16254.

and peaceful coexistence precisely because those principles could be operationalized through diplomatic distance.[3] A state could be non-aligned and still functional.



Source: The Asian Post

But in the current scenario, Artificial intelligence does not offer that same severability. As a recent academic study on "technological swing states" observes, today's international system is no longer organised around discrete, insulated blocs but functions as a single, densely interconnected network. Even the two global superpowers, USA & China, remain directly linked through trade, standards bodies, financial architecture, and shared technological vulnerabilities. The same study notes that, in a Cold War sense, sustained non-alignment has become increasingly difficult to sustain in this environment. A state can remain formally non-aligned while becoming heavily dependent on a particular country's digital infrastructure, cloud services, semiconductor supply chains, AI models, or technology standards.[4] Political neutrality therefore does not necessarily produce technological autonomy. For instance, a country may vote independently at the United

[3] Munro, André. 2015. "Non-Aligned Movement." In Encyclopædia Britannica. https://www.britannica.com/topic/Non-Aligned-Movement.

[4] Tran, Ha-Chi. n.d. "Brokerage in the Black Box: Swing States, Strategic Ambiguity, and the Global Politics of AI Governance." Accessed August 23, 2026. https://arxiv.org/pdf/2601.06412.

Nations while its critical digital systems remain dependent on foreign providers. This creates technological asymmetry beneath diplomatic neutrality.

Strategic neutrality seeks to address questions like, “How can we engage with multiple technological ecosystems while preserving national decision-making capacity?" This approach is closer to strategic hedging than traditional neutrality. It accepts that cooperation with major powers is unavoidable but seeks to prevent cooperation from becoming exclusive alignment.

AI Creating New Geography of Power

Non-alignment worked in 1961 partly because a state could simply decline to participate in a military alliance. But the current AI dominated world doesn’t offer such feasibility. Because the infrastructure underneath it is radically concentrated. According to Stanford's 2026 AI Index, The United States alone hosts more than five thousand data centers; over ten times as many as any other single country.[5] By mid-2025, high-income countries owned 77 percent of the world's colocation data-center capacity, lower-middle-income countries just 5 percent, and low-income countries less than 0.1 percent; high-income states also held 97 percent of capacity among the world's five hundred most powerful supercomputers.[6] Africa, home to 18 percent of the world's population, accounts for less than 1 percent of global data-center capacity.

This produces a highly uneven global technological landscape. The ability to develop frontier AI requires substantial computing resources, specialized expertise and sophisticated infrastructure. Consequently, many developing countries will initially rely on external providers for advanced AI capabilities. Reproducing the entire technological ecosystem is economically unrealistic for most countries. But the real challenge is to prevent external technology dependence to become strategic vulnerability.

---

[5] 2026. Stanford.Edu. 2026. https://hai.stanford.edu/ai-index/2026-ai-index-report.

[6] The Economy Editorial Board. 2026. “The Global AI Divide and the Global South’s Choice.” The Economy. June 24, 2026. https://economy.ac/review/2026/06/202606289409.

Source: World Visualized

This is where strategic neutrality becomes relevant. Countries can diversify suppliers, encourage interoperability, develop domestic digital skills, establish public-sector AI capacity and maintain regulatory control over sensitive data. Such measures do not eliminate dependence, but they can reduce the political consequences of dependence. The African Union's Continental AI Strategy identifies AI as a strategic asset for development while emphasizing African priorities, capacity-building, ethical governance and greater regional cooperation. Such approaches demonstrate that technological development does not necessarily require developing countries to simply reproduce the priorities of major technology powers.[7]

[7] "Continental Artificial Intelligence Strategy." 2026. African Union. June 3, 2026. https://www.au.int/en/documents/20240809/continental-artificial-intelligence-strategy.

The New Strategic Resource: Data

As oil shaped twentieth-century industrial competition, data is one of the critical resources of the digital age. AI systems require enormous quantities of data, yet data is not distributed equally across the world. Developing countries frequently face the paradox of generating large amounts of valuable data without possessing the infrastructure or technological capacity to extract maximum value from it. This creates a form of digital dependency. Countries may provide data to externally controlled platforms while importing the resulting AI products and services. The economic value generated from domestic data can therefore leave the country, while local institutions remain dependent on foreign technological ecosystems.

On the emerging politics of AI, the debate has now shifted to "Data Moat", the vast aggregated digital footprint that a handful of firms and states now treat as a geopolitical asset rather than a neutral input.[8] Governments have responded with an accelerating wave of data-localization and sovereignty law: more than one hundred countries now impose some form of data-localization requirement. EU's own AI Act adds mandatory data-governance documentation for high-risk systems, enforceable from August 2026 with fines reaching six percent of global turnover.[9]

Strategic neutrality requires governments to treat data governance as part of national sovereignty. This does not mean closing data borders or rejecting international digital cooperation. Instead, countries need clear rules concerning privacy, data protection, cross-border transfers, public-sector information and the responsible use of sensitive datasets.

Avoiding the AI Bloc Trap

The emerging competition between major technological powers creates pressure on smaller states to choose sides. In the emergence of competing technological ecosystems, with different standards, platforms, supply chains and regulatory approaches, countries could find themselves under

---

[8] Chakrabarti, Debashis . 2026. "Data Colonialism in The Algorithmic Age: Why The Global South Risks Becoming The Raw Material Of Artificial Intelligence." Eurasia Review. February 20, 2026. https://www.eurasiareview.com/20022026-data-colonialism-in-the-algorithmic-age-why-the-global-south-risks-becoming-the-raw-material-of-artificial-intelligence-oped/.

[9] https://commission.europa.eu/news-and-media/news/safer-and-more-transparent-ai-2026-08-02_en

pressure to select one ecosystem over another. For smaller economies, such a choice could be costly because it may limit access to alternative markets, technologies and investment. In this situation, strategic neutrality offers solution. Instead of adopting complete technological alignment, countries can pursue portfolio diversification. They can cooperate with different partners in different areas according to national interests. One country may provide cloud infrastructure, another may support education and research, another may provide investment, while multilateral institutions help establish governance standards. Such diversification is not 100 percent bullet proof. Managing multiple technological relationships requires institutional capacity, regulatory consistency and careful risk assessment. Nevertheless, it can provide states with greater bargaining power and reduce the possibility that a single external partner can exercise disproportionate influence.

Technological Swing States

If classical non-alignment meant standing apart from both blocs, the emerging phenomena among technologically capable middle powers is standing between both blocs and converting that position into leverage. A LSE study stated these middle powers as, "technological swing states."[10] Countries with enough technical capacity and diplomatic flexibility falls under this category. Case Studies of South Korea, Singapore, and India can identify this distinct strategy more.

South Korea practices delay and hedging. This country is deeply entangled with both the American security architecture and the Chinese manufacturing ecosystem. More than half its semiconductor exports went to China in 2024. Seoul has used temporary US waivers on chip-equipment exports to buy time while building a domestic hedge: A Sovereign AI Strategy anchored by a hundred-trillion-won national fund and firms such as Naver Cloud and LG AI Research.[11] A new AI Framework Act also strengthens its own regulatory credibility.

---

[10] Tran, Ha-Chi. n.d. "Brokerage in the Black Box: Swing States, Strategic Ambiguity, and the Global Politics of AI Governance." Accessed August 23, 2026. https://arxiv.org/pdf/2601.06412.

[11] Lee, Joyce. 2023. "South Korean Firms Get Indefinite Waiver on US Chip Gear Supplies to China." Reuters, October 9, 2023, sec. Technology. https://www.reuters.com/technology/samsung-sk-hynix-wont-need-approvals-supply-us-chip-gear-china-yonhap-2023-10-09/.

Singapore practices selective alignment. Rather than deferring commitment, it engages the US, China, and the EU simultaneously on task-specific terms. Like, AI governance, cybersecurity, data standards etc. without binding itself ideologically to any of them. Its Model AI Governance Framework, first issued in 2019 and repeatedly updated, has become a template other jurisdictions borrow from. Its position as a hub for submarine cables and hyperscale data centers gives its certification and audit standards outsized regional authority.

India practices normative intermediation. Rather than hosting the most infrastructure, India works to define what AI governance is supposed to be about in the first place, promoting framings such as "AI for All" and pushing development-centered language into global negotiations through venues like the 2023 G20 New Delhi summit. India simultaneously deepens technology ties with Washington through initiatives such as iCET and maintaining leadership credibility across the Global South.[12]

These nations are great examples to know the essential difference between the old non-alignment and the strategic neutrality this era requires. The same logic scales up to bloc level. A recent analysis of ASEAN's AI diplomacy found that across eighty-five official documents, the bloc has consistently framed AI as a tool for regional resilience and disaster response while engaging Washington's AI partnership initiatives and Beijing's Global AI Governance Initiative in parallel, refusing to treat either as exclusive.[13] By engaging both powers symmetrically, ASEAN has converted itself from a potential battleground into a meeting ground.

On the other hand, he UN's Global Digital Compact, adopted in 2024, has produced two new instruments intended to give the world something else beyond Washington and Beijing: The Independent International Scientific Panel on AI and a Global Dialogue on AI Governance. Notably, India's own AI Impact Summit earlier in 2026 was designed specifically to centre Global South voices in a summit circuit. None of this guarantees developing states real bargaining power. But it does mean the venues for exercising strategic neutrality now exist in ways they did not five years ago.

---

[12] "iCET (Initiative on Critical and Emerging Technologies)." 2026. Model Diplomat. 2026. https://modeldiplomat.com/learn/glossary/icet-initiative-critical-emerging-technologies.

[13] Leam, Rebecca. 2025. "ASEAN's AI 'Third Way' Is a Masterclass in Geopolitical Strategy." Bennett School of Public Policy. July 2025. https://www.bennettschool.cam.ac.uk/blog/aseans-geopolitical-strategy/.

Source: The United Nations

Strategic Neutrality and the Global South

The debate surrounding AI governance has frequently been dominated by technologically advanced countries. Yet developing states have different priorities. Their concerns include unequal access to computing resources, shortages of skilled professionals, inadequate digital infrastructure, limited research funding, and the risk that AI will reinforce existing global inequalities.

For the Global South, strategic neutrality can therefore become more than a foreign-policy strategy. It can serve as a development strategy. Rather than competing with technologically advanced countries on every front, developing states can identify sectors where AI can produce significant domestic benefits. Agriculture, disaster management, healthcare, education, public administration and climate adaptation may offer more immediate developmental value than attempting to compete in frontier AI research.

This requires a shift from the question of "Who controls the most advanced AI?" to "Who benefits from AI and under what conditions?" The Global Digital Compact adopted by UN member states in 2024 provides an important multilateral framework for this discussion. It seeks to promote international cooperation on digital technologies and AI while addressing digital divides and human-rights concerns.[14] For strategically neutral countries, such multilateral frameworks can provide a way to shape the rules of technological competition without having to join a particular geopolitical bloc.

Bangladesh and the Logic of Strategic Neutrality

As a developing country located in a strategically important region, Bangladesh maintains relationships with multiple major powers and economic partners. Its development increasingly depends on digital infrastructure, technological investment, connectivity, education and access to global markets. Bangladesh's own draft National AI Policy 2026–2030 is candid about the gap: government and citizens alike already rely heavily on foreign models such as ChatGPT for everyday tasks, domestic GPU capacity is modest and hosted centrally at the National Data Center. Although Bangladesh is the 6th largest group of internet users in the world, the digital divide persists between urban and rural areas. There's a wider urban-rural gap, with less than 38% of rural residents accessing the internet compared to over 68% in urban areas.[15] A country in this position cannot practice Singapore's selective alignment or Korea's sovereign-fund hedging.

The objective should not be to exclude any major technological partner. Instead, Bangladesh can seek a diversified technological portfolio. Cooperation with different partners can be pursued according to sectoral needs while maintaining national control over sensitive data, critical infrastructure and regulatory standards.

Bangladesh could strengthen strategic neutrality through five broad priorities.

---

[14] Nations, United. 2025. "Artificial Intelligence (AI) | United Nations." United Nations. 2025. https://www.un.org/en/global-issues/artificial-intelligence.

[15] https://aipolicy.gov.bd/docs/national-ai-policy-bangladesh-2026-2030-draft-v2.0.pdf

First, it should invest in domestic AI literacy and human capital. A shortage of skilled professionals can become a greater vulnerability than a shortage of hardware because countries that lack expertise are more dependent on external providers.

Second, Bangladesh should strengthen data governance. Government and private-sector data should be protected through clear rules concerning privacy, security, access and responsible use.

Third, it should encourage multiple technological partnerships rather than excessive dependence on a single provider. Diversification can increase bargaining power and reduce systemic vulnerability.

Fourth, Bangladesh should strengthen regional cooperation. South Asian countries face many common challenges, from climate-related disasters to public-health emergencies and agricultural pressures etc. that could benefit from shared AI research and data capabilities.

Finally, Bangladesh should become more active in international AI governance. Rather than simply accepting rules developed by technologically advanced states, developing countries should participate in shaping standards that reflect their developmental realities.

The Future of Strategic Neutrality

Traditional neutrality was primarily concerned with military conflict and political alignment. In the AI era, neutrality must also consider data, digital infrastructure, technological standards, computing capacity and knowledge. This does not mean returning to Cold War-style non-alignment under a new name. The world is too interconnected and technologically complex now. Instead, the future may belong to countries capable of selective alignment without permanent dependence. Strategic neutrality can therefore be understood as a form of active sovereignty.

It does not demand isolation, technological self-sufficiency or equal distance from every major power. Instead, it calls for diversified partnerships, domestic capacity-building, strong data governance, technological resilience and active participation in international rule-making. The central objective is not to remain outside technological competition. It is to participate without becoming trapped by it.