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Thru' the Desk of the Editor

Editorial: India's Foreign Policy in Dynamic Global Affairs

To achieve its goals, a country has to depend upon other countries. This interdependence compels all countries to formulate their own policies and guiding principles which can be called 'foreign policy' and defined as set of principles, decisions and means adopted and followed by a country for securing formulated goals of national interest during course of its relations with other countries. Foreign policy is a framework within which government of a country conducts its relations with outside world in different formats - bilateral, regional and multilateral or global. Foreign policy of a nation is shaped by trajectory of formation of the nation itself, determined by various domestic, regional and global challenges and guided by its sine quo non and prevailing international situation.

The Foreign Policy of India has following important goals:

1. To protect India from traditional and non-traditional threats: The main objective of India's Foreign Policy is to secure its national interests which includes securing borders to protect territorial integrity, countering cross-border terrorism, energy, food and cyber security, creation of world-class infrastructure, disarmament, regional stability, international peace, non-discriminatory global trade practices.

2. To create external environment conducive for India's inclusive development: India needs external inputs to sustain its growth trajectory. India's on-going programmes like Make in India, Smart Cities, Digital India, Skill India, Clean India, infrastructure development need Foreign Direct Investments (FDI), and transfer of technology. Development Diplomacy was added by integrating economic and political diplomacy.

3. To engage and protect Indian Diaspora: One objective of foreign policy is to engage and protect 20 million diaspora of Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs) and derive maximum benefits from their presence all over the world.

4. To ensure that India's voice is heard in global forums: To ensure that India's voice is heard in global forums and enable India to influence world opinion on global issues like terrorism, climate change, disarmament, reforms of global governance institutions.

The evolution of Indian foreign policy can be traced to diplomacy in Kautilya's Arthashastra and Kamandaki's Nitisara. It has incorporated historical elements of continuity and change. It has evolved from idealism under Nehru, to period of realpolitik, from mid-1960s to mid-1980s and from economically driven pragmatism of 1990s to strategic and assertive vision of current dispensation under leadership of Prime Minister (PM) Narendra Modi. Ever since Modi government came to power in May 2014, outreach of government in field of foreign policy has been very extensive, covering small, medium and big nations, where ministerial delegations have visited more than 180 countries in more than nine years of its rule. "India stands equal to all and sees no country as an adversary", said PM Narendra Modi, spelling out India's foreign policy. This diplomatic outreach underlined India's commitment to building relationships with countries, big and small, in spirit of Vasudhaiva Kutumbakam (World is One Family) related to this is concept of Sabka Saath, Sabka Vikas, Sabka Vishwas, Sabka Prayas. The entire world community is part of one single large global family and members of family must live together in peace and harmony, work and grow together and have trust in each other for mutual benefits. India's accelerated diplomatic engagements helped qualitative upgrade in existing bilateral relationships, enhanced coordination on range of regional and global issues, revitalised and reinvigorated relations and opened new doors for mutually nourishing partnerships.

On 26th May 2014, Narendra Modi started his tenure as Prime Minister and emerged as dynamic leader in field of foreign policy. PM Modi has instituted a paradigm shift – foreign policy aiming to create a symbiotic relationship between domestic goals of India and its foreign policy agendas. The focus on ease of doing business, development, modernisation, Digital India, Start-up India, Skill India, make in India aim to secure India's interests in a competitive world. After cold war, India began pursuing its foreign policy with renewed pragmatism, looking beyond Non-Aligned Movement.

India is today part of diverse organisations like G-20, East Asia Summit, BRICS, Shanghai Cooperation Council. PM Modi has engaged with all major global powers, developing closer ties with U.S., strengthening cooperation with Australia, Japan, while working to regain strategic space in Indian Ocean Region. PM Modi has indicated that he is willing to work with anyone and everyone to secure Indian interests, to take India on path of economic growth by widening pool of supportive countries through constructive positions on issues on global agenda. Under leadership of PM Modi, India has been able to recast foreign policy with outside world on its own terms, with twin objectives of making India world's third largest economy and key player in emerging multi-polar world. The way India interacts with and reacts to other nations of the world has been prime mover of India's foreign policy. The new alignments have allowed India to have proactive and de-hyphenated links with other players in the world. Illustrative examples are given below:

Neighbourhood First: Narendra Modi tried to proactively prioritise South Asia in India's foreign policy matrix with 'Neighbourhood First' approach and invited his counterparts from Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka – members of South Asian Association for Regional Cooperation (SAARC) to his inauguration in May 2014. This was exercise in public diplomacy, as no previous prime minister had made such grand gesture, with swearing-in ceremony seen as 'domestic event'. PM Modi here announced his 'Neighbourhood First' initiative on prioritising relations with SAARC member states. The project intended to give boost to trade and investments and address geopolitical tensions. India was able to settle long-standing border dispute with Bangladesh and improve relations with Sri Lanka, Maldives, Nepal, Bhutan and Afghanistan.

Act East Policy: PM Modi repackaged Indian foreign policy on civilizational ethos and values as is evident in 'Act East' Policy where soft power tools of culture, civilisation and religion are used to expand India's footprint and sphere of influence in East and Southeast Asia. The major focus of Act East policy is to improve and strengthen relations, economic integration, defence ties, sustained economic growth with ASEAN and other East Asian Countries.

Link West Policy: Link West Policy aims at strengthening ties with Middle East and Gulf countries. The Gulf region is India's major economic partner and source of oil and gas, which resulted in enhanced trade and economic relations with Gulf Cooperation Council countries. India has been able to balance its act in West Asia by being able to de-hyphenate Israel and Palestine and maintaining stronger ties with countries like Saudi Arabia, UAE, Qatar.

India and Russia: India-Russia relationship has considerable significance on regional and global power dynamics. USSR assisted in constructing India's first born-steel plants in Bhilai and Bokaro, antibiotics factory in Rishikesh, launch of Indian Satellite Aryabhata. Continuity persists in joint plans with Russia – design and manufacture of supersonic cruise missiles BrahMos, fifth generation fighter jet, preparation of Chandrayan 2. India has purchased five S-400 supersonic air defence systems from Russia, Kamov 226 helicopters would be manufactured in India. In 2010, Strategic Partnership was elevated to Special and Privileged Partnership. West imposed economic sanctions on Russia as a result of Russia-Ukraine war. In such grave situation, India purchased crude oil from Russia at discounted rate on win-win basis.

India and U.S.: U.S. accorded status of Defence Partner to India which puts India on par with NATO Allies. U.S. is keen that India acts as counterweight to China in Asia. U.S. Australia and Japan along with India form QUAD. The signing of Logistics Exchange Memorandum Agreement with U.S. will go long way in strengthening India's defence capabilities.

India and Africa: India's relations with African countries had remained low for long time. India looked to extend relationship in recent years. In 21st century, India's perception of Africa is shaped by three considerations: economic cooperation, security cooperation and engaging diaspora. India's foreign policy priorities towards Africa have been primarily driven by India's economic interests and quest for international recognition. India has worked affirmatively for development of Africa and has provided support to Africa at world forums and helped African nations through capacity building, technology transfer and technical assistance. Under India's presidency G20 took historic decision to make African Union permanent member of G20.

India and China: During Chinese President Xi Jinping’s visit to India in September 2014, India extended hand of friendship and conveyed clear message that two countries must work together so that 21st century could belong to Asia. India-China relations did not develop that way. China’s ambitious Belt and Road Initiative was thorny issue as it involves issue of sovereignty. Doklam face-off between Indian and Chinese troops in September 2017 posed serious threat to bilateral relations. In 2017, India stood against China’s One Belt One Road initiative on grounds of sovereignty, principles of equity and transparency.

India and Pakistan: India advocates policy of engagement over aggression and believes that retaliation and confrontation can only complicate matters and war is no solution. This applies to Pakistan – origin of state-sponsored terrorism targeted at India. Strong messages emanate from India each time it is targeted. Surgical Strikes to target terrorist-launch pads in Pakistan-occupied Indian territory in September 2016 is one such example. Air-strike at terrorist camps at Balakote in February 2019 in retaliation to Pulwama terrorist attack is another.

ASEAN–India Summit: India stressed on greater connectivity with Asian countries on basis of commerce, cultural links and discussed different ways of increasing trade.

International Agency for Solar Technologies and Applications: PM Modi successfully able to bring together 120 countries to form a solar alliance.

G-20 2023: The theme under India’s Presidency of ‘One Earth, One Family, One Future’ is very apt as it signalled need for purpose and unity of action of all member countries for world’s future, where India seeks to find pragmatic global solutions for wellbeing of all.

PM Modi’s foreign policy reflects fundamentals of a model where India’s foreign policy is seen to be merging into regional policy taking India to greater heights, making India a major strategic power. India’s foreign policy besides being an instrument for domestic development, security and prosperity, is positively contributing to global developments and meeting regional and global challenges. A multi-polar world is conducive to India’s development given India’s unique ability of maintaining balanced relations with countries globally. India’s global outreach to old and new stakeholders was on display at G20 2023 is final trend shaping New Delhi’s foreign policy aspirations. This was a pragmatic pursuit of clearly defined objectives by building ad-hoc coalitions of like-minded actors. A more self-confident and self-assured India is today charting a new course in Global politics. India today has capacities and capabilities to contribute to global stability. The aim for India’s foreign policy will not be to interfere in other disputes that are occurring beyond India’s region, but certainly to see for support for transition to a multi-polar world that is as less destabilising as possible because India’s interests lie in arresting further fragmentation of international system and India wants interdependence to continue to prevail. Indian foreign policy has shown both, depth and maturity and the adaptability to how to address these issues going forward.

Articles in this edition of the Journal examine various dimensions of Diplomacy and Security related issues.

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New Multilateralism: IMEC Corridor- Rationale and Prospects

Abstract

The India-Middle East-Europe Economic Corridor (IMEC) was started on November 09, 2023, at the G20 Summit in New Delhi. India's participation in this initiative shows its commitment to multilateralism. The IMEC provides India with an alternative route to Europe through the Middle East, bypassing Pakistan, Iran, and the Suez Canal. The IMEC relies on the geopolitics of connectivity, a recent trend in international politics, which is necessary to comprehend. The concept of geopolitics of connectivity is explored in this paper, examining its relevance to IMEC and the potential prospects for IMEC.

Keywords: India-Middle East-Europe Economic Corridor (IMEC), Geopolitics, Connectivity, G20, India, China.

Introduction

India's role in the recently concluded G20 Summit in New Delhi established it as a major global player and reiterated its role as the leading advocate for the global South. The summit highlighted India's strong and proactive commitment to multilateralism, particularly during a time when power rivalries and regional conflicts pose a threat to the idea of multilateralism and globalisation. During the Summit, on November 09, 2023, the leaders of the US, EU, India, UAE, Saudi Arabia, Italy, Germany, and France came together under the Partnership for Global Infrastructure and Investment (PGII) initiative (Losos and Fetter, 2020) and entered into an MOU for the establishment of the India-Middle East-Europe Economic Corridor (IMEC) (PIB, 2023a). The IMEC announcement was a tangible outcome of the summit, demonstrating India's commitment to multilateralism.

The IMEC Surprise

The IMEC announcement, surprised many because it hadn't been discussed much in the public domain before the summit compared to issues like the Ukraine conflict, rising tensions in the Asia-Pacific region, etc. The focus at the summit was primarily on whether the African Union would be included in the G20 and the feasibility of a joint declaration. Another element of surprise about IMEC was that it saw a diverse mix of nations, including India, UAE, Saudi Arabia, the US, the EU, Italy, France, and Germany each with their distinct foreign policy priorities and ambitions that sometimes converge on select regional and global issues but often clash on many others. The bilateral relations between these nations have been generally friendly and strong. However, as a subgroup of the G20, they have not yet expressed any common goal or vision. Yet, these nations joined hands for IMEC. The corridor's questionable practicality and economic feasibility compared to initiatives like China's Belt and Road Initiative and Trans-Asian Railway surprised many observers.

This paper analyses the geopolitical rationale behind the IMEC and briefly outlines the potential geopolitical concerns for participating nations. The paper's main focus is on the geopolitical aspects, rather than examining the economic feasibility of transportation of goods via the IMEC vis a vis existing route.

India's Foreign Policy: From Non-Alignment to Multilateralism

Since independence, India's foreign policy has consistently adapted and evolved. The initial years of the Nehruvian paradigm of the 1950s and 1960s transitioned into the non-aligned movement, steering India away from Cold War politics yet anchored it in a firm friendship with the erstwhile USSR. This phase was followed by an increased emphasis on regional and sub-regional multilateralism, particularly through the SAARC. India altered its foreign policy in response to the economic crisis of the 1990s. India focused on the economic aspects of foreign policy and therefore strengthened ties with Southeast Asian nations, leading to the 'Look East' and later 'Act East' policy.

With the end of Cold War and the Soviet Union falling apart, Indian foreign policymakers opted to engage with the sole superpower, the US. The India-US relationship, which began in the 90s, deepened strategically with the signing of the civil nuclear deal in 2005. These transitions weren't sudden ruptures, but rather a gradual reorientation driven by economic and geopolitical factors. Continuity has been present in certain areas.

Relations with Pakistan and China have consistently been focal points in India's foreign policy. Relations with neighbouring countries are a major concern for India, it is evident in its "Neighbourhood First" policy. Foreign policy broadened its scope and ambit in tandem with India's growing economic leverage and political importance in the world order. The Act East policy has now expanded to include the Asia Pacific, and India's present foreign policy is distinctly marked by its focus on the Asia-Pacific region and increasing emphasis on multilateralism. The key factors shaping foreign policy today include a firm democratic government, a quest for development, and a thriving economy. In the past two decades, India has joined several new multilateral groupings. Important groupings include Brazil, Russia, India, China, and South Africa (BRICS), Quadrilateral Security Dialogue (QUAD), Indian Ocean Rim Association (IORA), Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), Shanghai Cooperation Organisation (SCO), G20, Mekong-Ganga Cooperation (MGC), etc. Each of these groups has a different aim and focus. For example, QUAD and SCO are security-related groups, while the G20 and BRICS have a broader focus on development and cooperation. IMEC's latest initiative is a clear display of India's firm commitment to multilateralism.

Geopolitics of Connectivity

The IMEC's announcement aligns with a current global trend of leveraging transport and logistics arrangements for strategic purposes. The role of roads and railways as instruments of state power to consolidate political power and facilitate resource distribution is widely recognised. In recent decades, various actors in the international system have developed and put into action vast transport and logistics networks to facilitate the movement of people, goods, services, capital, ideas, and knowledge with strategic aims. The existence of mega ports, mega ships, and global transportation networks demonstrates the influence of transport connectivity in international politics.

Several significant initiatives to enhance connectivity have been announced in the last two decades. The Chinese Belt and Road Initiative, announced in 2013, is the most ambitious plan to connect China with Europe and Africa through a labyrinth of rail, road, and power/energy projects (Tsuji, 2023). In 2016, Japan proposed a Free and Open Indo-Pacific Initiative (Watanabe, 2019). The EU announced a strategy for linking Europe and Asia in 2018 (European Union, 2018). Under the Act East policy, India is actively working on initiatives such as the Trilateral Highway between India-Myanmar-Thailand and the Kaladan Multimodal Transport Corridor project (Sajjanhar, 2016).

Scholars in international politics refer to this trend as the geopolitics of connectivity (Godehardt and Postel-Vinay, 2020). It suggests that nations, either on their own or in collaboration with other like-minded nations, are leveraging their geographical position and economic power to direct and control the flow of resources -physical, financial, and digital-that serve their interest the most. These initiatives are primarily focused on creating physical infrastructure, like roads, rails, ports, pipelines, warehouses, and more. However, these initiatives come with a soft infrastructure of economic dependence, debt finance, and political control. In this scenario, the selection of a connectivity initiative is not solely based on economic factors. A country's political allegiance and strategic orientation can be determined by the dominant economic and political forces supporting an initiative.

What is IMEC?

IMEC is a part of the Partnership for Global Infrastructure and Investment (PGII), which was announced at the G7 summit in 2022. The PGII's goal is to raise \$ 600 Billion for sustainable and high-quality infrastructure development in emerging economies (European Commission, n.d.). It is a new version of President Biden's Build Back Better World initiative. The G7 countries have agreed to provide infrastructure finance to projects meeting standards of transparency, accountability, sustainability, and community development under the PGII. All the signatories to IMEC are members of the PGII. The IMEC consists of two main components, viz the Eastern Corridor, linking India to the Arabian Peninsula, and the Northern Corridor, connecting the Arabian Peninsula to Europe via Israel and Greece. The corridor will include a network of shipping lanes, ports, railway lines, energy and fuel lines, and data transmission cables. This will enable the movement of goods, people, energy, data, and ideas among member states.

According to the MOU signed at the G20 summit, “The IMEC is expected to stimulate economic development through enhanced connectivity and economic integration between Asia, the Arabian Gulf, and Europe.... This corridor will secure regional supply chains, increase trade accessibility, improve trade facilitation, and support an increased emphasis on environmental social, and government impacts” (PIB, 2023b). The stated aim of the corridor is to achieve comprehensive connectivity, encourage sustainable logistics, and foster economic growth. Undoubtedly, the underlying objective is to propose an alternative to the Chinese BRI that does not involve the detrimental effects of debt traps associated with BRI.

Rationale of IMEC

Currently, there are multiple missing links in this proposed corridor. Upgrading and creating new rail and road networks will be necessary in the UAE and Saudi Arabia. Installing power, gas, and data cabling will pose significant challenges in various political jurisdictions. India’s access to the Arabian Peninsula and Europe will improve as a major beneficiary of the IMEC, benefiting its ports on the west coast like Jawaharlal Nehru Port Authority (JNPA), Mundra, and Kandla. The corridor’s broad architecture outlined in the MOU suggests that IMEC will promote trade between North-South and South-South (Monroe, 2023). The IMEC’s economic rationale relies on India becoming a leading trading partner with the EU and the Middle East. When considering the geopolitics of connectivity, the IMEC exemplifies how the strategic and political orientation of member states influences infrastructure finance. Shifting from the typical Western approach, of FTAs, and SEZs for improving trade the focus is now on infrastructure finance in the intended countries. It will be easy to assess the project details thoroughly as they further unfold in both corridors.

Geopolitics of IMEC

It is important to examine the geopolitics behind IMEC. The shipping links between the west coast of India and the Arabian Peninsula via the UAE already exist, making the eastern corridor straightforward. Major ports in India, such as JNPA, Mundra, Kandla, and Pipavav, and Jebel Ali, Fujairah in the UAE are already operational and thriving. Enhanced infrastructure in these ports will enable increased trade capacities. Presently, Indian cargo faces economic obstacles when trying to reach Europe by overland route due to the geographical position of Pakistan which is a strategic adversary, and Iran’s tense relations with the West. The northern corridor provides India with an alternative route to Europe, bypassing Pakistan and Iran by using overland road or rail routes on the Arabian Peninsula. Jitendra Singh, Minister of State in the Prime Minister’s Office, hinted at this aspect when he mentioned that the “Bharat-Middle East-Europe Economic Corridor” redeems post-Partition India’s quest for restoring an extended and deeper connectivity in the region” (PIB, 2023c).

IMEC is considering a northern corridor route that would bypass a major choke point in global shipping by running north of the Suez Canal. A major portion of The Red Sea littoral, including the Bab-El-Mandeb strait and the Gulf of Aden, has long been unstable, putting trade via the Suez Canal at risk. The IMEC corridor will become a safer and more reliable option for member states due to the civil war in Yemen, conflicts in Eritrea, Chinese presence in Djibouti, conflict in Sudan, and recurring attacks by Somalia-based pirates on shipping. Multiple incidents of Houthi rebels targeting commercial shipping between Israeli ports and Yemen have been reported recently (Singh, 2023). Another attack by pirates based in Somalia has taken place (UK MTO, 2023) The combined threat of Houthis and pirates is endangering energy and cargo in the Red Sea. This underlines the necessity of having an alternative passage like the IMEC.

View from Türkiye

The IMEC excludes China and Russia, two major world powers. In the realm of present-day geopolitics, both these states find themselves in an adversarial relationship with the West. Due to the logic of geopolitics of connectivity, they have no role in the West’s initiative. Türkiye and Qatar, two influential regional powers, have also been left out of the IMEC. Both these states stand in stark opposition to Saudi Arabia and Israel, both of whom benefit from the IMEC. Türkiye has announced its initiative in collaboration with Iraq, called the “Iraq Development Road” to connect the Middle East to Europe via Qatar, Iraq, and Türkiye instead of via Saudi Arabia and Israel (Duman, 2023).

Geopolitical Rationale for Member States of IMEC

Every state in the IMEC has a compelling geopolitical rationale to participate. India and China are becoming long-term strategic adversaries. On the eastward side, India is actively implementing its Act East policy and expanding its focus beyond the Asia-Pacific region via the Quad arrangement. Indian interests in the Indian Ocean region face a threat from Chinese incursions in Sri Lanka, Myanmar, Maldives, and Djibouti. IMEC could effectively counter growing Chinese influence in the IOR and BRI. The added advantage is that it bypasses Pakistan and a problematic state like Iran. Both UAE and Saudi Arabia are firmly aligned with the West and both are establishing ties with Israel amidst domestic and international pressure. IMEC presents a great chance to build bridges with Israel. Saudi Arabia, with Mohammad Bin Salman at the helm, is working towards reducing oil dependence and modernising infrastructure. IMEC provides a good opportunity to decrease the economy's dependence on oil. The development of new rail links in the northern corridor will primarily occur in interior Saudi Arabia, potentially leading to further growth. Saudi Arabia benefits in the long run by preventing Iran, and Türkiye from gaining influence. From the EU perspective, a direct trade route to India and a secure energy route from the Middle East, bypassing all the trouble spots like war-torn Ukraine, a belligerent Russia, a global choke spot like the Suez Canal, and troubled waters of the Red Sea, strait of Bab-El-Mandeb is a welcome proposition. It will speed up the EU's uncoupling from China. The EU highly values the Sustainable Development Goals (SDG) and ensures that any developmental finance is linked to the SDG. The IMEC could be an ideal opportunity for the EU to strengthen its commitment to SDGs and thereby exert influence over the member states. In this complex scenario, Israel could come out as a long-term winner. Israel stands to benefit in the long run from détente with the Arab World, a critical trade position between Asia and Europe, and financial support from the West.

Prospects for IMEC

The question is whether the IMEC will become a reality. Are the lofty ideals of transparency and accountability truly appealing to those who practise them the least? How can the challenges of systematisation and integrating such a vast network across different geographies and political jurisdictions be resolved? The onset of the Israel-Hamas conflict on October 07, 2023, immediately questioned the feasibility of IMEC. The Türkiye adverse reaction has emphasised the actual geopolitical conflict within these competing trade networks. It is too early to give precise responses to these uncertainties, but there are a few key points to ponder.

The Hamas attack on Israel on October 7th, 2023, followed months of elaborate preparation and direct and indirect Iranian support. Although IMEC may have served as a trigger due to Israel's participation, it was not the primary cause of the attack. The attack might have been triggered by the prospect of Saudi Arabia and the UAE establishing peace with Israel, with IMEC being an unintended casualty in the process. The Houthi rebels in South Yemen who are backed by Iran against the Saudis in the Yemeni civil war have started targeting Israeli shipping in the strait of Bab-El-Mandeb. This could be another manifestation of the long-standing enmity between Israel and Iran and another attempt to derail the Saudi-Israel peace process rather than target IMEC as such. As a result of recent attacks on commercial shipping in the Red Sea area, major shipping lines like MAERSK, Hapag Lloyd, etc. have announced that they will not ply services on the Red Sea route. Iran's actions provide further justification for IMEC which will create a safer route for goods and energy from the Middle East to Europe bypassing the entire Iranian littoral.

Likewise, an adverse reaction from Türkiye is unlikely to have any long-term impact on the feasibility of IMEC. At best, it underscores an emerging Türkiye-Iraq-Qatar axis in counter to the Saudi-UAE axis in the Islamic world. Nevertheless, Saudi plans for modernisation and development are unlikely to be hindered in the long run.

From a geopolitical standpoint, it will be intriguing to witness whether the US and the EU leverage infrastructure finance to drive governance reforms in Saudi Arabia, the UAE, and even India. Presently, there are no such indications. Despite their lack of transparent and accountable governance, UAE and Saudi Arabia are close strategic allies of the US and the West. It is uncertain if both states will be asked to bring about more transparency and accountability in their systems. The previous discussion on the geopolitics of connectivity suggests that these countries will be subject to subtle pressure, particularly regarding their project procurement policies.

Conclusion

IMEC offers a strong alternative to China's BRI, which has faced criticism for its "Debt trap diplomacy" and its negative consequences in countries like Sri Lanka, Pakistan, and Zambia. IMEC promotes economic growth, trade, and economic integration between India, the Middle East, and Europe while upholding SDGs. By utilising the Arabian Peninsula, IMEC foresees a direct link between India and Europe, bypassing Pakistan, Iran, the Suez Canal, and the Red Sea. The Israel-Hamas war and conflict in Yemen have raised doubts about IMEC's feasibility in the short term, but they won't change IMEC's geopolitics in the long run. Hence, it has great long-term potential. India needs to grasp the geopolitics of connectivity that form the foundation of the IMEC to fully leverage its advantages.

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Hamas-Israel Crisis Underway: India’s Strategic Imperatives and the Changing Geopolitical landscape in West Asia

The West Asian region is considered as an ‘extended neighbourhood’ in Indian Foreign Policy and strategy. It, therefore, assumes profound salience in India’s geopolitical and geo-economic pursuits in line with its global aspirations under its ‘Extended Neighbourhood Policy’. With the dense diplomatic engagement and political outreach under Prime Minister Narendra Modi the region has become India’s close orbit of strategic partnership and geopolitical interests. India has pursued and maintained an extremely prudent balance of all three regional powers, GCC led by Saudi Arabia, Israel and Iran. The Abraham Accord has facilitated Indian interests to work with GCC Arab countries and Israel with increasing diplomatic ease and convenience in its pursuit of 5 trillion economy vision. The I2U2 platform has been a prudent process for placing India in the growing dynamics of integration of Arab Investment, Israeli innovation and partnership in infrastructure and shared economic progress.

The crisis underway therefore needs a prudent diplomatic navigating and using of its own growing diplomatic clout in the region and beyond to raise its credential of a global power. Indian responses and prudent stances during the course of the crisis shows a profound maturity of a power in consonance with its national interests, regional peace and security as well as global stability for shared benefits of all.

India’s Response to Hamas Attack on Israel

The tweet of Prime Minister Modi in wake of the Hamas attack on 7th Oct 2023 “Deeply shocked by the news of terrorist attacks in Israel. Our thoughts and prayers are with the innocent victims and their families. We stand in solidarity with Israel at this difficult hour” demonstrated India’s non-violent tradition and immediate contextual response. With the unfolding of the events and evolving intensity of the crisis, the Ministry of External Affairs (MEA) has put it clearly that “Our policy in this regard has been long-standing and consistent. India has always advocated the resumption of direct negotiations towards establishing a sovereign, independent and viable state of Palestine, living within secure and recognized borders side by side at peace with Israel. There is an universal obligation, I think, to observe international humanitarian law. There is also a global responsibility to fight the menace of terrorism in all its forms and manifestations (MEA October 12, 2023). Prime Minister Modi had also talked to the Israeli Prime Minister, Mr Netanyahu to convey that “people of India stand with the people of Israel in this difficult hour.” He also reiterated that India strongly and unequivocally condemns terrorism.” (MEA October 10, 2023) India’s position has earned appreciation. Speaking to The Indian Express, the Israeli Ambassador to India, Noar Gilon said that India has a special position in the world and appreciated the initial reaction and support of Prime Minister Modi as well as the show of support from officials, minister, civil society and social media platforms. He further added that any help from India for the release of the hostage with hamas is welcome. (Divya October 19, 2023) This marks an extraordinary capacity of India’s strategically balance diplomatic stand and strength in the ever-growing polarized world.

India and its Principled Palestine Policy

Besides, Prime Minister also talked to President Mahmoud Abbas and conveyed deep condolences over the loss of civilian lives at the Al Ahli hospital in Gaza. He expressed concern over the deteriorating security situation in the region and reiterated India’s long-standing position on Israel-Palestine issue. (PIB October 19, 2023). India is diplomatically engaged with all the sides and stake holders to reach a diplomatic solution of the conflagration underway and for a lasting peace and security in the region. Prime Minister Modi has condemned the mounting civilian death in the Gaza conflict underway and has reiterated the need of dialogue and diplomacy in the resolution of the conflict. He further emphasised that the Global South must speak in a united voice for greater global good. (PIB November 17, 2023) India remained consistent with its commitment to Palestine and send aid to Palestine. The second contingent of humanitarian has been delivered said the External Affairs Minister (Malhotra, Vani November 19, 2023)

India's Regional Strategy and Iran Policy

In an effort to prevent escalation of the conflict Prime Minister Modi also talked to the Iranian President and exchanged views on the situation in the region. Both emphasized the need for preventing escalation and an early restoration of peace and stability. Other than multi-faceted bilateral relations and regional connectivity, the two leaders expressed their concerns to be in touch given the shared interests in regional peace, security and stability. (PIB November 6, 2023) India must leverage its diplomatic strength towards calming of the present crisis and stable and peaceful West Asia in line with Extended Neighbourhood Policy. The India Foreign Secretary, Mr Vinay Kwatra visited Tehran to participate in the 18th India-Iran Foreign Office Consultations (FOC) and discussed and reviewed whole gamut of bilateral issues between the two countries-political, trade, culture, capacity building and connectivity projects like Chahbahar as well as global and regional issues including Gaza crisis. He met the Iranian Foreign Minister, Mr Hossein Amir-Abdollahian and Deputy Foreign Minister, Dr. Mehdi Safari and shared about the regional and global challenges and strengthening cooperation between the two countries. (MEA 26 November 2023) In the ongoing conflict, Iran is a powerful regional geopolitical actor and India follows the path of diplomatic prudence to sustain its geopolitical interest in this time of flux. Iran equally holds a favourable perception about geopolitical significance of India and its global stature. The Iranian ambassador to India, Iraj Elahi said that India has been bastion of morality and humanity at global stage and a strong voice of the Global South. India has potential to play pivotal role in ending brutalities in Gaza. "The current situation presents a prime opportunity for India to lend its support to the voice of the Global South", he added. (ANI November 2, 2023)

India's Diplomatic Navigation through the Crisis

The conflict has thrown difficult situation for India given its relations with Israel, Palestine, Iran and the Arab world. The recent era of rapid and complex geopolitical changes, India has proved its diplomatic ability to navigate prudently as a key player in the international stage pursuing its own national interests-based peace and mutual respect with the power of sustained dialogue and diplomacy. The strategic position of India enables it to engage with various power blocks and therefore place it as a potential mediator to bring parties to peace and security. (PTI November 26 2023) The Indian leadership is in constant touch with the leaders in the region and beyond to prevent escalation, for continued humanitarian aid and earliest restoration of peace and stability and a negotiated Two-State solution through dialogue and diplomacy. (Statement November 28, 2023). In a bold balancing diplomatic move, India voted in favour of UNGA Resolution demanding Israel's withdrawal from all Golan to the line of 4th June 1967. The Resolution emphasized "that continued occupation of Syrian Golan and its de facto annexation constitute a stumbling block in the way of achieving a just, comprehensive and lasting peace in the region". (TOI-PTI November 29, 2023)

The prudent maneuver of Indian diplomacy has established it as a powerful player at the global stage and shaper of global perspective and processes. India's G20 Presidency has played profound role in revitalizing multilateralism and increasing participation of the Global South. Its emphasis on reform in global institutions towards an equitable global order has spurred its global standing. Prime Minister Modi put it clearly that "Terrorism and senseless killing of civilians are unacceptable, and we must address them with a policy of zero tolerance. We must embody humanitarian over hostility and reiterate that this is not an era of war". (PTI November 30, 2023) Like our position in the Ukraine crisis, India would manage to pass through this vicissitude of the current crisis in its extended neighbourhood of West Asia.

IMEC: Implications and challenges

The India-Middle East-Europe Economic Corridor (IMEC) is signed during the G20 Summit is a multi-modal economic corridor between India and Europe through West Asia. It incorporates a network of roadways, railways, shipping as well as electricity cables, high speed data cables and a hydrogen pipeline. The project is an outcome of major connectivity project across these three regions- South Asia, West Asia and Europe for a shared economic progress. The project is a win win for all its stake holders. But the evolving Gaza crisis is the manifestation of its complex geopolitical challenge. (ToI November 15, 2023). The ambitious geo-economic and geo-strategic project is the signature project of the rising India. The conflict has cast its shadow over its viability and possible cooperation of the parties who are now assuming very opposing position on the conflict, its nature and possible outcomes.

But given the experience of India's position on Ukraine and managing the conflicting parties- Russia and US and the West at large, it seems plausible that India can manage the requisite diplomatic juggling through the conflict. The project suits the geo-economic interests of all the parties and would serve also as geopolitical interest in the aftermath of the conflict. Given the all-encompassing geo-economic interests the IMEC is going to retain its relevance. It is surely going to be delayed but would most probably succeed in attaining its goals despite the conflict. (Sharma November 19, 2023). The profound economic incentives involved, would make it survive.

Indian Responses to the Houthi Attacks at Bab al Mandab and Red Sea

The Houthi attack on the container ships and oil cargoes has caused tremendous disruption of the maritime trade between Asia and Europe and entails multifarious implications for global trade and economy. The syndrome is the manifestation of the Iran- Israel rivalry in the region and Iran's opposition to the West at large. It is bound to have implications for India- economically as well as strategically. The attacks on Indian ships and tankers has attracted a well assessed strategy and response. As per the US Central Command, the Houthis carried out the attack on MV Sai Baba in the Red Sea on 24th December, while the oil tanker, M V Chem Pluto was allegedly hit by a drone launched from Iran. (Dutta & Rajput 2023 December 25) India maintains its strategic prudence by having its own investigation and assessment. The Indian Navy has stepped up its strategic vigilance operation in the Arabian Sea. The presence of warships has been increased and the air surveillance enhanced in order to ensure safe and secure maritime passage and activities. The Indian navy has deployed multiple guided Missile Destroyers, INS Kochi, INS Kolkata and INS Mormugao in the region as a presence of deterrence. Besides, the Offshore Patrol vessel, Vikram and Coast Guard Dornier Maritime Surveillance aircraft have also been pressed into action. (ET 2023 December 27)

The United States has put in place a multinational security force under Combined Maritime Force focusing on security in the Red Sea called 'Operation Prosperity Guardian' with the goal of ensuring freedom of navigation for all countries and bolstering regional security and prosperity. (DoD 2023 December 18) Given the complex and intractable nature of the geopolitical conflict in West Asia and the precarious security balance, it is of utmost importance that India maintains its strategic neutrality and remains determined to ensure its interests in the region as well. India has prudently chosen not to join the US-led 'Operation Prosperity Guardian' and beefed up its own naval assets and maritime security apparatus in the region with a firm stand. The Defence Minister Rajnath Singh has put it strongly that those responsible for the attacks on the Indian Ships and Tankers will be found out even from the bottom of the sea and vowed severe action. (Pubby 2023 December 26) India pursues its interests with pragmatic political and diplomatic channels by engaging with all the centers of powers and partners in the region. Prime Minister Modi exchanged views on the current situation in the region with the Crown Prince of Saudi Arabia over telephone. The Prime Minister re-iterated India's principled position on Palestine, discussed and agreed to work together for peace, security and stability in the region. (PIB 2023 December 26)

Indian geopolitical Imperative and Strategic prudence

The profound geopolitical imperatives of India in the region makes it an urgent strategic necessity to push for an immediate peace and a sustainable regional security to pursue its national interests in consonance with its economic vision and global aspirations. With every passing day, the crisis is turning the world more and more polarized. Given the yawning contested stands and approaches of the regional and global powers the peace and security of this strategic region requires application of geopolitical prudence by one and all. The cessation of the dangerously spiraling conflict by declaring ceasefire is an immediate necessity. In such a contiguous region, security of one country is integrated with security of others. The element and factors of threats travel faster. The actions of all- regional and global powers must be in line with the emerging syndrome of multi-polar world. Any unilateral action without consideration of interests of others may push the region into an inextricable quagmire. The voices and aspirations of the Global South must find consideration for a durable peace. The West and United States must give serious consideration to the changing geopolitical trends in the region and the world to serve its interest in the emerging World Order.

With pangs of pandemic reverses and geo-economic implications of the ongoing Ukraine war, the world is not capable to bear the burden of another war. Escalation will be a disaster for the entire world. War never solves rather further complicates the existing. Ceasefire and multilateral and broad-based peace conference is an urgent need of the hour for a sustainable solution, regional peace and global security. The crisis must be viewed with the rise of competitor powers in the region and the world to the US policy in the region and the world. With the increasing assertion of Iran, Saudi Arabia, Qatar and Turkey and growing engagement of the global powers like China, Russia and India one thing is clear that not only Gaza but the region and the world will not be the same again. An expected geopolitical future is a multipolar West Asia and a greater multipolar world. India needs a constant and agile political and diplomatic engagement towards de-escalation and sustainable and comprehensive peace in the region. India must leverage its influence to be a credible power and partner in the region in the emerging multipolar global geopolitical order.

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China's Financial Grey Zone Warfare – Employs Money Laundering Strategies

Abstract:

China's rapid economic growth has led to increased global influence and expansionist ambitions with aggressive geopolitics. Analysts believe China is using its economic power to engage in economic warfare against other countries and subsequent concerns are growing about China's role as a global money laundering hub. China's shadow banking sector, complex legal framework, weak anti-money laundering enforcement, and large cash-based businesses make it attractive to money launderers. Chinese facilitators use methods like shell companies for discreet transactions and trade-based money laundering, manipulating prices of goods and services for illegal funds. Chinese banks also engage in dealings with rouge nations, sanctioned international parties, and black-listed personnel. China is under enhanced monitoring by the Financial Action Task Force (FATF) due to money laundering, which harms economies, distorts financial systems, and increases crime and corruption rates.

Problem statement:

The amount of money laundered through China in 2018 was between 200 billion and 300 billion yuan (approximately \$30 billion to \$45 billion), per The China Financial Risk Report in 2019.

Trade-based money laundering, Shell companies, and Underground banking systems are the prime vehicles. This can have number of negative consequences for the global economy.

Bottom-line-up-front:

An international investigation and analysis of China's intentions for facilitating money laundering within its territory is required, and if such intentions are discovered, China should be sanctioned and Grey listed by FATF in order to get the jurisdiction compliant for suitable international financial dealings without risk.

So what?:

An international committee for increased transparency and accountability will be established under the guidance of FATF and UNSC observership. The committee should assess China's money laundering practices and determine if international observership or intervention is necessary. A set of terms of reference for observers will be established, and procedures for interviewing witnesses, collecting evidence, and reviewing government documents will be followed. If China is found to have deficient anti-money laundering and counter-terrorist financing (AML/CFT) regime, it should be listed on the "Increased Monitoring List" or "grey list." If investigations reveal deliberate attempts of money laundering facilitations, the UNSC, EU, OFAC, and global bodies must impose sanctions on trade, finance, travel, and diplomatic types until government will and global regulatory requirement is resolved.

Introduction:

Throughout history, nations have employed financial disruption techniques during times of war to cripple the enemy's economy and gain a strategic advantage. These instances highlight the significant impact of economic warfare on the outcome of conflicts.¹ Examples like the economic blockade imposed by the Allied Powers on Germany during World War I.² The blockade severely limited Germany's access to essential resources and supplies, leading to food shortages, economic collapse, and widespread suffering among the civilian population. This economic pressure played a crucial role in weakening Germany's ability to sustain its war efforts. Returning the favour, the Germans used tactic of counterfeiting during World War II aimed to undermine the Allied economies.³ Skilled counterfeiters produced fake currency to flood markets, erode confidence, and disrupt financial stability. By targeting the enemy's economy, nations seek to gain an advantage in conflicts and tilt the balance of power in their favour.

China's growing economic and geopolitical influence, combined with concerns about human rights, intellectual property theft, and unfair trade practices, has strained relations between China and the Western world, raising tensions and sparking geopolitical competition and apparent global animosity.⁴

China seeks to obtain advantages in terms of economic development, technical innovation, and worldwide influence by using any and all illegitimate tactics, boosting its quest of geopolitical supremacy over Western nations. This is where playing dirty comes in handy, and what better playground to disrupt the economy than the banking system?

The People's Republic of China (PRC) has emerged as one of the world's major money laundering centers. According to the US government, \$154 billion in illegal earnings pass through China each year.⁵ Many extremely wealthy Chinese will want to invest 'hot' money in the West to protect themselves against uncertainties at home as the Chinese economy grows. Telemarketing & online fraud, illicit fundraising, and corruption are all common sources of hot money in China and are among the biggest proceeds-generating financial crimes.⁶ With roughly \$1 trillion in illegal financial outflows over a decade, China was hardly in a position to set the worldwide anti-money laundering agenda.⁷ China's wealthiest channel illegal funds through anonymous shell companies to target competitive economies. In reality, China has emerged as the worldwide center for money laundering,⁸ not only for Chinese criminals but for criminals from all over the world. The money from the drug trade is first laundered at casinos, where VIP gamblers from China bet, and then the cash and cheques from the casinos⁹ are switched to underground banks in Vancouver,¹⁰ which transmit the money back to banks in Hong Kong and Guangdong. China Hong Kong law firms transfer the cash to offshore shell companies in Panama, the British Virgin Islands, or the Cayman Islands,¹¹ which can then be routed back to underground banks and law firms in Vancouver, where the laundered money is used to buy luxury real estate.¹² Criminally controlled Wang Dong factories make chemicals and counterfeit goods for shipment to Vancouver,¹³ and other parts of the world, including the United States, with the laundered money remaining in China. The National Defense Authorization Act, enacted on January 1, 2021,¹⁴ calls for the U.S. Treasury to assess illicit finance risks related to PRC firms and the PRC.¹⁵ This includes investigating and uncovering the links between Chinese firms, their owners, and the Chinese government. The U.S. Congress is also considering sanctioning Chinese firms and government officials involved in illicit activities.¹⁶

A gateway, a passage, or a Centre for global illegal financial affairs?

The West believes China may have an influence on their financial system and global stability. The fast economic expansion of China and its integration into the global economy have resulted in significant cross-border transactions. This high amount of financial activity allows illegal monies to mingle with legitimate funds, making it difficult to identify and trace illicit movements. There are sometimes complicated networks among Chinese money launderers,¹⁷ including individuals, organizations, and offshore entities, making it difficult for investigators to track the cash's origin and destination. These networks may take advantage of flaws in domestic and international financial systems in order to obscure the genuine beneficiaries and purpose of the transactions. The Chinese banking sector has been chastised for its lack of openness and ineffective anti-money laundering (AML) control measures.¹⁸ Inadequacies in regulatory monitoring, such as limited access to beneficial ownership information, can enable illegal financial transactions and stymie effective enforcement attempts. Money laundering from China has the ability to penetrate Western financial institutions¹⁹ via correspondent banking connections, investments, or real estate transactions. Infiltration of this nature might expose Western institutions to reputational and regulatory problems, perhaps resulting in sanctions and harm to their integrity. Western nations may be concerned about national security as a result of the illicit financial operations related to Chinese money laundering.²⁰ This can include possible risks such as economic espionage, unlawful sponsorship of a criminal activity, or sanctions evasion. Money laundering operations have the potential to affect fair competition in the global economy. Illicit finances can be used to acquire an unfair advantage in economic deals or to influence political processes, compromising openness, fairness, and equal opportunity principles.

To address the threats posed by Chinese illicit finance tactics, Western nations, international organisations, should monitor and bring Chinese authorities to compliance to work together from curbing this growing issue. Strengthening AML frameworks, strengthening information sharing, upgrading due diligence processes, and promoting international standards will assist in minimising money laundering threats and safeguarding the integrity of the global financial system.

The realm of Chinese money laundering has been thrust into the spotlight by a multitude of global investigations and damning allegations. These probing inquiries have revealed a range of methods employed by these actors, leaving no stone unturned. One such technique is Trade-Based Money Laundering, an intricate maneuver that manipulates trade transactions by distorting the prices of goods and services.²¹ By skillfully over-or under-invoicing, funds can be surreptitiously shuffled across borders, evading scrutiny at every turn. The cunning strategy of Structuring or Smurfing takes this subterfuge to new heights, utilizing a multitude of smaller transactions to mask illicit activities within a veil of complexity.²²

Under the lack of governance, Chinese money launderers have proven to be crafty strategists, exploiting the labyrinthine dominion of domestic and international real estate markets to obfuscate the true origins of their funds, especially in high-value property transactions. Their arsenal includes the strategic employment of Shell companies and Offshore entities nestled in tax havens, masterfully concealing the ownership and control of assets.²³ This intricately crafted web makes tracing the global distribution of funds a herculean task, particularly in the Western world, leaving adverse economic effects.

In October 2019, the National Crime Agency (NCA), UK unveiled a compelling study that sounded the alarm bells on the risks posed by Chinese underground banking networks²⁴ to the financial stability and economic well-being of the United Kingdom. Networks like "hawala" and "hundi" operate in the shadows,²⁵ away from the purview of formal banking institutions. Their clandestine operations enable cross-border money laundering, artfully sidestepping regulatory constraints and facilitating the transfer of illicit funds across boundaries. Chinese communities worldwide have mastered the art of "fei qian" or "flying money," an informal mechanism for value transfer that ingeniously evades limitations on foreign exchange.²⁶

Similarly, in a recent operation reported Oct '23, the Guardia di Finanza police (with assistance of Europol Joint Investigation Team) have arrested 33 individuals, including seven Chinese nationals, from across Italy.²⁷ Authorities have also seized a staggering 10 million euros in cash from 'money mules,' responsible for transferring funds that finally ended up in China via 'Money Mules'. The heart of this money laundering scheme operated through Chinese import-export businesses dealing in clothing and fashion accessories in Rome's Esquilino district, but the origins are traced to drug trafficking and routing to China via unlicensed Chinese money brokers to conceal cross-border payments. Authorities revealed that the transactions between the Chinese brokers occurred through triangulations and fictitious business deals in China, while the cash was transported to China by plane; 'flying money' indeed!

Adding fuel to the fire, the advent of virtual currencies, most notably Bitcoin, has brought forth a fresh set of challenges. These digital currencies provide a cloak of anonymity, offering potential avenues for covert payments. For Chinese organizations involved in money laundering, these cryptocurrencies pose a significant risk,²⁸ enabling them to obscure the trail of their illegal digital assets.

Last but not least, an alarming illicit practice looms large on the horizon. Chinese citizens are enlisted in the audacious game of "daigou" or "buy on behalf" transactions.²⁹ In this elaborate scheme, luxury goods sourced from the West are acquired on behalf of clients in China, deftly evading import tariffs and igniting concerns about the integrity of the trade.

Through the convergence of these captivating revelations, the complex tapestry of Chinese money laundering unfolds. As we delve deeper into this labyrinthine world, we confront the profound implications for global financial systems and the pressing need to tackle these illicit activities head-on.

Distinguished Clientele

Prepare to delve into a world where connections between diverse criminal entities and Chinese actors blur the lines of legality and challenge the foundations of global financial systems. The allure of Chinese money laundering brokers beckons Mexican cartels like the infamous Sinaloa Cartel and Cartel Jalisco Nueva Generación (CJNG),³⁰ facilitating their evasion of both American and Mexican legitimate banking institutions. Through a complex web of transactions involving wildlife products, real estate, cryptocurrency, casinos, and bulk cash, these brokers manipulate the system, enabling illicit value transfers with audacious precision. Despite efforts at law enforcement cooperation between China and Mexico, the battle against fentanyl trafficking and precursor chemicals for meth and synthetic opioids remains an uphill struggle.³¹

The United States, determined to stem the tide of illegal activities, has struck back with decisive actions. The US Treasury Department and government have wielded the sword of sanctions, targeting a wide array of financial institutions and organizations, including banks, money transfer firms, and casinos. These entities face repercussions for their involvement in aiding the Sinaloa Cartel's colossal movement of drug revenues,³² amounting to billions of dollars. The US government has persistently urged China to take action against websites that unlawfully peddle synthetic opioids to American citizens or Mexican criminal groups.³³

But the allure of the Chinese financial realm extends beyond Mexican cartels. A groundbreaking report from the Financial Times in 2021 exposed a Chinese bank's role in a \$100 million transaction for a Russian oligarch, who not coincidentally, was sanctioned by the United States.³⁴ The US Treasury Department escalated the fight, imposing sanctions on various Chinese financial organizations,³⁵ including banks and brokerages. Their offense? Enabling the processing of vast sums of money for the oligarchs, including transactions designed to evade sanctions. Recognizing the gravity of the situation, the US administration took decisive action in March 2022, forging ahead to expand cooperation with the Chinese government in the fight against financial crimes.³⁶

Shockingly, evidence also emerges connecting the Chinese to unexpected clients—the Taliban.³⁷ The United Nations Security Council's declaration in 2021 revealed that the Taliban amassed an estimated \$1 billion in funds during 2020,³⁸ primarily through drug trafficking and other criminal enterprises. Adding to the intrigue, the Financial Times unveiled a Chinese bank's involvement in substantial transactions for a Taliban-affiliated entity.³⁹

As the web of connections unfolds, another dark association comes to light, i.e. with the Islamic State (ISIS). In 2015, the US Treasury Department blacklisted four Chinese individuals and businesses for providing financial assistance to ISIS.⁴⁰ This troubling revelation prompted the Financial Action Task Force (FATF) to designate China in 2019 as a "jurisdiction with strategic AML/CFT deficiencies," signalling the urgent need for action against money laundering and terrorist financing. In 2019, the FATF, the Eurasian Group and the Asia-Pacific Group (APG) assessed the effectiveness of China's measures to combat money laundering and terrorist financing, published as China - Follow-up report 2021,⁴¹ and their compliance with FATF Recommendations. In the Technical Compliance Ratings, the FATF found China 'Non-Compliant (NC)' towards several of its recommendations as stated below:

- i. R.7 - Targeted financial sanctions related to proliferation
- ii. R.22 - DNFBPs: Customer due diligence
- iii. R.24 - Transparency and beneficial ownership of legal persons
- iv. R.25 - Transparency and beneficial ownership of legal arrangements
- v. R.28 - Regulation and supervision of DNFBPs (Designated Non-Financial or Banking Professions)

In the same report, for China's system effectiveness, where the ratings reflect the extent to which a country's AML/CFT measures are effective. The assessment is conducted on the basis of 11 immediate outcomes 'IO', which represent key goals that an effective AML/CFT system should achieve. China has no High-Level Effectiveness 'HE', and Low-Level Effectiveness 'LE' for the following:

i. IO4 - Financial institutions and DNFBPs adequately apply AML/CFT preventive measures commensurate with their risks and report suspicious transactions.

ii. IO5 - Legal persons and arrangements are prevented from misuse for money laundering or terrorist financing, and information on their beneficial ownership is available to competent authorities without impediments.

iii. IO10 - Terrorists, terrorist organisations and terrorist financiers are prevented from raising, moving and using funds, and from abusing the NPO sector.

iv. IO11 - Persons and entities involved in the proliferation of weapons of mass destruction are prevented from raising, moving and using funds, consistent with the relevant UNSCRs.

The list of Chinese clients with questionable affiliations continues, to be associated with Specially Designated Nationals and Blocked Persons (SDNs) for their role in aiding financial transactions related to crimes such as weapon proliferation. In 2019, the US Treasury Department fined the Bank of Kunlun for violating US sanctions against Iran.⁴² The Bank is controlled by the financial arm of Chinese state energy group CNPC [CNPC.UL] that the bank had processed millions of dollars in transactions for Iranian entities that were subject to US sanctions. In 2019, the US Department of Justice indicted the Bank of China for laundering money for North Korea. The indictment alleged that the bank had processed billions of dollars in transactions for North Korean entities that were subject to US sanctions.⁴³

In 2011, the Bank of East Asia (BEA), a Chinese financial institution, faced United Nations Security Council sanctions for facilitating transactions with Somali pirates (sanctions lifted in 2013). The Treasury Department found that BEA had processed millions of dollars in transactions for businesses that were linked to Somali pirates. This included handling wire transfers, including ransom payments. Notably, the Chinese government entered into a fishing agreement with Somalia in 2019, granting Chinese fishing vessels permission to operate in Somali waters up to 24 nautical miles from the coast.⁴⁴ Local reports allege that these activities received tacit approval from organized pirating gangs in agreement with the Chinese government agencies in exchange for weaponry, equipment, and a banking system to launder their proceeds through ransom payments, extortion, and the selling of firearms and stolen items.

Hand in glove: Government, Conglomerates, Banks and Laundering groups

Money laundering is a major problem in the People's Republic of China (PRC). The National Defence Authorization Act, signed into law on January 1, 2021, directs the US Treasury to conduct a study on the scope and impact of illicit finance risk linked to the PRC and Chinese enterprises.⁴⁵ The Panama Papers uncovered several offshore shell firms owned or related to Chinese people and corporations, including that of Chinese President Xi Jinping's brother-in-law, Deng Jiagui, who is a co-owner of a British Virgin Islands-registered real estate company.⁴⁶ The extradition of former Chinese official Qiao Jianjun from Sweden to Los Angeles in September 2021 highlights the participation of Chinese government officials in a money-laundering plot.⁴⁷ He laundered 200 million yuan (USD 29 million or 26 million euros) in fraudulent transaction profits through Chinese, Hong Kong, and Singapore institutions.⁴⁸ Five directors of the Industrial and Commercial Bank of China (ICBC), the PRC's largest bank in terms of assets, were detained in Madrid in 2016 for failing to comply with money laundering regulations.⁴⁹ The fact that one of China's state-owned commercial banks, the Bank of China (BOC),⁵⁰ was accused of laundering money by running a scheme for Chinese individuals participating in investment emigration programmes in other countries to move cash offshore hints at the depth of the iniquity. The BOC kept the "You Hui Tong" programme secret because it 'knew it was unlawful.'⁵¹

Western prosecutors are struggling to acquire information about the money trail, which appears to vanish once it enters the Chinese mainland financial system. The fact that state-owned Chinese banks are being probed in Europe creates a direct conflict of interest for governments and calls into question China's concept of data privacy. Chinese firms like ZTE and Huawei were intentionally sending US products to sanctioned countries.⁵² Huawei, the Chinese telecom corporation currently accused of spying in the US, was discovered using a shell company situated in Mauritius to circumvent Iran sanctions.^{53 54} Money laundering has been consistently ignored by Chinese officials. State-owned banks are also involved in the laundering of illicit money.⁵⁵ Chinese banks have also been linked to North Korean sanctions evasion operations.⁵⁶ More than 130 Chinese firms with a total worth of more than USD 1 trillion and murky accounting practises have been discovered to be listed on US stock markets.⁵⁷ This poses huge hazards to unwary American investors who invest in US-listed Chinese enterprises. With an extra 1 trillion yuan coming via money laundering routes each year, China plainly has a big money laundering problem.⁵⁸ This malignancy grows as the globe's exposure to China grows, as Chinese criminal organisations exploit the world through trade-based schemes, like as large-scale commercial shipping linkages between the West and China.⁵⁹ Abuse of all trades, including sugar, scrap metal, bulk, and high-value commodities.⁶⁰

Chinese money laundering and PRC official participation has been a global problem, with varied degrees of impact on several nations. There have been reports of Chinese money being related to illegal operations. Concerns have been raised in the United States, Australia, and Canada regarding Chinese investment and money laundering in areas such as real estate, casinos, and political donations, where monies of doubtful origin have been used to acquire property.⁶¹ In 2020, Malaysia witnessed the high-profile 1MDB crisis, in which billions of dollars were reportedly taken from a public investment fund.⁶² Cambodia and Laos raised worries in Asia over Chinese money laundering and illegal operations in its casino.⁶³ Money laundering problems have arisen in Sri Lanka as a result of Chinese involvement in infrastructure projects such as the Hambantota Port,⁶⁴ which has involved financial crime and syphoning of cash. This has created worries about transparency and financial integrity. Chinese investment in Myanmar's resource-rich industries, such as mining and hydropower, was discovered to be plagued with the Chinese money-laundering network.⁶⁵ With Pakistan, the Chinese financial system has been proven to be involved in paying military high brass and laundering their monies to the west through the China-Pakistan Economic Corridor (CPEC).⁶⁶

Revelations on Chinese Money Laundering: A Call to Action

In the ever-evolving landscape of global finance, concerns surrounding Chinese money laundering practices have captured the attention of international organizations. The Financial Action Task Force (FATF) raised alarm bells as early as 2019, identifying flaws in China's anti-money laundering (AML) and counter-terrorist financing (CTF) systems.⁶⁷ Of particular concern was the operational independence of China's financial intelligence unit, highlighting a "lack of understanding" among Chinese financial and non-financial institutions regarding the risks associated with money laundering and terrorist financing.⁶⁸

Regrettably, the FATF's worries seemed to go unheeded, as the Chinese agenda for money laundering and illicit financial activities persisted. In stark contrast, the United States took decisive action by unveiling its National Strategy for Combating Terrorist and Other Illicit Financing, aiming to enhance and modernize its AML/CFT framework.⁶⁹ As tensions heightened amidst trade wars and violations of US economic sanctions and export controls on Iran, the prospect of China being added to the FATF's grey list due to inadequate AML effectiveness loomed large, potentially forcing China into a reckoning.

The US Office of Foreign Assets Control (OFAC) responded by designating several Chinese financial organizations and individuals as Specially Designated Nationals (SDNs), making it illegal for US citizens to engage in business with them.⁷⁰ Offering recommendations to US financial institutions regarding the risks of money laundering and terrorism financing associated with China, the OFAC emphasized the importance of international cooperation in investigating and prosecuting Chinese money launderers.

In 2020, the OFAC's crackdown intensified as they sanctioned two Chinese citizens and several Chinese firms for their involvement in a money laundering conspiracy that exploited shell companies and cryptocurrencies, laundering over \$100 million in proceeds from corruption and other crimes.⁷¹ These measures formed part of a broader campaign to combat Chinese money laundering and financial crime, resulting in a significant impact on the money laundering landscape in China.

The European Union (EU) also joined the fight against Chinese money laundering, imposing sanctions as part of its comprehensive approach, the EU implemented the Anti-Money Laundering Directive (AMLD) 4, which mandates enhanced due diligence (EDD) on customers from China,⁷² recognized as a high-risk jurisdiction.⁷³ Financial institutions in the EU received warnings and guidance on the risks associated with money laundering and terrorism financing linked to China. While efforts to establish an AML/CTF cooperation memorandum faltered in 2016, subsequent instances of money laundering prompted the EU to issue warnings in 2017 and 2018 about the use of shell companies and EU financial institutions for money laundering purposes by Chinese nationals involved in corruption and other crimes. As a result of these collective actions, it was projected that money laundering through EU financial institutions will decrease by 15% by 2020.⁷⁴

Further emphasizing the gravity of the situation, the United Nations Security Council (UNSC) has deemed Chinese money laundering a "serious threat" to the global financial system. The UNSC's Panel of Experts on Money Laundering, Terrorist Financing, and the Proliferation of Weapons of Mass Destruction (CTED) identified China as a "major centre" for money laundering, highlighting the vulnerability of the country's financial system to exploitation by criminal elements. Disturbingly, Chinese banks have also been implicated in laundering money for North Korea⁷⁵ and other nations. In response, the UN Security Council passed a resolution in 2022,⁷⁶ urging China to take action and encouraging its international efforts to prevent money laundering.

Staying Ahead: Unleashing the Power of global monitoring against Money Laundering

Under mounting pressure from the global financial mechanism, Chinese banking system and government are now compelled to meticulously trace the sources of funds and thoroughly investigate the backgrounds of shareholders and management and report it to the involved international law enforcement authorities. Recognizing the urgency and global impact of the sanctions and subsequent effects on the trade, the People's Republic of China (PRC) government is showing to have escalated its efforts to combat money laundering and financial terrorism.⁷⁷ These rules have been internally reported enforced rigorously, imposing significant fines on those found in violation.

By proactively uncovering connections among individuals, bank accounts, and corporations, this advanced approach helps identify and thwart the use of emerging technologies that facilitate illicit activities. The PRC government reports that it has recognized the urgency and heightened its efforts to combat money laundering and financial terrorism,⁷⁸ pressuring banks to trace fund sources and thoroughly investigate shareholders and management. However, the underlying possibilities of the government mechanism being involved in these dealings, China remains a significant hub for organized crime-related money laundering, hindered by system opacity, fragmented data access, and persistent underground banking networks, which under the government's wilful negligence has caught more momentum.

The challenge is immense, and the stakes are higher. By international observation, trade sanctions, imposing fortifying regulations, and reinforcing international cooperation, the world can strive towards a global financial system that is resilient against the scourge of money laundering and financial terrorism in jurisdictions like China. The world needs to come together under a unilateral guideline, to forge a future where integrity and trust reign supreme, protecting the stability and prosperity of nations worldwide against this new warfront.

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The Economic Impact of COVID-19 on South Asia and the Way Forward

Abstract:

The COVID-19 pandemic has been recognized as one of the deadliest episodes of human history, which claimed nearly 7 million deaths worldwide. It has also caused an economic slowdown with a significant drop of GDP growth all over the world. This economic crisis today can be compared with the Great Depression of 1930s and the Financial Crisis of 2008-09.

The region of South Asia, which consists of eight developing economies, has suffered immensely during the pandemic. All the major countries of the region including India, Pakistan, Sri Lanka, and Bangladesh have been experiencing a stagnant economic growth in the post COVID-19 years. This paper attempts to analyze the impact of COVID-19 on the economies of South Asia and the post-COVID recovery scenario in the region. As the world economy continues to struggle with a slower growth in the post pandemic period, it is essential for the South Asian countries to come together with a cooperative effort to address the post-COVID-19 stress and strengthen the economy of the region with greater inclusivity and social well-being.

Key Words: Pandemic, COVID-19, Global economy, South Asia, Post-COVID recovery,

Introduction:

The COVID-19 pandemic, often recognized as a global health hazard, caused an economic crisis as severe as the Great Depression of the 1930s (Beirne et al., 2021; Gagnon et al., 2020). The region of South Asia, which includes eight developing economies, suffered immense economic challenges during the pandemic. Like the rest of the world, the pandemic in South Asia was marked by strict travel restrictions, nationwide lockdowns, and other social distancing measures -affecting trade and commerce, production, and services across the region. As a consequence, the South Asian nations suffered significant contractions in GDP, disrupted supply chains, unemployment, and adverse effects on tourism, hospitality, and manufacturing (Rasul et al., 2021). The pandemic not only cost human lives in abundant numbers but also inflicted economic inequality in society, as the poorest section was the worst hit during the period. Even though the pandemic could largely be considered an economic hazard, it also contributed to widening social inequality in the long run (Vitenu-sackey & Barfi, 2021). Vulnerable groups, including the poor, small business owners, low-skill workers, and women in the labor market, had to bear the brunt of COVID-19 because they did not have adequate social safety nets, financial access, and proper health coverage to deal with the pandemic (Beirne et al., 2021).

The post-COVID-19 recovery in the region had to address this inequality with great difficulty as the states fared very poorly in the latest Human Development Indices. Due to its diverse population, South Asia's economic recovery had become a challenge for the governments. This paper attempts to understand the post-COVID-19 economic recovery in South Asia, aiming to analyze the impact of the pandemic on the economies of South Asian nations and to explore effective strategies to address the economic crisis at hand.

The central objective of the research is to comprehend the extent of the economic and financial burden the pandemic has dumped on the South Asian states and to evaluate the policy measures adopted by the governments to tackle the crisis, along with proposed suggestions to foster a speedy and healthy recovery for the region.

The methodology employed to conduct the study is exploratory, with an extensive review of existing literature on the impact of COVID-19 on global economies and the countries of South Asia. The political nature of the South Asian region is heterogeneous, as the countries have different economic structures, governance systems, and diverse histories. Therefore, it will be a challenge to conduct a holistic study to understand the socio-economic development of the region as a whole. Still, it is also an opportunity to bring to the fore the common elements of each country to help foster regional cooperation in South Asia in the post-pandemic era.

As the world economy continues to struggle with slower growth in the post-pandemic period, it is essential for the South Asian countries to come together with a cooperative effort to address the post-COVID-19 stress and strengthen the regional economy with greater inclusivity and social well-being.

Background:

The novel coronavirus was first identified and reported in Wuhan, Hubei Province of China, in December 2019 and spread rapidly across the world within a period of six months. The World Health Organization (WHO) declared the virus (COVID-19) as a global pandemic in March 2020, warning the world of its fast spread and dangerous nature (WHO, 2020b). As per the WHO Coronavirus (COVID-19) Dashboard, 768,560,727 confirmed COVID-19 cases globally and 6,952,522 deaths were reported to the WHO as of July 2023 (WHO, 2020a).

This staggering number hints about the heavy toll the pandemic has taken on human lives for more than three years. With human lives, the pandemic also struck down market confidence and economic activity across the globe. After the Pandemic took over the world at a rapid pace and with the rising fear and uncertainty, global stock markets crashed down heavily. They recorded the worst one-week decline since the Global Financial Crisis (GFC) of 2008 (Song & Zhou, 2020). The pandemic years 2020 and 2021 observed a slower GDP growth rate worldwide. China, the world's second-largest economy, had one of the slowest GDP growth rates in 2020, which in turn contributed to the slower global GDP growth rate in that year (Bagchi et al., n.d.).

The pandemic disrupted the global supply and demand chain and created chaos economically around the world. The International Monetary Fund (IMF) predicted an economic crisis and a global fall in economic growth in the following years. Industrial and factory shutdown in countries like China led to severe contractions in the macroeconomic supply of goods and services. COVID-19 affected the global economy in three significant ways – by directly reducing production around the globe, by disrupting the supply chain and market, and by its stressful impact on firms and markets (Barzani, n.d.). The impact of the pandemic has been exceptional, affecting countries of all sizes, economic structures, and development levels. The pandemic also negatively impacted consumers' and firms' confidence about future financial endeavors because of the extensive uncertainty shock.

The immediate causes of the sharp economic contraction worldwide were the strict nationwide lockdowns, travel restrictions, and closure of non-essential businesses. These sudden moves halted most economic activities and disrupted trade and consumer spending. The sectors that suffered the most during the complete lockdowns were travel and tourism, hospitality, manufacturing, retail, and entertainment. The pandemic forced governments to take up extraordinary and tremendous human budgets to provide healthcare arrangements to tackle quarantine, lockdowns and extensive closures in containing the virus (Bagchi et al., n.d.).

With businesses closing down uncertainly, millions of wage workers working in the formal and informal sectors found themselves unemployed or faced reduced working hours. The pandemic left the informal laborers, daily wage earners, and those in the gig economy in a vulnerable state. The surge in unemployment at the same time added to the strain on social safety nets and accelerated income inequality in most countries.

Due to the pandemic, trade networks went downhill as transportation got disrupted and demand for non-essential goods and services declined. States, dependent on imports for essential goods, including medical necessities and pharmaceuticals, experienced supply shortages throughout the pandemic. The pandemic affected the developed nations as severely as the developing economies. In Europe, sectors like railways, airlines, hotels, pubs, and banks were at the receiving end of the economic chaos. Oil prices crashed during the pandemic when the demand for crude declined extensively, followed by an untimely price war between Russia and Saudi Arabia (Siddiqui, 2020). Global economic recovery began with the coming of vaccines and the reopening of economies. However, the trajectory of recovery and its pace varied across nations depending on their capability of containing the virus, administration of vaccination, and the effectiveness of economic policies.

The South Asian experience:

COVID-19 journeyed to the South Asian region through tourists and students from different parts of the world. Nepal, Sri Lanka, and India reported COVID cases as early as January 2020 whereas the virus was identified in the remaining five nations in February and March 2020 (WHO, 2020a).

Table 1

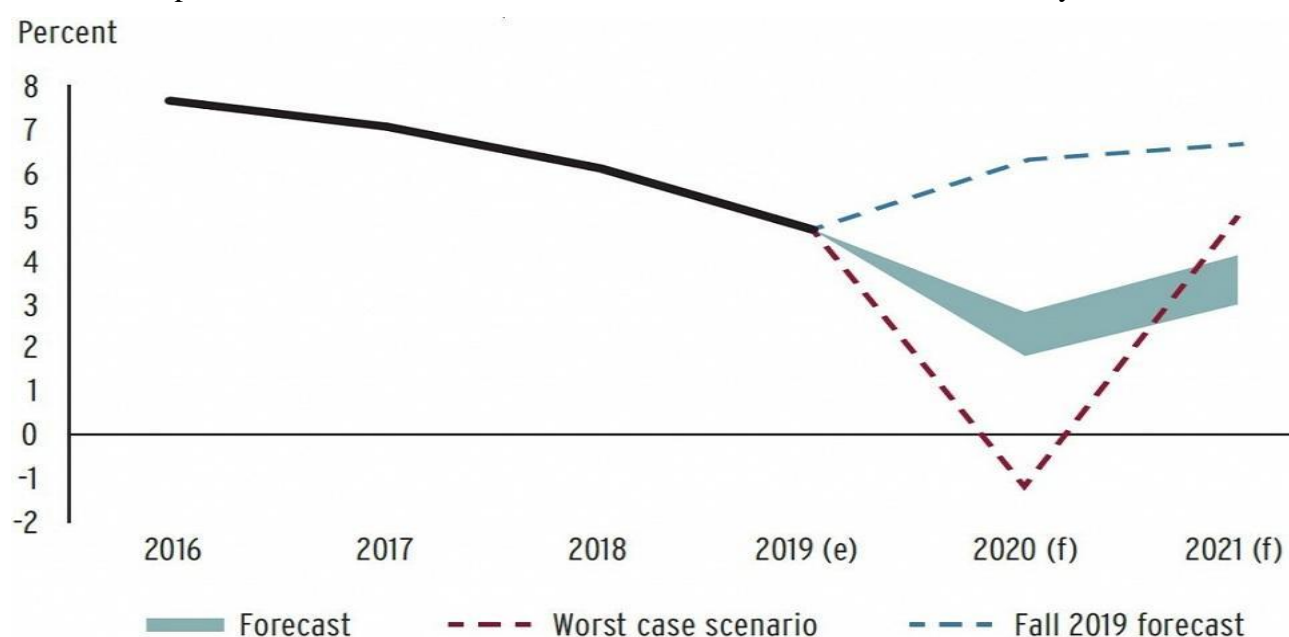
Number of confirmed COVID-19 cases in South Asia as of December 2023 (As reported to the WHO)

SL No.	Country	Confirmed cases	Deaths
1	India	44,995,332	531915
2	Pakistan	1,580,631	30'656
3	Bangladesh	2,044,131	29,469
4	Sri Lanka	672,564	16,880
5	Nepal	1,003, 382	12,031
6	Bhutan	62,690	21
7	Afghanistan	224,057	7933
8	Maldives	186,687	316

Source: WHO Coronavirus (COVID-19) Dashboard

In South Asia, each country had its fair share of economic contractions during the pandemic. Like the rest of the world, the region resorted to nationwide lockdowns to contain the virus, which led to a severe economic hazard. The pandemic affected the region's formal and informal economies as lockdowns in every country created mass unemployment, pushing millions of people to the Below Poverty Line (Younus, 2021). Before the pandemic, the countries of South Asia had a steady growth in the economic sector. In fact, according to The World Bank data, the macro scenario of the per capita GDP of South Asian economies was one of the highest during the period of 2015 to 2019, with India and Bangladesh having the highest per capita GDP growth (Yadav & Iqbal, 2021). India, being the largest economy in the region progressed rapidly with private investment and more lavish consumer spending; Bangladesh was growing through the export of garments; Bhutan, with its clean energy and hydropower reserves; and Nepal, Sri Lanka, and Pakistan, with several economic reforms were on the path of growth (Yadav & Iqbal, 2021). The pandemic put a break on these developments and halted economic growth significantly in the following years.

Graph 1: Economic outlook of the GDP Growth forecast in South Asia by The World



Notes: (e)=estimate; (f)= forecast. Data are in calendar years.

Source: The World Bank, the Economic Impact of COVID-19 on South Asia: 3 Visuals, Reported, 16 April. 2020, Online Available at: <https://blogs.worldbank.org/endpovertyinsouthasia/economic-impact-covid-19-south-asia-3-visuals>

South Asia is one of the most populous regions in the world with a population of nearly 8 billion people and it preserves around 1.7 billion working age population of the world (Bloom & MacKenna, 2015) as cited in (Yadav & Iqbal, 2021). The pandemic caused extensive job losses across the region, particularly in labor-intensive sectors, including manufacturing, construction, and services. Workers in the informal sector, which constitutes a significant portion of the workforce in South Asia, were brought to the streets overnight by the sudden shutdown of work. These workers, most of them migrants, had to return home with no money and job prospects and with a panic about the rapidly spreading virus.

Tourism and hospitality are some of the most significant sectors that the pandemic hampered in South Asia. The region has a thriving tourism industry as some of its states depend on tourism for economic growth like Maldives and Sri Lanka. The travel restrictions impacted hotels, airlines, tour operators, and related businesses. The region reportedly created around 50 million jobs in 2018 in the travel and tourism sector, which boosted the national GDP significantly. In India, the sector employed nearly 43 million people with 9% of the GDP; in Pakistan, it was 7% of the GDP, and in Nepal, around 8% of the GDP with nearly 1 million people employed (Rasul et al., 2021). South Asia contributes handsomely to the global supply chain, with many countries being significant exporters of textiles, garments, electronics, and other goods and services. Disruption in production and transportation had a serious effect on the global supply chain. The lockdown measures adopted by the states in line with WHO suggestions resulted in a tremendous drop in regional consumption rates and investment motives, along with a serious reduction of business and vacation travel, supply-side production, and demand-side shocks creating an anxious environment in trade and production linkages (Khan et al., 2022). The pandemic discouraged exports and imports of food in different parts of the region, which led to a distressing price drop of farm products because of which local farmers had to give away their hard-earned harvest and products at very cheap prices (Rasul et al., 2021).

The governments had to invest a tremendous amount of their budgets on healthcare and infrastructure to improve medical facilities, equipment, testing, and vaccination drive which further extended the financial burden of the region. Each country invested early in rapid testing technology. India and Sri Lanka focused mostly on limiting human mobility with strict quarantine norms and even used local police forces to help achieve this goal; Pakistan went with a “Smart localized lockdown”, Bangladesh formed a six-pillar plan with the help of its army and followed WHO’s recommendations relating to lockdown;. At the same time, Nepal had a somewhat undefined plan of action, both the Maldives and Bhutan emphasized on economic support and stability starting from the early stage of the pandemic (Irfan et al., 2023).

The paper “Socio-Economic Implications of COVID-19 Pandemic in South Asia: Emerging Risks and Growing Challenges” (Rasul et al., 2021) discusses some major socio-economic impacts that South Asia faced because of the pandemic, which includes- declining GDP growth in the region with one of the worst economic performances in 40 years, declining trade volume, inflation, high fiscal deficits, impact on migration and remittances, losing of jobs in informal sector and MSMEs, inadequate social security coverage, effects on travel and tourism, and impact on agriculture and rural livelihoods.

Post COVID-19 economic scenario in South Asia:

Table 2: Country-wise Real GDP Growth (at constant market prices) of South Asia

Country/Region	Calendar/Fiscal year Basis	2019	2020	2021
South Asia	From January to December	4.1	-14.0	-2.2
Afghanistan	From December to December	3.9	-8.5	-1.0
Maldives	From January to December	5.9	-25.0	3.9
Sri Lanka	From January to December	2.3	-10.0	-0.4
Bangladesh	From July to June	8.1	-5.2	-5.7
Bhutan	From July to June	3.8	-5.9	-4.1
Nepal	From mid-July to mid-June	7.0	-6.2	-5.9
Pakistan	From July to June	1.9	-3.9	-2.5
India	From April to March	4.2	-16.5	-1.8

Source: The World Bank (2020). Adapted from (Yadav & Iqbal, 2021)

“As the gusts of the COVID-19 pandemic quieten, South Asian economies, left fragile and uneven in their recovery, are facing renewed headwinds with high level of inflation, rising fiscal deficits, and deteriorating current account balances are disrupting growth” (XIE, ZOE LEIYU & ZHU, 2022). Even though the anxiety around COVID-19 started to disappear by the end of 2021, it left the economic sector vulnerable for the years to come. Global growth will slow down significantly in 2023 to 2.1% from 3.1% last year before heading for a steady recovery of 2.4% in 2024 (World Bank, 2023). The World Bank predicted slower GDP growth in the years 2021, 2022, 2023, and 2024 across the world, including the South Asian Region (SAR).

In general, the region's GDP has gone downward, with the Maldives experiencing the highest fall, with a sharp decline from 41.7% in 2021 to 5.3% in 2023. Sri Lanka went through an economic disaster with worrying political instability in 2022 and saw a decline with a negative growth rate of -4.3% in 2022 and a slight increase to 1.2% in 2023. Sri Lanka faced a balance of payment crisis, which forced the state to default on external debt of more than 50 billion US dollars in April 2022, which led to economic contractions and high inflation by the end of the year (Wignaraja, 2023). However, the Sri Lankan economy is recovering slowly, with an expected steady growth by 2023 according to IMF forecast. India experienced a decline from 9.1% in 2021 to 6.3% in 2023, with an expected recovery in 2024.

Each country in South Asia resorted to a large-scale vaccination drive to contain the virus. Still, a second wave of infections hit the states in April 2021 and forced the governments to operate new socio-economic restrictions, which put the economic recovery to a complete halt, particularly in India where the second wave created havoc with growing cases and deaths leading to a crisis as severe as the partition of 1947 (Younus, 2021).

The world is currently going through an economic slow-down with the never-ending Russia-Ukraine War which has led to a sudden rise in commodity prices all over the world and a climate crisis that has posed a serious threat to human survival. There is a remarkable drop in energy demand and price rise of most of the commodities all over the world due to the impact of COVID-19 (Priya et al., 2021).

The global economic crisis caused rising inflation in the South Asian region in the post-COVID period. Wheat, cooking oil, and crude oil are some of the commodities that have experienced rapid price rises in all the South Asian states simultaneously. Micro, small, and medium enterprises (MSMEs), which is responsible for nearly 34% of South Asian GDP on average, are at the receiving end of the post covid-19 recovery.

The poor, elderly, and the women remain vulnerable even after the pandemic nearing an end. Therefore, the governments of the region have been trying resiliently to rebuild the economic damages caused by the global pandemic. They have taken several initiatives and implemented policies to restore growth, create employment opportunities, and address socio-economic inequalities brought about by the global pandemic. An extensive vaccination campaign is one of the highlights in South Asia in the last two years. All the states have sought to secure vaccine supplies, administer vaccines efficiently, and raise awareness to increase vaccination among their populations.

Table 3: Number of vaccination doses administered in South Asia as of December 2023

Sl. No.	Country	Vaccination doses administered
1	India	2,206,737,729
2	Pakistan	339,886,942
3	Bangladesh	360,177,584
4	Sri Lanka	40,116,590
5	Nepal	62,086,946
6	Bhutan	2,011,426
7	Afghanistan	20,662,417
8	Maldives	951,764+

Source: WHO Coronavirus (COVID-19) Dashboard

Towards a steady recovery: The way forward

The world has witnessed a rapid change after the COVID-19 pandemic. Today, it is important not to compare the present crisis with previous crises the world had faced while taking economic recovery measures, because the pandemic has come with a double burden of combined demand and supply shock, and the world possesses limited economic tools to deal with it (Fernandes, 2020). The pandemic has exposed the vulnerable healthcare and public health infrastructure of the South Asian states as they were largely unprepared for the global pandemic. India, with the largest population in the region, has had the highest number of COVID-19 cases and confirmed deaths during the pandemic. Therefore, as the region is approaching a healthy recovery, the first step for the governments would be to strengthen their healthcare system with updated medical equipment and infrastructure and to increase the availability of vaccines and essential medical supplies everywhere. Robust growth in healthcare will have a positive impact on faster economic recovery in the region.

In all parts of the world, the pandemic has targeted the most vulnerable communities with a lack of access to healthcare facilities, including migrant workers, refugees, stateless persons, indigenous populations, and people living in poverty who have no access to water, sanitation and proper housing arrangements, women, the elderly, and children (United Nations, 2020). In South Asia, this population category was most exposed to economic vulnerabilities during and after the global pandemic. Therefore, the region's governments should adopt specific policies to uplift these vulnerable groups, such as targeted social safety nets, cash transfers, and food security programs. India, the largest economy in South Asia, has introduced a financial incentive worth 1.7 trillion rupees during the pandemic period to provide monetary help to the poor families of the country (Islam et al., 2020). In Pakistan, due to the enormous job losses, the country would have to provide a minimum income to every family for their survival; in Bangladesh, the government would have to create job opportunities in different sectors as a million people lost their jobs during the pandemic;

In Afghanistan, as the country has the largest oil industry in the world, the first step towards recovery would be to deal with the falling crude oil prices due to the pandemic; in Maldives, as the economy is dependent on tourism, the government needs to invest a higher proportion of their budgets in rebuilding the tourism sector (Islam et al., 2020). Access to education, healthcare and social services can also help reduce socio-economic inequalities and help in achieving an inclusive recovery in the region.

South Asian economies are heavily reliant on tourism, manufacturing and services. The governments in the region can take measures to boost international and domestic tourism by providing monetary incentives. They can assist struggling businesses financially and promote investments in innovation and technology. The Indian government's "Make in India" initiative could contribute significantly. Investing in infrastructure projects can act as an economic stimulus while enhancing long-term growth prospects. South Asian countries can prioritize infrastructure development in transportation, energy, telecommunications, and digital connectivity.

Poverty alleviation programs should be a priority in the post-COVID recovery agenda in all the South Asian states. According to World Bank reports, the region had a significant success in reducing extreme poverty almost to half during the last decade before the pandemic from 500 million poor people in 2000 to almost less than 250 million in 2017 (Hellwig, 2023). However, the global pandemic brought a serious halt to these developments, followed by the negative economic consequences of the Russia-Ukraine War (Hellwig, 2023). As per UNESCAP data, The COVID-19 pandemic has created 131.8 million new poor in the region (Yadav & Iqbal, 2021).

One of the key areas to focus on while aspiring for a healthy economic recovery is regional cooperation. This is the best time for the South Asian countries to draw lessons from the past and revive the organization of "SAARC" to promote collaborative economic growth in the region. Strengthening trade ties, reducing trade barriers, and promoting regional value chains can enhance economic integration and diversify export markets. Regional cooperation in public health, disaster management, and infrastructure development can enhance mutual benefits in the long run. The people of South Asia are in need of rigorous policy reforms, both short-term and long-term, from their governments to have a holistic recovery in the post-pandemic period. The states should adopt a people-centric approach to deal with the post-pandemic stress, aiming at sustainable growth with human development.

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Challenges and Scope of Maritime Drone Initiative in India

Abstract:

In recent times the concept of Naval Warfare is changing with the inception of cost effective and economical platforms like AUVs, ROVs, etc. Countries which are major sea powers have started to focus towards underwater systems for surveillance, intelligence gathering and to some extent offensive missions. India being a major player and net security provider of the Indian Ocean Region (IOR) can't stay behind in this race. Unfortunately, not much research and development has taken place in India to create an ecosystem for production of such systems in the past, that too with offensive mission capabilities. Our belligerent northern neighbour China is slowly expanding its activities in the IOR. Hence it is urgently required to create and nurture an ecosystem to design, develop, and operate such systems with futuristic technologies having both offensive & defensive capabilities, thereby removing the existing challenges and reducing the dependency on foreign imports.

Introduction:

The concept of naval warfare and maritime security has seen a dramatic change in the last decade, with important nations conceptualizing and developing underwater drone systems. Major Powers like Russia, USA and China have taken a lead in the development of such systems. Considering the possibility of great power rivalry in the Indo-Pacific in the coming future, and the rise of Chinese naval activities in Indian Ocean Region, it has become absolutely necessary for India to design, develop, manufacture and operate such Maritime Underwater Systems (MUS) to safeguard our oceans and coastlines and to ensure maritime security.

In the last few years, the policy makers and the armed forces have laid down emphasis on the indigenous development of weapons and platforms. In this regard, the Indian Government launched the ambitious 'Atmanirbhar-Bharat' initiative for self-reliance in the defence sector. But there are challenges and limitations which need to be resolved for the success of the MUS initiative. The key questions right now in front of us are: 1) what's the status of indigenization of Maritime Underwater Systems? 2) Do we have an idea about the challenges in the operation of such systems? and 3) Do we have specific visions of what kind of technology and systems our navy needs? This article explores the above aspects briefly.

Current Indigenous MUS programs:

The current status of development of such MUS systems is at a very nascent and underdeveloped stage in India, where hardly any attention was paid earlier to design and develop such systems. In the past, the threat from underwater vehicles was not properly conceptualized by many nations. It was only at the end of the year 2019 that Russia first unveiled such functional systems.

At present, India's private sector is showing some interest in developing such systems, although in a very limited manner. Few notable companies are Larsen and Toubro (L&T), New Space Technology, Mahindra etc.ⁱ L&T has already been at the forefront during the design and development of India's indigenous nuclear submarine INS Arihant. Hence, it's leading from the front in the development of AUV systems. The below mentioned are few notable key developments in India -

L&T is currently developing 3 Autonomous Underwater Vehicles (AUV). The first one is named Adanya. It has been designed in house by L&T. It has a diameter of around 533 mm. and can be fired or launched from a submarine torpedo tube. It can carry both wet and dry payloads and it can perform various multi-missions like mine detection, oceanography etc. It weighs around 1000 kgs and can operate at a depth of around 500 meters, can travel with a maximum speed of 4 knots and has an endurance of 8 hours.ⁱⁱ

The second AUV being developed by L&T is Amogh, which is a third generation AUV. It's being developed under a joint collaboration with an Italian company M/s Edgelab. This AUV weighs around 1000 kgs and is equipped with many state of the art sensors. It has got powerful propulsion and it is capable of hydrography, surveillance and reconnaissance missions. Amogh speed is around 5 knots, operates at a depth of 1000 meters and has an endurance of around 22 hours. Unfortunately, it can't be fired from the torpedo tube of any submarine because its diameter is around 700 mm.ⁱⁱⁱ

The third AUV being developed by L&T is named Maya. At present the technique is not disclosed. It can carry both commercial and scientific payloads. It can operate at depths of 200 meters and can work as an expandable target as well as for inspection purposes. The endurance of Maya is around 6 hours, with a speed of 3 knots. It's a lightweight AUV, weighing around 55 kgs and having a diameter of around 234 mm.^{iv}

The fourth product being developed by L&T is a Remotely Operated Vehicle (ROV), to be used for underwater research. The technique has been provided by National Institute of Ocean Technology (NIOT), Chennai. These types of vessels can dive into the deep sea. The name given is Rosub-6000 which is a class 3 variant and can dive up to 6000 meters. L&T is also developing another class 2 variant ROV named SROV, which can be used for object recovery purposes.^v

The Central Mechanical Engineering Research Institute (CMERI) has successfully developed a prototype of an AUV, named AUV-150 and completed sea trials in March 2017. This prototype can travel at speeds of 4 knots, at depths of around 500 meters and has diameter of around 0.5 meters. It has been primarily designed for oceanography.^{vi}

'Indian National Center for Ocean Information Services' (INCOIS) has successfully tested Slocum (seawater) glider. This glider is a long-range glider, capable of traveling deep inside the sea. It can do missions like wave monitoring and oceanography. With the use of these gliders various information can be gathered from oceans for use in defence, surveillance or any other civilian use application. These gliders travel with the help of buoyancy. The buoyancy of the vehicle is varied to generate propelling thrust. The wings provided in it help it to provide lift and give a forward motion. These can operate with speeds of 10-40 m/s with an endurance of several months.^{vii}

Developmental Challenges:

The present challenges in development of such indigenous MUS are of various kinds, right from research and development, lack of funds, lack of enough production lines, lack of sufficient test beds, absence of support and vision from the Government and Defence Ministry, absence of guidance from the Navy about what kind of systems and requirements they need etc. We have to keep in mind that the present underwater drones being developed by the private or public industry in India are being developed only from the point of view of intelligence gathering, surveillance or research purposes.

The bigger and the most important challenge in front of us is how to develop systems which can carry out defensive or offensive operations under subsurface conditions because other major nations are also progressing faster in developing such systems. Right now, the underwater drones being developed in India are not capable of launching any attack to neutralize any enemy targets like submarines, carrier battle groups, naval ships etc. Whereas Russia and China have already developed such systems.

The Russian marine drone named Poseidon or Status-6 is basically a high-speed torpedo which has autonomous guidance and propulsion and can carry a nuclear warhead.^{viii} Similarly, India's adversary China is reported to have begun work on development of such unmanned underwater drones since 1990's. In the year 2021, China revealed the details of such systems being tested in the Taiwan Strait, which was published in an academic 'Journal of Harbin Engineering University'. In this test, an unloaded torpedo was also fired from such a system which was reported to have hit a simulated submarine target. This test was said to be performed in the year 2010, implying how powerful nations are secretly doing research and development keeping in mind the needs of the future warfare.^{ix}

At present none of the system's being developed by Indian private sector industries or DRDO have given any presentation to develop such drones capable of performing offensive tasks. The next challenge is in the 'C4 domain', wherein we are still lagging behind in developing the 'Command, Control, Communication & Computer' aspects of these systems. We need to develop the entire ecosystem of how, where and who will control these systems once developed since right now they are being operated mostly by remote navigation for a very short duration and distance. Additionally, there is also a lack of proper manufacturing capacity in our shipbuilding industry at present which are designed only for naval ship and submarine production. The manpower in these shipyards is not trained properly and lack technical skills.

Technological Challenges:

In future, the challenges for developing and deployment of such underwater drones will also be very complicated. Basically, how an underwater drone will perform any offensive or defensive operation will primarily be dependent upon certain key factors, namely, its propulsion systems, stealth features, navigation and guidance systems, weapon firing features etc. All the above key factors are also correlated. For example, in the case of a propulsion system, if the future need is to have more speed, then there will be an increase in the sound generation underwater coming from the engine installed and that will affect the stealth features of the drone.

If the drone is to be used in the form of an underwater loitering munition independently at a greater depth, then its warhead design will have to be installed with a seeker to track its target which will increase its load capacity, which in turn will require additional thrust from the propulsion system. We all know that as we go deeper by 10 meters inside water, the pressure rises by 1 bar which affects the speed and propulsion accordingly.

Regarding the submarine launched Unmanned Underwater Vehicles (UUV) of larger dimensions carrying various payloads or equipments; we have to keep in mind issues while launching it from a submarine. The first way to launch such a UUV is when the submarine is brought to a particular depth, near the sea surface; the UUV can be launched from a tower attached to the sail of the submarine. The issue here will be that the submarine has to come to the surface to launch which will compromise its position if its operating in enemy territory. Another disadvantage will be that the submarine will need to be modified to attach a mast.

The second way to launch the UUV is by launching it at a depth of 20-30 meters where the drone will be packed inside a canister. When the submarine will release this canister, due to the weight it will rise up and then open to eject the drone which being lightweight and powered by a battery will come to the surface. To maintain stability, a 'float-collar' will be provided, which will maintain the rate of climb and the water draughts present will provide stabilization. The challenge here will be how to modify the dimensions of the launch tube of the submarine which are positioned vertically since the diameter will become lesser with the addition of canister.

The third way to launch the UUV will be through launching it from the torpedo tubes of the submarine. Here also the drone will be packed inside a canister. For this type of launch, any particular depth can be chosen, but for communication the submarine has to rise to an appropriate depth. In this type of launch mechanism, the driving mechanism for UUV tube also needs to be provided. The challenge here is to modify and alter the dimensions of the torpedo tubes since there will be high probability of the mismatch in the diameter of the torpedo tubes and the diameter of the UUV.

Earlier we have already seen challenges in the Indian Navy's process of installation of Air Independent Propulsion (AIP) where the AIP installation has been stalled due to lack of enough operational prototype submarines for testing and they have been postponed till the next refit. A similar kind of scenario may develop in the modification of the launch tubes of submarines.

Future Scope & Recommendations:

Even though the underwater drone ecosystem is very new and not mature in India at present, a determined approach and strong vision is required to make sure the future of maritime underwater systems is bright and strong. It's only when new ideas and initiatives are conceptualized, then only the required platform can be designed or developed. Without any futuristic visions, no nation can progress in developing its own weapon systems and will always rely on foreign imports. The below are few important areas we need to focus upon-

As technology changes in the future, so will the weapon systems. In future, the propulsion systems of such AUVs will be nuclear powered. At present only Russia is reported to have developed such a nuclear-powered underwater drone named Poseidon. We need to focus towards developing such nuclear-powered marine engines, which can propel such AUVs. This will increase the stealth as well as the endurance of AUVs. Already we have built a nuclear-powered submarine Arihant with little bit of help from Russia.

The design of such a small miniaturized nuclear reactor to be used in an AUV will be a mammoth challenge. So, to achieve that, a lot of investment needs to be put into research. For that the research institutions should collaborate and work in mission mode to build a prototype. If required, a 'Special Purpose Vehicle' (SPV) model should be created to start research and development with help of institutions like DRDO, CSIR, BARC, etc. This same SPV model has been created for development of fighter engines for our indigenous 'AMCA' program.

For small dimension AUVs, more research test beds to study their characteristics should be developed and for this purpose, the use of rivers and other water bodies can be considered an option. Simulated environment similar to the seas can be created using artificial means and that can act as test beds. This will probably help reduce the burden of research establishments to wait for suitable arrangements from the navy for their test and data analysis purposes. This will also encourage 'Micro, Small and Medium Enterprises' (MSMEs) and public and private academic institutions to test their products or prototypes without any hassles like regulatory approvals, bureaucratic approvals etc. in these facilities.

The use of depth charge in anti-submarine warfare (ASW) has been done traditionally. It will also make our ASW operations more potent when we can use these AUVs tipped with powerful explosives and payloads to be used as a depth charge. They can be released vertically downwards, with help of their navigation systems, from ships or subsurface vehicles and can prove to be very lethal. If a propulsion system is used to send it vertically downwards towards the submarine, then it will reach the required depth at a very faster speed with lesser time, making the enemy submarine vulnerable. Additionally, they can also be designed and customized to be dropped from our 'P8i Poseidon' aircrafts used by the Indian Navy for ASW operations in the IOR region.

Our research institutions should also pay attention towards in-house development of other forms of MUS like unmanned underwater 'wave gliders'. The 'wave gliders' are those robotic entities that can swim in the sea surface in submerged conditions for long distances in autonomous mode or via controlled mode. The power required to run these kinds of robots is through solar panels. This platform primarily contains 2 elements. First is called 'Float', which is at the surface and through Float, a second element of a submersible platform is attached through an umbilical cable. The 2nd element, submerged in the sea, contains many fins. These fins automatically move, but if we desire higher speed, then a thruster can also be attached to the submersible platform inside the sea.

In normal conditions the fins are more than enough to propel the entity due to sea currents or wave motion. The power requirement of the thruster is through an umbilical cord attached to the solar panel. The wave glider modular platform includes a powerful computing environment, multiple configurable sensor modules, solar modules, and battery pack for real time communication. An additional arrangement can be made for towed sonobuoy, various towed sonar arrays, or any other towed payload. These wave gliders can travel at speeds of 3-4 knots. They can have an endurance of 3-4 months since power is generated through solar panels. Primarily the navy can use these platforms for surveillance, and in minesweeping operations. As far as solar connection is concerned, 192 watts power can be used. For communication, C-Band and Wi-Fi and satellite communication can be provided.^x The Indigenous development of these gliders can reduce our dependence of imports in future.^{xi}

The transition of an underwater drone into a weapon like a cruise missile is a dynamic, futuristic and a challenging concept. Right now, we are developing submarine launched cruise missiles. These are designed to be launched horizontally from submarine torpedo tubes. But underwater drones can be also developed into a cruise missile provided we master the technique of changing the propulsion of the drone system from a vehicle under the sea medium to a missile in the air medium. Naturally the drag and resistance inside the sea is higher than in air. Hence the speed of underwater drones is a bit slower in water than in air. So basically, when the drone detects a target, like any ship, it can come to the surface and release fin or wing-like structure.

If the propulsion can transform & increase, the wings can automatically generate enough lift to transform the drone like a cruise missile which can be used as an anti-ship weapon. The drone head can be fitted with Radio-Frequency (RF) seekers for anti-ship operations and Electro-Optical (EO) seekers for land attack operations. Additional use of higher-grade technology like Digital Scene Matching Area Correlation (DSMAC), Artificial-Intelligence (AI) and GPS navigation can be used to reach the target. This will also enable the drones to operate under night conditions. All this will be a remarkable breakthrough in naval warfare.

The participation and collaboration of academic institutions with 'Public and Private Research Institutes' and industries should be increased and encouraged. There is immense opportunity for our youth to contribute towards issues of national security. Latest example being the development of AUV Matsya by students and researchers from 'Indian Institute of Technology Bombay'^{xii} and AUV Black Pearl being developed by students of 'Mahindra Ecole Centrale'.^{xiii}

Conclusion:

The above brief analysis shows that there is still a lot of scope and requirement of research and development in India to make India self-reliant in areas of development of underwater drones, specially those with offensive capacities. Therefore, with suitable and urgent adaptation of innovative and bold out of the box thinking and policies the corresponding challenges can be tackled. Finally, it has to be resolved that Underwater drones aren't be a platform to be imported for a nation like India.

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Geopolitics of Terrorism and It's Rising Threat

October 07, 2023 can be considered as a major turning point in the world of terrorism, when Hamas [Harakat al-Muqawama al-Islamiya] aka the 'Islamic Resistance Movement' attacked Israel. For the first few hours Hamas terrorists rampaged through the border territory that separates the Gaza strip from Israel and carried out atrocities against humanity through their targeting of civilians, killing over 1200 and kidnapping 248 in this initial attack. Hamas adheres to an extreme ideology of Islamic terrorism blended with Palestinian nationalism that gives a veneer of legitimacy in the Arab world while being dedicated to the destruction of Israel; and its preferred methods to achieve dominance include rocket attacks, random shootings, kidnappings and suicide bombings. However, since Hamas has not been designated as a terrorist organization by the United Nations, it receives constant funding from Qatar and Iran that allows it to build grassroot support among the Palestinians in Gaza, while constantly upgrading its military capacity.

Qatar has been regularly accused of allowing financiers of terrorism and the leaders of terrorist organizations to live and operate freely within their country. According to U.S. Treasury for Terrorism and Financial Intelligence recent statement, "There are U.S and internationally designated terrorist financiers in Qatar that have not been acted against by Qatari authorities". Qatar's response to these allegations are that, 'Qatar does not consider those organizations to be terrorists'. The reality is that Qatar is the prominent terrorist financier and safe sanctuary provider to Hamas; and today while a devastating war is raging in the Gaza strip, Hamas leaders Ismail Haniyeh (Political Bureau Chief), Salih al-Aruri (Deputy Chief), and Yahya al-Sinwar (Gaza Political Bureau Chief) are directing the war from the safety and luxury of their Qatar based homes. "Qatari finance" is synonymous with the funding of global terrorism and one of its effects is the current Hamas-Israel war.

Besides Iran; which provides funding, weapons, training, coordination, direction, and more to support Hamas terror activities, Qatar is Hamas's largest political and financial patron. Qatar's publicly reported annual support to Hamas ranges from \$120 million to \$480 million depending on the year and information source. These funds benefit Hamas leaders directly through payroll and kickback schemes and indirectly through social services and government operations that help Hamas maintain political control over Gaza. All the while, Qatar's state-sponsored media channel, Al-Jazeera, spreads antisemitism, hatred towards the western countries, and incitement to violence throughout the Arab world.

Going backwards in time, it was on 15 August 2021, that the Taliban marched into Kabul and took over Afghanistan as the U.S. military and its allies hastily evacuated that country. This victory of the Taliban over the great Western powers was a major morale boost to every terrorist organization across the globe. Regardless of the Doha accord that was brokered by Qatar between the Taliban and USA; the consensus between all terrorist organizations is that the Taliban won a protracted 20-years war against the Western military might and most importantly that the modern military of the western powers could be defeated. In the West, there is a growing consensus that Afghanistan has become a center of terrorist activities that is already affecting the neighboring regions, with terrorists' groups having greater freedom of activities without any hindrance from the de-facto administrators of that country. The influence of the Taliban is today an integral part of the global Islamist terrorist narrative, while it is Qatar that leads the efforts to become the global mediator between the Taliban and the West, having allowed the Taliban to open a political office in Doha in 2013. With a UN visa ban and the UN General Assembly's rejection of the Taliban regime's request to take over Afghanistan's seat at the UN, the Taliban is heavily reliant on the Qatari government's political assistance to conduct global diplomatic activities outside Afghanistan. Beyond this, the Qatar authorities, with the tacit approval of the USA, paid members of the Taliban leadership with monthly stipends worth thousands of dollars, to "help facilitate" peace talks with the West. Taliban officials are also provided luxury vehicles, free health care, free food and freedom to decide Taliban policy in Afghanistan from the comfort of their Qatar based homes.

Since retaking control of Afghanistan, the Taliban has transformed the schools into religious madrassas (Islamic schools), where boys are indoctrinated by mullahs in extremist ideology that includes hatred for USA, Israel, and Europe. Women are banned from any opportunities of education and employment. Former terrorists from Arab states are tasked with drilling recruits in military training and ideological instructions. Their efforts are focused on producing a new generation of well-trained and radically educated extremists. In this context, Hamas had been the first to congratulate the Taliban on their victory in 2021 and the Hamas leader Ismail Haniyeh, in a telephone conversation with Abdul Ghani Baradar, the deputy Prime Minister of Afghanistan and a senior Taliban leader had stated that “the end of the U.S. occupation was a prelude to the demise of all occupation forces, foremost of which is the Israeli occupation of Palestine”.

Coming to present times, the most surprising part of Hamas’ devastating cross-border attack was its complexity. Rarely in history has a terrorist organization been able to fight from the air, sea, and land; leaving no doubt that members of the Hamas were trained in battle tactics by various experienced terrorists and that a large number of Taliban and other Arab-origin fighters might have been part of the attackers in this operation.

Israeli Prime Minister Netanyahu stated on 12 October that “Hamas is ISIS and Hamas should be treated exactly the way ISIS was treated”. There is no doubt that the 07 October attack was comparable with those of ISIS in the past, in terms of planning and its brutality against unarmed civilians. However, any comparisons between these two terrorists’ organization does miss an important point. Hamas is not affiliated with ISIS, nor is there any history of collaboration between these two. Rather, ISIS is an opponent of Hamas and both consider each other as rivals in the global jihadi movement. It is important to study the positioning of ISIS and al-Qaeda in relation to the Hamas campaign since 07 October and its ongoing military operations. It is also necessary to evaluate the risk of ISIS and al-Qaeda potentially getting involved in this ongoing violence, a desire already expressed by both terrorists’ groups.

The common shared view of all three organizations is that Israel is illegally occupying Muslim lands on its whole state territory and it should be erased as an independent state. Thus, violence against Israeli citizens is considered as commendable and framed as ‘heroic resistance’ against occupation. In this regard, the total rejection of Israel as an independent state corresponds with their severe opposition towards the process of normalization of relationships between Israel and various Arab states in recent years. However, despite the similar views on these issues there is a fundamental disagreement between the two globally oriented terrorist organizations and Hamas, which propagates an Islamic nationalist agenda focused on the Palestinian issue rather than the larger vision of creating a global Islamic caliphate. For al-Qaeda and the ISIS, the desired liberation of Palestine represents a strategic first-step opportunity to unite the world’s Muslims in a global struggle; while for Hamas, the Palestinian struggle is the sole goal. Furthermore, both ISIS and al-Qaeda condemn democracy as an un-Islamic concept, while Hamas has participated in the 2006 legislative elections in the Palestinian territories and has shared elected power with its rival, the Fatah party which is secular, social and democratic in its political beliefs. These decisions at that time were opposed by al-Qaeda, which considered these actions of Hamas as an acceptance of the existing nation-state political process and thereby indirectly accepting and legitimizing the existence of Israel.

Beyond these issues, both al-Qaeda and ISIS have criticized Hamas for its failure to implement Sharia based legislation in Gaza, and for Hamas’s repression of the al-Qaeda-leaning Jaysh al-Ummah and the pro-IS Jama’at Ansar al-Dawla al-Islamiyya fi Bayt al-Maqdis, the Salafi-jihadi factions in Gaza. The dilemma for al-Qaeda and ISIS is that Hamas has been acting as a precursor of Islamic violence in a conflict that bears a huge symbolism for Muslims including the formers very own target audiences. Thus, these two global terrorist organizations are praising the Hamas attack on Israel as an attack on a shared enemy, while also trying to frame this event in-line with their global agenda rather than just a Hamas nationalist vision. While al-Qaeda is attempting to present this latest Hamas attack on Israel as part of the former’s global campaign against the “crusader, Zionist” forces and has called upon Muslims across the world to support the people of Palestine by whatever means possible, including attacks on US targets; ISIS has been cautiously arguing that only by striking all of Israel’s external allies simultaneously, can Israel be fully defeated.

In its ‘al-Naba’ propaganda magazine, in the article “The Road to Jerusalem” it condemns Hamas (never mentioned by name) as a proxy of Shiite Iran and as part of its axis of “resistance.” Hamas’s warfare was not to be considered jihad as it served the interests of the Iranians and their plot for regional domination. “The difference between jihad and resistance is as the difference between truth and falsehood,” the editorial read.

“Whoso allies with those who curse the Prophet’s wives [i.e., the Shia] will never liberate Jerusalem ... and whoso differentiates between the Rejectionists [i.e., the Shia] and the Jews will never liberate Jerusalem ... Indeed, we consider the mujahid who lies in wait for the Rejectionists in Iraq to be closer to Jerusalem than those who show loyalty to the Rejectionists and burnish their image.” The editorial went on to claim that all of the Islamic State’s battles “east and west are in fact steps in the direction of Jerusalem, Mecca, al-Andalus, Baghdad, Damascus, and all other captured Muslim lands.” In other words, it is the Islamic State, and not Hamas, that holds the promise of liberating Jerusalem.

Although, al-Qaeda and ISIS are seeking opportunities to gain an operational foot-hold in the Palestinian areas, to what extent they will be able to do so is unclear. Not only is Hamas opposed to their presence there, but also all states that border Israel and Palestinian territories (Egypt, Lebanon including Hezbollah, Jordan and Syria) are hostile towards them. They also have to contend with the presence of Iran’s various Shi’ite proxy groups in the region, who do not look favorably upon the Wahhabi–Sunni ideology of al-Qaeda and ISIS.

Terrorism has the power to destroy peace processes, dangerously escalate volatile situations and push countries onto the path of long and destructive wars. It is said that “Those who forget their history are condemned to repeat it.” It was an assassin’s bullet in Sarajevo that resulted in World War I and produced 40 million casualties, and it was the 3,000 persons killed in New York on Sept 11, 2001 that launched the U.S. led global war on terror in which an estimated 3.6 to 3.8 million have since perished. This current Hamas-Israel conflict already has ramifications far beyond the Middle-East. This terrorist attack should be ringing alarm bells across the world. Every country has its own enemies who seek an opportunity to exploit that country’s social and political divisiveness, civil distractions and security challenges. Fomenting domestic political violence would be one of the foremost strategies, alongwith cross-border terrorism.

Hamas’s terrorist attack on Israel has significant repercussions on the Ukraine-Russia war. While both Russia and Ukraine are seeking political and diplomatic support from international communities, the Hamas–Israel war is taking global attention and resources away from Ukraine’s war efforts. This change of focus by the global community could lead to a diminished economic and military assistance for that country, even though the USA has reconfirmed that it will maintain military and economic support for Ukraine as its strategic priority. Ukrainian President Zelenskyy was quick to condemn Hamas’s actions in an effort to clearly align his policy with that of the USA’s position of supporting Israel, but at the same time he wants to avoid alienating the Arab world, especially Saudi Arabia.

Russia, as a part of its multi-polar sphere of influence policy has not condemned Hamas directly, and has blamed the policies of the USA for this current Middle-East crisis. Russia has a longstanding relationship with Hamas. By offering to serve as a mediator between Israel and the Palestinians, Russia shows that it is aligning explicitly with the global south, seeking to erode the USA led liberal world order and pushing forth the concept of a growing multipolar world of global politics, calling for a ‘just solution’ to the Palestinian problem, according to the Russian Foreign Ministry. In early December, Russia’s President Putin hosted the President of Iran Ebrahim Raisi in Moscow, where the war in Gaza was discussed alongwith efforts to boost oil prices. Apart from Qatar, Iran provides rockets, arms, ammunition and training to Hamas; and is ready to provide military hardware to Russia for its war in Ukraine, where Russia has is already using Iranian drones extensively.

The two wars of the world; Russia fighting Ukraine, and the Hamas-Israel conflict has pushed up the cost of living across the world and severely diminished the health and well-being of people, specially those mired in poverty. With growing food insecurity, over 258 million people in 58 plus countries are in a food crisis or in a moderate to severe food insecurity. European countries are facing soaring energy prices, leading to a decline in economic growth. There is also the impact on global financial markets. European countries have suffered large losses, with East Europe affected through disrupted trade links and West Europe affected through their ownership investments. There is an opinion that Europe will feel the long-term financial impact of the war more severely than other countries. However, such opinions overlook the fact that the many policies of the West are actually enabling Russia’s war on Ukraine.

Russian imports of high-priority battlefield items, which include micro-electronics, satellite navigation systems and other critical parts which are subject to the Western sanctions imposed on Russia have reached pre-war levels; with the leading suppliers being Intel and Analogue Devices

(semiconductor manufacturers), AMD, Texas Instruments and IBM; all of which are American companies. The EU is equally complicit in ignoring sanctions that it has itself imposed on Russia, importing commodities worth US\$ 195.56 Billion from Russia in 2022. These include oil products, mineral fuels, Iron and Steel, Fertilizers, Precious metals, Inorganic and organic chemicals, Nuclear reactors and boilers, Slag and ash ore, food items, fruits, vegetable products, and a host of other items. Essentially, the EU stands accused of the same activities that it is accusing countries of the global South; supporting the Russian war effort. EU countries are estimated to have spent nearly €5.3bn buying over half of all Russia's LNG during the first seven months of 2023, with Spain and Belgium the second and third largest buyers worldwide. It can be safely assumed that a substantial part of this income by Russia is delivered to Iran for military supplies and Iran in-turn uses part of this income to fund the terrorist organizations Hamas, Hezbollah and the Houthis' of Yemen.

The Gaza-Israel conflict has already led to a tragic loss of lives and is a severe risk to the fragile peace in the middle-east. The economic repercussions of this crisis will depend on the extent and duration of the fighting, the associated geo-political effect and the strong possibility of increased terrorist attacks. From the global economic perspective, energy security is the most important issue. The developing situation might lead to severe supply disruption, particularly if the crisis brings Iran into the war directly, or if the general unrest and terrorist attacks in Iraq reduces the oil production there. Apart from the fact that the Middle-east is a crucial supplier of energy, it is also a key shipping passageway. Whether the hostilities remain confined to Gaza and Israel, or escalates to a direct military confrontation between Israel and Iran; the result will be the same; increased cost of energy supplies, slower economic growth and higher inflation. There is no doubt that West bank and Gaza are affected the most, but the neighboring countries of Egypt, Jordan and Lebanon are already feeling the economic impact. Tourism, which accounts for between 35 ~ 50% of the goods and services exports of this countries' economies is already hard-hit with visitors cancelling travel to this region amid concerns of threat escalation.

The conflict has had a modest impact on energy prices with the oil prices remaining relatively stable and the natural gas prices at slightly elevated levels. The impact on Government Bond yields has been minimal to date and have mostly returned to pre-conflict levels. Despite this, there is a growing uncertainty that is eroding consumer confidence, which could result in a reduced spending and investment. As the war continues, the regional growth could deteriorate as hesitancy starts to affect investment decisions. This crisis would expose the underlying vulnerabilities of fragile economies of countries like Somalia, Sudan and Yemen as borrowing costs rise. There would be a decline in the flow of critical aid as donors refrain from their usual level of contributions and if the aid efforts do not expand to the growing needs. Against this background, any escalation in the Hamas-Israel conflict would have far-reaching ramifications. The economic impact would start affecting the neighboring countries of Iraq, Syria and Jordan with the most impact on trade, tourism and investments. The flow of refugees would increase significantly, adding to the social and fiscal pressures on the countries that receive them and potentially cause a long-term financial distress. Regardless of how this conflict continues, any hope for a stable Middle-East has suffered a set-back, maybe for a long time. Without a doubt, this crisis will reshape the region's future. With an expected acute economic impact and highly elevated risks, pragmatic crisis management and carefully crafted policies will be critical in the short term, to prevent this crisis from causing high levels of uncertainty in the region.

While at war with Ukraine, Russia has to deal with its own internal strife caused by the mercenary group Wagner and the Russian Imperial Movement [RIM]. While the Wagner group is a private military organization that had become the main force of the Russian government's invasion and has been recently designated as a terrorist organization by the EU and USA; RIM is a loose confederation of Russian far-right groups that fight alongside Wagner. Called the 'ultra-patriots', these extreme nationalist imperialist groups insist on conducting a more aggressive military campaign in Ukraine, including the possible use of nuclear weapons. Created in 2002, RIM believes in the revival of the Russian Empire and also that Ukraine is a part of greater Russia. In 2014, the group created a military wing called the Imperial Legion to fight in the conflict zone. It is reported that RIM is actively involved in the fighting in Ukraine alongside the Wagner group. However, while the majority of Wagner's fighters are former prisoners, the RIM forces have military experience and a strong nationalist motivation to participate in the war.

While participating actively in the Ukraine war as part of the Russian government forces, RIM presents itself to be in opposition to the same Russian government, blaming the ruling party and Vladimir Putin personally for ruining the country. Putin's government treats RIM as a potential political threat, due to its strong connections with far-right movements in Europe and especially in Spain; and yet there are close collaborative links between the two for Russia's foreign policy strategies. The Putin government lets RIM exist without a harsh crackdown on Russian territory in exchange for using them as proxies abroad. The purpose of using RIM in the EU is clear, to intimidate Europe and to broadcast the message that support of Ukraine will have consequences.

Ukraine is not without its own mercenary fighters. Their "Azov regiment" is a far-right all volunteer infantry military unit whose 900 odd members are ultra-nationalists and are suspected to be neo-Nazis' who believe in the ideology of white supremacy. The unit was initially formed as a volunteer group in May 2014 out of the ultra-nationalist Patriot of Ukraine gang, and the neo-Nazi Social National Assembly (SNA) groups. Both groups engage in xenophobic and neo-Nazi ideals and have physically assaulted migrants, the Roma community and people opposing their views. The organization was founded by Andriy Biletsky, who has publicly announced that the group's purpose was to 'lead the white races of the world in a final crusade against Semite-led Untermenschen (inferior races led by the Jews). He was elected to Ukraine's parliament in 2014 and was a MP until 2019. The OCHA (United Nations Office of the High Commissioner for Human Rights) have accused the Azov regiment of violating international humanitarian law. The OCHA report details incidents where Azov had entered civilian buildings with force, displaced residents and looted properties. In Donbas region, the Azov are accused of rape and torture of detainees. In 2019, members of the United States Congress had called upon the US State Department to designate Azov as a 'foreign terrorist organization'. Their submissions have been ignored by the Biden administration. There is a wide trans-national support for Azov and Ukraine has emerged as a new hub for battle-field training for far-right groups across the world. Outside Ukraine, Azov is the central magnet for a network of extremists' groups stretching from USA, Europe and all the way to New Zealand, attracting young men who are eager for combat experience. It is estimated that over the last six years, more than 17 thousand foreign fighters from over 50 countries have come to Ukraine for join Azov.

Interestingly, Azov has been recruiting, radicalizing and training American citizens for a long time, which has been confirmed by Christopher Wray, the Director of the FBI (Federal Bureau of Investigation), in his testimony to the U.S. Senate, where he further stated that American white supremacists are traveling abroad to be battle trained. The question that law-enforcement are not asking in the Western countries is that; how does Azov, which was an obscure militia in 2014 become so influential in the global web of far-right extremism? Investigators like Ali Soufan, a former FBI agent and a security consultant in the USA, found that the key to its international growth was its extensive use of the social media, especially Facebook. Apart from offering a place for foreign radicals to study the strategies of war; the Azov movement through its online propaganda, has fueled a global ideology of hate that now inspires more terrorist attacks in the USA than Islamic extremism and is a growing threat throughout the Western world.

The Republic of Bharat (India) has charted its own course during these turbulent times. Bharat has stood firm in its policy of public neutrality towards every country involved in these conflicts, either directly or through the support structure on behalf of the participants. Bharat has consistently called for the "respect for the sovereignty and territorial integrity of states" and for "an immediate cessation of violence and hostilities". It is constantly advising that "dialogue is the only answer to settling differences and disputes". Bharat has ascended to the international stage as a great power without committing to any economic or military alliances that might entangle its progress. This ascent is best guaranteed through the path of peace and goodwill when surrounded by competing power centers that can be leveraged to derive benefits amid their mutual rivalries, while keeping its own interests in mind and without forming any alliances to realize its geopolitical objectives. Essentially, Bharat prefers a multipolar global order that allows it to maneuver between several diverse blocs, exploiting their differences depending on the issues-at-hand, to secure gains for itself while avoiding permanent alignments with anyone.

Bharat is on the front-line in the fight against terrorism. In 2022 – 23, terrorism affected the Union Territory of Jammu and Kashmir (J&K), the northeastern states, and parts of central India. Terrorist groups active in India include Lashkar-e-Tayyiba, Jaish-e-Mohammed, Hizbul Mujahideen, ISIS, al-Qa'ida, Jamaat-ul-Mujahideen, and Jamaat-ul-Mujahideen Bangladesh. Pakistan, especially its army, is the sponsor of cross-border terrorism into India. With the sole exception of ISIS which is funded out of Saudi Arabia and Qatar, all other Wahhabi–Islamic terrorist groups based in Pakistan are constantly funded and sponsored by the Pakistan Army in their constant effort to destabilize the state of Jammu & Kashmir and spread anarchy in other parts of Bharat. The Pakistani sponsored cross-border terrorism takes a high toll on the lives of our Army, Border Patrol and Kashmir police personnel, alongwith loss of lives of civilians. Apart from sponsoring Islamic terrorists against Bharat, Pakistan has restarted its funding and support to the Sikh separatists who are demanding an independent country of Khalistan within the borders of Bharat. Two more countries have joined in to support the Khalistan terrorists who reside within their territories, Canada and the USA.

Canada officially and falsely accused the Bharat government of killing a known Khalistan terrorist who was also an drugs distributor against whom an international arrest warrant was existing for acts of terrorism. The Prime Minister of Canada, instead decided to call this terrorist a Canadian citizen and stated that he was 'just a plumber'. This accusation by the Canadian PM was made in the Canadian parliament, even though there has been no evidence offered by the Canadian government to-date on this issue. Canada has a long history of allowing full freedom of all kinds of activities to terrorists' organizations across the world; to having a presence in that country, raise funding for terrorism and direct terrorist attacks across the world, without any restrictions being imposed by successive Canadian governments. The killing of this specific terrorism-accused took place in Canada, by persons unknown and unidentified till now. What is effectively a murder in Canada has been converted by Canada into a major international embarrassment for itself. The government of Bharat as categorically denied any association with this killing, which the Canadian government refuses to accept. Further, Canada has ignored all public announcements by Khalistan leaders in their own country, calling for the assassination of Bharat's diplomats in Canada, and termed this open threat as 'freedom of expression'. Bharat has responded to Canada's political and diplomatic threats by imposing certain sanctions that are affecting the economies of both countries, but more so of Canada.

An American citizen of Indian origin, who has openly threatened to blow-up Indian owned passenger aircraft and has publicly instructed his fellow Khalistan supporters to kill Bharat's diplomats based in USA, has not been detained or investigated by the US authorities. Conversely, they have accused the Govt of Bharat of conspiring to kill this very terrorist and are investigating this death threat.

The most infamous activity of U.S. was during the mid-1980s when Ronald Reagan was President and US\$34 million were routed by the U.S. National Security Council, with the full support of the Reagan administration to destabilize the government of Nicaragua. The 'Iran – Contra' affair, as it was called in subsequent investigations facilitated the illegal sales of arms to Iran. Using secret, non-appropriated funds, the U.S. Govt started to deliver arms to Iran in the hope of releasing American hostages held by Hezbollah. The profits from these sales were then diverted to the Contras, a group of rebels fighting against their own government. To increase the level of funding to the Contras, the U.S. authorities led by the CIA (U.S. Central Intelligence Agency) helped the Contras to set-up a cocaine trafficking operation that allowed for the clandestine import of drug shipments into California and its distribution on the west coast of USA. The CIA operatives were also accused of the kidnapping and murder of a DEA (U.S. Drug Enforcement Authority) agent Enrique Camarena, because he became a threat to this covert operation by the CIA. (Please refer the book: Dark Alliance – the CIA, the Contras and the Crack Cocaine Explosion by journalist Gary Webb).

In February 1998, the then U.S. President Bill Clinton's envoy to the Balkans described the Kosovo Liberation Army [KLA] as a "terrorist group"; quite forgetting the recorded fact that the U.S. CIA had funded, trained and supplied arms to the same KLA in the prior years. The KLA has been accused of crimes against humanity, trafficking of human organs, and wanton killing of Serbs and fellow ethnic Albanians.

After the terrorist attack on 09 September 2001 on New York and the Pentagon (popularly known as the 9/11 attacks), the USA launched the ‘War on Terror’, a vague definition for violent revenge against weak countries. This violence was justified by a presidential memorandum of 07 February 2002, that authorized U.S. interrogators of prisoners captured during the War in Afghanistan to deny these prisoners the basic human rights protections required by the Geneva Conventions, basically authorizing war crimes against civilian populations. The terrorist activities and human rights violations by the United States of America can be defined by the singular existence of the Guantanamo Bay detention center, a symbol of human torture and indefinite detention without trial of people who are “assumed” to have been terrorists or associated with terrorism. 21 years after the opening of an offshore detention facility specifically designed to evade the rule of law, the US government continues to detain 35 men inside the Guantánamo Bay detention camp. The United Nations Human Rights office has defined this as an “Ugly chapter of unrelenting human rights violations”; and yet, not one country, nor the United Nations is willing to sanction the USA for its cruelty towards civilians and innocent people.

Since March 2011, the USA has provided extensive lethal arms aid to Syrian groups; notably the Jaysh al-Islam, Ahrar al-Sham and the Southern Front. The U.S. government has provided military aid to the radical Islamist group ‘Nour al-Din al-Zenki’ accused of many crimes against humanity.

The world is today mired in regional conflicts that have negative global effects. The two ongoing wars, the US-China trade war, and the rising potential for a conflict over Taiwan, shows that the world is today in a state of constant disruptions, and that multipolar geopolitics will drive the economic outcomes across regions. We can expect the financially rich countries of the world to impose global policies that will assist their economic growth, perhaps at the cost of poorer nations, which will increase the divide between the countries of the global south and the affluent global north. As the world moves towards a period of higher instability and more complexity, there could be monetary volatility and higher inflation, perhaps leading to a reduction in globalization and lesser boost in productivity.

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Analysing India's Step Towards Drone and Underwater Warfare

Abstract:

This review paper provides a comprehensive analysis of India's strategic advancements in the domain of drone and underwater warfare. As the world witnesses a paradigm shift in military technologies and tactics, India has been actively pursuing innovative approaches to bolster its national security. This paper explores India's evolving drone capabilities, encompassing both unmanned aerial vehicles (UAVs) and autonomous ground vehicles (AGVs), and its burgeoning expertise in underwater warfare, including submarine technology and underwater drones. We examine India's strategic imperatives, technological developments, operational challenges, and regional implications in these critical defense domains. The paper underscores the significance of India's endeavors in shaping the future of warfare and offers insights into the nation's evolving role on the global stage.

Keywords: India, Drone Warfare, Underwater Warfare, Military Technology, National Security and Strategic Advancements.

Introduction:

With growing technological development and artificial intelligence, there is also growing terrorism and crimes. It goes without saying that man-controlled machines will be used to wage future battles. Humans may be eliminated from dangerous operations and battlefields by technology. In fact, the majority of the fighting may be carried out by machines under human supervision. Although that is yet a ways off, there are already some hints of it in the here and now.

Having been astounded by the deadly potential of drones in the air, ships all over the world are now considering the immense advantages of having autonomous underwater vehicles. Consider an underwater unmanned combat vehicle that is as deadly as any submarine and doesn't require you to supply it with food, water, or air. An underwater unmanned vehicle (UUV) can be thought of as a submarine with a mind of its own.

Recently, an Iranian drone attacked a ship that was previously owned by Zodiac Maritime, a business controlled by an Israeli millionaire. There were no recorded injuries and the ship only received minor damage. But when an explosive-equipped drone attacked an Iranian tanker in April while it was passing near the Syrian coast, a fire broke out, and at least three people—including two crew members—were murdered. According to the Syrian Oil Ministry, an Israeli drone attack caused the tanker to catch fire, and the pro-Damascus al-Mayadeen TV verified this information. Israel was thought to be responsible for the attack, but the Israeli military chose not to respond.¹

Armed US unmanned aerial vehicles (UAVs), sometimes known as drones in common parlance, are already fighting in conflict zones in Afghanistan, Iraq, Libya, and Yemen under the supervision of controllers stationed hundreds or even thousands of miles away. Unmanned Combat Aerial Vehicles (UCAVs), such as the MQ1 Predator and MQ9 Reapers, have killed dozens of Taliban warlords. In fact, the prospect of getting such drones has air forces all over the world jubilant since it eliminates the dangers of utilising highly modern fighter planes flown by pilots, such as pilot loss or capture and loss of the jets' incredibly expensive weaponry. Additionally, UCAVs have a lower radar signature than fighters or bombers.²

Virtually every nation with a military production system worth the name has entered the race with UCAVs, with the Russians with their Okhotnik and the Israelis with their Elbit Hermes 450 closely following in the footsteps of the US. As a matter of fact, the Chinese are now regarded as industry leaders because of the success of CAIG Wing Loong, which is a popular purchase.³

In order to perform tasks related to intelligence, surveillance, and reconnaissance (ISR), anti-submarine warfare (ASW), and mine-countermeasures (MCM), the Indian Navy is also interested in purchasing high endurance unmanned underwater vehicles.

In order to acquire autonomous underwater vehicles (AUVs) or underwater drones with dual observation and strike capabilities, the Ministry of Defence (MoD) started a preliminary acquisition process in June 2022. Real-time images and "improved submarine situational awareness" are further goals of the Defence Research and Development Organisation (DRDO).

India's Need for Drones and UUVs:

The majority of blue and green water navies are quickly adopting drones as important equipment. Unmanned aerial and undersea vehicles (UAVs & UUVs) are among them. They can do ISR (intelligence, surveillance, and reconnaissance), SAR (search and rescue), target acquisition, and precision strikes, among other tasks. Drone stealth, maneuverability, and lethality will rise in the future years with the use of developing technology like artificial intelligence (AI), hyperspectral imaging (HIS), advanced robotics, etc.

Drones can have a number of benefits over large naval warships like frigates, destroyers, and corvettes. They do not encounter the traditional "sitting duck" problem, to start. Second, they lessen the possibility of collateral damage to property and human life. Third, they move quickly, change directions quickly, and attack quickly. Fourthly, as output is increased, they become less expensive since their assembly line requires less capital. Fifth, they can play a role in both anti-access/area denial (A2/AD) and area dominance (AD) strategies. Due to these considerations, huge swaths of the high seas may be monitored and guarded at comparatively modest acquisition and operating expenses, thus increasing the returns on investment (RoI).

With a 6.8% share of the total UAV transfers or deliveries reported worldwide in 2020, India is the third largest importer of military-grade drones, according to the Stockholm International Peace Research Institute's (SIPRI) Arms Transfers Database. These drones have primarily focused on ISR.⁴

The armed forces are now able to lease military equipment to lower the original capital cost thanks to new defence procurement regulations that took effect in October 2020. The first service to make use of this clause was the navy. In November 2020, it leased two MQ-9B Sea Guardian drones for ISR from the US Company General Atomics. They were rented for a year with the possibility of an additional year. These flying capabilities, which have a 30-hour endurance and a range of more than 5000 nautical miles, have improved the navy's overall situational awareness and allowed it to monitor "vehicles of interest" in IOR.

Over the past two years, the Navy has exerted significant pressure on the government to buy at least ten sophisticated drones and surveillance systems. More drones, particularly ones with weapons, were also requested by the other two services. 30 MQ-9 Reaper/Predator B drones, 10 for each of the three services, were subsequently selected to be bought. This \$3 billion agreement will probably be signed during the following 2+2 bilateral negotiations. According to recent sources, the US has improved the agreement with India by providing a discount and establishing a maintenance, repair, and overhaul (MRO) centre that will serve all of these American systems in the area.⁵

The Navy is planning to buy remotely operated underwater vehicles (ROUVs) and autonomous underwater vehicles (AUVs) to improve its underwater domain awareness (UDA). To create these platforms, its design wing is actively working with numerous participants in the commercial sector, including L&T. China had previously stationed a fleet of unmanned underwater vehicles (UUVs) called the Sea Wing (Haiyi) glider in the area for naval intelligence reasons. They are frequently seen by fishermen in the area, and Indonesia has taken some of them from its territorial waters.

Larsen & Toubro (L&T) and Bengaluru-based New Space Research & Technologies have signed a memorandum of understanding (MoU) to design and produce "underwater launched UAVs" under the DRDO's Technology Development Fund programme. According to public sources, the underwater drone developed by L&T-New Space Research & Technologies will initially be used "exclusively for surveillance purposes" and is known as Amogh.⁶

Countering China's Presence in the IOR:

In recent decades, Indian near-seas have seen Chinese warships and nuclear submarines. Additionally, the Indian strategic community has encouraged the government to accelerate the Navy's modernization because of the Chinese fishing militia and the rising number of CCP (N) Research Vessels that have been spotted in the area.

In order to further the Chinese Communist Party's strategic goal of expanding the geographical reach and lethality of the PLA Navy's blue-water submarine fleet, China is conducting deep seabed survey activities with the intention of extracting natural resources and gathering oceanographic data.

Deep bed surveys provide the PLA Navy with oceanographic data on the “bottom contours, water temperature, salinity”, and other aspects of what the Chinese refer to as the "ocean battle-space environment."

Pressure on New Delhi is being increased by China's aggressive submarine and ship deployment in the Indian Ocean region and the advancement of the One Belt and Road Initiative. A significant historical example of Beijing's interventionist territorial and marine policies was its seizure of the Paracel Islands in 1974. Fear of Chinese expansion in the region is growing as a result of operations to militarise the Tibetan Plateau, naval access through the One Belt and Road Initiative, improvement of high-altitude airfields supporting PLA Air Force operations, and modernization of road and rail networks. China has a strategic, military, and geopolitical interest in the Indian Ocean region.

The goal is always to acquire information and draw in the surrounding nations in the Indian Ocean Region. Increased naval drills, active participation in the seizure of South China Sea Islands, and an oceanographic data collection study of the island states all signal a paradigm shift in Beijing's interests. The main marine advantage strategy used by countries is maritime surveillance. China's "debt-trap-diplomacy" has proven successful in luring countries like Sri Lanka, which once sided with New Delhi, in order to establish control over naval operations in the Indian Ocean region.

China's entry into the Indian Ocean Region is marked by monitoring, apart from the naval fleets, Beijing's strategic sway over neighbouring nations makes it challenging for New Delhi to escape Chinese meddling in any region. There have also been reports of underwater exploration and monitoring in Colombo. The Indian Navy believed that a Chinese submarine that was discovered in the waters close to the Colombo Port in 2014 was searching the ocean floor for minerals and resources.

In the year 2004, a Memorandum of Understanding was signed between China and Seychelles and investments were made in Colombo based projects to build Chinese military and surveillance facilities. Significant port expansions and facilities in Pakistan, Bangladesh, and Burma as well as maritime linkages to Maldives, Seychelles, and Mauritius are undeniable signs that the String of Pearls is fusing with the region's economic and military power.⁷

Due to Beijing's ability to expand its investment into Africa and the Indo-Pacific region and the practicality of starting survey projects, this programme gives China a significant competitive advantage over the West and the Subcontinent. Since 1990, a similar strategy has been used to mobilise African states to speak out against US policy at the UN General Assembly. The "One China Policy" provided the clout to diplomatically sever links between African nations and Taiwan and built an international consensus, which ultimately proved to be a political and strategic roadblock for Taiwan's fight for independence.⁸

The One China Policy is having a parallel resonance with the current endeavours in the Indian Ocean Region, including China's adventure in the Bay of Bengal and close to the Andaman and Nicobar Islands.

Drone and submarine operations by the Chinese Navy (PLAN) are increasing. These strong gliders' data collection goals serve as a barometer for China's regional growth strategy. Despite the use of actual military assets, the recovery of the drones indicates how Chinese policy is playing out in the IOR, and expeditionary naval capacity shows the growing strategic danger that has been there since 2008.

If used properly, the strategic ramifications of the Indian Ocean Region are extensive. Trade routes and control over territorial sovereignty may be governed by the marine strategy in the area. The "Sea-Control" plan will have the twin benefit of enabling the usage of the sea in accordance with the intended defence and economic benefit metrics. In terms of IOR, Chinese underwater drones have been able to close the strategic information gap.

The response from New Delhi should concentrate on two parallel goals. India's diplomatic and strategic presence in IOR and the South China Sea dispute will achieve its objective of supporting its bilateral relations and establishing a counter-presence to PLAN while increasing its naval presence and naval exercises as well as military and strategic developments in neighbouring countries. To ensure its maritime security in the IOR and stop China's expanding surveillance efforts, New Delhi needs to maintain a robust, sensible, and diplomatic presence. The multilateral strategy may be the solution for successfully combating the Chinese narrative throughout Asia and Southeast Asia.

Conclusion:

USVs, UUVs, and NUAS can operate autonomously or under remote control. The latter uses sophisticated cameras and sensors as well as heavy use of artificial intelligence (AI), which is essential for tasks like autonomous navigation and the recognition and avoidance of obstacles. Though all three can be built to carry a payload of weapons and be used to attack enemy warships, they have primarily been employed for intelligence, surveillance, and reconnaissance (ISR) up to this point. These unmanned vessels are used for oceanographic and hydrographic surveys as well as non-military purposes. While unmanned aerial vehicles (drones) and USVs feature computer software and artificial intelligence (AI) connected to cargo requirements, power and propulsion, hull design, and communications, drones and UAVs also carry sensors, target designators, transmitters, GPS, autopilot systems, and AI technologies.

According to Naval News, which cited a document from the Indian Ministry of Defence, the Indian Navy is interested in purchasing up to 12 XLUUVs. The prototype is anticipated to be available by 2025. The country is pursuing the armed platform as a result of a delay in the purchase of six locally produced diesel-electric submarines with air-independent propulsion technology.⁹

The Indian Navy is the most technologically advanced force and is regarded as a significant security role in the Indian Ocean region. India has been employing next generation platforms with cutting edge technologies to combat the new threats in the nearby seas.

It is not beyond the realm of possibilities that drones themselves may act as weapons in the form of anti-drone devices. This might be accomplished by commandeering unknown drones, gaining command of them, and directing them to collide with other drones or even crash them via non-kinetic methods.

On an additional level, several nations are considering converting surface warships into "drone mother ships" that can deploy unmanned maritime assets at important places after being launched and recovered. In order for Motherships to operate ahead of the fleet and serve as the typical "naval" scouts to warn of the enemy's arrival, the core concept of "drone Mothership" is "coordinated and controlled autonomy." They might also serve as the local area's command and control for several maritime drones. However, human intervention, i.e., humans, will determine whether to use lethal force in the case of armed drones.¹⁰

Military leaders are becoming more concerned about counter-drone technologies as a result of an increase in "security breach incidences" and the possibility of small, weaponized drone swarms being used in combat. Even more modest fleets are searching for these technologies because they are eager to obtain them. At least two businesses have joined the market as a result of Israel's success in counter-drone technologies. Israel Aerospace Industries produces Drone Guard, a drone detection and disruption technology that has been available since 2016, while Elbit technology created ReDrone, a counter-drone device that specialises in hacking and redirecting drones.

The navies may deploy sensors floating or tethered to the seabed for extended periods of time, and they may use underwater blimps and drones in swarms. These can be placed in advantageous positions underwater and can wait until their prey approaches them. The same is true for autonomous anomaly detection on a variety of subsea operations using an autonomous underwater drone or ROV equipped with sensors and artificial intelligence components.

The Indian Navy is in an unusual situation. Major changes are being seen in the complexity and kind of dangers that are emerging in the Indian Ocean. IOR, which is a component of the Indo-Pacific region, is quickly emerging as a crucial arena for great power struggle and war. However, in order to prepare for these new strategic realities, the navy is also receiving the least portion of the defence budget. After Galwan, New Delhi's attention has once more turned to its land boundaries, at least temporarily. Building drone combat capabilities offers one solution to the problem in this case, albeit to a limited extent.¹¹

The INS Nireekshak, which provides diving support, is one of the resources available to the Indian Navy for use in underwater operations. Additionally, it has Deep Sea Submergence Vehicles (DSSVs) for submarine rescue as well as a Deep Submergence Rescue Vehicle (DSRV) that can be used for other specific tasks besides submarine rescue.

The Hydrographic Survey ship INS Sarvekshak, intended for the underwater survey, is another option. The AUVs that will be launched by the DRDO-developed system at INS Sagardhwani are still unknown. An AUV prototype was created by DRDO in 2015, however it is still only being used for research. The Indian Navy has submarines for its underwater defensive capabilities, although this weapon is the weakest because it only has 3–4 modern submarines in addition to submarines from the 1980s.

In the dynamic regional marine security environment, India's maritime security and economic growth require a strong UUV capabilities. As a result, the Naval Unmanned Roadmap will serve as a guide for the future and an impetus for all interested parties to work together to establish the ecosystem for developing and using these platforms. Foreign-made underwater drones will probably be used until domestic alternatives are developed.

The navy is being urged to purchase autonomous underwater vehicles (AUV) from domestic industry, with potential US participation, due to maritime security challenges in the Indian Ocean, humanitarian missions, and a gradual march towards enhancing its blue-water navy function. UUVs/AUVs also make a desirable asset in the hands of the navy given India's extensive coastline, marine commercial interests in the Indian Ocean, and serious dangers from terrorism and smuggling.

However, the Navy is at a turning point. It can continue down the same route into the future, mostly relying on tried-and-true skills that have been valuable for the past 50 years. Alternately, it can use quickly developing technology to create a quite different fleet in order to tackle what are expected to be very different challenges in the future while relying relatively less on traditional forces.

In other words, if the nation's navy is to leap into a bigger future, it is likely that it will embrace an iconic image from its history, the aircraft carrier, only this time it would have both assets which are both manned and unmanned.

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Engagement of China and Russia in Latin America - A Comparison

After the end of the Cold War, a vibrant and resource rich region, Latin America opened its horizons in engaging various countries of the world. During the 20th century, the United States regarded Latin America as its strategic sphere of influence and drawing from the Monroe Doctrine (US Department of State 2023), disallowed other nations to play a key role. In the era of globalization, Latin American countries opened in creating active partnerships and diversifying their foreign relations. In this context, it would be important to highlight the roles of China and Russia in Latin America and their various points of engagement. The approaches of China and Russia have certain commonalities such as deepening their economic and strategic engagement and countering the United States in its vicinity. The differences are in terms of levels of engagement, such as China's engagement is mostly economic in nature while Russia seeks a more strategic aspect to its relations with Latin America.

China aims to deepen its political and strategic ties in addition to advancing its economic goals. In response to US actions in the Taiwan Straits and the Indo-Pacific area, China may potentially aim to oppose the US in its neighbourhood. It wants to separate Taiwan from Latin America on a diplomatic level. China recently inked a Free Trade Agreement (FTA) with Ecuador, opened diplomatic ties with Honduras, and reached out to Colombia. It came to an arrangement to settle payments for trade transactions in Yuan with Bolivia, Brazil, and Argentina. Additionally, it restated support for Argentina's Islas Malvinas claims.

Russia in the current situation seeks to diversify its export and import basket, focussing on Latin America and seeks support in the light of the Ukraine crisis. Except for the Bahamas, Latin American nations have not placed sanctions on Russia. Despite promises from the West to strengthen their arsenals in exchange for military support, nations like Chile, Brazil, and Peru declined to transfer arms to Ukraine. From the standpoint of the Latin American nations, the area aims to diversify its foreign and commercial ties while maintaining access to a steady supply of fertiliser and fuel. Thus, relations between Latin America, China and Russia remain unaffected.

China and its engagement with Latin America

As a rising power, China is active in the Latin American region and poses challenges to the prevalence of the United States. It has adopted measures which while being predominantly economic in nature, includes other areas. Since the 1970s (Chen 2021) with economic modernization and increasing diplomatic recognition, China turned towards Latin America with certain specific interests. Primarily, it focussed on the region's vast resources and sought to capture its market, which would ensure a steady supply of raw materials for its burgeoning industries and possibilities to export products. China's interests also encompassed diplomatically restricting Taiwan, which would enable it to isolate it and counter the United States and gain a strong strategic presence.

In 2008 and 2016 (Xinhua 2016) it published two white papers delineating its strategy of engagement with Latin America. Its main focus was on economic partnership and investments in raw materials and strategic resources such as lithium. In 2017 Beijing introduced the BRI (Belt and Road Initiative) to the region which has participation from 22 Latin American countries (Myers 2022). In terms of economic engagement, it secures access to raw materials and exports a wide array of commodities such as mechanical and electronic goods, integrated circuits and data processors. While its economic engagement began in a modest way, today China is a leading economic partner to the region. In 2000 for instance bilateral trade was US\$ 12 billion which increased to US\$ 480 billion in 2022 (Roy 2023). In the same year while Latin America exported goods worth US\$ 184 billion, China exported products worth US\$ 265 billion (Albright 2023). China's trade with the region witnessed a 5 percent increase in the earlier half of 2023 (Xinhua 2023) and 18 percent of Latin America's global trade is with China (The Economist 2023). This highlights economic inter-dependency with Latin America being rendered as a provider of raw materials.

Apart from direct trade, China is also a leading lender in the region. In terms of Chinese Overseas Foreign Direct Investments (OFDI), it has invested around US\$ 12 billion in 2022 alone out of which a majority is concentrated in the extractive sector along with manufacturing and energy sector (Roy 2023). On a similar note, Chinese Policy Banks have made substantial investments with Venezuela being the largest recipient of such loans, followed by Brazil and Ecuador. Loans from Policy Banks are directed towards infrastructure and in the energy sector.

China's BRI has been implemented in this region since 2017 and it focusses on enhancing cooperation in areas such as infrastructure, logistics, telecommunications and of late it has begun to focus on renewable energy. Under the BRI US\$4.2 billion has already been invested in various projects such as the creation of a nuclear plant in Argentina, infrastructure building around the Panama Canal, hydroelectric dams in Ecuador and China intends to invest further US\$ 250 billion (Myers 2022) in the next decade under the ambit of the BRI.

However, China's engagement is not limited to the economic realm and over a period of time it has exhibited strategic dimensions. Based on its economic approaches, China seeks to carve a strategic niche in the region as a direct counter to the United States. Broadly, there are aspects ranging from military engagement, and cooperation in space, technology, and telecommunications. It has focused on a series of interactions between military officials of the Peoples' Liberation Army (PLA) and personnel from Latin America. It has conducted military exercises with Peru in 2010, Argentina in 2013 and with the navies of Brazil, Argentina, Chile and Venezuela in 2017 (Creutzfeld 2023). Chinese arms sale in the region has increased over the years, particularly to countries such as Venezuela, Ecuador, Argentina and Mexico. However, one of the most controversial features of such arrangements is China's infiltration with its surveillance technology.

Apart from direct military engagement and sale of armaments, it has also invested in technical cooperation. Research and development, laying focus on the development of clean energy, artificial intelligence and has invested greatly in strategic minerals such as lithium. In terms of space and telecommunications it has engaged countries like Brazil, Bolivia, Argentina and Venezuela. The creation of the China-Brazil Research Satellite, Venezuela Remote Sensing Satellite, the Tupac Katari Satellite of Bolivia and the Espacio Lejano Space Station in Argentina are some prime examples of cooperation in this field (Ellis 2020). Chinese telecommunication companies are active in the region and firms such as Shanghai Alcatel Bell, Huawei and ZTE have established bases for operation.

Besides economic and military engagements, China has adopted diplomatic approaches to enhance its position in the region. China has used its soft power, aside from diplomatic exchanges, to advance its interests in the region and project an image of being a responsible partner. Chinese soft power includes its culture, media outreach, and people-to-people diplomacy (Delgado 2023). China has emphasised its development, presenting itself as a counter to Western ideals and capturing convergences with Latin America.

In Latin America, there are around 44 Confucius Institutes and 18 related organisations; Chinese language is taught in a number of these institutions; and Beijing has provided funding for a number of cultural and educational initiatives. Under the China-CELAC plan, scholarships are given to academics and students; in 2022, almost 6,000 scholarships were given out. China has also made investments in the region's medical diplomacy, tourism, and cross-cultural exchanges (He 2019). China has placed significant importance on cultivating relationships with diverse parts of Latin American society and political organisations when it comes to public outreach. To further Chinese interests, it holds meetings with the assistance of specific organisations. Chinese media outlets that broadcast in vernacular languages include China Daily, Xinhua, and CGTN.

China's diplomatic strategies aim to deepen strategic cooperation, strengthen economic ties, and isolate Taiwan. In addition to bilateral interactions, China participates in multilateral organisations like AIIB, CELAC, OAS, CARICOM, and IADB. In the 1970s and 1980s, ideology dominated the formation of relationships, particularly with administrations that leaned left. Diplomatic contacts have increased since China joined the World Trade Organisation (WTO) in 2001; since 2012, Chinese President Xi Jinping has made eleven trips to the area (Ellis 2022). China then shifted its attention from ideological foundations to strategic and economic ones.

Since 2007, it has succeeded in convincing a number of nations to transfer their diplomatic ties from Taiwan to the People's Republic of China as it works closely with its allies to uphold the "One China" policy. China's economic might and sway are important contributors to these developments. Taiwan now has just Paraguay, Belize, Guatemala, Haiti, St. Vincent and the Grenadines, St. Kitts and Nevis, and St. Lucia as allies after Nicaragua and Honduras became China's newest allies (Ellis 2018). This not only impacts Taiwan, but it also calls into question US dominance in the area.

Despite China's engagement with the region there are certain shortcomings. Even with these extensive economic ties, some areas deserve special attention. Due to their negative effects on the environment, several projects, such as the Ituango Hydroelectric dam in Colombia, the Las Bambas mining operations in Peru, and hydrocarbon exploration in Ecuador and Bolivia, have sparked protests from local and indigenous people. In response, nations like Ecuador, Peru, and Brazil implemented measures like ecological assessment and prior consultation. China has promulgated rules for stakeholder discussions and dialogues aimed at promoting the adoption of environmentally sustainable practices. There are, nevertheless, implementation gaps, and local support for the Chinese projects is still not entirely assured (Koop 2023). Also, there is no incentive for economic diversification because loans and investments are mostly focused in extractive and energy sectors. The Chinese projects have little effect on employment creation as well because they mostly target low-skilled labourers. Furthermore, a number of nations, like Ecuador, Suriname, and Guyana, are financially fragile because China is the primary beneficiary of a sizable amount of their external debt (Myers & Ray 2023).

China's strategic participation in Latin America is not without constraints, though. Despite building deep-water ports and aiming to establish a Joint Military Training Complex in Cuba, China's lack of military outposts is notable (Mural 2018). Access to a wide range of armaments and partners fits well with the military needs of Latin American nations. They do not, however, want to participate in the strategic rivalry between China and the United States. China's influence in Latin America is strategically limited, as seen by its inability to forge deep strategic cooperation such as security pacts.

Russia and its engagement with Latin America

Russia has been actively seeking to strengthen ties with Latin America. In order to demonstrate its global political and economic engagement, get around sanctions, and diversify its supply chains, Russia is looking to rekindle its ties with a number of nations, including Venezuela, Cuba, Nicaragua, and Brazil, in light of the ongoing Ukraine crisis and the economic sanctions imposed by Western nations. To strengthen connections, it has attempted to concentrate on enhancing commerce and strategic cooperation. In an effort to improve ties, Russian Foreign Minister Sergey Lavrov travelled to Brazil, Cuba, Venezuela, and Nicaragua in April 2023. Foreign Minister Lavrov emphasised the need of multipolarity and the continuation of mutually beneficial partnerships throughout his discussions (TASS 2023).

Russia's involvement in the area dates back to the Cold War, when it solidified ties with Cuba and a few other nations. Ideology was a major factor during this time. However, its involvement was curtailed once the Soviet Union fell apart and the Cold War ended, as the newly formed Russian Federation concentrated more on its near vicinity. It changed from its prior ideologically focused participation in the 2000s when it recognised the importance of developing ties through diplomatic, strategic, and economic methods. Since then, its outreach has increased. Russia has excellent economic ties with Brazil, Mexico, Argentina, and Ecuador, but its military and geopolitical ties are stronger with Cuba, Venezuela, and Nicaragua. Russia today exports a significant amount of coal, fertilisers, and petroleum and its by-products, while it imports a sizable number of agricultural products and other raw materials from the area (Rouvinski 2017). It is important to remember that the foundation of the region's ties, especially with Venezuela, Nicaragua, and Cuba, is military and strategic collaboration.

Currently, Brazil, Mexico, and Argentina are Russia's top trading partners, accounting for about US\$12 billion of bilateral commerce with Latin American nations. In 2016, there was around US \$4.3 billion in bilateral commerce; this rise in data can be due to increased trade in fertilisers, agricultural items, machinery, and petroleum products. Fertilisers, iron and steel, and mineral fuels are among Russia's principal exports to the area (Ellis 2022). Brazil, Mexico, Ecuador, and Argentina are Russia's principal trading partners, making for 60% of its exports and 68% of its imports. Conversely, Latin America exports soy, oilseeds, cattle meat, and agricultural products. Although Latin America makes up 2 percent of Russia's overall international trade, in 2022 Russia will make up 0.64 percent of all foreign trade in Latin America. Russia's trading habits with nations in Latin America are quite variable. For example, iron and steel are significant components of commerce between Mexico and Russia, whereas fertilisers play a significant role in bilateral trade between Brazil and Russia (Yana 2023).

Due to its 2012 late arrival into the World trading Organisation and its predominance in its immediate neighbourhood, Russia's trading with the region is restricted in comparison to China. Other reasons for constrained commercial links include logistical problems, physical isolation, and rivalry from nations like China, Japan, and the US.

Russia's overall direct investment in the region does not exceed US \$40 billion until 2022, making it a low investment relative to China and the US. Peru receives US \$15 million in investments from Russia, followed by Ecuador and Brazil with US \$9 million and Colombia with US \$6 million. The majority of these investments are made in industries that extract minerals, oil, and gas. For example, Russian investments in the oil and gas sector in Venezuela, which has the highest proven worldwide oil reserves, total more than US\$ 4 billion by 2022. Russia's energy corporations, including Rosneft, Zarubezhneft, Lukoil, and Gazprom, are involved in the energy industry in nations including Bolivia, Venezuela, and Mexico. Similarly, US\$1.5 billion has been invested by Russia in Ecuador's oil and gas industry (Kuznetsov. A.V. 2023).

Russia has agreements with the Dominican Republic, Chile, Brazil, Paraguay, Cuba, and the Dominican Republic to further cooperation in civilian nuclear energy. As of 2015, Russia has been planning to construct a nuclear power station in Argentina, although it has already finished testing a nuclear reactor for Bolivia that can run at higher altitudes (Pelcastre 2023).

In addition, there are investments in Guyana, Jamaica, Peru, and the automotive, information technology, and aerospace industries. Since 2014, there has been a slow but steady increase in investments in the chemical industry, especially in Brazil, Guyana, and Jamaica; nevertheless, aside from Nicaragua, there is no notable presence in industries like telecommunications.

Russia's military collaboration with several Latin American nations is a key component of its involvement in the area. Russia views the area as a counterbalance to NATO's actions in Europe, which are spearheaded by the US and which it believes are harmful to Russian interests. It is possible to view military cooperation as a venture that helps Russian businesses economically and fosters ties with other nations whose interests diverge from the US's. Notably, Russia has established strong military connections with three main nations: Venezuela, Cuba, and Nicaragua (Farah & Richardson 2022). Russia's overt military actions include joint military drills, equipment upgrades, service contracts, the sale and expansion of military hardware, and the training of military personnel from Latin American nations. Information dominance and cyber capabilities are also included in this.

In addition to these three nations, Russia has also had some interaction with Argentina, Mexico, Peru, and other nations. The total amount of arms sales from Russia in 2022, including equipment upgrades, exceeds \$4 billion USD (Ramani 2021). Russian sales of weaponry in the area include everything from assault rifles and small guns to highly specialised weapons like fighter planes and helicopters. In addition to carrying out naval drills in 2013 and 2018, Russia sent two TU-160 bombers and carried out military drills with Venezuela in 2008. The Russian naval training ship *Perekop* visited Cuba, Nicaragua, and Venezuela in July 2023 to carry out exercises with their respective navies. In order to increase bilateral strategic and military cooperation, the defence ministers of Cuba and Russia met in Moscow in June 2023 (Ellis 2023). Russia also hopes to establish a permanent military presence in Cuba, similar to what happened in Nicaragua, where several Russian military personnel have been enrolled in training programmes since 2014 (MFA 2023).

However, political upheaval in Latin America remains the primary barrier to military cooperation. For example, talks were underway on the transfer of Su-24 fighter aircraft to Argentina; however, the agreement collapsed with the election of Mauricio Macri, a conservative, to the presidency of the Argentine Republic. Similarly, Jair Bolsonaro's administration in Brazil faced challenges in cultivating relations with Russia due to the country's close proximity to Venezuela. Cuba continued to be Moscow's only significant ally, despite the former USSR having diplomatic ties with the majority of the nations in Latin America during the Cold War. Ideology was less important in the post-Cold War era, with a greater emphasis placed on forging alliances with nations that held opposing views to the US. In order to strengthen its position, Russia also seized the chance to interact with nations in the area diplomatically and economically (Tarasenko 2022). Russia's ambitions in Latin America were rekindled in 1997 during a visit by Yevgeny Primakov, the country's foreign minister at the time. Russia steadily increased its engagement with these nations in a more multipolar world, particularly after 2004, in order to establish itself as a geopolitical counterweight to the US.

Bilateral diplomatic ties have been more intense since 2008. Examples of high-level visits that have occurred since 2008 include those to Chile, Cuba, Guatemala, Mexico, and Peru in 2014, and to Cuba, Guatemala, Mexico, and Nicaragua in 2010. The Russian Federation's Concept of Foreign Policy for 2023 mentions a multipolar world and active cooperation between Russia and Latin America as one of its components, building on the 2016 Foreign Policy Concept of Russia's commitment to fortify bilateral relations with partners in Latin America and the Caribbean. Therefore, Russia sees keeping friendly ties in Latin America as a way to broaden its foreign policy relationships and acquire strategic depth close to the US (Green 2023).

Outside of formal diplomatic ties, Russian media outlets like Sputnik and Russia Today are highly involved in the area, providing news and information about Russia and creating narratives that support Moscow and its supporters in Latin America. In the area, Telesur and HispanTV are actively partnered with Russia Today and Sputnik.

Conclusion

It is evident that China and Russia have entrenched their position in Latin America, although in this case China's success is clearer. The Latin American countries, in a bid to recast their foreign policy options look forward in developing relations. For these countries, access to economic benefits is of prime concern, while for Venezuela, Nicaragua and Cuba military and strategic cooperation is also a main theme. Russia's main concerns are related to its gradual international isolation, circumventing West sponsored sanctions and access to the international market. It has stressed more on military and strategic cooperation with Latin America countries and on multipolarity in a bid to diminish the influence of the West. China on the other hand, has adopted a strong economic approach followed by its diplomatic and strategic overtures. In this process, it not only seeks to influence the influence of the United States in Latin America, but also challenges its global presence. China's presence in the region is certainly a cause of concern for the United States. While Russia's major drawback is its inability to engage these countries comprehensively on the basis of economic relations, China's obscure engagements on many counts has at times proved to be a drawback. Latin America's preference is rather restricted to economic and political engagement and diversifying their relations without willing to encamp on any side, in the era of strategic competition.

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