



Delhi Policy Group

Advancing India's Rise as a Leading Power



GLOBAL HORIZONS DECEMBER 2023

Author

Nalin Surie



Volume I, Issue 12

Delhi Policy Group

Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003

www.delhipolicygroup.org



Delhi Policy Group

Advancing India's Rise as a Leading Power

Global Horizons

Vol. I, Issue 12

December 2023

ABOUT US

Founded in 1994, the Delhi Policy Group (DPG) is among India's oldest think tanks with its primary focus on strategic and international issues of critical national interest. DPG is a non-partisan institution and is independently funded by a non-profit Trust. Over past decades, DPG has established itself in both domestic and international circles and is widely recognised today among the top security think tanks of India and of Asia's major powers.

Since 2016, in keeping with India's increasing global profile, DPG has expanded its focus areas to include India's regional and global role and its policies in the Indo-Pacific. In a realist environment, DPG remains mindful of the need to align India's ambitions with matching strategies and capabilities, from diplomatic initiatives to security policy and military modernisation.

At a time of disruptive change in the global order, DPG aims to deliver research based, relevant, reliable and realist policy perspectives to an actively engaged public, both at home and abroad. DPG is deeply committed to the growth of India's national power and purpose, the security and prosperity of the people of India and India's contributions to the global public good. We remain firmly anchored within these foundational principles which have defined DPG since its inception.

Author

Ambassador Nalin Surie, I.F.S. (Retd.), Distinguished Fellow for Diplomacy, Delhi Policy Group

The views expressed in this publication are those of the author and should not be attributed to the Delhi Policy Group as an Institution.

Cover Image:

Prime Minister of India, Narendra Modi, meeting Haitham bin Tarik, Head of State of the Sultanate of Oman at the Hyderabad House, on December 16, 2023. Source: [X/@narendramodi](#)

President of Russia, Vladimir Putin meeting the Crown Prince and Chairman of the Council of Ministers of the Kingdom of Saudi Arabia, Mohammed bin Salman al Saud, at the Al-Yamamah Palace, on December 6, 2023. Source: [President of Russia](#)

Russian Prime Minister Mikhail Mishustin meeting President of China, Xi Jinping, in Beijing, on December 20, 2023. Source: [The Russian Government](#)

© 2023 by the Delhi Policy Group

Delhi Policy Group

Core 5A, 1st Floor,

India Habitat Centre,

Lodhi Road, New Delhi- 110003.

www.delhipolicygroup.org

Global Horizons

December 2023

by

Nalin Surie

Given the state of play on international security and the global order, the feeling of gloom and doom intensified during the month.

The war in Ukraine was increasingly stalemated, with Ukraine's position getting worryingly undermined on account of both internal and external factors, not least the war between Israel and Hamas, domestic politics in the US Congress over critical military aid to Ukraine, incipient fissures among EU partners, and the problems of mobilisation within the country. On the other hand, Russia could arguably claim that its tentacles remain firmly embedded in parts of Ukrainian territory, notwithstanding the vast array of sanctions imposed on it by the West. It is a much larger and resource rich country compared to Ukraine. But it is also hurting, and time will tell whether the ability and willingness of the Russian populace to withstand pain is as strong as it was during World War II.

Post winter, if good sense prevails out of the recognition that neither side is likely to militarily achieve its objectives, resumption of dialogue and diplomacy could offer hope for at least an interim peace settlement. There can be no winners given the confluence of alliances, circumstances and military forces, so both sides may have to swallow a bitter pill. Irrespective, the security situation in Europe will remain unsettled and the trust deficit between Russia and Europe has seriously deepened. The EU Council has invited Ukraine during the month to start the process of EU membership accession negotiations. Reshaping European structures and strategic stability will require a return to the drawing board.

The horrendous Hamas attack on Israel on 07 October has undoubtedly impacted the Ukraine war to the disadvantage of Ukraine. The speculative question is whether this was also an intended objective.

Speculation apart, the reality is that Israel is unwilling to countenance any restraint from any quarter, including the US and Europe, to moderate its all out war, irrespective of the colossal collateral humanitarian losses inflicted on Palestinian civilians, in order to crush Hamas forever both as a military and political force. Release of Israeli hostages still held by Hamas seems to have

taken a back seat in this process. Israel also appears to want to be able to decide who, going forward, will politically govern the West Bank and Gaza.

US support is critical for Israel in its campaign and is forthcoming in this US Presidential election year, notwithstanding efforts to counsel some restraint. The UN has been reduced to being a helpless spectator of Israeli wrath.

Over 20,000 Palestinians, including women and children, have been killed and the humanitarian situation by all independent accounts (and the UN) has reached catastrophic proportions. Israel may be painting itself into a corner that could hurt it in the long term.

Houthi attacks on shipping in the Red Sea in support of Hamas have broadened the dimensions of the crisis in the region, both from the international trade and regional strategic perspectives. The Houthis are seen as proxies of Iran and their attacks are unacceptable to the US, worrisome for the Gulf countries, and a serious obstacle to international trade through the Suez Canal. US forces in the region have already destroyed several Houthi boats that were launching drone attacks on merchant vessels reportedly heading for Israel. The tentative peace in Yemen could be affected and could lead to wider regional dissonance.

Turkey, which is supportive of Hamas, continues to prevaricate on agreeing to Sweden's membership of NATO.

The war in Ukraine, and that between Israel and Hamas, has meant that the bloodshed in Sudan has gone virtually unnoticed. The two military factions seeking control in the ongoing civil war reportedly have the support of different Arab and Gulf nations. This civil war has, according to the UN, led to over 5.8 million IDPs, while 1.5 million Sudanese have fled the country. This out of a population of 48 million. A humanitarian crisis is in the making; the economic situation is perilous. Continued lack of attention by the international community and the UN would exacerbate the political, security and humanitarian situation in a part of Africa that had barely recovered from a major crisis scenario.

In the midst of the various military conflicts, a ray of hope could have been provided at COP28 in Dubai, Abu Dhabi where the international community gathered in huge numbers to move ahead in the war against climate change and global warming, which unless won would lead to calamitous consequences for humankind. Some progress was made, though not to the satisfaction of the island states and the proponents of radical actions, to do away with use of hydrocarbons/fossil fuels. A decision was adopted calling for accelerated short term action and an orderly transition from fossil fuels towards

climate neutral energy systems. This was the first ever COP decision to address fossil fuels. The compromise arrived at reflects the reality of the existing level of use of hydrocarbons/fossil fuels, the realistic phase-out of industries that have grown around that, the technology and finance required to replace hydrocarbons/fossil fuels and the politics, both domestic and international, to ensure that the agreed principle of common but differentiated responsibility is adhered to.

To get the historical polluters to make concessions is an extremely slow and difficult process, but hopefully the journey has begun. Provision of additional financing by the developed world and other major aid givers is the crux of follow up action, and while the wars in Ukraine and other parts of the globe persist, the purse strings will be difficult to loosen.

The operationalisation of the Loss and Damage Fund to assist the most affected developing nations, agreed to at COP 27, was a welcome step in the right direction. The pledges of USD 700 million for the Fund were also a hopeful sign of more to come.

President Putin was active during the month. He paid an official visit to Saudi Arabia on December 6 and a working visit on the same day to the UAE. The next day he received the President of Iran in Moscow. The visit to Riyadh resulted in a detailed joint statement on broad based cooperation going forward. The UAE is reportedly Russia's biggest partner in the Middle East and Gulf region and a major investor in Russia. The Iran-Russia defence partnership continues to grow. The motivation for these visits needs no elaboration given the state of the war in Ukraine, Israel's war against Hamas and the situation in the global energy market. The mutual benefit to the parties involved is clearly manifest.

In China, December is normally a busy month as the leadership charts the course for the next year. This year was no exception, and work conferences led by President Xi were held on economic work and foreign relations. The messaging did not change and China will continue its aggressive drive externally while essentially sticking to economic policies already in place. The latter is considered problematic by many economists who believe that there needs to be a change in course if the middle income country trap, in which the economy seems already stuck, is to be avoided. It is, however, also argued that as growth continues to slow and risks abound, economic and financial collapse can be avoided. The noted specialist on the Chinese economy, Eswar Prasad, has argued that the Chinese government now faces several policy dilemmas and that "the underpinnings of China's growth seem fragile from historical and analytical perspectives. Even if no crises materialise, unfavourable

demographics, high debt levels, and an inefficient financial system will constrain China's growth. Yet, if the government plays its cards right, one could equally well envision a more benign future for the Chinese economy- with moderate growth that is more sustainable from the economic, social and environmental perspective."¹ The question is whether playing the right cards is compatible with Xi Jinping's intention to maintain the iron control of the CPC over China's polity.

On the external front, President Xi visited Vietnam during the month to underline China's determination to further strengthen its periphery and bilateral economic and connectivity ties. That the visit took place after President Biden's visit to Hanoi last September and the upgrading of the U.S.-Vietnam relations to a Comprehensive Strategic Partnership for peace, cooperation and sustainable development was no accident.

As part of the fast growing engagement between China and Russia, Russian Prime Minister Mishustin visited Beijing on December 19-20 for scheduled discussions with his counterpart Li Qian. The focus, according to the Russian side, was on enhancing bilateral trade, economic and investment partnerships, as also to diversify the composition of bilateral trade. Bilateral trade has zoomed (USD 218 billion in the first eleven months of 2023) and over 90 percent of transactions are now reported to be in either roubles or yuan. There are 80 joint ventures entailing an investment of 1.6 trillion yuan.

Mishustin was also received by President Xi, who conveyed to him "maintaining and developing China-Russia relations well is a strategic choice made by both sides based on the fundamental interests of the two peoples." He called for greater cooperation in the economy, trade, energy, connectivity and other sectors and for "jointly maintaining the security and stability of the industrial and supply chains."

There were important developments in the EU's relations with China that may have a bearing on Eurasian arrangements going forward. The 24th EU-China summit was held in Beijing on December 7. In 2023 the two were each other's biggest export destinations, but the balance of trade is heavily in China's favour. 2023 marked the 20th anniversary of their comprehensive strategic partnership but in 2019, on account of China's mercantilist and other offensive policies, the EU unilaterally redefined relations with China as a partner, competitor, and systemic rival. In recent months, in recognition of the intimate economic

¹ Prasad, Eswar. "F&D magazine (IMF)December 2024, page 58."

dependencies created over the years, the EU Commission President has spoken of a de-risking policy towards China as opposed to de-coupling.

President Xi received the President of the EU Council and Commission President and conveyed that China sees the EU as a key partner for economic and trade cooperation, preferred partner for S&T cooperation and a trustworthy partner for industrial and supply chain cooperation. He also conveyed the intention to establish synergy between China's BRI and the EU's Global Gateway program for the benefit of developing countries.

At the conclusion of the visit, EU Council President Michel stressed in his press interaction that the EU team were in China to "promote our values and protect our interests". Progress was made in areas of shared interest and the EU will continue to engage based on transparency, predictability and reciprocity. He stressed that it "was time to make the relationship fairer and more reciprocal." There are indications that on account of its own needs and interests, the EU message was not lost on the Chinese.

In a major development, the EU once again stole a march on the rest of the world by formulating an Act on Artificial Intelligence. (Earlier, it has led on data protection issues.) Provisional agreement was arrived at with the European Parliament early in the month. It has been explained that "the main idea is to regulate AI based on the latter's capacity to cause harm to society following a 'risk based' approach: the higher the risk, the stricter the rules."

As part of Japan's ongoing effort to further strengthen its partnership with ASEAN, the commemorative summit for the 50th year of ASEAN-Japan friendship and cooperation was held in Tokyo on December 16-18. An important joint vision statement was issued on December 17 that has three pillars. First, heart to heart partners across generations. Second, a 16 point partnership for co-creation of the economy and society of the future. And third, a 6 point partnership for peace and stability. An implementation plan has also been adopted. Japan clearly seeks to claw back influence in its critical neighbourhood.

As part of its Africa, Indian Ocean and Gulf outreach policy, India during the month hosted state visits by the President of Kenya (December 4-6) and the Sultan of Oman (December 15-17). Both visits were important and with longstanding partners with whom India has broad based arrangements covering the economy, trade, investment, defense and maritime security, and development cooperation.

With Kenya, a Joint Vision Statement on Maritime cooperation in the IOR was signed, in addition to a Joint Statement on the cross-sectoral development of bilateral relations.

With Oman, with which India partners for maritime security in the western IOR, an India-Oman Joint Vision: a Partnership for the Future, was signed. This covers cooperation in ten areas ranging from energy security to green energy, defence cooperation to disaster management, space to food security. A CEPA with Oman is under discussion.

Both Kenya and Oman host large Indian diasporas that play important roles in their host countries.

India's External Affairs Minister visited Russia from December 25-29. It was an important visit, coming at a very difficult juncture in international relations, and reaffirmed, in the words of the Ministry of External Affairs, that "relations have remained strong and steady, building on the strategic convergences, geopolitical interests and mutually beneficial cooperation" that underlie bilateral relations. It is clear that India will continue to pursue its national and strategic interests and strengthen the forces of multipolarity.

In the new year, the international community faces daunting challenges that can, if not sensibly handled and resolved, lead to grim consequences. Regrettably, lack of statesmanship, and the belief that the world may have changed but the existing bastions of decision makers and their insistence that their value systems must prevail, are at best playing spoilers. At the same time, rising hegemony seek to impose their self-defined vision of a future world as a right. This clash of ideologies and power assertion ignores the reality of global interdependence and the common challenges that threaten the future of humanity. The need for deep rooted reform, based on equality and democratic and open dialogue, has never been greater. Will it take another world conflagration before the old order changes? Hopefully, a more optimistic scenario will prevail.



Delhi Policy Group
Core 5A, 1st Floor,
India Habitat Centre, Lodhi Road
New Delhi - 110003
India

www.delhipolicygroup.org