



India and China in the Emerging Goeconomic Order: Assessing Contestations, Integrations and Competitions in the Global South

PRAJWAL SRINIVAS

STUDENT

AMITY INSTITUTE OF INTERNATIONAL STUDIES

AMITY UNIVERSITY UTTAR PRADESH, NOIDA

Abstract:

This study explores Sino-India goeconomic order in the Global South, focusing on the drivers, examples, and implications of such collaborations. The analysis encompasses three main objectives: firstly, to analyse the drivers of goeconomic collaborations, including economic interdependence, geopolitical realignment, and multilateralism. Secondly, to evaluate examples of goeconomic collaborations in the Global South, such as China's Belt and Road Initiative (BRI), regional trade agreements, and projects funded by regional development banks. Thirdly, to assess the implications of goeconomic collaborations for regional dynamics, including power shifts, geopolitical rebalancing, and socio-economic development. By examining these aspects, this study aims to provide insights into the evolving nature of goeconomic interactions in the Global South and their impact on regional integration and development.

Keywords: Goeconomics, Global South, economic interdependence, Geopolitical realignment, multilateralism, regional dynamics.

CHAPTER 1: INTRODUCTION

Sparke and Moisiu suggest that goeconomics encompasses an array of concepts. It delves into subjects such as neoliberalism, economic nationalism, borderless economic regions, and the strategic economic instruments used in policy formulations and transactions. The constraints of both resources and investment stances heavily influence the environments in which any discussions, on geopolitics are shaped and utilized. In the evolving global economic landscape with shifting of power balance back to Asia, India and China stand as key players from the Global South. Their interactions shape the dynamic multilateral complex goeconomic order, marked by both collaborations and frictions. India and China vie for influence in trade, investment, and infrastructure projects, often competing for elevation and influence at global table through enhancing leadership roles in regional and international forums. Despite contestations, there are instances of integration, such as joint ventures, economic partnerships and climate reflecting shared interests. However, differences in political ideologies and strategic objectives have contained tensions. Understanding these dynamics is crucial for navigating the complexities of the evolving global economic stage and its implications for the collective Global South. There are basically three assumptions are common to most existing studies on economic statecraft and geo-economics:

- (a) states have well-defined geopolitical objectives when using economic policy tools;
- (b) states have geopolitical objectives that either stay the same or change as a result of other major players' countervailing strategies; and
- (c) there will always be a zero-sum geopolitical game resulting from geo-economic activities.

Understanding the Relationship Between India and China in Today's Changing World Economy

Emerging superpowers China and India will put the current international system to the test in the next decades. With their increasing influence, the two powers will inevitably alter the existing international order, which will have far-reaching consequences for America, the globe at large, and themselves. It all boils down to their agreement or disagreement and deliberate policy considerations on the reforms, particularly about their connection to the West, which will shape the system going forward. Differences between the two countries' views on numerous matters of bilateral and global importance become apparent when one compares and contrasts the two countries' views on the building blocks of the new evolving multilateral order. Renowned Chinese scholar Shi also highlights the aspect of China's policy mentioning that China utilizes both "strategic military" and "strategic economic" policy tools. There is a growing emphasis, on the importance of this element in global affairs. China could benefit both sides. Firstly, it may help ease tensions, with neighbouring countries concerned about China's actions. Secondly could

provide alternative approach of strategy and platform, for countries who have been frustrated by the overwhelming influence of the US and the West in institutions such, as the IMF and the World Bank. Currently India seems to be making decisions in the realm of policy by taking economic considerations into account. India is leveraging its policy as a tool to explore opportunities and tackle major economic obstacles.

When it comes to the need to restructure global governance institutions to accommodate the new power dynamic and the significance of state sovereignty, China and India are usually in confluence. Additionally, both superpowers are devoted to the free-market system that has been profitable for their overall growth stories. However, the desynchronization is evident on other aspects of the global system, including military and border kinetics and how state-owned companies should contribute to globalization. Despite their differing agendas, mistrust and drastically different perceptions of danger, China and India share a desire for an Asia-Pacific region free of instability so that their economies may continue to thrive.

Nevertheless, there have been instances when their understanding of its terms has differed. China has long had a leg up in space and has made no secret of the military nature of its space program, whereas India has only just started working on space-based military technologies. Even while both nations are just now starting to tackle the daunting challenge of developing cybersecurity regulations, they have taken steps to restrict unlawful or offensive content on the internet. More public criticism has been directed against India's efforts to find a middle ground between internet freedom and societal stability than at its rival. There is a lot of overlap between the energy and environmental policies of China and India. India and China depend significantly on foreign providers of energy resources due to their increasing domestic energy consumption. Because of this, the governments of the two countries are actively looking for ways to increase power efficiency and solidify their position in international energy markets. When it comes to environmental policy, both nations are concerned mainly with immediate issues that must be balanced with the need for economic development.

The Historic Rise of China and India: A Shift in Global Power Dynamics

An unprecedented geopolitical event is unfolding as China and India both experience rapid economic and political growth. The simultaneous resurgence of two great powers—states with large populations, lengthy and dramatic histories, close geographical and political closeness, and domination of their immediate neighbouring areas—is an incredibly rare occurrence in the global order. So, after centuries of imperial domination, China and India are making a triumphant return to the spotlight, which brings Asian geopolitics full circle to a time when these two nations were among the most important political power centers in the global order following Rome's fall. An impressive illustration of Asia's renaissance on the global arena is the concurrent ascent of these two nations. As a result of China and India's accession to the smaller, early industrializing Asian countries of Japan, South Korea, Taiwan, and Singapore, the West's ability concentration began to deteriorate relative to the East's after WWII. Much of what has brought about their present renaissance is the fruitful integration of China and India into the liberal economic system that was set up and upheld by American dominance in the period after World War II. The merger of these two giants has allowed their economies to expand at amazing rates over the last several decades. Consider China's economy: it has outperformed the first generation of Asian tigers, who ruled from 1960 to 1990, and has even surpassed them. Real annual growth rates in China have been over 9% for the last 30 years or more, with peaks of 13% to 14%. Hence, from 1978 to 2003, China's per capita income increased by almost 6% year, which was four times the global average, quicker than any other Asian nation, and far better than the 1.8% rise in Western Europe and the US. In 2010, China's GDP was about \$10 trillion, propelling the country to the position of world number two in terms of purchasing power parity. Many industry watchers anticipate that China's GDP will overtake the USs in the first half of this century.

Comparing India's Economic Growth with China's: Factors Affecting India's Progress

Neither the intensity nor the duration of China's economic growth have been matched by India's economy yet. The economic changes implemented by New Delhi, which led to India's current development boom, did not commence until the early 1990s, more than ten years subsequent to China's. Because of the inherent contestation in democratic politics in India, the complexity of the country's federal system, the absence of agreement among elites on crucial policy issues, and the continued presence of influential rent-seeking entities, these reforms have been insufficient and unfinished thus far. The Indian economy nonetheless managed a 7.5% growth in the first decade of this century, despite all those negatives. Indian GDP in 2010 was fourth in the world when calculated using purchasing power parity methodologies, and the nation overcame its own historical underperformance to allow per capita income to double nearly every ten years. Contrary to China, whose economy is highly dependent on export markets and foreign investment, India's growth has come mostly from inside the country. This is an intriguing development. After careful consideration, numerous experts have concluded that the country can achieve its goal of sustained double-digit growth through ongoing economic reforms. Because of this, it will be able to surpass China in the next decades, when Beijing's economy slows down as a result of its own demographic shifts. China and India are expected to maintain reasonably high levels of GDP growth for a while, regardless of whether these specific forecasts are fulfilled or not. Throughout history China has experienced economic growth than India. After implementing changes in the 1970s China maintained an impressive 10.1% GDP growth per capita from 1978 to 2001 surpassing India's 7.2% rate. As a result, China's GDP per capita was four times higher than India's by the year 2000.

However there seems to be a shift in this trend. Recent years have shown an uptick in India's growth while China's pace is slowing down. Projections from S&P Global Ratings indicate that India's GDP is expected to reach 7% by 2026 exceeding China's rate of 4.6%. This growth is attributed to factors such, as a workforce and the expansion of the service sector. India's progress is remarkable. We must also consider where they began. China currently has a GDP, per capita compared to India. The extent to which India can narrow this difference hinges, on its capacity to overcome infrastructure challenges and enhance its manufacturing industry. They will solidify their position as global heavyweights by 2030, if not before, thanks to this continuous accumulation of economic strength, which would place them among the top three economies worldwide. China and India are already expanding their political influence and military reach, propelled by the extraordinary economic development they have accomplished thus far. India is expected to become a worldwide power within the next twenty years, while China is rapidly approaching its aim of becoming a significant global power. The development of the international economic system is largely embraced by China and India, whose economies are expected to continue driving global growth for the foreseeable future. Peace on a global scale is in the best interest of both nations as it will allow them to maintain economic consolidation and political stability at home.

However, if past experiences with other rising powers are any indication, it is likely that China and India will seek to gradually alter the international system in order to further their own interests. These interests may differ from the current global order's sustaining hegemon, the

United States. Nonetheless, this does not prove that China and India always work together to counteract the United States. Indeed, there are some recognized goals that both nations share. These include reclaiming their former prominence as influential international actors, creating a world with multiple poles where they are the center, avoiding the expenses associated with contributing to global public goods because their developmental challenges are still too great, and safeguarding their recently achieved independence from outside interference in their domestic affairs.

Even if China and India have similar goals, their approaches to politics couldn't be more different. The distinct political regimes of Beijing and New Delhi, the distinct histories that shaped their emergence as modern states, and the intensifying territorial disputes and geopolitical rivalries between the two capitals all contribute to their divergent behaviours. The relationship between Asia's two major powers, according to one study, "may best be described as one of global collaboration on transnational concerns geostrategic rivalry at the regional level in the shape of rising economic interaction and in certain instances bilateral competition." The prevalent opinion about the contrast in Sino-Indian relations is largely captured by this statement: Although the two nations' economies are becoming more interdependent, there is still a strong bilateral competition and a general convergence on transnational concerns. The kind and intended level of change in the evolving international system are affected by the question of whether the two emerging powers have reached a genuine consensus on global order or whether it just serves to mask their significant disagreements. Understanding the perspectives of these two rising powers on a range of global order concerns is, then, of the utmost importance. This knowledge would show how at ease they are with the current system and give us hints as to how they would try to change it when they had the power to do so.

Prioritizing sovereignty is crucial while both governments are still engaged in significant statebuilding initiatives. When it comes to the internal affairs of developing nations, both Beijing and New Delhi typically reject Western-led initiatives. A further possible danger that China and India have identified, is the growing influence of people and civil society at the cost of the state. Both countries have serious misgivings about international rules that try to control domestic policymaking by national leaders and about non-governmental organizations (NGOs) inside their own countries for reasons related to their perceived ties to foreign powers. On top of that, they are wary of the new technology developments, such those in cyberspace and social media.

The two countries, China and India, both feel underrepresented in important international organizations and want for a larger role in world politics. While India stresses about permanent member of the UN Security Council, subsequently China isn't represented in international financial organizations. Indicative of their perceived inadequacy to shoulder the responsibilities of increased global leadership, they further emphasize the need of strengthening their internal capacity to generate people who can successfully represent them internationally. Put simply, the writers argue that India and China have not yet achieved global leadership status because they have not had the chance and do not possess the necessary capabilities. Although they do not reject international legal institutions in theory, China and India do have serious concerns about how organizations such as the International Criminal Court might affect their national sovereignty. For India, the problem is much worse since the Indian capital believes these groups often favour some governments over others, even if they aren't permanent members of the United Nations Security Council.

Common Interests of China and India in Global Affairs: Impact on Future Relations

Changing regimes and the environment are two major issues in which China and India have many similar interests. As a matter of fact, the United States often shares this fear of "external transnational institutions," which Mohan describes as the ultimate source of this agreement. Above all else, however, the writers stress that national and internal political factors, rather than international institutions and standards, will determine how China and India see the future global order. If they're correct, the future of China's and India's ties with the global order will be decided internally rather than externally, which will have serious consequences for American interests.

These commonalities highlight the ways in which the objectives of China and India are often influenced by their similar degrees of political and economic development. However, there is a huge gulf in their viewpoints. For instance, limits on sovereignty are a major issue for both nations, but the level of concern varies substantially.

At the same time, India is starting to worry less about dangers from other countries. Mohan claims that New Delhi does not oppose Western interference regarding the supremacy of state sovereignty because "India recognizes the importance of states shedding some sovereignty to promote international cooperation," a position that has been influenced by India's liberal political legacy and democracy. India is more against the Western humanitarian operations, which it calls "cavalier," mostly because the country does not believe they are sincere or effective. India may sometimes put humanitarian concerns ahead of state sovereignty, but it will do so because of practicality and not ideology.

China and India share a mistrust of social and individual agency in relation to the state, but their reactions to this trend couldn't be more opposite. According to Wang, China views this tendency as "politically inappropriate and undesirable" and maintains the belief that sovereign rights trump individual rights. In response, Beijing has pledged to strengthen state authority, in part via strict supervision and control, in order to thwart the rise of a strong civil society. Wang also points out that China does not differentiate between state and nonstate entities when it comes to its foreign policy, which has an impact on China's views of other nations. India, on the other hand, has started to adjust to this reality despite its struggles with civil society empowerment. In reality, New Delhi has begun state-sponsored initiatives to empower its people through a range of tools, including recognizing the legal right of citizens to seek information about state actions, increasing the reach of public interest litigation, and building a massive rights-based welfare state. Moreover, just because China and India both want to be more prominent in international organizations doesn't imply, they share each other's goals in this regard. There has been tension between China and India over the United Nations Security Council's potential enlargement.

Obstacles to Cooperation: China-India Geopolitical Rivalry

In spite of their growing international alignment, China and India's geopolitical competition often gets in the way of their ability to work together in practice. Wang and Mohan agree that the two nations mistrust each other. The growing partnership between the US and India makes China nervous, since China is afraid of American containment. Having said that, China's possible interventionist actions pose a danger to India's interests in its own region, therefore it's fair to say that the two countries are becoming closer together rather than farther apart.

China and India may have more fundamental differences than their public statements indicate on a number of issues pertaining to the international system. The significant trade gap, between India and China is an issue in their relationship. Despite China being India's trading

partner with trade reaching over \$200 billion, in 202 -23 (MOSCOM, India 2023) the advantages are not evenly shared. Although there is some conceptual agreement between China and India on topics like humanitarian intervention and state sovereignty, their views on the dangers to the international order and their respective security concerns cause them to disagree. China is very wary of American interference with its sovereignty and is well aware of the influence India has on the fate of Tibet as a province of China. Mohan points out that there is a strengthening relationship between India and the US on democratic principles and humanitarian assistance, even if New Delhi is still wary of directly confronting China or committing to a strong alliance with Washington. Wang insists that China's opposition to these problems is unwavering. The currencies of India and China are also not totally convertible. Both nations claim that their currencies are becoming more convertible in tandem with other economic changes, but they warn that rushing to complete convertibility might disrupt exchange markets and lead to extreme fluctuations in the value of India's rupee.

China and India's Support for Global Economic Growth

Since they stand to benefit greatly from the current global economic order, China, and India's desire to see the Doha Round of WTO deliberations conclude quickly and their overall emphasis on its extension should come as no surprise. It is worth noting that the Indian government's trade policy negotiating preferences do not yet reflect free trade in agricultural commodities. Despite their shared support for a more interconnected global trade system, China and India couldn't be more different on whether or not regional and bilateral FTAs pose a problem. So, they want the World commerce Organization to keep an eye on these regional FTAs to make sure they aren't hijacking commerce. Although it is not entirely integrated into current Indian government policy, this stance echoes the long-standing Indian ambivalence over sub-global FTAs.

Chinese officials have often been vague, mute, or silent on several issues related to the global non-proliferation system, in contrast to their Indian counterparts who have voiced unambiguous views on various topics over the years. This comparison will thereby highlight areas of agreement and disagreement and, where necessary, show where a strong Chinese stance is lacking. Global non-proliferation goals have been advanced by the Nuclear Non-Proliferation Treaty (NPT) regime, according to both China and India at the most abstract level. This is because the regime has prevented the unnecessary proliferation of nuclear weapons, which could have happened without it. It is clear that this assessment is conditional. It is likely that the high expenses of nuclear-weapons programs, the position of the United governments as a security provider, the function of bipolarity in diminishing regional rivalries, and the decisions of many governments all played a part in lowering the incentives for proliferation.

New Delhi appreciates the NPT's function in avoiding additional proliferation in the international system, so while the Indian government would undoubtedly agree with Sreenivasan's assessment regarding the necessity of renewal, it is probable to hold a more favourable view of the treaty's worth than many critical Indian opinions may imply. Above all else, New Delhi maintains the belief—at least in theory—that the NPT framework is inherently biased, segregating nuclear armed nations from non-nuclear ones. According to Sreenivasan, India's initial intention with the NPT was to have it framed as a grand bargain including disarmament and non-proliferation, with the final aim of eradicating nuclear weapons altogether. Nonetheless, non-proliferation became an aim in itself according to the NPT.

Examples of Geoeconomic Collaborations in the Global South

Regional development banks, like Inter-American Development Bank (IDB) and the Asian Development Bank (ADB) the, play a crucial role in promoting geoeconomic collaborations in their respective regions. By providing financial assistance, technical expertise, and policy advice, these institutions facilitate infrastructure development, poverty reduction, and sustainable growth. Regional development banks finance infrastructure projects, such as roads, bridges, and energy facilities, that promote economic connectivity and development within the Global South. These projects facilitate trade, investment, and regional integration, contributing to long-term economic growth and stability. Through targeted programs and initiatives, regional development banks aim to alleviate poverty and improve living standards in the Global South. By investing in education, healthcare, and social welfare, these institutions empower marginalized communities and foster inclusive growth that benefits all segments of society. Although China and India often compete for power, in developing regions they have cooperated on initiatives, such as projects facilitated by organizations, like the Asian Development Bank (ADB). One significant instance of their collaboration was seen in 2016 when they jointly funded a \$1.6 billion ADB loan aimed at improving power transmission in Bangladesh. This partnership showcases how China and India can join forces to address the infrastructure requirements of growing economies. Regional development banks prioritize environmentally sustainable and socially responsible development projects that minimize negative impacts on ecosystems and communities. By promoting green infrastructure, renewable energy, and climate resilience, these institutions contribute to sustainable development goals and ensure a more resilient future for the Global South. Both India and China possess expertise in handling disasters having faced natural calamities. This knowledge offers a chance for them to work together on disaster readiness, in developing regions. For instance, after Cyclone Nargis hit Myanmar in 2008 India and China collaborated to provide aid and support for reconstruction showcasing the power of working. In addition to relief efforts, they could set up initiatives, for sharing knowledge.

Objective of the study

- To Analyse the Drivers of Geoeconomic Collaborations in the Global South.
- To Evaluate Examples of Geoeconomic Collaborations in the Global South
- To Assess the Implications of Geoeconomic Collaborations for Regional Dynamics

CHAPTER:2 LITERATURE REVIEW

Most analyses of India's growing influence on international politics center on three main points: the country's potential to become a "responsible stakeholder," its readiness and capacity to assume global leadership roles, and its potential to undermine the existing Western-dominated multilateral system. In most cases, this approach is based on looking at how the country's elites have argued about foreign policy, how it has negotiated in international organizations, what it has contributed to the "global commons," and how far it has converged with American policy.[1]

The common perception is that India is an archetypal "Westphalian" state that has no interest in participating in the international system as it is right now. One research claims that Asian countries like India, China, and Japan are more focused on establishing and justifying their national power ambitions via conventional methods of international relations than on making meaningful contributions to global governance. What these narratives fail to take into consideration, however, is the way the Indian state is evolving in response to a changed global political economy; India is not a static, one-dimensional player with generic "national power objectives" that are interchangeable with those of previous rising powers.[2]

To fully grasp the far-reaching effects of India's "rise to power," one must have a model that can explain both the domestic shifts in institutions, interests, and policy priorities that have contributed to the country's economic prosperity and its evolving sense of statehood, and the external influences that are influencing these same shifts and the subsequent transformation of the Indian state. Various kinds of international and regional governance have evolved throughout time in response to distinct political, social, and historical contexts. A global "constitutional social settlement" came into being as a result of post-war multilateralism, which in turn came about as a result of internal conflicts like those between labour and capital as well as exterior Cold War competition between capitalist and communist state forms. [3]

Although the author of the paper offers two definitions of geo-economics—"as the link between economic policy and changes in national power and geopolitics" and "the economic repercussions of trends in geopolitics and national power"—he chooses to analyze the first. The author lays out the four main elements that determine a nation's geo-economic and geopolitical power over time: "knowledge power, agrarian transformation, an active middle class and fiscal capacity." A significant portion of his writings revolve around elaborating on the reforms that India must undergo to solidify these economic factors.[4]

the true measure of "India's global profile and power" will depend on more than just the financial benefits of these internal changes. What matters most is the "impact of growth on global competitiveness and integration with the global economy and the sectoral composition of that growth." Because "social and economic backwardness" is a major source of "cross border terrorism in the north-western region bordering Pakistan" and "holds the Indian economy back from competing globally," these factors constitute India's principal security concerns. Rather than situating the expansion of geo-economics within a broader context of state transformation and new state programs, this approach brings together concepts of economic competitiveness and growth with those of internal and foreign security. But the geographical status of Cold War geopolitics is mostly disregarded by him.[5]

A criticism of the imperial geopolitics that supported the colonial state, the emergence of the Cold War, and the colonial encounter all contributed to the formation of India's postindependence national social order. Independence, economic growth, safeguarding individual rights, globalism, responsible leadership, and democratic responsibility were central to the discourses that Jawaharlal Nehru and the Indian National Congress party advanced in order to legitimize the Indian state. A liberal state, distinct from the British colonial state, was to be created by instituting a system of parliamentary universal suffrage, democracy, secularism, and the assurance of basic rights. The "rural placemaking" and "deindustrialization" of India, as well as the transfer of its riches to Britain, were consequences of British India's economic and political rule, according to Nehru and other nationalists.[6]

In order to achieve its goal of national independence, India must undertake more than just establishing a constitutional government. Redistribution policies, process reforms and the establishment of a modern, state-controlled Indian economic space are essential steps toward social transformation. This space should place a greater emphasis on domestic savings, reduce reliance on foreign aid and food imports, and create labour-capital relations within a social democratic framework, with the state mediating class compromise. [7]

An internationalist worldview that included striving for a global community that would limit state sovereignty to mitigate the possibility of neo-colonialism by strong states and postcolonial geopolitics centered on solidarity with other post-imperial and post-colonial nations were also crucial to the formation of the national social order. The emergence of industrial capitalism in Western Europe was seen as the cause of the violent nationalisms that swept over Europe in the early to mid-twentieth century. In turn, these nationalisms gave birth to modern imperialism. India's post-colonial geopolitics included long-term participation in UN peacekeeping operations and the formulation of anti-racism, anti-colonial, and human rights standards.[8]

Given that "there is only a potential that in a period of crisis our peaceful and friendly actions can make a difference and prevent that catastrophe," many believed that India's nonalignment policy might help alleviate Cold War tensions. Because they had been "mentally, you might say psychologically and morally, nearer to one another" as a result of their shared experience of colonial rule and exploitation, the African and Asian countries were to work together on conflict resolution, global reform, and the promotion of interdependence. During the 1944 Bretton Woods Conference, India insisted on having the World Bank and the International Monetary Fund's Articles of Agreement drafted in a way that would benefit "emerging" nations. It achieved this by taking advantage of the animosity between the US and the USSR during the Cold War. On rare occasions, it worked.[9]

Because the West and the World Bank were so invested in India's democratic transition, the bank played a key role in bolstering the developmentalist state project's import substitution approach. The post-war system of multilateral institutions sought to establish a world order predicated on formal equality, inclusion, and the advancement of liberal values; addressing global concerns via discourse and international law; etc., and this was one manner in which India contributed. An Indian national developmentalist state project, upon which the post-independence settlement was built, was fortified by this international order.[10]

CHAPTER 3: CONTESTATIONS IN GLOBAL SOUTH IN TERMS OF GEOECONOMICS

The Global South, comprising countries from Latin America, Africa, Asia, and the Middle East, has emerged as a dynamic arena of geo-economic contestations. Geoeconomics refers to the use of economic instruments to achieve geopolitical objectives, making it a crucial

aspect of international relations. In recent years, the Global South has witnessed a myriad of economic challenges and opportunities, leading to complex power dynamics and rivalries among states and non-state actors. This essay explores the contestations in the Global South through a geoeconomic lens, analysing key drivers, strategies, and implications.

Drivers of Contestations in the Global South: Table 1

Drivers	Examples
Resource Competition	- Competition over oil and minerals in Africa - China's investments in resource extraction
Infrastructure	- Strategic projects like ports and railways
Development	- China's Belt and Road Initiative (BRI)
Debt Diplomacy	- China's loans in exchange for geopolitical concessions - Criticism of unsustainable debt burdens in recipient countries

- Criticism of unsustainable debt burdens in recipient countries

Resource-rich nations in the Global South are coveted for their natural wealth, including oil, minerals, and agricultural products often becomes a ground for resource competition. This has led to intense competition among states and multinational corporations seeking to control and exploit these resources. For instance, Africa's abundant natural reserves have attracted investments from China, which has been criticized for its neocolonial approach to resource extraction. Infrastructure projects, such as ports, railways, and energy networks, play a crucial role in facilitating economic growth and connectivity. As a result, the Global South has become a battleground for infrastructure investments, with major powers like China, the United States, and the European Union (EU) engaging in strategic projects to enhance their influence and access to markets. These investments not only bolster economic ties but also strengthen geopolitical leverage in the region. Many countries in the Global South face challenges of debt sustainability, leading to dependence on external creditors. This vulnerability is exploited by powerful states and financial institutions through debt diplomacy, where loans are provided in exchange for geopolitical concessions or access to strategic assets. China's Belt and Road Initiative (BRI) is a prominent example, where infrastructure loans are used to expand its influence and secure access to key resources and markets.

Strategies Employed in Geoeconomic Contestations

Foreign direct investment (FDI) and development aid are key instruments in geoeconomic competition. Major powers leverage their economic resources to provide financial assistance and infrastructure investments to countries in the Global South, often with strings attached. These investments not only enhance geopolitical influence but also foster strategic alliances and dependencies. Trade agreements and economic partnerships are utilized to deepen economic ties and promote regional integration. Initiatives like the African Continental Free Trade Area (ACFTA) and the Regional Comprehensive Economic Partnership (RCEP) aim to facilitate trade and investment flows within the Global South and beyond, reshaping global economic dynamics and power structures. Access to advanced technologies, such as 5G networks, artificial intelligence, and renewable energy, is crucial for economic competitiveness and national security. Geoeconomic contestations involve efforts to control and dominate key technological sectors through investments, intellectual property rights, and regulatory frameworks. The race for technological supremacy is reshaping global power dynamics and fuelling competition among states and corporations.

Implications of Geoeconomic Contestations

Geoeconomic rivalries reshape power dynamics in the Global South, leading to realignments and strategic partnerships. Hambantota Port is a case, in point. Sri Lanka received a loan from China for port development as part of the Belt and Road Initiative (BRI). However due to Sri Lanka's increasing debt the port was leased to a state-owned company for 99 years in 2017. This raised concerns in India about use of Hambantota by China impacting India's security interests in the Indian Ocean. A report from the Center for Strategic and International Studies (CSIS) in 2021 highlighted these worries emphasizing that China's expanding presence in Sri Lanka may hinder

India's efforts to counter its growing influence. China's rising investments in infrastructure and military collaborations in the Maldives have also sparked tensions. China has been involved in building bridges, airports, and various infrastructure projects in the Maldives to strengthen their relationship. There are also reports indicating increased ties between China and the Maldives. These developments have caused unease in India due to the location of the Maldives within the Indian Ocean. A report by the Australian Institute of International Affairs (AIIA) from 2020 pointed out that China's deepening involvement, in the Maldives could potentially limit operations within the Indian Ocean region. The contest expands to Africa, a land, in resources and facing development requirements. India emphasizes forming development collaborations and enhancing capabilities frequently granting credit lines and offering support. In contrast China's strategy leans towards backing resources with a focus on investing in infrastructure endeavours in return, for natural resource access. Countries seek to balance competing interests and diversify their economic dependencies to mitigate risks associated with dominant players. This dynamic has the potential to shift the

geopolitical landscape and redefine alliances in the region. The pursuit of geoeconomic objectives raises questions of sovereignty and sustainable development in the Global South. Countries must navigate between economic opportunities and geopolitical constraints to advance their national interests while addressing socio-economic challenges and environmental concerns. The balance between economic growth and sovereignty becomes increasingly delicate in the face of external pressures and dependencies. Geoeconomic contestations highlight the inadequacies of existing global governance mechanisms in addressing the needs and aspirations of the Global South. Calls for reforming international institutions and norms to ensure fairness, transparency, and inclusivity resonate among developing countries seeking a more equitable and balanced global order. The push for reform reflects the growing assertiveness of the Global South in shaping the rules of the international economic system.

CHAPTER 4: COMPETITION IN GLOBAL SOUTH IN TERMS OF GEOECONOMICS

The Global South, encompassing regions of Latin America, Africa, Asia, and the Middle East, is witnessing a profound transformation characterized by intense geoeconomic competition. Geoeconomics, the use of economic tools to achieve geopolitical objectives, has become a defining feature of international relations in this dynamic region. This essay delves into the multifaceted nature of geoeconomic competition in the Global South, analysing key drivers, strategies employed by various actors, and the implications for regional and global dynamics.

Drivers of Geoeconomic Competition in the Global South

The Global South is endowed with abundant natural resources, including minerals, oil, and agricultural products, which have attracted significant attention from both developed and emerging economies. The competition over these resources often serves as a catalyst for geoeconomic rivalry, with states and multinational corporations vying for control and access.

Table 2 illustrates examples of resource competition in the Global South.

Drivers	Examples
Resource Competition	- Competition for oil reserves in the Middle East
	- Mining activities in Africa for rare earth minerals

Infrastructure projects, such as ports, railways, and energy networks, are critical for economic development and regional connectivity in the Global South. Consequently, infrastructure development has emerged as a focal point of geoeconomic competition, with major powers and regional players investing heavily to enhance their influence and access to markets. Many countries in the Global South face challenges of debt sustainability, leading to dependence on external creditors. This vulnerability is often exploited through debt diplomacy, where loans are extended in exchange for geopolitical concessions or access to strategic assets. China's Belt and Road Initiative (BRI) has been at the forefront of such efforts, raising concerns about debt traps and economic coercion. The emergence of China and India as forces has sparked intense rivalry, for dominance, in the Global South. This contest, fueled by a mix of goals, strategic interests and differing foreign policy strategies molds the terrain and diplomatic partnerships in emerging countries. Since its launch, in 2013 the Belt and Road Initiative (BRI) has become a component of China's strategy on a global scale. The primary goal is to establish a network of infrastructure initiatives that connect China to international markets with a particular focus on Asia, Africa and Europe. Through providing support in the form of loans and investments for infrastructure projects in partner nations China aims to strengthen relationships while also securing access to valuable resources and markets. CPEC in Pakistan is a shot in India's territorial sovereignty, as it passes through Pok. As an illustration in the year 2021 China committed \$43 billion towards BRI ventures throughout Africa concentrating on enhancing transportation systems, energy infrastructure and telecommunications services. This approach has proven to be fruitful for China by bolstering trade activities, with BRI countries and facilitating increased exports of construction materials and machinery.

India is responding to the Belt and Road Initiative (BRI) with its "Act East" strategy, which was introduced in 2014. This initiative emphasizes enhancing strategic relationships, with countries in Southeast Asia and the Indo Pacific region. India utilizes its cultural ties, democratic principles, and aid programs to establish partnerships. For instance, in 2020 India pledged \$1 billion in loans for infrastructure ventures in Southeast Asia concentrating on sectors, like energy and connectivity. This strategy aims to foster an equitable. Rules based economic system while advocating for transparency and sustainable development practices.

Strategies Employed in Geoeconomic Competition:

Foreign direct investment (FDI) and development aid are key instruments in geoeconomic competition, allowing states to extend their influence and advance their strategic interests. Major powers like China, the United States, and the European Union utilize investment and aid to foster economic dependencies and secure access to resources and markets. Trade agreements and economic partnerships play a crucial role in shaping geoeconomic dynamics in the Global South. Initiatives like the "African Continental Free Trade Area (AfCFTA)" and the "Regional Comprehensive Economic Partnership (RCEP)" aim to promote regional integration and facilitate trade and investment flows. Access to advanced technologies, such as 5G networks, artificial intelligence, and renewable energy, is crucial for economic competitiveness and national

security. Geoeconomic competition in the Global South often revolves around efforts to control and dominate key technological sectors through investments, intellectual property rights, and regulatory frameworks.

Implications of Geoeconomic Competition:

Geoeconomic competition in the Global South is reshaping power dynamics and forging new alliances among states and non-state actors. Countries seek to balance competing interests and diversify their economic dependencies to mitigate risks associated with dominant players. The emergence of new power centers and strategic partnerships has the potential to reshape regional and global geopolitical landscapes. The pursuit of geoeconomic objectives raises questions of sovereignty and sustainable development in the Global South. Countries must navigate between economic opportunities and geopolitical constraints to advance their national interests while addressing socio-economic challenges and environmental concerns. Striking a balance between economic growth and sovereignty becomes increasingly complex amidst external pressures and dependencies. Geoeconomic competition underscores the inadequacies of existing global governance mechanisms in addressing the needs and aspirations of the Global South. Calls for reforming international institutions and norms to ensure fairness, transparency, and inclusivity resonate among developing countries seeking a more equitable and balanced global order. The push for reform reflects the growing assertiveness of the Global South in shaping the rules of the international economic system.

CHAPTER 5: COLLABORATIONS IN GLOBAL SOUTH IN TERMS OF GEOECONOMICS

Collaborations in the Global South represent a paradigm shift in international relations, where countries from Latin America, Africa, Asia, and the Middle East are increasingly coming together to pursue common economic goals and address shared challenges. Geoeconomics, the use of economic instruments to achieve geopolitical objectives, plays a pivotal role in shaping these collaborations. This essay explores the dynamics of geoeconomic collaborations in the Global South, analysing key drivers, examples of cooperation, and the implications for regional and global development.

Drivers of Collaborations in the Global South:

Economic interdependence among countries in the Global South creates incentives for collaboration. Shared economic challenges, such as poverty alleviation, infrastructure development, and access to markets, drive countries to pool their resources and expertise to achieve common objectives. Below Table illustrates examples of economic interdependence driving collaborations in the Global South. Geopolitical shifts, including the rise of new power centers and the decline of traditional hegemonic powers, have prompted countries in the Global South to reassess their geopolitical alignments. As a result, collaborations based on shared geopolitical interests and values have emerged, challenging existing power structures, and fostering greater regional autonomy. Below table showcases examples of geopolitical realignment driving collaborations in the Global South. BRICS cooperation on economic and political issues. Multilateral forums and initiatives provide platforms for countries in the Global South to collaborate on a wide range of issues, including trade, development, and climate change. South-South cooperation, based on principles of solidarity and mutual benefit, has gained traction as an alternative to traditional North-South dynamics, leading to increased collaboration among developing countries. Below Table highlights examples of multilateralism and South-South cooperation driving collaborations in the Global South.

Table 3 illustrates examples of collaborations in the Global South.

Drivers	Examples
Multilateralism and Cooperation	- G20's focus on global economic governance
	- India's leadership in the International Solar Alliance
	- South-South cooperation in the United Nations General Assembly

Examples of Geoeconomic Collaborations in the Global South:

China's BRI is one of the most ambitious geoeconomic projects in the Global South, aiming to enhance connectivity and promote economic cooperation across Asia, Africa, and Europe. Through infrastructure investments, trade facilitation, and financial assistance, the BRI has facilitated collaborations among participating countries, albeit with some concerns regarding debt sustainability and geopolitical influence. AfCFTA represents a landmark agreement aimed at creating a single market for goods and services in Africa, with the potential to boost intra African trade and economic integration. By fostering collaborations among African countries, AfCFTA seeks to capitalize on the continent's economic potential and address longstanding development challenges. Regional development banks, such as the Asian Development Bank (ADB) and the Inter-American Development Bank (IDB), play a crucial role in promoting geoeconomic collaborations in their respective regions. By providing financial assistance, technical expertise, and policy advice, these institutions facilitate infrastructure development, poverty reduction, and sustainable growth.”

Implications of Geoeconomic Collaborations:

Geoeconomic collaborations in the Global South contribute to enhanced regional integration, as countries work together to address common challenges and exploit shared opportunities. Increased trade, investment, and infrastructure connectivity foster economic synergies and create a more conducive environment for sustainable development and prosperity. Geoeconomic collaborations challenge existing geopolitical hierarchies and foster greater regional autonomy in the Global South. By diversifying economic partnerships and reducing dependency on traditional powers, countries in the region can assert their interests more effectively on the global stage, reshaping the geopolitical landscape in the process. Collaborations in the Global South have the potential to accelerate socio-economic development and poverty reduction by leveraging collective resources and expertise. Through initiatives focused on infrastructure development, technology transfer, and human capital investment, countries can address pressing development challenges and improve the well-being of their populations. Both India and China possess knowledge in the field of infrastructure development. By collaborating on endeavours such as transportation systems, power grids and communication networks they could greatly improve connectivity in developing regions. According to a report from the World Bank in 2023 it is estimated that developing nations require a \$1.5 trillion annually to fulfill their infrastructure development targets. A joint effort, by India and China to construct a high-speed railway network linking Southeast Asia with South Asia could promote trade, tourism and the exchange of knowledge ultimately fostering expansion throughout the area. By pooling their resources and technical know-how India and China have the potential to provide holistic development support to countries, with limited income. This may involve financing energy initiatives promoting agriculture that can withstand climate changes and implementing urban growth projects. According to a study from the Overseas Development Institute in 2022 developing nations need, around \$3 trillion each year to achieve the United Nations Sustainable Development Goals.

Working together could unlock funding to tackle pressing development issues.

CHAPTER 6: CONCLUSION

The emergence of India and China as key players in the geoeconomic order of the Global South has reshaped the dynamics of international relations, leading to a complex interplay of contestations, integrations, and competitions. As two of the world's largest and fastest-growing economies, India and China wield significant influence in shaping regional and global economic outcomes. This essay has examined the multifaceted nature of their engagement, highlighting key themes and trends in their interactions. India and China have engaged in both cooperative and competitive endeavours, reflecting the nuanced nature of their relationship. On one hand, they have pursued collaborative initiatives such as the Shanghai Cooperation Organization (SCO) and the BRICS forum, aimed at fostering regional stability, economic development, and mutual prosperity. These platforms have provided opportunities for dialogue, cooperation, and confidence-building measures, contributing to a more integrated and interconnected Global South. Contestations in the Global South are increasingly shaped by geoeconomic imperatives, with resource competition, infrastructure development, and debt diplomacy driving strategic interactions among states and non-state actors. Understanding the dynamics of geoeconomics is essential for analysing power shifts, strategies, and implications in the Global South. As the geopolitical landscape evolves, policymakers must navigate complex challenges and opportunities to promote sustainable development and inclusive growth. Geoeconomic competition in the Global South is multifaceted and dynamic, driven by resource competition, infrastructure development, and debt diplomacy. Understanding the drivers, strategies, and implications of this competition is crucial for policymakers and analysts alike. As the region continues to evolve, navigating the complexities of geoeconomic dynamics will be essential for promoting sustainable development, fostering inclusive growth, and advancing regional cooperation. Geoeconomic collaborations in the Global South represent a transformative force in international relations, driven by economic interdependence, geopolitical realignment, and multilateralism. By pooling their resources and expertise, countries in the region can address common challenges, exploit shared opportunities, and foster greater regional integration and development. As these collaborations evolve, policymakers must navigate complex geopolitical dynamics and ensure that they contribute to sustainable and inclusive growth in the Global South.

References :

- Basu, T. (2019). *Geo-economic Contest in Southeast Asia: Great Power Politics through the Prism of Trade, Investments and Aid*. The SAGE Handbook of Asian Foreign Policy, 465.
- Nuruzzaman, M. (2022). Conflicts, strategic divergences and the survival of economic groupings: Will China-India rivalry make BRICS obsolete?. *Asian Journal of Comparative Politics*, 7(4), 1025-1044.
- Pulami, M. J. (2022). China-India contemporary relations: Geopolitical challenges to the small states in South Asia. *Stosunki Międzynarodowe-International Relations*, 1, 1.
- Singh, N. (2023). Re-inventing world order: Countering hegemonic dominance through global south narratives. *IASSI-Quarterly*, 42(2), 421-431.
- DiCarlo, J., & Schindler, S. (2022). Introduction: Geopolitics, Infrastructure, and the Emergent Geographies of US-China Competition. In *The Rise of the Infrastructure State* (pp. 1-10). Bristol University Press.
- Bava, U. S. (2023). The European Union and Emerging Powers: Engagement, Cooperation and Contestation. In *Jenseits der Krisen: Potenziale der europäischen Integration im 21. Jahrhundert* (pp. 91-114). Wiesbaden: Springer Fachmedien Wiesbaden.
- Li, M. (2020). The Belt and Road Initiative: geo-economics and Indo-Pacific security competition. *International Affairs*, 96(1), 169-187.
- Vaughn, B. (2018). *China-India Great Power Competition in the Indian Ocean Region: Issues for Congress*. Congressional Research Service.
- Mohan, G., & Tan-Mullins, M. (2019). The geopolitics of South-South infrastructure development: Chinese-financed energy projects in the global South. *Urban Studies*, 56(7), 1368-1385.

10. Abels, J., & Bieling, H. J. (2023). The geoeconomics of infrastructures: viewing globalization and global rivalry through a lens of infrastructural competition. *Globalizations*, 1-18.
11. Cheng, H., & Liu, W. (2021). Disciplinary geopolitics and the rise of international development studies in China. *Political Geography*, 89, 102452.
12. Faisal, M., & Khan, K. (2022). China and South Asia: Challenges, Trends and Trajectory. *Китай в мировой и региональной политике. История и современность*, 27(27), 145-159.
13. Chacko, P. (2015). The new geo-economics of a “rising” India: state transformation and the recasting of foreign policy. *Journal of contemporary Asia*, 45(2), 326-344.
14. Chaturvedy, R. R. (2022). Contesting China’s Politics of Routes: The India Way. In *The China Question: Contestations and Adaptations* (pp. 223-245). Singapore: Springer Nature Singapore.
15. Yoshimatsu, H. (2022). India's Response to China's Geoeconomic Rise: Hedging With a Multipronged Engagement. *Australian Journal of Politics & History*, 68(4), 593-611.
16. Thoker, P. A., & Ramzan, H. (2018). Indo-Pacific and the Emerging Maritime Geopolitics: Contending Sino-Indian Strategic Interests. *IUP Journal of International Relations*, 12(3).
17. Chand, B. (2019). Dynamics of rivalry between geographically contiguous regional Powers: The case of Sino-Indian competition. *Asian Politics & Policy*, 11(1), 122-143.
18. Doshi, R., & Nag, S. (Eds.). (2020). *Geoeconomics and Geopolitics of South Asia: Emerging Trends*. Springer.
19. Kapur, H. (2019). *The Geopolitics of South Asia: From Early Empires to the Nuclear Age*. Cambridge University Press.
20. Mahdavi, P. (2021). *Geoeconomics of the Global South: The New Development Bank and the Future of Regional Order*. Routledge.
21. Narlikar, A., & Shaw, K. (Eds.). (2019). *Geoeconomics and Globalization*. Springer.
22. Wise, C. R., & Gill, B. (Eds.). (2018). *Handbook of the International Political Economy of the Corporation*. Edward Elgar Publishing.
23. Brautigam, D. (2018). *Will Africa Feed China?* Oxford University Press.
24. Cheng, E., & Falkner, R. (Eds.). (2019). *Europe's China Challenge: Bridging the Gap between Economics and Security*. Routledge.
25. Nayyar, D. (2019). *Resurgent Asia: Diversity in Development*. Oxford University Press.
26. Oqubay, A. (2019). *Made in Africa: Industrial Policy in Ethiopia*. Oxford University Press.
27. Solís, M., & Katada, S. N. (Eds.). (2019). *Competitive Regionalism: FTA Diffusion in the Pacific Rim*. Palgrave Macmillan.
28. Acharya, A. (2017). *The End of American World Order*. John Wiley & Sons.
29. Mawdsley, E. (2012). *From Recipients to Donors: Emerging Powers and the Changing Development Landscape*. Zed Books.
30. Ravenhill, J. (Ed.). (2014). *Global Political Economy*. Oxford University Press.
31. Shaw, T. M. (2012). *The New Western Way of War: Risk-Transfer War and its Crisis in Iraq*. Cambridge University Press.
32. Weiss, L., & Wilkinson, R. (Eds.). (2014). *Rethinking Global Governance*. Routledge.

Research Through Innovation