

"New Warfronts lie in Economic Zones"

Outline:

1. Introduction:

Thesis Statement:

Use of economic tactics and tools against rival countries to shelter and weaken them economically is a new norm which clearly indicates that new warfronts lie in economic zones. Conventional tools of warfare are no longer in use.

2. An overview of economic zones

3. Manifestation of the fact that new ^{war} fronts lie in economic zones:

3.1 Trade war among the rival countries

(Case in point: ongoing trade war between the US and China)

3.2 Global power competition for economic infrastructure projects:

(Case in point: China's BRI and the US' B3W)

3.3 Competition for control of ocean resources and access to maintain trade routes:

(Case in point: the US' ^{Pivot} point to Asia, India's hegemonic designs in Indian ocean and China's claim on South

3.4 Resource rich zones serving as catalyst for violence and instability:
(Case in point: Conflict in Syria fueled in part by competition over gas and oil reserves)

3.5 Growing contention among rival economic organizations for economic dominance
(Case in point: BRICS and EU)

3.6 Economic sanctions on rival countries to suppress their economic growth:
(Case in point: Sanctions imposed by the US on Iran and North Korea)

3.7 Politicization of FATF by West to Wall off the rival economies:
(Case in point: putting Iran in FATF blacklist)

4. Global implications of shift in warfronts:

4.1 Disruption in global energy deals:
(Case in point: Russia Ukraine war)

4.2 Rise in inflation and poverty in developing countries particularly:

4.3 Economic-Environmental degradation as an unintended consequence:
(Reason: Shift in means of energy production)

5. Way Forward

6. Conclusion

Essay

"Economic warfare is becoming a new normal in international relations" (Ian Bremmer).

Increased connectivity and interdependence in the contemporary world has caused a paradigm shift in the warfare. In the recent years, the concept of warfare has completely changed. Long gone are the days, when nations used military might and full scale invasions to assert influence over the other nations. New warfronts lie in economic zones. It is evident from increasing global power rivalry for maritime resources and trade routes, increasing contention among regional economic organizations for economic dominance, conflict among the states in resource rich regions of the world, competition among the global rivals for economic infrastructure projects and politicization of FATF by West to wall off the rival economies. Similarly, ongoing trade war between China and economic sanctions on rival countries to suppress economic growth and restrict their access to critical economic resources are also the open manifestations of the fact that new war

fronts lie in the economic hotspots. This paradigm shift in the tactics of warfare has far reaching global implications in the form of economic inequality and instability, poverty particularly in developing states, humanitarian crisis disruption of economic global energy chains and rise of black market and illicit trade. However, these risks can be mitigated by reconfiguring a world order in line with democratic ideals having equitable say for all formerly sidelined continents, depoliticization of FATF to ensure collaboration, shift of global powers from national interests to collective human development initiatives and doing away with protectionist policies.

Economic zones are the areas designated for economic activity. Economic zones can range from rich land pieces and resource rich oceans, important trade routes and checkpoints. Not only this, economic warfare includes all those tactics which can be employed by a states to undermine and cripple the economy of the rival state. Competing for economic infrastructure projects to putting sanctions on the rival states, all such measures come under the heading of economic warfare. The concept of economic

Warfare has gained momentum, ~~thereover~~
~~due to~~ Firstly, due to the risk of nuclear
warfare which has mitigated the possibility of
armed conflicts to a larger extent. Secondly,
human and economic cost of armed conflict
has also fractured the logical basis of physical
warfare. So, economic warfare provides a more
reasonable, strategic and effective approach
to tackle down external threats.

The manifestations of the fact
that world has shifted from a traditional
warfare to economic warfare are numerous.
First manifestation is the ongoing trade war
between China and the US. This war has been
going on between the two global powers, propelled
by conflicting economic ideologies. The US has
accused China of unfair trade practices and
technology theft, since 2018. And, China has
blamed the U.S. for protectionism and
violation of trade rules of World Trade
Organization. Both countries put a series of
tariffs and other trade barriers against each
other which resulted in significant economic
losses for both of the countries. This trade
war is a tactic of economic warfare. It
is employed by both states in order to lead
the global order.

Secondly, the global power competition for economic infrastructure projects also point towards the fact that new warfronts lie in economic zones. CPEC is the flagship project of Belt and Road Initiative by China. Main purpose of this project is to enhance regional connectivity and economic integration. This project once realized, will give access to China to Indian Ocean Region and connect it to Central Asia, South Asia and Europe. To counter this project of China and prevent it from becoming a global hegemon on economic scale, its global rival U.S. has taken several steps such as Build Back Better World (BBW) and India Middle East Economic Corridor (IMEC). This global power competition for economic infrastructure projects points to the shift of new strategy towards economic zones.

In contemporary era, blue economy has assumed a significant position. Maritime resources are a big source of economic gains. Moreover, oceans have many important chokepoints which serve as the trade routes and assume critical importance as 80% of the world trade takes place through these trade routes. Competition of the global powers for control of maritime resources and access

to maritime trade routes is also the manifestation of the fact that new warfronts lie in economic zones. It is exemplified by US' pivot to Asia policy, India's increasing hegemonic designs in Indian Ocean Region and China's growing influence and claims on South China Sea. This growing rivalry among global powers for maritime resources clearly depicts a shift in warfront.

The natural resources in the economic zones also serve as catalyst for violence and instability. These resource rich economic zones are transforming into warfronts. It is clearly manifested by chaos and upheaval in these areas. It can be exemplified by the conflict in Syria. The conflict in Syria is fueled in part by competition over gas and oil resources. Similarly, Iraq invasion of the US. was also for oil-grab. In the same fashion, conflict between Iran and Saudi Arabia has ~~same~~ ^{multiple} causes. One of the causes of this conflict is the desire of both countries to gain control over oil fields. So, it becomes clear that economic zones are becoming the new war fronts.

Moreover, contention among the regional economic organisations for econo-

mic domination is also growing. The Eastern economic organizations such as BRICS, ECO, and SCO are competing with Western organizations such as EU for economic dominance. In this regard, organizations such as BRICS are growing economically at an exponential rate and even pondering to use some alternative currency other than US dollar for trade purpose. This competition and rivalry among regional economic organizations not only manifests a shift in the global order but also depict that new tactics of warfare and achieving global hegemony are economic in nature.

Further, economic sanctions are also being utilized as a means and tools of warfare. These economic sanctions are posed by the countries on their rival states to suppress their economic growth and restrict their access to critical economic resources. For example the sanctions put by U.S. on Iran and North Korea to halt their nuclear program apparently. An other illustration is the U.S. sanctions on Iran - Pakistan gas pipeline. The economic sanctions put by U.S. on Iran is to weaken its nuclear program. But, Iran is also

a rival of the U.S. Such sanctions are also put on Iran to destroy it and make it economically crippled. As the difference can be clearly seen that India, despite being not a member of Non Suppliers Group (NSG) enjoys the same benefits as that of one of its members, just because it has good relations with the U.S. In this way, economic sanctions are also used as a war tactic and put on rival states to destroy them economically. This demonstrates that new war fronts lie in economic hotspots.

In addition, Financial Action Task Force (FATF) was founded to counter money laundering, terrorist financing and other related threats to global financial system. Countries which are placed on gray or black list of FATF face severe economic repercussions ranging from decrease in foreign direct investment, increase in cost of doing business to isolation from global financial system. FATF has been used multiple times by Western states amid geopolitical tensions with rival countries to strain their economies. For example, Iran has been on FATF's blacklist since long, facing significant economic sanctions and isolation.

due to geopolitical tensions between Iran and western countries. In this manner, politicization of FATF by West to wall off the rival economies is also a manifestation of the use of economic tactic to counter the rival countries. So, it is pertinent to say that new warfronts lie in economic hotspots.

Using economic tools and tactics as newer techniques of warfare have far reaching global implications which have more negative effects on developing countries. Some of these are discussed in the following paragraphs.

First of all, it leads to economic instability worldwide. It causes fluctuations in the global markets. For example, putting sanctions on a major oil and gas producing economy can cause global disrupt. in gas and oil prices. As the sanctions put by U.S. on Russia in the context of Russia Ukraine war have led to global energy price hikes as Russia is the chief importer of oil and gas. These disruptions in the price

of oil and gas have caused economic instability throughout the world.

Secondly, such price hikes lead to inflation globally which particularly affects the developing and underdeveloped states. Inflation yields poverty, and affects the standard of living in developing countries. It can be exemplified by the fact that disruptions in global energy chains lead to shortages and increased prices of essential goods. Therefore, it is clear that how the ripple effects of economic warfare leads to a global downturn.

Moreover, disruption in global energy chains also lead to unintended environmental degradation. For instance, it might lead the countries to rely on coal or other environmentally harmful resources for production of energy. This has also lead to global temperature rise of 1.1° from that the level of 1996. From this illustration it is evident that it harms the environment in an indirect manner. It shifts the attention and resources away from the environmental

initiatives and sustainable development goals. In this way, economic warfare becomes an indirect, yet significant source of environmental degradation.

In the modern world, the progress and development in all sectors is dependent on economic development. Even the military prowess is directly dependent on economic standing. For global development and progress, there is a dire need of mutual cooperation and collaboration, particularly in the field of economics. In this regard, following steps can be taken.

First of all, there is a dire need to reconfigure the world order in line with democratic ideals, which should be an equitable say for all the sidelined continents and areas such as Global South and Africa.

Secondly, FATF and all the global financial institutions should be depoliticized. Global powers need to shift their focus from national interest to collective human development initiatives and should do away with protectionist policies like 'America

First Policy - Lastly, the spirit of competition must be overshadowed by the spirit of co-operation and mutual collaboration to make a mass-friendly world.

To sum up, the older tactics of asserting dominance by one state over the other using military might and conventional full scale invasions are completely replaced by economic tools. Now the states are engaged in economic warfare that is evident by the ongoing trade war between the U.S. and China, global power competition for economic infrastructure project and growing rivalry among the global rivals for control of maritime resources and maritime trade routes. Moreover, conflict among the states in resource rich areas of world and using economic sanctions as a tool to make rival countries economically perished, all indicate towards the fact that new war fronts lie in economic zones. This new form of warfare has far reaching global implications in the form of global

disruptions of energy chains, increasing inflation and poverty particularly in developing countries and environmental degradation. Since it is economy which makes a country a developed country, so there is a dire need of enhanced mutual collaboration, cooperation and willingness on part of all the states. The spirit of cooperation must give way to the spirit of competition to yield a mass-friendly world.

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