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Ukraine Conflict Update, 15 Mar 2022

On Day 19 of the Ukraine conflict, Russian forces continued to remain static in NW & E Kyiv. Russia continued with its efforts to secure multiple lines of communication for ensuring an unimpeded flow of supplies in the Sumy Oblast. Russian forces conducted limited attacks throughout the Donbas and progressively secured positions around Mykolaiv, while continuing their offensive towards Kryvyi Rih. Russia has managed to occupy settlements along the north bank of the Dnieper River in the direction of Kryvyi Rih and Nikopol/Zaporizhzhia.



The fourth round of peace talks continued between the two protagonists. A humanitarian corridor briefly allowed 160 cars to leave the besieged city of Mariupol. While Russian forces continue to achieve slow but steady territorial gains in Donetsk Oblast, it seems unlikely that the Russians will take Mariupol by direct assault. Instead, relentless bombardment to compel surrender appears to be a likely approach.

The conflict seems to have acquired the character of attrition warfare, in which Russian forces can only exert nominal control of the occupied area with units concentrated in or around towns. The territory in Russian control remains a contested space where Ukrainian forces/irregulars seem to be interfering with Russian logistics lines with relative ease. In the information domain, Ukraine continues to maintain its overwhelming edge over Russia.

The Russian missile attack on Yavoriv, a large Ukrainian military base near the Polish border on 12 March, is indicative of Russian efforts to escalate the war to west Ukraine. As per the Russian defence ministry, high-precision, long-range weapons were used to destroy a large cache of foreign weapons. Till now, Russia's air force has played a minimal role. Whether Russia has deliberately held back its air force or the lack of air superiority prevented its employment, remains uncertain. Similarly, employment of naval power has been peripheral, even when the Sea of Azov remains devoid of opposition. Thus far, Russia also seems to have spared Ukraine's critical information infrastructure.

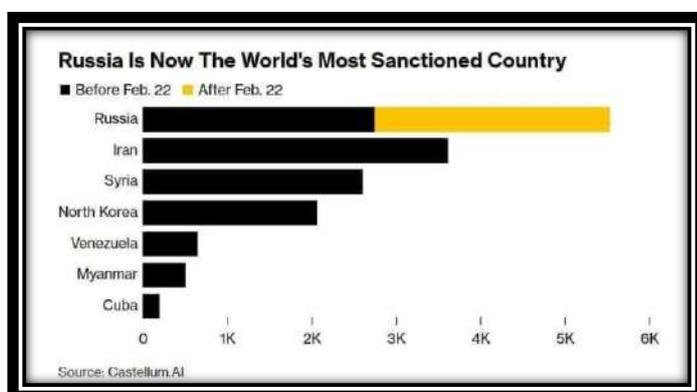
As of now, Russia seems to be eying three main strategic targets - Kyiv, the political centre; Odessa, a vital port and economic hub; and Dnipro, in the centre of the country, where Russian forces from the south and north will be able to come together. Russian progress towards these strategic targets will be keenly watched.

It remains an open question whether the Russian advance has reached its point of culmination. Some experts have argued that the struggle to adequately replace combat losses and retain control of key towns to facilitate operational reach, has taxed out available resources. While Russian Defence Minister Sergei Shoigu had argued last week that “everything is going according to plan”, the strongest public acknowledgement about military operations not going as per plan came from National Guard chief Viktor Zolotov. His statement posted on the National Guard website affirms that “not everything is going as fast as we would like.”

It seems that the Russians are progressively reviewing their campaign plan and attempting to improve their ability to coordinate large-scale ground manoeuvres. Russia may also increase air campaigns in the west to halt, or severely restrict the flow of arms and aid into Ukraine. Ukraine also seems to be adapting their tactics to absorb foreign military equipment, combatants and support personnel. Their overall scheme of defence would continue to remain focussed on support to resistance forces, along with sustained conventional operations to severely frustrate the Russian advance.

Russia’s Growing Economic Isolation

Russia’s ongoing military action in Ukraine has led to the imposition of unprecedented economic sanctions, including on most of the country’s competitive sectors. The key Western tools in this economic boycott have included cutting off Russian banks from the SWIFT system, blacklisting Russian companies and oligarchs by freezing their assets and forbidding Western companies from operating in Russia. This has led to a mass exodus of Western companies and their operations inside Russia, including by iconic brands like McDonald’s and BP. The entry of these brands into the Russian market in the early 1990s marked the first steps towards a détente between the two erstwhile rival blocs. Similarly, the Western decision to wean itself away from its dependence on Russian hydrocarbon marks the end of an era dating back to the 1970s pipeline diplomacy being a vital part of the confidence-building mechanisms (CBMs) between Russia and the West.



Notably, given the magnitude of these sanctions, Russia now has the unceremonious distinction of being the world’s most sanctioned country, overtaking international pariahs Iran, North Korea and Venezuela.

The ripples of the sanctions are being felt across the board, as Russia stares at inflation at a historic high, flight of capital, unemployment, poverty and food shortages. The rouble, meanwhile, has crashed to an all-time low vis-à-vis the US dollar while

the benchmark MOEX index of leading Russian companies remains closed amidst fears of a devastating erosion of its patrons' net worth.

It also appears that the Central Bank's hands to intervene in the currency market have been tied by the lack of access to Western credit. Notably, more than 40 per cent of Russia's US\$ 630 billion reserves, seen as insurance against volatility, have now been frozen. This has led to fears of an imminent default on Russian sovereign bonds, notwithstanding the Bank's decision to hike interest rates to a staggering 20 per cent, impose currency controls and agree to pay off the debts in the rouble. Other countermeasures involving the nationalisation of Western companies, price and quantity caps, and 3D printing of denied equipment, have also failed to stem the rot.

Unsurprisingly, a deep-seated recession appears to be on the cards. It has led to growing speculation of the Russian economy backtracking from three decades of capitalism to morphing into a planned one. The current crisis has brought back grim memories of the "shock therapy" of the 1990s when the Russian economy went into a tailspin, which took more than a decade to recover.

While the long-term efficacy of these sanctions remains to be seen, especially in the context of the famed Russian resilience, the incipient protests brewing across Russia are a pointer to the dangers of a prolonged economic crisis on the stability of the Russian government. Meanwhile, the sanctions have led to the prospects of the world staring at stagflation amidst significant exposure to Russian energy, wheat and vital rare earth minerals.

Nevertheless, as the adage "in the midst of every crisis, lies great opportunity" goes, the ongoing Western squeeze of the Kremlin could be an opportunity for India to expand its economic stakes in Russia, given Moscow's abundant natural resources.

South Korea Elections: What to Expect from Yoon Suk-yeol's Presidency?

Yoon Suk-yeol, a former prosecutor general and member of South Korea's conservative political party, the People Power Party, is set to become the nation's 20th President. Yoon, 61 years old, emerged victorious by a slim margin in a highly contested and polarised presidential election held on 9 March 2022. Reportedly, it was voters' exasperation with the administrative failures of the previous regime and deep desire for political change that contributed hugely to Yoon's victory. Also, his 'anti-feminist' stance that resonated widely among South Korea's young male population helped him gain a further edge in the elections. As Yoon's victory marks the comeback of the conservative political trend after five years, the question that inevitably arises is what to expect from Yoon's presidency on domestic and foreign aspects?



On the domestic front, management of issues like the worsening pandemic situation, spiralling property prices, deepening economic inequality and youth unemployment is likely to be on top of his policy agenda. Emphasising their importance during his presidential campaign, Yoon had announced a series of measures like easing loan restrictions and regulations in the private sector rental market, promoting private start-ups and high-tech ventures and scaling down corporate taxes to address housing shortages, income inequality and stagnant economic growth, respectively. In his first press conference as president-elect, Yoon announced the formation of an organisation within the presidential transition committee to deal with issues related to the economy, disease prevention, health and medical care. However, given the country's existing polarised political environment, international observers have expressed doubt about whether Yoon will be able to mobilise enough political support for his domestic policies.

As regards foreign policy issues, Yoon is expected to take a hawkish stand than his predecessor. Criticising the outgoing President Moon Jae-in's accommodative approach towards North Korea in his campaign speeches, Yoon argued in favour of sanctions against Kim Jong-un's regime and called for developing technology to carry out pre-emptive strikes on North Korea, if the latter threatened Seoul's territorial integrity. Further, consistent with the Conservative party line, Yoon advocated closer ties with the United States and Japan and appeared inclined to closely align Seoul's foreign policy with the two countries.

Therefore, in the immediate future, South Korea is likely to shed its role as a mediator between North Korea and the US. Furthermore, banking on increasing public antipathy towards China, Yoon also seems poised to take a tougher stand vis-à-vis Beijing. In his 8 February, *Foreign Affairs* article, Yoon contended that South Korea should stand alongside other US allies as a responsible regional leader and a "global pivotal state." Moreover, in his presidential campaigns, Yoon criticised the previous administration for surrendering to China's economic pressure and demonstrated a willingness to join the Quadrilateral Security Dialogue (QUAD) and receive additional THAAD missile defence systems, even at the risk of antagonising Beijing.

Arguably, president-elect Yoon Suk-yeol will be assuming office on 10 May in a highly charged political environment, both at the domestic and international level. His presidency will surely confront complex socio-economic issues and regional dilemmas like the US-China rivalry and North Korea's missile and nuclear arms development. As Yoon gears for a decisive policy shift on various fronts, it remains to be seen how successfully his regime will navigate the incoming challenges.