



# The Paradox of Interdependence and Sovereignty in South Asian Countries' New World Order in the Age of Artificial Intelligence

**Shobhit Pratap Singh<sup>a</sup>, Dr. Niharika<sup>b</sup>**

<sup>a</sup>Research Scholar, Faculty of Law, University of Lucknow  
shobhit2957@gmail.com

<sup>b</sup>Assistant Professor, Faculty of Law, University of Lucknow  
nihar.rits@gmail.com

## Abstract

Since World War II ended, countries worldwide have focused more on sovereign power. The advent of the United Nations Organization has promoted a state's autonomy and provided protection to those countries still susceptible to being dominated by other strong nations. The concept of sovereignty has been evolving ever since 1945, as the world witnessed the Cold War between two power blocks, the split of the Soviet Union, and the influence of these two on the globe. Until the 1980s, political influence was the only threat to the sovereignty of a nation. Still, in the 1990s, the economy also became one, and now, in the third decade of the 21st century, Artificial Intelligence has become an issue for the sovereignty of a country. Artificial intelligence is doing a lot of the work that individuals and organizations used to do. And now this is a danger to a country's strength. AI is currently helping the economy and society thrive, but the problem is that South Asian policymakers need to work together and share technology so that it works well for everyone. The AI has changed so quickly that the governments have had a hard time keeping up with it. This study examines the degree of AI's influence on the legislative authority of states and the means by which a state might effectively control it.

**Key Words:** Sovereignty, New World Order, Artificial Intelligence, AI and economic growth

## Introduction

The beginning of the 21st century has brought about a time of big changes in the world order, with countries becoming more and more dependent on each other. This change is changing the way countries interact with one other. South Asia is leading this change. It is an area with a long history of conflicts, complicated political relationships, and a wide range of cultural identities. Artificial Intelligence is a very powerful force in this change. It offers new potential and big problems for the old idea of state sovereignty, particularly within this fast-changing area. This study examines the complex relationship between dependency and sovereignty in the evolving international order of South Asia, significantly influenced by the widespread impact of AI.

The growing development and implementation of AI technologies, including anything from machine learning algorithms to self-sustaining systems, have the potential to transform industries across the board. From healthcare as well as agriculture to military and security, AI's revolutionary promise is apparent. However, this technological revolution is not without its complications.<sup>1</sup> It raises fundamental problems about data sovereignty, cybersecurity, and the possibility for AI-driven spying and manipulation, challenges that are especially salient in the South Asian setting.<sup>2</sup> As South Asian governments cope with these difficulties, they manage a basic paradox: the need to cooperate on AI research and deployment to reap its advantages while maintaining their national interests and retaining their autonomy in a more linked world.

The region's historic background additionally makes harder this dynamic. Long-standing rivalry and unsolved territorial issues have frequently impeded regional cooperation. Yet, the international character of AI's problems and prospects needs a coordinated approach. This paper will explore how South Asian nations attempt to strike this delicate balance, examining the evolving strategies they employ to navigate the complexities of technological advancement, economic globalisation, and emerging security threats, all within the context of the AI revolution. The evolving dynamics between India and Pakistan, the influence of China's growing AI prowess in the region, and the varying levels of technological development among South Asian nations will be key considerations in this analysis.

<sup>1</sup> Hisham O. Khogali, Samir Mekid, *The blended future of automation and AI: Examining some long-term societal and ethical impact features*, 73 TECHNOLOGY IN SOCIETY 1, 1 (2023).

<sup>2</sup> *Id.* at 1.; Ahmed M. Shamsan Saleh, *Blockchain for secure and decentralized artificial intelligence in cybersecurity: A comprehensive review*, 5(3) BLOCKCHAIN: RESEARCH AND APPLICATIONS 1, 2-6 (2024).

Despite the growing importance of this topic, significant research gaps remain in understanding the full implications of AI for sovereignty in South Asia. More research is needed to understand the real-world impact of AI on issues like trans-border data flows, cybersecurity vulnerabilities, and the potential erosion of traditional power structures within and between states. Much of the previous research tends to assume a state-centric approach, missing the increasingly critical role of non-state players in defining the AI environment and affecting its influence on sovereignty. Civil society groups, multinational enterprises, and international organisations serve a role in this changing dynamic, and their effect must be fully recognized.

Furthermore, a comparative review of AI policies and their influence on sovereignty across various South Asian nations is sparse. Knowledge of the varied tactics being implemented by individual states within the area and measuring their performance is vital for a thorough knowledge of the geographic regions structure. Finally, most research tends to concentrate on the present status of AI and its immediate effects. There is an urgent need for more forward-looking research that investigates various future scenarios, addressing the long-term ramifications of AI's continuous expansion and implementation for sovereignty in South Asia. This study will dive into these conceivable possibilities, evaluating how various pathways of AI growth might restructure the regional order and reconfigure the link between dependency and sovereignty.

This study addresses these research gaps by presenting a nuanced and complete analysis of the dilemma of dependency and sovereignty in South Asia's new international order, which is dramatically transformed by the emergence of artificial intelligence. By exploring the interaction of technical, economic, and security variables and evaluating the involvement of both state and non-state actors, this research will contribute to a clearer understanding of the problems and potential for this key area in the age of AI. It will give insights into the developing nature of power, governance, and global relations in the 21st century, shedding the context on the years to come of South Asia and its role in the growing global order.

### Understanding the "New World Order"

The "New World Order" of the twenty-first century is not a stationary and rigid, clearly established structure but rather a continuous process of recalibration and modification, notably in interpreting sovereignty. It's a dynamic idea, continually developing as globalization and technology breakthroughs, notably AI, change the distribution and exercise of power. Traditional Westphalian sovereignty, stressing inviolable territorial integrity and non-interference in internal matters, is increasingly being challenged by the reality of an interdependent world.<sup>3</sup>

Interdependence necessitates that simply internal policies now flow outwards, influencing other countries in real ways, the "European Union's General Data Protection Regulation (GDPR)" being a classic example. While enforced inside the EU, its severe data gathering, storage, and processing regulations drove enterprises worldwide to modify their processes to meet the requirements, so that they shed accessibility to the enormous European market.<sup>4</sup> This highlights how a legal framework established by one institution may successfully transcend national boundaries, affecting behavior and conventions on an international level and slowly changing conventional concepts of sovereign sovereignty over data.<sup>5</sup>

Another striking example is China's ambitious Belt and Road Initiative, especially its digital infrastructure investments in South Asia. The installation of data centers, fiber optic networks, and smart city infrastructure by Chinese enterprises raises questions over data sovereignty and possible impact, even if it is being framed as a development effort. By establishing dependencies and possibly providing China with access to enormous volumes of data, these projects subtly tip the scales and show how technological superiority can be used to exert influence outside of conventional military or economic channels, further obfuscating national sovereignty in this "New World Order." This system is characterized by a dispersion of power, in which shared responsibility and negotiation are more important than absolute sovereignty.<sup>6</sup>

### Understanding the evolving concept of Sovereignty

Numerous causes continuously change the dynamic structure that is the international order. With globalization and regionalization propelling the formation of a new international order, there has been a notable departure from the conventional Westphalian model of state sovereignty throughout the last 20 years. Increased collaboration and reliance between states, as well as the expanding power of non-state actors, are characteristics of this new order. This change has been especially noticeable in South Asia, where the region's complicated geopolitical environment and war history have made the change even more complicated.<sup>7</sup>

The emergence of multinational organizations is one of the main factors behind this shift. These organizations, including the World Trade Organization and the United Nations, have become more significant in global governance and often demand that governments give up some degree of sovereignty in order to accomplish shared objectives. This gave rise to the idea of "pooled sovereignty," in which nations willingly give up some of their sovereignty in order to take part in global integration and cooperation.<sup>8</sup>

<sup>3</sup> M. Motaharnia, E. Salehi, *The New World Order in the Twenty-First Century*, 6(1) JOURNAL OF HISTORY CULTURE AND ART RESEARCH 852, 858-860 (2017).

<sup>4</sup> Peter Chase, *Perspectives on the General Data Protection Regulation of the European Union*, GMF (2019), <https://www.gmfus.org/download/article/19080> (last visited Jan. 15, 2025).

<sup>5</sup> Robert B. Woyach, *International Relations Theory and the New World Order*, 40 MISR 339, 342-346 (1996).

<sup>6</sup> Mariam Aftab, *The New World Order: A Critical Evaluation*, 14(3) ISSI 48, 48-50 (1991).

<sup>7</sup> S. M. Naseem, *Globalisation, Technology, and Asian Economic Growth*, 37(4) PDR 635, 636 (1998).

<sup>8</sup> Kent Jones, *Contrary Opinion: Who's Afraid of the WTO?*, 41 (1) CHALLENGE 105, 110-115 (1998).

The increasing power of non-state players, such as NGOs, international businesses, and even private citizens, is another noteworthy trend. These players challenge the established supremacy of governments in international relations by operating beyond boundaries and often possessing substantial economic and political influence. The traditional idea of "absolute" state sovereignty has been further undermined by the spread of power and influence brought about by the emergence of these non-state entities.<sup>9</sup>

The idea of sovereignty has also changed significantly as a result of globalization. A stronger understanding of common interests and difficulties has resulted from nations being more integrated via commerce, communication, and cultural interaction. In addition to encouraging collaboration and interdependence, this has sparked debate about the boundaries of state sovereignty in an increasingly interconnected globe. These days, states are required to abide by international rules and norms, which often restricts their freedom to engage in certain sectors.<sup>10</sup>

The idea of sovereignty in South Asia was also significantly altered by the conclusion of the Cold War. Ethnic and nationalist tensions returned, and new nations emerged as a result of the breakdown of the bipolar international order. This has called into question the long-held belief that state sovereignty ensures peace and security, underscoring the need of international collaboration to overcome these obstacles.<sup>11</sup>

Another crucial factor behind the change in sovereignty is the changing character of conflict and security. The conventional state-centric strategy for security has been put to the test by the emergence of non-state entities like terrorist groups. These players work internationally and often take advantage of governments' vulnerabilities to further their objectives. In order to counter these dangers, there is now more focus on information sharing and international collaboration.<sup>12</sup>

Traditional ideas of sovereignty have also been called into question by the growing significance of humanitarian action and human rights. In order to defend human rights and avert humanitarian disasters, the international community is now more inclined to become involved in a state's domestic affairs. This gave rise to the idea of "conditional sovereignty," which holds that in order for governments to remain legitimate in the international system, they must respect democratic values and human rights.<sup>13</sup>

Another important development influencing the idea of sovereignty is the emergence of regionalism. The "Association of Southeast Asian Nations (ASEAN)" and the "European Union" are two examples of regional organizations that have become crucial players in global governance. In order to engage in regional partnerships and integration, these organizations often demand that governments give up their sovereignty. This gave rise to the idea of "variable sovereignty," in which nations wield varying degrees of control based on the nature of the problem and the degree of collaboration.<sup>14</sup>

The idea of sovereignty in South Asia is made even more difficult by the region's diverse geopolitical environment and turbulent past. Since independence, there have been many intrastate and interstate wars in the area, which is home to multiple nuclear powers. As a result, there is now more insecurity and resistance to handing up sovereignty to regional or international organizations.

But there are indications of change as well. Promoting regional collaboration, especially in the economic arena, has seen considerable success thanks to the "South Asian Association for Regional Cooperation (SAARC)". In order to lower trade obstacles and advance regional economic integration, the "South Asia Free Trade Area (SAFTA)" agreement was signed in 2006.<sup>15</sup>

The development of India as a strong economic and political force is also considerably influencing the notion of sovereignty in South Asia. India's expanding importance has led to a greater focus on regional cooperation and a readiness to lead in tackling regional difficulties.<sup>16</sup>

Throughout South Asia, the idea of sovereignty is changing dramatically. The emergence of international organizations, non-state players, globalization, regionalization, and the evolving character of conflict and security are some of the reasons that pose a threat to the conventional Westphalian concept of absolute state sovereignty. States continue to play a major role in international affairs, but their sovereignty is now dependent on their capacity to negotiate the intricate interdependence and collaboration that define the new global order.

<sup>9</sup> Ivan Simonovic, *Relative Sovereignty of the Twenty First Century*, 25 Hastings Int'l & Comp. L. Rev. 371, 372-375 (2002).

<sup>10</sup> Alex H. Chung, *Redefining Sovereignty for the 21<sup>st</sup> Century*, APSA 1, 3-5 (2015).

<sup>11</sup> Michael C. Davis, *Sovereignty and The State in Asia: The Challenges of The Emerging International Order*, ASIL 411, 411-412 (2005).

<sup>12</sup> SHAHID JAVED BURKI, SOUTH ASIA IN THE NEW WORLD ORDER: THE ROLE OF REGIONAL COOPERATION 32-33 (Routledge 2011).

<sup>13</sup> C. Raj Kumar, *Corruption, Human Rights, And Development: Sovereignty and State Capacity to Promote Good Governance*, ASIL 411, 416-419 (2005).

<sup>14</sup> The Habibie Center, Alexander C. Chandra, Rahimah Abdulrahim, A. Ibrahim Almuttaqi, Non-state Actors' Engagement with ASEAN: Current State of Play and Way Forward, 4 ERIA (2017), [https://www.eria.org/ASEAN\\_at\\_50\\_4B.3\\_Chandra-Almutaqqi-Ibrahim.pdf](https://www.eria.org/ASEAN_at_50_4B.3_Chandra-Almutaqqi-Ibrahim.pdf) (last visited Jan. 14, 2025).

<sup>15</sup> South Asian Free Trade Area (SAFTA), UN, <https://www.un.org/ldportal/content/south-asian-free-trade-area-safta> (last visited Jan. 15, 2025).

<sup>16</sup> Chilamkuri Raja Mohan, *India and South Asia: The Elusive Sphere of Influence*, ISAS NUS, (Jan. 6, 2022), <https://www.isas.nus.edu.sg/papers/india-and-south-asia-the-elusive-sphere-of-influence/>

### Impact of International Organisations on Sovereignty

Pooled sovereignty results from the emergence of international organizations, which demand that governments give up a certain amount of sovereignty in order to accomplish shared objectives. The conventional hegemony of nations in international relations is being challenged by the rising influence of non-state entities, such as NGOs, multinational businesses, and even private citizens. The idea of sovereignty has also changed significantly as a result of globalization.<sup>17</sup> A stronger understanding of common interests and difficulties has resulted from nations being more integrated via commerce, communication, and cultural interaction.<sup>18</sup>

The idea of sovereignty was also significantly altered by the conclusion of the Cold War. Ethnic and nationalist tensions returned, and new nations emerged as a result of the breakdown of the bipolar international order. This has called into question the long-held belief that state sovereignty ensures peace and security, underscoring the need of international collaboration to overcome these obstacles.<sup>19</sup> The conclusion of the Cold War made it abundantly clear to many academics of international relations that basic shifts in the global system could not be predicted or explained by current theories of international relations. These hypotheses, however, are more capable of explaining later occurrences, such the recurrence of ethno-nationalist strife. They are able to forecast the effects of emerging market economies and democratization trends. They are able to predict the characteristics and ramifications of the purported "new world order"—the developing international system.<sup>20</sup>

The remarkable question, however here remains, whose World Order is it? In their book "Uneven Globalization and the End of the Cold War", Danish scholars Hans-Henrik Holm and Georg Sorensen make the argument that "universal theories of international relations, particularly liberalism and realism, are sufficient to explain the changes that overtook the bipolar Cold War system and to comprehend the new world order". Their logic is derived from a fresh viewpoint. Globalization ("the intensification of economic, political, social, and cultural relations across borders") and the end of the Cold War ("the elimination of the global bipolar conflict that has conditioned state decisions for the last forty-five years") are the two main manifestations of change in the international system today, according to Holm and Sorensen. However, regional diversity—rather than the homogeneity suggested by the language of the "new world order" or clarified by the "universal" theories now in use—is what distinguishes both movements. The course of extended, fundamental, and normative change is known as globalization. However, Holm and Sorensen contend that globalization is dialectic and unequal. Its severity and, thus, its consequences for national policy and autonomy are the main areas of inequality.<sup>21</sup>

### Technological Advancement as a Consequence of Globalization

South Asia's technical progress has been significantly influenced by globalization. Many industries have grown and developed as a result of the easier transfer of technology and information made possible by the region's greater economic interconnection with the rest of the world.

Increased commerce and investment are two important ways that globalization has accelerated technical innovation. Foreign direct investment (FDI), which brings new technology and skills to the area, has increased as South Asian nations have opened up their economies. This has made it possible for local businesses to embrace new technology and learn from international partners, boosting their competitiveness and productivity.<sup>22</sup>

One of the best examples of how globalization has fueled technical innovation is the expansion of the information technology industry in South Asia. A booming sector has been produced by offshoring IT services to nations like India, which has encouraged the implementation of innovative technology and the growth of a trained labor force.<sup>23</sup>

Through human mobility, globalization has also made it easier for technology to spread. Professionals and skilled laborers from South Asia have relocated to industrialized nations, where they have acquired important skills and information. They returned with fresh ideas and innovations that aided in the growth of their own nations.<sup>24</sup>

Technological development has also been significantly influenced by the greater availability of knowledge and information via the Internet and other means of communication. This has made it possible for South Asian professionals, scholars, and students to interact with foreign partners, access worldwide expertise networks, and keep up with emerging technologies.<sup>25</sup>

<sup>17</sup> KENT, *supra* note 8 at 5.

<sup>18</sup> Daniel C. Thomas, *International NGOs, State Sovereignty, and Democratic Values*, 2(2) CHICAGO JOURNAL OF INTERNATIONAL LAW 389, 389-393 (2001).

<sup>19</sup> Rawa Almakky, *The Role of International Organisations in the Development of International Law: An Analytical Assessment of the United Nations*, 9 (28) LAW AND WORLD (2023), <https://lawandworld.ge/index.php/law/article/view/422> (last visited Jan. 5, 2025).

<sup>20</sup> *Id.* at 8.

<sup>21</sup> Robert B. Woyach, *International Relations Theory and the New World Order*, 40 MISR 339, 340 (1996).

<sup>22</sup> Padmaja Bhujabal, Narayan Sethi, Purna Chandra Padhan, *Effect of institutional quality on FDI inflows in South Asian and Southeast Asian countries*, 10(5) HELIYON 1, 11 (2024).

<sup>23</sup> Aqib Aslam, Johannes Eugster, *et. al.*, *Globalization Helps Spread Knowledge and Technology Across Borders*, IMF BLOG (April 9, 2018) <https://www.imf.org/en/Blogs/Articles/2018/04/09/globalization-helps-spread-knowledge-and-technology-across-borders> (last visited Jan. 18, 2025).

<sup>24</sup> NASEEM, *supra* note 7 at 5.; Pravakar Sahoo, *Foreign Direct Investment in South Asia: Policy, Trends, Impact and Determinants*, 56 ADB INSTITUTION 3, 9-17 (2006).

<sup>25</sup> Milenko Popovic, *Technological Progress, Globalization, and Secular Stagnation*, 1 JCBTP 59, 88-93 (2018).

It is important to remember, nevertheless, that South Asia has not benefited equally from the advancements in technology brought about by globalization. Disparities exist both inside and across nations, with some areas and industries falling behind. For regional authorities, addressing these discrepancies and making sure that everyone benefits from technology advancements is a critical problem.<sup>26</sup>

Globalization has surely contributed significantly to South Asia's technical growth in spite of these obstacles. Many industries have grown and developed as a result of the exchange of technology, information, and skill, which has also raised living standards and opened up new possibilities. As the area keeps integrating into the world's economic system, it is essential to make sure that the advantages of technological advancement are distributed sustainably and fairly.

### Understanding the Impact of Artificial Intelligence on the global order

The autonomous learning cyberspace computations, which can currently operate without human assistance, has been the main emphasis of technological advancement in the twenty-first century. Artificial intelligence's main capabilities are self-learning and autonomous performance.

AI is becoming more and more significant across a range of industries, including healthcare, education, finance, and transportation. Numerous facets of human life might be revolutionized by its capacity to analyze enormous volumes of data, spot trends, and make predictions. But the rapid advancement of AI has also sparked worries about how technology could affect civilization.<sup>27</sup>

AI's development is transforming many facets of human life, and its influence on world politics is irrefutable. Because AI technologies are inherently networked, collaboration and shared governance are required, making the distinctions between conventional state borders more hazy. As AI develops further, countries need to reevaluate their conceptions of sovereignty and work together to maximize AI's advantages while reducing its hazards.<sup>28</sup>

AI is changing how public policy is made in a number of ways. Creating conceptual structures for AI regulation is essential to implementing an all-encompassing strategy for AI governance. From the fundamentals to sustainable governance, these frameworks need to cover every phase of contemporary public policymaking. Nicholas D. Wright goes into great detail regarding the effects and impact of AI on governance while discussing the difficulties of AI in upholding international order. The scholarship on Artificial Intelligence Regulation (AIR) produced between 2010 and 2020 is widely distributed and loosely centered on the "framework" idea, according to a comprehensive systematic review of the field. To improve comprehension, this corpus of information has to be arranged, explained, and illustrated. The final integrative framework summarizes earlier representations of how policies are established to attain the highest standards of society values, including freedom, justice, and sustainability over the long run.<sup>29</sup> Finding anatomical commonality across many methods is as difficult as synthesizing the AIR research. Finding and then objectively deriving generic and parametric methods for stakeholder-aware, nation-specific examination of AIR concerns led to the creation of the AIR architecture.<sup>30</sup>

In order to provide society a conceptual prism through which to deliberate collaboratively and make well-informed policy choices on AI, models for AI regulation ought to encompass agile approaches with ethical standards. The "AIR framework" is a conceptual lens that allows society to think collaboratively and make well-informed policy choices on what, when, and how to govern the applications and functions of AI. It combines theories and ideas as disparate as Agile and Ethics.<sup>31</sup> From legality to research and development, AI regulatory frameworks provide a theoretically solid foundation for a variety of AI regulation-related initiatives. AI has a huge influence on society, and its uses should be directed by shared principles derived from modern governance practices and societal ideals that have been validated via discussion and scientific investigation. Inconceivable ethical problems have been brought to a vast and intricate social system by the pervasive and imperceptible employment of AI in our everyday lives. According to the same viewpoint, the intricacy of data handling throughout the design and development of a machine learning solution raises the possibility of ethical surprises, necessitating a more thorough assessment of the moral and societal implications.<sup>32</sup>

The advent of AI has caused a significant change in the world, especially in areas like South Asia that have intricate geopolitical dynamics. In the era of artificial intelligence, sovereignty—traditionally defined as a state's total power within its borders—is being redefined. Because AI technologies are inherently networked, collaboration and shared governance are required, making the distinctions between conventional state borders more hazy. Because of AI's capacity to cross national boundaries and its potential to completely transform a number of industries, countries are working together to maximize its advantages while reducing its hazards. Artificial intelligence, which may be summed up as both systems that think and behave like people and systems that think and act rationally, has been linked to a variety of ideas since the word was first used in 1956. These ideas have their foundation on an analytical

<sup>26</sup> *Id.* at 9.

<sup>27</sup> Adib Bin Rashid, MD Ashfakul Karim Kausik, AI revolutionizing industries worldwide: A comprehensive overview of its diverse applications, 7 *Hybrid Advances* 1, 2 (2024).

<sup>28</sup> Patricia Gomes Rêgo de Almeida, Carlos Denner dos Santos, *et al.*, *Artificial Intelligence Regulation: a framework for governance*, ETHICS AND INFORMATION TECHNOLOGY 1, 1-2 (2021).

<sup>29</sup> Nicholas D. Wright, *Artificial Intelligence's Three Bundles of Challenges for the Global Order*, AUP 13, 13-17 (2019).

<sup>30</sup> Patricia Gomes Gego de Almeida, *et al.*, *Artificial Intelligence Regulation: a framework for governance*, SPRINGER NATURE 1, 1-21 (2021).

<sup>31</sup> *Id.* at 11.

<sup>32</sup> Marinko Skare, Domingo Riberio Soriano, *How globalization is changing digital technology adoption: An international perspective*, 6(4) JIK 222, 223 (2021).

human being and rational behavior.<sup>33</sup> The range of terms used to describe anything that makes use of AI technology is equally extensive: autonomous systems, robots, machines with intelligence, intelligent agents, intelligent algorithms, and inventive systems, just to mention a few.<sup>34</sup>

AI promotes economic interconnectedness by making international investment, commerce, and innovation easier. Countries are depending more and more on one another for dissemination of technology, data sharing, and cooperative research and development as they work to incorporate AI into their economy. AI has two roles in security: it creates new threats to regional stability while also offering chances for improved cybersecurity and combating terrorism collaboration.<sup>35</sup> The need of shared accountability and collaborative action has been emphasized by the possibility of AI-enabled autonomous weapons systems as well as the danger of AI abuse by non-state actors. By making it possible for ideas and information to flow freely across national boundaries, AI is also promoting social and cultural interdependence. AI-powered social media platforms bring people together from all over the world, encouraging cross-cultural interaction and a feeling of unity. Among the many "intelligent solutions" that are presented on a regular basis, the privacy, security, proprietary rights, and responsibilities related to different technologies such as healthcare robots, unmanned aircraft, and robotic autos have been questioned.<sup>36</sup>

In the era of artificial intelligence, the paradox between sovereignty and dependency offers both possibilities and difficulties. Although more regional collaboration and prosperity may result from AI-driven interconnectedness, countries need to rethink their conception of sovereignty. The idea of sovereignty is dynamic and subject to change in response to the changing reality of the AI-shaped, globally networked world. Given how quickly AI is developing and how it affects society, agile governance is essential. By allowing for flexibility and adaptation, this strategy makes sure that regulatory frameworks continue to be applicable and useful even in the face of technology changes. Coordination of international initiatives to regulate AI depends on international governance bodies. These committees may help in the harmonization of national laws, the creation of international standards, and the exchange of best practices. Partnerships between the public and commercial sectors are essential to effective AI governance. These collaborations may promote innovation while guaranteeing that AI technologies are created and used in a responsible and moral manner by uniting stakeholders from both industries.<sup>37</sup>

### Role of AI in effective global governance

When we examine how AI is being used in national governance, we find that it has permeated every aspect of our life and is thus having an impact on how the government operates. The Indian governance has demonstrated a strong interest in using AI to advance social and economic progress, which has resulted in a number of legislative and regulatory efforts aimed at fostering AI inventiveness while addressing some of its possible drawbacks.<sup>38</sup> In this part, we will explore the scope of AI regulation in governance from India's perspective.

The development of conceptual frameworks for AI regulation is one of the main ways AI influences Indian lawmaking. These frameworks seek to provide a thorough method of AI governance that takes into account every phase of the policy-making process. For AI technologies to be created and implemented responsibly and ethically, it is essential to include agile approaches and ethical concepts into these frameworks.<sup>39</sup>

In the digital era, AI is also helping to redefine what sovereignty means. Because AI technologies are inherently networked, collaboration and shared governance are required, making the distinctions between conventional state borders more hazy. Lawmakers must take into account the transnational aspect of artificial intelligence (AI) and the need of international collaboration in governing its development and usage, which has ramifications for legislation.<sup>40</sup>

Legal norms and institutions have changed as a result of the growing use of AI-based systems in fields including welfare administration, healthcare, and law enforcement. Because of this, policymakers must make sure that these technologies are used in a manner that respects democratic principles and basic rights.

Legislative systems are required to meet the new ethical issues brought about by the development of AI. A more comprehensive assessment of AI's ethical and societal effects is required, as shown by the intricacy of data processing in AI systems and the possibility of unforeseen outcomes. In order to tackle these issues, the Indian government has established expert committees to look at different facets of AI governance and created national AI plans. To

<sup>33</sup> PATRICIA, *supra* note 30 at 11.

<sup>34</sup> NICHOLAS, *supra* note 29 at 11.

<sup>35</sup> Anthony Amunategui Abad, *Artificial Intelligence and the Future of International Trade Law and Dispute Settlement*, 17(1) CAAJ 35, 43-50 (2024).

<sup>36</sup> Cristian Colther, Jean Pierre Doussoulin, *Artificial intelligence: Driving force in the evolution of human knowledge*, 9(4) JIK 1, 2-3 (2024).

<sup>37</sup> Rohan Sharma, How public-private partnerships can ensure ethical, sustainable and inclusive AI development, WORLD ECONOMIC FORUM, (Nov 19, 2024), <https://www.weforum.org/stories/2024/11/public-private-partnerships-ensure-ethical-sustainable-inclusive-ai-development/> (last visited Jan. 20 2025).

<sup>38</sup> NITI Aayog, National Strategy for Artificial Intelligence #AIFORALL, NITI Aayog (June 2028).

<sup>39</sup> Amlan Mohanty, *Shatakratu Sahu, India's Advance on AI Regulation*, CARNEGIE INDIA (Nov. 21, 2024), <https://carnegieendowment.org/research/2024/11/indias-advance-on-ai-regulation?lang=en&center=india> (last visited Jan. 21, 2025).

<sup>40</sup> Andreea Zugravu, Ben Safran, et al., *Using AI in economic development: Challenges and opportunities*, MCKINSEY AND COMPANY (May 22, 2024), <https://www.mckinsey.com/industries/public-sector/our-insights/using-ai-in-economic-development-challenges-and-opportunities> (last visited Jan. 20, 2025).

combine the advantages of AI innovation with the need to uphold basic rights and democratic ideals, a more thorough and nuanced approach to AI law-making is still required.<sup>41</sup>

AI's influence on Indian lawmaking is a continuous process that calls for careful thought and cooperation from a range of stakeholders. Policymakers need to keep aware of the trend and create legal frameworks to guarantee that AI is used for the good of society as it develops.

AI is quickly changing many facets of life, including government. AI has the potential to completely transform a number of facets of governance, including public administration, policymaking, law enforcement, and security, thanks to its capacity to analyze enormous volumes of data, spot trends, and provide forecasts. AI is being used in a variety of ways to increase public administration's efficacy and efficiency. Chatbots with AI capabilities, for instance, can provide users rapid and simple access to government information and services.<sup>42</sup> Additionally, AI may automate repetitive activities, freeing up government workers to concentrate on more intricate and strategic work.

AI can help in the creation and execution of public policies in the field of policymaking. Large datasets may be analyzed by AI-based systems to find trends and patterns that might aid decision-makers. Additionally, AI may be used to simulate the prospective effects of various policy alternatives, enabling decision-makers to evaluate the potential outcomes of their decisions before to implementation.<sup>43</sup>

Artificial Intelligence (AI) is being employed in law enforcement departments to increase agency efficiency and public safety. Facial recognition software driven by AI may assist in identifying suspects and apprehending offenders. Law enforcement organizations may more efficiently deploy resources thanks to AI's ability to analyze crime trends and forecast crime hotspots.<sup>44</sup> The role of AI in national security is becoming more and more significant. In addition to analyzing intelligence data to find possible risks, AI-based systems may be used to identify and prevent cyberattacks. Concerns have been expressed about how AI might intensify wars and erode human authority over military decision-making since it can also be used to create autonomous weapons systems.<sup>45</sup>

There are advantages and disadvantages of using AI in governance. Making sure AI systems are used morally and sensibly is one of the main obstacles. AI systems may have biases that are reflected in the data they have been instructed on or in the prejudices of its designers. Discriminatory effects may result from this, especially in the fields of welfare administration and law enforcement. Making sure AI technologies are executed in a manner that respects basic rights and democratic ideals is another difficulty. Concerns over AI's capacity to undermine civil rights and privacy have been highlighted by its use in law enforcement and surveillance.<sup>46</sup>

Notwithstanding these obstacles, artificial intelligence (AI) has promise for greatly enhancing governance's efficacy, efficiency, and equity. AI has the potential to improve government decision-making, resource allocation, and citizen services.

Legislators must create governance structures and legal frameworks as AI advances to guarantee that technology is used in a manner that advances society. This might include tackling the moral dilemmas raised by AI and making sure its use aligns with democratic principles and basic rights.

A paper published in 2018 by NITI Ayog discussed the difficulties India is now experiencing in addressing AI intervention. These difficulties include a dearth of supportive data ecosystems, ambiguous ethical regulations, and inadequate infrastructure and expertise to address AI-related problems.<sup>47</sup>

### Impact of AI on Economic Growth

The Asia-Pacific area is becoming a major center for AI-driven development and innovation, and the emergence of AI is changing the global economic landscape. M. Haseeb's work explores the complex relationship between AI and economic growth, showing how it may spur advancement and upend established sectors.

The magnitude of AI's conceivable economic effect is one of the research's main conclusions. AI has the potential to generate an astounding \$13 trillion in financial value by 2030, which would represent a 16% increase in global economic production. This forecast highlights AI's revolutionary potential to disrupt labor markets and redefine sectors.<sup>48</sup>

Leading the way in AI-driven change are the industrial and infrastructure industries. Leading nations like Singapore and Japan are incorporating AI technology into sophisticated production processes with ease in order to boost creativity and efficiency. The research also shows that AI's effects are not

<sup>41</sup> Divij Joshi, *AI governance in India – law, policy and political economy*, 10(3) CRP 328, 329-333 (2024).

<sup>42</sup> *Id.* at 14.

<sup>43</sup> NITI, *supra* note 38 at 13.

<sup>44</sup> Gayathri Haridas, et al., *The Key Policy Frameworks Governing AI in India*, Access Partnership (October 2, 2023), <https://accesspartnership.com/the-key-policy-frameworks-governing-ai-in-india/> (last visited Jan. 22, 2025).

<sup>45</sup> CSET, *Artificial Intelligence and National Security*, Bipartisan Policy Center 1, 4-5 (June, 2020).

<sup>46</sup> Stephen Lomlen, *Impact of Artificial Intelligence in enhancing National Security*, AIS 1, 2-7 (2024).

<sup>47</sup> NITI, *supra* note 38 at 13.

<sup>48</sup> M. Haseeb et al., *Economic Impact of Artificial Intelligence: New Look for the Macroeconomic Assessment in Asia-Pacific Region*, 12(2) IJCIS 1295, 1301-1302 (2019).

always favorable. China's mining and energy industries, for example, are suffering, underscoring the possibility that AI may upend established markets and force people to relocate.<sup>49</sup>

AI's effects on labor markets are a complicated and dynamic topic. AI presents a danger of job displacement even if it has the ability to provide new employment possibilities, especially for semi-skilled people in industries like agriculture, logistics, and transportation. The problems presented by AI-driven alterations to their labor markets are being faced by nations such as China, India, and Taiwan. On the other hand, countries like Singapore and South Korea who have strong educational institutions seem to be in a better position to use AI to boost their economies. This emphasizes how important education is in equipping workers to meet the needs of an AI-powered economy.<sup>50</sup>

Another important element propelling breakthrough in artificial intelligence in the Asia-Pacific area is the availability of data. The area has an abundance of information from users that may support the development and use of AI. However, making deliberate expenditures in infrastructure and personnel development is necessary to fully use this data. To fully realize AI's economic potential, an ecosystem that fosters innovation in the field must be established. The emergence of AI also brings with it a number of difficulties that need to be carefully considered.<sup>51</sup> Important facets of the AI conversation include security requirements, ethical issues, and the requirement for all-encompassing regulations. Authorities must take steps to tackle these issues as AI develops and establish plans for the wider socioeconomic effects of AI.<sup>52</sup>

AI is a two-edged sword that presents problems that need to be solved while also providing enormous potential for economic progress. The Asia-Pacific area is leading the way in the use of AI, and its AI journey is just getting started. Policymakers and business executives may use AI's revolutionary potential to spur economic development and create an era where AI helps civilization as a whole by handling its complexity.

#### *Role of AI in sustainable development*

With its creative answers to difficult global problems, artificial intelligence is quickly becoming a disruptive force in sustainable development. When it comes to solving important problems like water management, agriculture, and public health, its capacity to analyze enormous volumes of data, forecast trends, and optimize resource allocation is crucial.

By facilitating more effective and sustainable methods, AI-powered solutions are transforming the water sector's approach to managing water resources.<sup>53</sup> These technologies enable towns to optimize water infrastructure and provide fair supply to clean water for regions by analyzing real-time data to forecast water demand, identify leaks, and evaluate water quality. By reducing the likelihood of waterborne illnesses, this proactive strategy protects public health and helps preserve valuable water resources.<sup>54</sup>

Additionally, AI is changing agriculture, especially for small-scale cultivators in poor nations. AI is being used by projects like *PlantVillage* to provide farmers with vital information on crop management, disease detection, and resource optimization. AI helps boost yields, cut waste, and encourage ecologically friendly agricultural methods by providing farmers with data-driven tools. This promotes sustainable agricultural growth and increased food security, especially in areas with limited resources and environmental difficulties.<sup>55</sup>

AI is also essential for solving public health issues, especially those related to waterborne illnesses. Rapid and precise identification of pollutants in water sources is made possible by innovations like Peter Ma's AI-driven water quality assessment system, which protects public health and builds community resilience. AI contributes to ensuring access to clean drinking water, which is essential for the wellness of humans, by monitoring viral and bacterial contaminants in water systems.<sup>56</sup>

Beyond these particular uses, AI has the power to influence fundamental changes in public policy and corporate behavior, paving the way for a more inclusive and sustainable future. Organizations may optimize supply chains, cut waste, and improve energy efficiency by using AI into sustainability programs. This helps create a "circular economy" that minimizes its negative effects on the environment. By guaranteeing fair access to opportunities and resources, AI can advance social inclusion, especially for underserved populations.<sup>57</sup>

Future politicians and decision-makers must be made aware of AI's promise and constraints if its full potential for sustainable development is to be realized. They can successfully negotiate the benefits and difficulties posed by this quickly developing technology if they have a thorough grasp of artificial intelligence. AI may be used as a potent instrument to accomplish sustainable development objectives and build a more just and robust society for all if a cooperative approach is promoted that places an emphasis on inclusion and ethical concerns.

<sup>49</sup> *Id.* at 16.

<sup>50</sup> *Id.* at 16.

<sup>51</sup> SHAHID JAVED BURKI, SOUTH ASIA IN THE NEW WORLD ORDER: THE ROLE OF REGIONAL COOPERATION 38-41 (Routledge 2011).

<sup>52</sup> *The ethics of artificial intelligence: Issues and initiatives*, EPFR 1, 40-42 (March, 2020).

<sup>53</sup> Hesam Kamyab, Tayebah Khademi, et al., *The latest innovative avenues for the utilization of artificial Intelligence and big data analytics in water resource management*, 20 RESULTS IN ENGINEERING 1, 2-3 (2023).

<sup>54</sup> Margaret A. Goralskia, Tay Keong Tanb, *Artificial intelligence and sustainable development*, 18 IJME 1, 2-4 (2020).

<sup>55</sup> *Id.* at 17.

<sup>56</sup> Christina Crovetto, *He's Chasing Genius: Peter Ma '07*, NJIT, <https://news.njit.edu/hes-chasing-genius-peter-ma-07> (last visited Jan. 24, 2025).

<sup>57</sup> Reema Alsabt, Wadha Alkhalidi, et al., *Optimizing waste management strategies through artificial intelligence and machine learning - An economic and environmental impact study*, 8 CLEANER WASTE SYSTEMS, VOLUME 1, 5-6 (2024).



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## Conclusion

A new age of technical progress has been brought about by the development of artificial intelligence (AI), which has changed many facets of society and called into question established ideas of sovereignty and government. The purpose of this article is to conclude by discussing how AI has affected the idea of sovereignty, going over the difficulties in incorporating AI into governance frameworks, and providing suggestions for nations negotiating this complicated terrain.

AI has a wide-ranging effect on sovereignty, upending established limits on state authority and changing the character of international relations. Because AI technologies are inherently linked, collaboration and common governance are required, making it more difficult to distinguish between national and international domains. Lawmakers must take into account the transnational aspect of AI and the need of international collaboration in governing its development and usage, which has consequences for the legislative process.

The possibility of prejudice and discrimination is one of the main issues with AI in governance. In domains like the realm of law enforcement, welfare management and access to basic services, AI systems have the potential to reinforce and even magnify prevailing cultural prejudices, resulting in discriminatory results. To overcome this obstacle and guarantee justice and equality in AI applications, ethical structures, accountability for data, and transparency through algorithms must be carefully taken into account.

The risk for AI to undermine civil rights and privacy is another difficulty. Concerns over extensive monitoring, security breaches, and the diminution of individual liberties are raised by the use of AI in law enforcement and surveillance. In the era of artificial intelligence, establishing an equilibrium amongst cybersecurity and freedoms for individuals is essential, requiring strong legal frameworks and supervision procedures to safeguard basic rights and democratic principles. Accountability and transparency are further hampered by the complexity of AI systems. Concerns over transparency and the possibility of unforeseen repercussions arise from the "black box" aspect of certain AI algorithms, which may make it difficult to comprehend how choices are made. Building confidence and guaranteeing ethical AI creation and deployment require that AI systems be accountable and explainable.

South Asian nations should take a proactive and all-encompassing approach to AI governance in order to overcome these issues. This entails:

- Creating moral frameworks and standards for the creation and use of AI that guarantee accountability, transparency, and equity.
- Funding AI research and education to address ethical and social ramifications, develop a trained workforce, and promote innovation.
- Establishing a framework for international investment and economic cooperation in these nations.
- In order to address the transnational aspect of AI and guarantee interoperability and harmonization of AI rules, international collaboration and data exchange are encouraged.
- Putting in place strong legal frameworks and supervision procedures to safeguard privacy, democratic principles, and basic rights in the era of artificial intelligence.

In the twenty-first century, AI offers both benefits and difficulties for sovereignty and government. Countries can exploit the revolutionary potential of AI while reducing its hazards and guaranteeing that it serves society as much as possible by adopting a proactive and cooperative strategy. Our capacity to resolve these issues and build a future in which AI is a vehicle for advancement, inclusion, and sustainable development will determine how governance develops in the era of artificial intelligence.