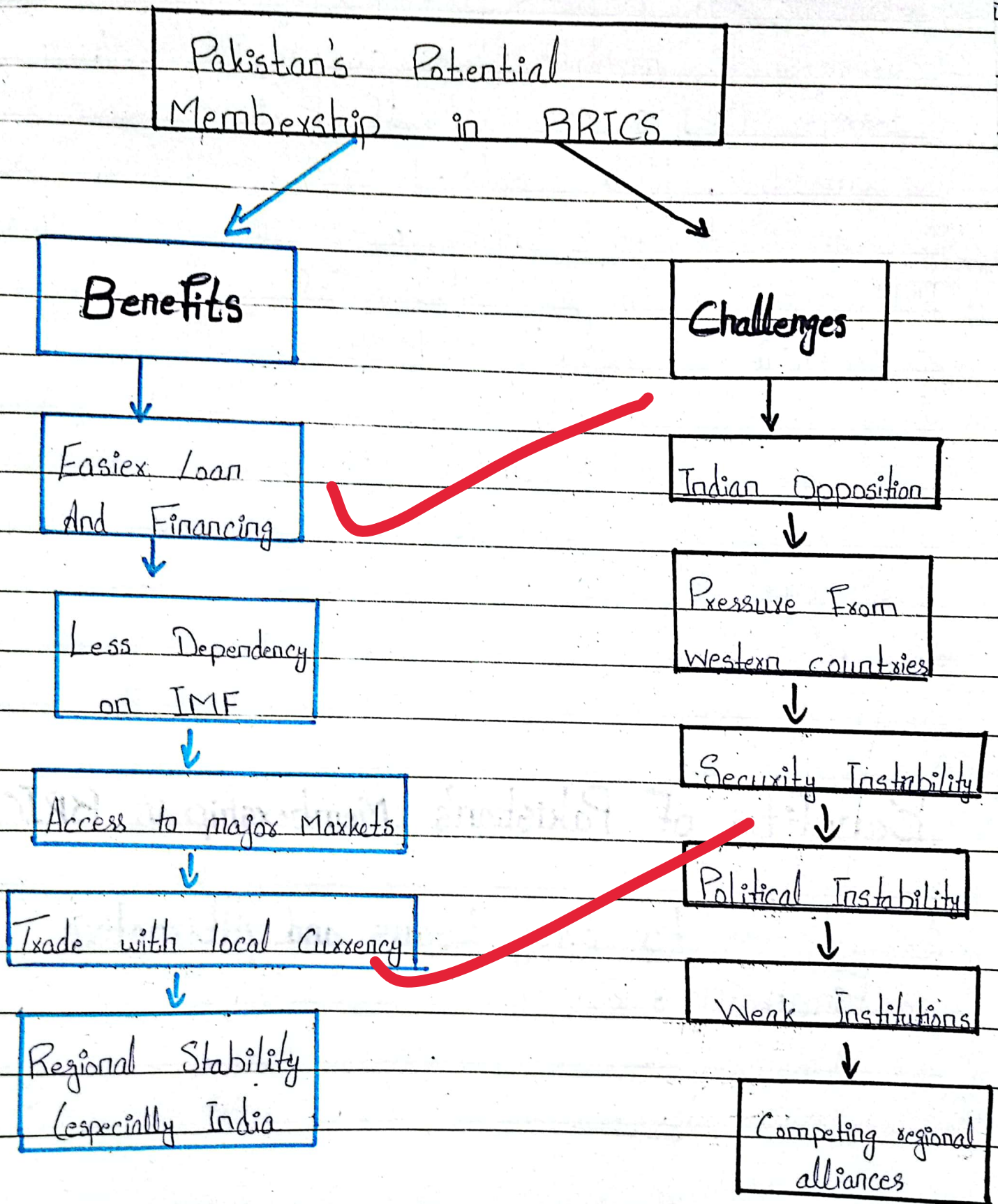


Q: If Pakistan becomes a member of BRICS, what would be the potential benefits and challenges for Pakistan?





# Introduction:

BRICS is a group of countries that includes Brazil, Russia, India, China, and South Africa. They work together on economic and political issues. Pakistan is not currently a member but showed interest in joining BRICS in 2005. If Pakistan becomes a member, there could be several benefits like access to easier loans, reduce dependency on IMF, access to major markets, Trade with local currencies & regional stability as well as all these benefits Pakistan face several challenges such as potential Indian opposition, pressure from Western Countries, political, security & economical instability, Institutional. Understanding these aspects is crucial to evaluating the impact of such a membership on Pakistan's economic and geopolitical landscape.

## Benefits of Pakistan's Membership in BRICS:

1: Access to Easy Loans and Alternative Financing: One of the primary benefits for Pakistan in joining BRICS would be access



to easier loans and alternative sources of external financing. BRICS countries have established financial institutions like the New Development Bank (NDB), which aims to support infrastructure and sustainable development projects in member countries. For instance, the NDB has financed projects in various member countries, offering a more potentially favourable alternative of International Monetary Fund (IMF). This could provide Pakistan with another option besides IMF, which often requires strict conditions.

**2: Less Dependency on IMF:** Joining BRICS could help Pakistan depend less on IMF. IMF loans often come with tough requirements for economic reforms, which can be difficult for Pakistan. For example, Pakistan has faced several rounds of IMF programs with various conditions related to fiscal policies and structural reforms. By accessing BRICS' financial resources, Pakistan might have more freedom in shaping its economic policies.

**3: Access to Major Markets:** BRICS members are countries represent some of the largest and fast-growing economies in the world. Pakistan could benefit



from improved trade relations with these countries. For example, India is the largest market globally, and enhanced trade relations with India could boost Pakistan's export and economic growth. Being parts of BRICS could facilitate trade agreements and economic cooperation, helping Pakistan tap into these large markets more effectively.

Add and highlight references/examples

#### 4: Trade with Local Currencies:

Another advantage would be the opportunity to trade using local currencies. BRICS members have discussed the possibility of reducing their dependence on the US dollar for trade transactions. For Pakistan, this could mean more stable trade relations and potentially lower transaction costs. For example, using local currencies in trade agreements could help reduce the impact of currency fluctuations and reduce the cost of cross-border transactions.

#### 5: Regional Stability:

Joining BRICS might help improve regional stability, particularly in relations between Pak and India. BRICS promotes economic cooperation, which could create opportunities for dialogue and help reduce tensions between the two countries.



# Challenges of Pakistan's Membership in BRICS 8

1: Possible Indian Opposition: A significant challenge could be opposition from India. India is a key member of BRIC and might not support Pakistan's membership. For example, in June 2022, during a high-level dialogue on global development, India blocked Pakistan's invitation to participate in BRICS meetings. This move highlights the existing tensions b/w two countries, that could complicate Pakistan's membership.

2: Pressure from Western Countries: Pakistan might also face pressure from Western countries, especially the United States. Western nations have often expressed concern about the growing influences of BRICS and have been critical of its policies. Pakistan's membership could lead to increased scrutiny and challenges in its relations with these countries.

3: Political Instability: Political instability within Pakistan could be a major challenge to its BRICS membership. Frequent changes in government and political

References??



uncertainty might affect Pakistan's ability to work effectively with BRICS and benefit from its resources. For example, political instability could lead to inconsistent policies and difficulties in implementing reforms required for effective participation in BRICS.

4: **Security Instability**: Security instability is another critical challenge. Pakistan <sup>has</sup> faced ongoing security issues, including terrorism and external conflicts, could impact its economic development and participation in BRICS. Security issues could divert attention and resources away from economic initiatives.

5: **Economic Instability**: Economic instability is another concern. Pakistan faces high inflation, fiscal deficits, and other economic difficulties that could limit its ability to engage fully with BRICS and benefit from its programs.

6: **Weak Institutions**: Pakistan's institutions and governance structure might <sup>also</sup> be a challenge. Effective participation in BRICS requires strong institutions. Issues such as bureaucratic inefficiency and corruption could hinder Pakistan's ability to take advantage of BRICS membership.

Add more arguments



# SUMMARY

If Pakistan joins BRICS, it could gain benefits like easier loans, less dependence on IMF, access to major markets and improved trade with local currencies. It might also help with the regional stability. However, challenges include potential opposition from India, pressure from western countries, political and security instability, economic difficulties, and weak institutions. Understanding these factors will help determine if BRICS membership would be advantageous for Pakistan and how to address the challenges that come with it.

Improve the references and the paper presentation part