

1/1 Possess 1/3 of world's Gross Domestic Product (GDP)
How Communist Countries are working with Capitalist Countries?

SCO Meeting 16 Oct In Islamabad → discussions & members that joined

→ 900 High level Delegates, summit gave pk a platform to challenge narratives of its Diplomatic Isolation and Reposition itself as a Key Regional Player Despite of Economic & Political challenge.

⇒ Chinese PM Li Qiang → visit marked by First Chinese P.M on 11 yrs, highlighting the importance of CPEC.

⇒ Russian PM Mikhail Mishustin's → Significant visit as it was first visit by Russian premier since 2007. Russians PM bilateral talks with pk Prime Minister indicated Russias growing interest in Deepening ties, particularly in the trade & energy sectors.

② Russian PM underscored the Priority of enhancing transport Connectivity within SCO countries.

He emphasized leveraging East-West & North-South Transit potential to boost cargo flow & facilitate trade referencing Russia's collaboration with Iran & CIS Nations on Developing the North-South International Transport corridor. Ex. Gwadar Int'l Airport & signing of more than 200 MOUs.

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↳ Belarusian P.M. Roman Golovchenko,

↳ Turkmenistan's → F.M. Rashid Meredov → not part of SCO, their foreign policy is of Neutrality.

↳ Afghanistan Didn't come.

↳ Tajik P.M. → Kokhir Rasulzoda.

↳ Mongolia P.M.

↳ Indian External Affairs Minister S. Jaishankar

↓
Participation in the 2024 SCO summit in PK marked the highest level Indian visit to PK since 2016.

↳ 1st point → we believe in Counterterrorism, we want to have good Relation with neighbouring countries. if N.C. is prevailing & want to Eliminate Cross border terrorism.

↳ Jaishankar's presence underscored India's commitment to the multilateral forum with PK viewed as capable host.

→ Jaishankar's informal interactions, including a shared luncheon with Pakistani officials, symbolized a potential thaw in relations. Subsequent developments, such as India granting visas to Pakistani pilgrims & Renewing the Katarpur Corridor agreement, hinted at incremental improvements in ties.

↳ These gestures could pave the way for significant Regional & Bilateral Benefits, including economic gains from stalled projects like TAPI & JPI gas pipelines & collaborations on shared challenges like climate change.

↳ PK → P.M. → Shehbaz Sharif + Promotion & support of BRI.

① ↳ Highlighted the Importance of Expanding Regional infrastructure initiatives like BRI, also He stressed the significance of investment in Transport & energy corridors for economic integration, citing projects such as BRI, CPEC, INSC (International North South corridor). as key to Enhancing connectivity through improved roads, railways & Digital Infrastructure.

→ BCI India has always be susceptible of CPEC.

PK said that All Important Developments that are undergoing should not be seen with

Page No. ☐ New Pol'ym. see with broader pol'ym.



D.S.M.
Indo Rim

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③ At 23rd SCO Council of Heads of Govt meeting, member states reaffirmed support for China's Belt & Road Initiative.

⇒ They highlighted efforts to integrate/connect Eurasian Union with ORZ/OBOR bcz they both are working on Energy.

→ Prioritized developing railways, multimodal transport port infrastructure & Digital transformation in Transport

↳ EEU Eurasian Economic Union.

↳

3 countries → Tajik. (was already its part but Balore got membership just to connect with EEU)

↳ Balore → got membership in SCO bcz it was part of EEU.

↳ Iran → Mining Minister: Iran is facing significant challenges bcz of unilateral sanctions. Causing effects on economic relations.

↳ Chinese p.m. → Facing problem bcz of protectionist trade policies imposed by America.

↳ Electronic Commerce :- Trading through digitalization already Done in B.N.A.

↳ E-governance → Government system digitalization.
ex: online vote casting.

↳ Digital Divide if E.C & E.G is introduced the problem will be Digital Divide.

↳ Not providing stable internet connection to all.

↳ Electronic Payment System: Payment b/w 2 countries should be Digital. also of E-Pay system.
-that means providing Digital currency.

↳ Data Exchange :- Cross border Data Exchange b/w member countries in encrypted form for security.

How WORLD is GOING FROM UNI-Polarity to Multi-Polarity:-

↳ The Global shift from unipolarity to multipolarity is driven by China's rise, middle-power influence, & economic blocs like BRICS & SCO.

→ These alliances challenge U.S. dominance, reduce reliance on western systems, & foster economic diversity, signaling a peaceful realignment of global power through collaboration & reduced dependence on dollar.

↳ As ^{Paul} Michael Kennedy stated in The rise & fall of Great Powers: "The relative strengths of the leading nations in the world affairs never remain constants principally Bcz of uneven growth among diff: societies".

↳ This observation rings true as the Global system is shifting from unipolar to multipolar not through military might but via the emergence of economic blocs such as Brics & SCO.

↳ several factors drive these changes:-

- ① China's rise as an economic powerhouse.
- ① The growing influence of middle powers.
- ② efforts to counter US hegemony.
- ④ Strategies to circumvent sanctions.

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↳ Before the world wars, the Global order was multipolar, dominated by several powerful nations.

↳ However the aftermath of these conflicts saw the emergence of 2 superpowers, The United States & Soviet Union.

→ The cold war rivalry b/w them defined global politics until Soviet Union's dissolution in 1991 left the US as the world's sole super power.

→ This created opportunities for several countries to develop their economies, allowing some to rise as influential players on the world stage.

⇒ China's accession to the World Trade Organization (WTO) in 2001 further accelerated its growth with Annual GDP increased exceeding 9% for decades.

↳ China has overtaken the US in several sectors & experts predict it will become world's largest economy by 2030-35.

↳ Its BRI, a Trillion dollar Infrastructure has expanded its economy & soft power across Asia, Africa, & Europe reshaping global trade & Connectivity.

↳ Middle powers are playing a significant role in shaping the Global order. As a former Pakistani diplomat, Maleeha Lodhi noted, these nations, while not superpowers, exert substantial influence on International Geopolitics.

↳ Countries like Germany, Japan, Canada, Brazil, India, S. Africa, Turkey, S. Arabia, Singapore & Indonesia have bolstered their economies, military, & diplomatic capabilities, enabling them to shape International Relations effectively.

↳ Among these economic strengths is primary tool through which middle powers influence global Affairs.

↳ The US has often relied on sanctions as tool to enforce its Foreign Policy, targeting Nations with different Political systems or Policies.

↳ This approach has significantly impacted countries like Russia, Iran as well their trading partners. Affecting their economy as well as their Int. Relations.

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↳ Sanctions also created challenges for third party nations. PK for example, has faced hurdles in completing a gas pipeline project with Iran due to fears of US sanctions.

↳ While Iran has fulfilled its part of Agreements, PK has been unable to proceed, highlighting the far-reaching implications of American economic policies.

→ The Rise of economic blocs like BRICS & SCO exemplifies the shift towards multipolar Global order.

↳ Aims to counterbalance US dominance by fostering Economic Cooperation & reducing reliance on Western dominated systems.

→ Since its inception in 2009, BRICS has grown from 5 to 11 Members states

→ BRICS countries account for over 40% of Global Population &

37.3% of world's GDP based on Purchasing Power Parity.

→ The Establishment of the BRICS New Development bank in 2015 marked a significant step towards financial Independence, providing funding for the development of project in local currencies.

↳ More Recently, Discussions about introducing a common BRICS Currency signal a bold move to reduce dependency on US dollar.

↳ SCO plays a Pivotal Role in fostering economic multipolarity.

↳ Beyond Regional Connectivity, SCO focuses on combating transnational terrorism & ensuring regional stability.

↳ By enhancing economic ties & independence on Western dominated systems, the SCO has become a key player in the evolving Global order.

→ These Developments reflect a collective effort to enhance economic Sovereignty & vulnerability to sanctions & other forms of External pressure.

↳ Many Developing Nations stand to benefit from ↑ opportunities for Trade, Investment & Regional co-operation.

→ While the Long term implications of this shift remain uncertain, the current trajectory suggests a more balanced & inclusive Global Economic order.

Europe is going to be disintegrated??

↳ Euroscepticism & Rise of Nationalism.

for ex: Brexit in 2020 on the Basis of Nationalism.

↳ There is a party by name called National Rally they also want to exit.

Italy → Brothers of Italy } They also want to exit.
Hungary → Fidesz

Causes could be:

① Uneven Economic development

↳ South countries like Italy, Greece and Spain

others are facing debt crisis.

↳ while the North countries like France, Germany are in good condition.

② Problem of Migration

↳ People migrating from M.E. Afghan people to Europe.

↳ Poland, Hungary & Slovakia opposed Migrants Resettlement.

But South countries were supporting migrants.

③ Democratic deficit - In Brussels all the Democratic Decisions are taken under South countries.

- The European Commission is unselected & France & Germany on top.

↳ Brexit, Italy exit is also expected.

④ Internal political instability.

Spain & In Poland & Hungary people are protesting against EU.

↳ Catalan Independence movement.

5. Inadequate Response to Global Crisis.

6. Fragmentation of F.P.s: Acc. to EU - there should be unified F.P.
But Problems are Russia - Ukraine war, China trade relations,
M.E conflicts -

The Rise of Nationalism

↳ The Rise of nationalism within EU can be attributed to factors such as fear of Globalization - economic insecurity, & the refugee crisis.

↳ Today it is leading to the growing popularity of Eurosceptic tendencies, which question the need for European political & economic integration and its effectiveness in general.

↳ The Reasons for its rise & ~~political~~ Potential consequences is crucial for developing effective strategies to address the challenges facing the EU.

↳ Promoting dialogue, Inclusiveness & a balanced approach B/w National Identity & European Integration, the EU can work towards a more cohesive & prosperous future for all its member states.

↳ Thus it is important for the EU to find a way to address these concerns while still striving for integration, as it impervates for the stability & progress of the European Continent.

How Global North is Countering Global South?

- ↳ The "Global North" & "Global South" terms highlight a significant socio-economic & political divide, often characterized by imbalances in wealth, power & access to resources.
- ↳ While the Global North encompassing developed nations in northern hemisphere, generally enjoys economic prosperity & technological advancement, the Global South, primarily developing countries in the southern hemisphere, often faces challenges like poverty, limited industrialization, & dependence on agricultural or resource based economies.

Key differences:-

1. **Economic Disparities:-** The G.N tend to have higher incomes, developed infrastructure, & advanced technological capabilities, while the G.S often struggles with poverty, L. Inds, & Reliance on Primary Sectors like Agriculture.

2. **Political systems:-** The G.N is generally associated with Democratic governance & political stability, while G.S may experience political instability & challenges with democratization.

3. **Historical Factors:-** The North-South divide is rooted in historical events like colonialism & unequal global trade systems, which have been contributing to existing disparities in wealth and power.

Global Influence The G.N holds a significant global influence in international institutions like UN, IMF & World Bank, while the G.S has been seeking to amplify its voice & influence within these systems.

Why Pk has been taking loans from IMF:

→ Pk has repeatedly sought loans from IMF due to combination of Economic challenges, including balance of Payment issues, inflation, Political Instability, high debt servicing costs, & Low foreign exchange Reserves. These factors can strain country's ability to meet its financial obligations & maintain economic stability.

↳ 1950 → till now Pk has took more than 20 loans.

Causes:

1. **Balance of Payment:** A persistent current account deficit, where Imports exceed exports, can lead to a shortage of foreign exchange & make it difficult to pay for imports & service external debt.
2. **Inflation:** High inflation erodes the purchasing power of the currency, making it harder for people to afford goods & services.
3. **Political Instability:** P.I can create uncertainty for investors & businesses, leading to reduced investment & economic growth.
4. **High debt servicing:** Large debt repayments can consume a significant portion of the government's budget, leaving less money for other essential services of development.
5. **Low services foreign exchange Reserves:** → limit a country's ability to cover its imports & service its debt, potentially leading to a crisis.

⇒ IMF loans provide financial support to help countries address these challenges. However, these loans typically come with conditions (conditionality) that require the recipient country to implement economic reforms. These reforms might include Fiscal Adjustments, currency devaluations & other measures aimed at restoring macro-economic stability.