

Q No 2.

1 Introduction

BRICS, an intergovernmental organization, previously comprising of Brazil, Russia, India, China, and South Africa has now accepted six new members to its domain.

These six new members are key regional players in their respective continents!

These new members are Egypt, UAE,

① Saudi Arabia, Ethiopia, Argentina and Iran.

These members are not only key economic powers but also hold strategic importance in their respective regions. Their addition to BRICS club in January 2024 would spark another never-ending debate on the geo-political and economic implications of the development.

2. Historical perspective of BRICS

BRICS was founded on 16th January 2009, in the first summit of BRICS in Yekaterinburg, Russia. Initially, it was BRIC and after one year, it became BRICS with the addition of South Africa. In 2023, 6 more members were added to the group.

3. Analyzing geo-economic impacts coupled with political ramifications of BRICS expansion.

Although, political and geo-economic shifts are inevitable with the expansion of BRICS. However, these impacts should be discussed one by one first taking the matter of each country to black and white.

i) Saudi Arabia's impact with the addition in BRICS

Saudi Arabia is a key regional player in the Middle East with the largest economy of \$1.3 trillion. Being the largest oil exporting nation, it has remained a close US ally since WWII. But, now the tides are turning. The presence of Saudi Arabia and China would not only increase the economic weight of BRICS but also hint the rise of camp politics.

It is clear that Saudi Arabia would follow an independent foreign policy and would deviate from American interests in the Middle East.

Having close ties with China and India, Saudi Arabia may enjoy great deal of economic tradeoffs in the form of transit trade linking Middle East to Europe.

ii) ~~Arabian~~ Impacts of Iranian inclusion to BRICS

Iran is also an oil exporting nation and a strategic player in the Middle East. Being at dagger's drawn with the US over its nuclear policy, it enjoys close ties with Russia and China. It imports large amount of military equipments from Russia. Its inclusion to BRICS would shift the balance of power politics in the favour of China and Russia. Economically, China enjoys great ties

with Iran and it has contracted projects with Iran worth \$400 billion. Iran and Saudi Arabia in one organization, BRICS raise hopes for a politically stable Middle East given the hostility between the two Islamic countries. However, China has flexed its influences over both the countries by bringing them on table for peace agreement.

iii) Impacts of the inclusion of Egypt and Ethiopia

Although, the two countries are not economic powers but their strategic importance cannot be denied. Egypt is located in the juncture of Red Sea and Mediterranean Sea. It has the control over Suez canal that is very much important for the world trade especially Asia and Europe. Egypt's inclusion in BRICS would not only increase China's and Russia's influence in the Middle East but also in Africa. China is already trying to flex its muscles in African market with huge investments. This would also help China to win over Africa.

The addition of Ethiopia is significant for geo-economics. Ethiopia is located on the south of Gulf of Aden and it would provide a launchpad for the rising powers of China and India to infiltrate deep into African markets. It may provide a strong sea port and naval base to Chinese navy to check American ambitions in the Arabian Sea and Indian Ocean.

iv) Impacts of UAE and Argentina's addition to BRICS

UAE being a member of OPEC, it holds a strategic position in the Persian Gulf. It had an independent foreign policy but largely favored the US. Now, in the inclusion in BRICS, it forces good geo-economic dividends from the block. It enjoys close ties with India and China. So, its inclusion would not only increase China and India's influence in the UAE but also in the Persian Gulf where US navy checks ambitions of any challenging power. It can also prove to be a lucrative destination for trade and strategic dividends.

The South American Nation of Argentina is second to Brazil in the continent. The inclusion of another South American state would not only challenge the US influence in the Western Hemisphere but would open great economic opportunities for Russia, China, India and other members for trade.

4. Collective result of expansion in BRICS

- i) The rise of de-dollarization chanting in the anti-US or anti-dollar states.
- ii) The rise of Eastern or third world economies is evident in BRICS.
- iii) Rising challenge to US hegemony in the Asia and Indo-Pacific region.
- iv) Camp politics may arise and the world may get divided in the East and the West.

5. Possible Hurdles in the way of organization.

There are certain political and strategic hurdles that cripple the rise of BRICS as a parallel to EU or NATO.

i) The founding member of BRICS, India is enjoying great relations with the US and it would be impossible for China and Russia to launch counter-US policies and get support from India.

ii) The de-dollarization drive of China and allied parties may get a severe blow if one country, i.e. China tries to impose its currency Yuan as an alternate. India and Russia also aspire to globalize its currency.

iii) After decades of hostility, Iran and Saudi Arabia still need confidence building measures to come to one point. Without which the efficiency of the bloc would be futile.

6. Conclusion

BRICS expansion gives rise to geo-political and economic impact of far reaching nature.

However, things are not easy to be done and a lot more work is required to make BRICS powerful.

I. Overview of the problem in power sector.

Power sector in Pakistan is plagued with myriad of issues pertaining to power generation and electricity supply. There are multiple problems in the power generation sector like fuel based power plants, inefficient generation machinery, lack of demand, expensive fuel supply. In addition to this, line losses, corruption, theft and many other institutional and financial issues culminate in the rising energy prices in Pakistan. This phenomenon not only damages the economy but also erodes the social fabric of the country. Below given discussion explains the problems in energy sector in Pakistan.

2. Problems that result in price hikes for electricity.

i) Fuel-based power plants.

Pakistan installed fuel-based power plants in 1992 and the process went on unstopped. Being an oil importing country, Pakistan became highly dependent on global oil prices and this oil price fluctuations results in expensive power generation. This leads to the expensive electricity as Pakistan generates 60% of it from fuel-based plants.

ii) Line losses

The total installed and generation capacity of Pakistan is 45,000 MW and it supplies the same. But, due to redundant and old infrastructure, line losses result in

the loss of almost 13000-14000 MW per month as per WAPDA. This loss is compensated to the private owners of generation companies through raising prices and it results in another phenomenon called circular debt.

iii) Circular debt

The power supplied by the IPPs independent power plants is more than 40,000 MW but the receiving end of the user gets only 23,000 MW and rest of the energy goes to line losses. However, the price has to be paid for the total power generation. This price is due on the user and government is compelled to tax the user or consumer. This money is said to be "circular debt". This increases prices of electricity.

iv) Miscellaneous causes

i) Lack of dams and only 20pc share of hydro-electricity is also adding burden to consumer.

ii) Lack of renewable sources of energy, generation policies like solar and wind power generation. Only 3pc of the total production comes from renewable resources.

iii) Free electricity to certain officials and employees of WAPDA also adds to the pockets of consumers. As per WAPDA, 340 million electricity units are given to its employees each year.

3 Socio-economic impacts of rising energy prices.

Energy is the lifeline of economy and it impacts every segment of the society.

- i) It leads to the stalled growth of industries and exports start to fall. Mainly, small and medium industries face the music.
- ii) It creates unemployment and a social class in working class and industries stop working due to high energy rate.
- iii) The quality of life for a poor and middle-income household falls and it becomes difficult for them to carry out daily tasks.
- iv) It damages the commercial activities and corporate activities that generate most of the taxes. Thereby, it results in cuts in revenue collection.

To sum up, it raises the overall inflation in the society.

⇒ Political impacts of rising electricity prices.

- i) It instills political chaos in the country.
- ii) It gives rise to the anti-government sentiment in the public.
- iii) It gives a tough time to governments and it faces severe criticism from public and the opposition.
- iv) It could win the opposition electoral victory as the public expresses its anger through voting.

4. Solutions to lower down electricity price inflation
i) Solar energy.

Moving to renewable energy is best option for the country. The government should lessen its dependency on fuel-based power generation and go for renewable solar energy given the country's potential.

ii) The government should encourage corporate and industrial sectors to employ solar energy. Banks should provide loans for such endeavours.

iii) Upgrading infrastructure.

The government should upgrade its power supply infrastructure so that line losses could be minimized and it would fix circular debt issue.

iv) Building dams and producing hydroelectricity
Dams should be built and cheap hydroelectricity should be produced. A single unit produced by hydro-electricity costs 2. PKR as compared to 32 PKR for a single unit production by fossil fuel-driven power plants.

5. Conclusion

Energy price inflation in Pakistan finds its roots in inherent flaws in the public-policy making and bad governance of the political and bureaucratic system. However, the problems can be addressed by taking certain pragmatic and futuristic measures.

Q No 8

I An overview of the US-India strategic partnership

India and the US, in the recent past have seen developments in their ties that had never been before. Historically, India remained close to Soviet Union and later on Russia but with the changing geo-strategic and political dynamics, India and US have come close to each other. These changing dynamics have much to do with the rise of China as an economic power and a challenging threat to the US hegemony over the world. China is challenging the US in every domain. As of now, the US stands supreme in the field of science, research, technology and military power but the growing power of China is considered as a possibly next super-power.

In addition to this, the growing economic power of China and its strategic victories in Asia and Africa have given a wake up call to the policy-makers in Washington to search for new alliances in the region.

II. US-India nexus to contain China

The US considered India as its ally in a bid to limit China. Given the so-called friendship of Pakistan with China, it was possible to urge Pakistan to act against China. India, being the largest population, a huge economy and a massive military power, was best suitable to counter China as per the US policy-makers.

In this context, strategic, military and economic partnerships were strengthened.

Partnerships like **LEMOA**, **COMCASA**, **QUAD** etc came into being. Intelligence sharing, data sharing and weapons of strategic importance were shared in the previous decades to strengthen India to balance its weight against China.

However, this growing partnership cuts several impacts on Pakistan.

III. Impacts of US-India growing ties on Pakistan.

- i) First of all, the US overlooked the Indian annexation of Kashmir under article 370-A on August 2019. This unilateral withdrawal was the severe blow to Pakistan's Kashmir cause.
- ii) India's human rights violations in Kashmir and its blatant violation of line of control is the result of US backing of India.
- iii) The US provides military equipment of strategic importance to India which disrupts the balance of power system of South Asia.
- iv) The US-India close relations results in India's blatant support of insurgents.

- and terrorist organizations in Pakistan.
- iv) The growing influence of India on the region would create a narrow space for the foreign policy of Pakistan to operate given the hostile foreign policy of India towards Pakistan.
 - v) India, with the tacit consent of the US, sidelines or damages Pakistan at global forums like FATF.
 - vi) Other issues like water management issues with India face a severe blow as India flexes its muscles at international forums.

IV. Options for Pakistan to navigate freely amidst India-US ties.

- i) Pakistan should improve its economic situation as the dependency on US-led financial institutions would serve no good to the independent foreign policy of the country.
- ii) Pakistan should try to improve its relations with the US and make it realize that Pakistan is not against the US.
- iii) As US is Pakistan's largest trading partner, Pakistan should diversify its export destinations to avoid US dictation.
- iv) Economic independence is the key to foreign policy independence, Pakistan should increase trade and strategic ties with other regional and global powers like Iran, China, Russia, Türkiye, Indonesia, Malaysia and other South-East Asian countries.

v) Pakistan should not tilt itself towards one side. It should take benefits from every possible option. Taking the example of India, it enjoys good relations with the US and trades with Russia and China.

vi) As they say, No permanent friends and enemies in politics, Pakistan should improve its trade relations with India. Economic integration paves the way for peace and stability in the harsh environment. The example of European Union is evident of this fact.

V. Conclusion

Although India and US now aim to contain China, not Pakistan, but their growing relations would flare up the problems of Pakistan with India. India would pose strategic, foreign policy and economic challenges to Pakistan. However, with calculated steps and wise foreign policy moves, Pakistan can steer in this critical condition.