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LMS ID: 32365

Current Affairs

Mock #7.

Part II

Answer 2:

1. Introduction:

The Bloc of BRICS includes the 5 ~~in~~ emerging economies of the world. In recent developments 6 more nations have been extended an invite to join the bloc. By January First 2024, Argentina, Egypt, Ethiopia, Iran, or Saudi Arabia and United Arab Emirates will have full member. Such an expansion has both its geo-economics and political implication. As well as, possible hurdles in the way. The geo-economics and political implications include the influence of United States reduce, trade in currency other than dollar, a multipolar world and power shifting towards global south. However, there are hurdles which include lack of similarity among the nations, clash of interest and some members states are

mixed with political instability.

In the preceding section the geo-economic and political implications will be explained more.

2. What are the geo-economic and geo-political implications of BRICS expansion.

2.1 Influence of United States reduced in the Middle East:

After the World War-2 the United States has held great influence over Middle East. However, with expansion of BRICS in the middle^{East} the influence of United States will be significantly reduced. Hence, the control of energy production and prices will be minimal too.

2.2 Moving towards a multi-polar world:

One of implication of BRICS would be a multi-polar world. The world order would no longer be centered around the United States. It will spread out in the Global South as the emerging economies group together. It will also prioritize the interest of the Global South.

2.3 Emergence of near global currency:

Currently, the currency for trade around the world is dominated by the Dollar. However, BRICS countries have been doing trade in their own currencies. Such as the Indian Rupees, Yen and Robble. With the expansion more countries would be doing trade in their currencies. Additionally, the embargos imposed by the United State would become ~~foti~~ futile.

2.4 Core members would be secure energy wise:

The core members of BRICS except Russia all are dependent on other countries for their energy needs. However, with the expansion of BRICS these countries would no longer have to worry about their energy security. Hence, do not have lean towards any other power for their energy needs.

3. What are the hurdles in the way of BRICS expansion?

3.1 Rivalry between India and China.

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India and China are both core members of the BRICS.

However, since decades rivalry exists between both countries.

The escalation of Rivalry between the countries could prove to be the significant hurdle in the path of expansion.

3.2 No uniting factors among member states:

The members being extended an invite do not have any similarity of ideology or governance. There's no element which brings or glues these countries together. It is quite easy for the bloc to fizzle out without an uniting factor. Thus, this could act as a barrier between the expansion.

3.3 Huge difference among countries the state's development:

The states which to join BRICS are at different levels of development. Which means that the economies and development needs of countries could be vast and vastly different. This could lead to misplaced priorities of countries and bloc's goal not being aligned.

to the ground realities of a few countries. Thus, the differences of development could be an hurdle to the expansion.

3.4 The pressure of United States:

The countries which have been extended invited to join the BRICS have previously been allies to US, such as Egypt and Saudi Arabia. The United States -through diplomacy will definitely exert pressure on the joining to not join. Thus, the United States could be a hurdle in the way of BRICS expansion.

4. Conclusion:

In conclusion, ~~there are~~ definite the expansion of BRICS does have promising geo-economic and geo-political implications for global south. For instance, the world order shifting towards the south, Dollar being replaced and United States not being as

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influential. However, it is to be seen how will the BRICS countries resolve the hurdles that come in the way of expansion.

Answer 3:

1. Introduction:

Pakistan's economy is in a crippling crisis due to the balance of payment crisis.

Pakistan has gone to the fund for bailouts 22 times.

In recent times the fund has shown zero willingness to compromise on the policy.

Until the policies of IMF

were not fully influenced the negoti negotiation kept direct failing between both the parties. The fiscal

policy influenced by the IMF include cut of the public spending and increasing taxation. Additionally the

int monetary policies include a high interest rate and a free floating exchange

rate. The Foreign policy influenced by the fund

are trade liberalization which means reducing tariffs and removing trade barriers.

2. Role of IMF in making Pakistan's policy

2.1. Role in Fiscal policy:

2.1.1 Cutting government spending:

In exchange of the support provided by IMF, the Pakistani government has to formulate policies with ~~zero~~ reducing the government expenditure. The burden of this cut is faced by the development sector. Thus, education and health budget is cut down.

2.1.2 Implementation of high taxation:

Another policy of IMF is to increase taxation. The government increases tax indirect taxes without any structural reforms in broaden the base of taxation. Consequently inflation is increased to higher levels. As the taxes are which are imposed are of regressive nature instead of progressive.

2.1.3 Against Austerity Measures:

In order to stabilize the economy and reduce inflation the fund recommends to cut down subsidy. In Pakistan the energy sector operates on subsidies. Consequently, petrol and electricity becomes expensive. There the increase in petrol prices increases inflation even more.

2.2 Monetary policy

2.2.1 An increase in interest rates:

The fund recommends that interest rates are kept high. The premis behind keeping interest high is to encourage people to keep their money in banks and increase investment. In order to stabilize the economy. However, the majority of population falls under middle income so policy is not as effective. Furthermore the biggest most loan taken from banks are by the government of Pakistan itself. Hence, exacerbating the economic crisis.

2.2.2 Free Floating exchange rate:

Another recommendation of monetary policy by IMF is that of a free floating exchange rate. It does not allow for an artificial control of the currency. As such a control does not yield any good for the exchange and further increasing inflation level. As well as leading illegal practices of currency exchange. Therefore, the dollars exchange are not recorded and worsen economy. The free floating exchange rate benefits the economy.

3.1. IMF Foreign Policies.

3.1.2. The United States holds highest stakes:

The United States contributes 18% to the IMF fund.

Therefore, it holds the highest power over the decision making process. Therefore, Pakistan cannot afford to anger the United States. Thus while making the foreign policies of the country the implications on US are to be considered.

Hence, exorbitant
economic crisis.

3.2.2 Liberalization of trade policy:

Another recommendation
IMF for monetary policy is to

Liberalize the trade policy. This means reduces tariffs and remove any kind of trade barriers. The aim of this policy is to increase exports. However, it works in reverse in Pakistan. The trade deficit is further increase as due to reduced barriers in trade the amount of import increases.

4. Expert Opinion:

Dr Jeffrey Sachs, renowned development economist of Columbia University, noted the IMF "diagnostics" of Pakistani economy have appeared to stuck in low growth. Infact leading to a negative growth of the economy.

5. Conclusion:

To sum up, the IMF policies play a significant role in defining the fiscal, monetary and foreign policies of the Pakistan. At times the policies do worsen the economic crisis. However, it depends on the ~~country~~ country's policy makers

and politicians whether they are willing to take difficult decision or not. The zero interest Loans of IMF do come with a price. However, they are the cheapest option available to Pakistan.

Answer 6:

1. Introduction:

The Israel - Hamas war has unfolded since the 7th of October in the murder of thousands of Palestinian. However, this conflict has been going on since 1948. It did not start on October 7th as it is being portrayed by the Western Media and Israel. The grave human rights violation and occupation of the Palestinian land is concerning demands the immediate attention of peace making organisations such as the United Nations. Furthermore, the war can have implications in the middle. The implications include proxy war forces, shape of middle east diplomacy and instability in the region. Additionally,

the global implication impact on the energy market, humanitarian concerns and increased distrust towards west in Middle East.

2. Perspective on Hamas - Israel War:

The Israel crimes are unfolding in front of the entire world through the help of social media. Since October 7, for more 40 days the Israel has been bombing the Gaza Strip leading to the murder of at least 6000 children. Israel has killed as many palestinian in a month as many Ukrainians were killed over a period of a year in the Ukraine Russia War. My perspective of the war is that it is a genocide of the palestinian people and occupation of their land. Israel wants the palestinians to leave their homeland so it can continue with its expansionist strategies. The origin of the war is the British who unequivocally responsible for the crisis. Moreover, the war

continues because of the weaponry and diplomatic support of the United States. Hence, Israel is the proxy and loyal partner of West in Middle East. However, this partnership comes with cost of the blood of Palestinian. Unfortunately, the human rights violation and occupation persists in the Palestine.

3. Regional Implications of Palestine - Israel War:

3.1 Proxy - Warfare:

The escalation of Israel - Hamas war could lead to proxy warfare in middle East. For instance, the Iran funding Hamas and Hezbollah to contain Israel. Israel and Western allies support the opposite powers. Thus, the proxy wars could increase again in middle East.

3.2 Instability in the region:

The détente between the Saudi Arab and Iran was a hope for stability in middle-east. However, with the Israel - Hamas war peace in the middle seems like a far of reality. It will

take Middle East a while to recover from this war.

3.3 Muslim Ummah considered weak

Thousands of Palestinians have been killed by Israel. However, countries like the Saudi Arab did not take a strong against the Israels. Neither did other middle Eastern countries. The lack of unity and collective efforts for the Palestinian people weaken the status and claim of Muslim Ummah.

4. Implication on global power politics:

4.1 United Nations considered redundant:

The United Nations have called for a cease-fire. However, no heads have been paid by the Israel. Therefore, the UN has failed to do its job ~~proba~~ properly or adequately.

It also shows that United Nation leans towards the West. In the case of Ukraine-Russia War ~~pt~~ Putin was charged with criminal offences. However, no such charges have been levied upon Benjamin Netanyahu. Thus, the UN is not performing

its assigned duty.

4.2 The United States

Complicit in Israel:

The United States have actively be supporting the Israel war efforts. The president of US has not once called for Israel. Rather, insisted on war to be continued. Although millions of people have come out against Israel and for ceasefire in the United States. Hence, the complicity of US is revealed.

4.3 The Western ideals

of Free speech, human rights considered as rhetoric:

West is considered the ultimate champion of human rights and free speech. However, in the case of Hamas Israel war the West has supported what it advocates against. Therefore, after the war the world would perceive the Western world in a completely different light.

5. Conclusion:

The war in Gaza - Gaza is worst catastrophe of modern times. The world had

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not experienced such brutality after
World War II. Thus, the
implication on the region
and at world at large
would be grave.