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Batch: 379

LMS ID: 35689

Subject: Current Affairs

Mock Exam

Q1: Dollar and SWIFT being used as a weapon by US against the countries of the global South. Critically evaluate how BRICS+ could counter this to get rid of the western exploitation on permanent bases.

Ans: **Introduction:**

The Global South has been exploited by the United States in particular, and west in general for the past century, particularly after the start of Cold War. Be it militarily, economically, technologically, or numerous other ways. The most important in today's world is the economic way. The United States has been using its currency, the US Dollar and its trademark transaction system SWIFT to exploit the Global South, making SWIFT a powerful and effective weapon against the lesser developed countries.

The SWIFT Transaction System:

The United States has spread its transaction system SWIFT like a net spreads itself all over the place,

making the global South unable to escape this vicious economic trap. A lot of banks, approximately 800+, are listed with SWIFT, which sends information codes that completes the transaction. Therefore, the banks carrying out foreign transactions for trade or other purposes rely heavily upon SWIFT due to the absence of a major alternative. This paved the way for the continued exploitation at the hands of the United States.

Russia - Ukraine War and SWIFT;

As a result of the Russia - Ukraine war, SWIFT has delisted Russian banks from its system, leaving Russia with no major alternative to carry out its trade and other external financial activities.

Moreover, the United States has also disallowed Russia from conducting its trade activities in the US Dollar, making Russian trade nearly impossible. Thus, even Russia has been exploited at the hands of United States using US Dollar and SWIFT transaction system, revealing the

United States' hegemonic pursuits in the economic arena.

In this case, Russia and other countries of

Global South needed an alternative to counter western exploitation. Hence comes the BRICS payment system.

BRICS Pay: A Major Escape from the US's 'SWIFT' EXPLOITATION:

After years of exploitation at the hands of SWIFT transaction system, the BRICS countries have finally come forward with a separate payment system of their own: BRICS pay. Furthermore, they have put forth a new model of currency: the BRICS common currency. The BRICS pay has been tested in 700+ banks across BRICS countries.

Previously, China had its own payment system that was applied in numerous countries of Global South, relieving them of decades old exploitation at the hands of the United States. In addition, India had a system of its own but not at a very big level, and Russia did not even have one. Hence, BRICS pay comes as a saviour.

A Common BRICS Currency instead of the US Dollar:

China has proposed a design of a new common currency of BRICS that would serve as an alternative to the hegemonic US

Dollar. The design has been shared. However, it will take time to come in use because of the hegemony of the US Dollar since the start of Cold War. A system so much prevalent takes time to get replaced partially or fully. Dedollarization will also be time taking. While the common currency is a good step towards dedollarization, it comes with risks such as currency dumping. Moreover, talking about SWIFT, it also took ten years to set up, so BRICS pay would also take some time. However, the sooner it sets up, the better for Global South.

BRICS+ Economy in Future:

Ten years before in 2013, the BRICS economy, consisting of Brazil, Russia, India, China, South Africa were around 17% of global GDP. 10 years later in 2023, the BRICS countries were 27% of global GDP, with China being 4 trillion USD in 2013 and 14 trillion in 2023, India being 1 trillion USD in 2013 and 4 trillion in 2023. With the entry of BRICS+, the bloc has surpassed the total economy of G7 countries in 2024. If Saudi Arabia joined

BRICS+, the BRICS GDP would have been around 47% of global GDP, with the contribution of more countries.

How the BRICS Economy would Flourish?

The most money spent is in the trade of hydrocarbons. The producers of hydrocarbons i.e. Russia and Saudi Arabia (if it joins) and the consumers of hydrocarbons i.e. China, India, and Brazil, are in the same bloc. Plus, their industry and agricultural produce would benefit from the intra organizational trade of BRICS+.

Voting Rights: BWIs vs BRICS+:

In the Brettonwoods Institutions i.e. the IMF and World Bank, the voting rights depend upon the GDP size i.e. USA 35%, Canada 5%, the EU 35% etc. making 75% share of the Global North. On the contrary, BRICS+ has one country, one vote policy that ensures equality of choice and opinion. China itself reiterated this, which shows the absence of hegemonic designs of China, unlike United States.

Contributions by BRICS+ Countries:

contributed around 40 billion USD, Russia, India and Brazil contributed around 27 billion USD each, while South Africa contributed 13 billion each, making it one of the biggest economies in near future with BRICS+ countries entering. Four new countries have entered BRICS+ in the 10th BRICS Summit in Kazan, Russia.

Common Currency Issue:

If Yuan becomes the common currency, India will not accept it, creating more rift between India and China. Therefore, along with the risk of currency devaluing, the BRICS countries will have to create a common currency aside from the currencies of BRICS+ nations, in order to create a system in competition with SWIFT.

Conclusion:

De-dollarization takes time, but the future of BRICS+ is bright, considering the total GDP, voting rights, BRICS pay, and absence of hegemonic designs by China. Hence, BRICS+ is a very efficient model to replace or atleast give tough competition to US dominated SWIFT and US Dollar.

contributed around 40 billion USD, Russia, India and Brazil contributed around 27 billion USD each, while South Africa contributed 12 billion each, making it one of the biggest economies in near future with BRICS+ countries entering. Four new countries have entered BRICS+ in the 16th BRICS Summit in Kazan, Russia.

Common Currency Issue:

If Yuan becomes the common currency, India will not accept it, creating more rift between India and China. Therefore, along with the risk of currency dumping, the BRICS countries will have to create a common currency aside from the currencies of BRICS+ nations, in order to create a system in competition with SWIFT.

Conclusion:

Dedollarization takes time, but the future of BRICS+ is bright, considering the total GDP, voting rights, BRICS pay, and absence of hegemonic designs by China. Hence, BRICS+ is a very efficient model to replace or at least give enough competition to US dollar dominated SWIFT and US Dollar.

Q: COP 29 summit ended in Baku. Critically evaluate its failures and commitments.

Ans: **Introduction:**

The Conference of Parties on Climate Change, referred to as COP29, was held in the capital of Azerbaijan, Baku from 11th to 22nd November 2024. In fact, it continued for a few more days because no consensus could be reached upon. Several reasons exist behind the inability of the concerned parties to agree upon a solution.

These include the developing countries' reliance on fossil fuels, multinational companies sponsoring the conferences, and numerous others.

Therefore, a suitable solution to the current problem cannot be reached.

Developing Countries' Reliance on Fossil Fuels:

The developed countries, i.e. the Global North, rely heavily on consumption of fossil fuels. In addition, they also be reluctant to transition towards fossil consumption of renewable resources. For example, Saudi Arabia, a semi-developed country, relies heavily on fossil fuels due to its abundant oil reserves.

Spoke to the world with the other half of the world. The United States used to purchase oil from Saudi Arabia, making it a country depending heavily on oil for its economy. Plus, Russia, and other OPEC countries also do not consider transitioning because of their huge reserves of hydrocarbons. It is clear that countries whose economies depend almost fully on the sale and purchase of hydrocarbons, will never consider exiting the trade of hydrocarbons and transitioning towards renewable sources of energy such as wind, solar, hydro power.

Multinational Companies Sponsoring the COPs:

Several multinational companies have sponsored the conferences of Parties for several years. These companies also include Shell, Aramco and others that deal in oil and hydrocarbons. This makes it obvious that when the climate change conferences need funding from oil dealing companies, how would they talk about transitioning from oil. This is also bizarre to see oil companies funding a conference on climate. COP27, COP28, and COP29 are classic examples.

When you rely on money from someone, you have to fulfil their conditions, just like Pakistan and the IMF. Same is the case in the COPs for decades.

Azerbaijan Being the Host: The Irony:

Azerbaijan,

a country heavily relying on oil for its economy, hosted an "anti-oil" conference, we can say. This is another strangely odd thing to witness. When an oil-dependent country hosts an event discussing shifting from and phasing out of fossil fuels, other countries not agreeing to it would be bolstered. The motive of the conference in Azerbaijan might be good, but it is very difficult to make a country shift from fossil fuel consumption.

Inadequate Funding from Developed Nations:

At COP29, developing countries requested for 1 trillion USD as climate financing from developed countries, but they agreed upon a measly sum of 300 billion USD for the whole developing world. The Prime Minister of Pakistan stressed

heavily on the importance of climate finance; however, the "finance" COP did not bear any fruitful results when it came to climate financing in order to transition from "anti-environment" to "pro-environment" strategies.

Indifference to the Suffering of the Global South:

The developed countries contribute most to the destruction of the environment, while the developing countries' contributions are none or negligible. Even then, the developing countries or Global South have to bear the brunt of climate change impacts. The industrial countries of Global North contribute to carbon emissions heavily, while Pakistan contributes less than one percent, but currently, Pakistan is one of the top 10 vulnerable countries to climate change, with flash floods, glacier melting, and other climate hazards prevalent in the country. Hence, the indifference and ignorance of developed countries to the issue exacerbate it, making the people of developing countries at risk of diseases.

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Ans:

Conclusion:

While a lot of commitments were made in the recent finance COP, the ignorance of developed countries, negligible financing for the problems caused by themselves, reliance on oil companies for the funding of the COPs, all are the culprits of the failures of COP. As long as the developed countries do not realise the hazardous impacts of climate change, the problem cannot be solved. They should know that the raw material and resources come directly from Global South, and they are at risk. This can deprive the Global North of minerals, agricultural produce, and human resource, which the Global North depends heavily upon.

Q3: Critically evaluate the beneficiaries and losers of the ongoing conflicts in the Middle East.

Ans:

Introduction:

The ongoing conflict in the Middle East spread to other countries such as Lebanon, Syria, and is spreading more

and more. So far, Gaza, Lebanon and Syria have faced the brunt of Israeli aggression and expansionism. A lot of beneficiaries and losers are seen in this whole big conflict, including the stakes of big global powers and the Muslim world. The ongoing conflicts in the Middle East have severely impacted the geopolitical dynamics of the region and will impact even more in future.

The United States of America:

The US is one of the biggest beneficiaries of the ongoing conflicts in the Middle East. Its biggest proxy, Israel, has helped it achieve its hegemonic pursuits for decades. The president of United States of America, Joe Biden, being a senator in 1986 said, "If there were no Israel, we had to invent an Israel to protect our interests in the Middle East region".

This statement reveals the hegemonic designs of the United States in the Middle East and North African region.

However, whatever happened in Syria: the fall of Bashar al Assad government,

seemingly benefits the United States as the new rebel-backed government has announced a shift from a state-controlled economy to a free-market economy, showing a transition from a communist economy to a capitalistic economic system. But this is not fully the case, because things are yet to unfold and the world is yet to see how the event shapes the geopolitics of the region.

Israel:

Israel is a major beneficiary in the current conflict as it is pursuing the project of Greater Israel. It is succeeding in capturing the areas it has been "promised" thousands of years ago. Israel has almost wiped out the Gaza Strip and has captured some parts of Lebanon, and a major chunk of Golan Heights of Syria, further strengthening its hegemony in the region.

However, as we talked previously about the US, Israel's interests match that of US, so it is yet to be seen how the rebel-backed government of Syria deals with Israel after being received. Hezbollah's warning against ties with Israel.

Iran:

Iran was flourishing before as its proxies like the Houthis of Yemen, Hezbollah of Lebanon and the Al-Assad regime of Syria supported the Persian Hegemony in the form of Iran's Axis of Resistance. However, with the Houthis getting out of the spotlight in Hamas-Israel war, the ceasefire between Israel and Hezbollah, and the brutal and abrupt fall of the Bashar al Assad regime, & Iran seems to lose major chunk of its power in the Middle East. Therefore, the world apparently sees a weakened Iran in the international diplomatic arena.

Saudi Arabia:

While the Shiite Iran lost its power by losing its Shiite proxies at a good extent, Saudi Arabia seems to be happy about the potential Sunni government in Syria. While celebrating a potential Sunni government in previously Shiite Syria, Saudi Arabia also seems to celebrate the Shiite Iran's diminishing influence in the Middle East. Therefore,

Saudi Arabia is also one of beneficiaries of the current Middle East crisis.

Russia:

Russia is on the losing end after the fall of Bashar al Assad's govt. in Syria. Russia and Iran were and still are close trading partners and both supported each other against the nefarious designs of the United States. Therefore, with the fall of Damascus, transition from communism to capitalism and weakening of Iran's strong proxy network, Russia stands to be at a disadvantage. It also stands to see its most distinguishing influence in world geopolitics compared to the US being at a significant

Turkey:

The world has received ~~and~~ seen the news of Turkey celebrating the fall of Bashar al Assad government due to its connections and alliance with the US. However, Turkey's relations with Russia will go which direction, the world is yet to see. The rebel government can create issues for the Turkish government, pitting security concerns and terrorist designs.

Conclusions:

While some countries such as Russia, Iran, stay at the losing end because of dwindling power, countries like the United States and NATO as an effect, Turkey, Israel, and Saudi Arabia celebrate the different conflicts in the Middle East. The reality lies in the future as we are yet to see the whole crisis unfold due to recent developments in the region.

Q4: Critically evaluate the reasons for the slowing down of CPEC projects. What options would you recommend to Islamabad and Beijing to re-invigorate the project and make Phase II a tangible reality.

Ans:

Introduction:

CPEC was known as China-Pakistan Economic Corridor, a flagship project of Belt and Road Initiative (BRI), is one of the most important lifelines of China-Pakistan friendship and Pakistan's economy. However, it has slowed down in the past few years for several reasons. Political instability, IMF conditions, security concerns, and various other factors

have slowed the pace of the project.

Political Instability and Lack of Consensus Building:

Political instability in Pakistan has impacted CPEC Phase 2 adversely. Constant rifts between different political parties, violent protests due to these, and resultant lockdowns impact the process of CPEC projects. Moreover, little efforts are being made in order to ease tensions among the political elite of Pakistan. These crises are impeding the progress being made in the projects associated with CPEC.

Furthermore, political parties fail to build consensus among themselves which hinders the development and growth of foreign funded projects. This shows their unwillingness to solve their internal issues which in turn make the circumstances even worse.

Separate Manifestoes and Lack of Common Economic Interest:

With each election, political parties bring their separate manifestoes and sabotage the projects started by older governments even when they are in

favor of the economy. They tend to fall a prey to their egos and start 'new' projects, undermining CPEC. They tend to forget that CPEC has is between China and Pakistan, and is not associated with any political party.

IMF Conditions:

The IMF has repeatedly told Pakistan to revisit CPEC and fulfill its conditions by sabotaging CPEC. Hence, CPEC projects stay at a risk of falling a prey to IMF's conditions. However, China resists and CPEC is still going on, but the conditions affect Pakistan severely as Pakistan relies on IMF's bailouts to finance its national expenditure.

Prevalence of Terrorism:

Attacks on Chinese personnels, in Karachi, Dera, Besham etc. have slowed down CPEC projects, raising security concerns. As a result, China has started to give a cold shoulder to Pakistan due to its inability to take decisive action against terrorist forces attacking the Chinese. This is one major reason that would have

a detrimental effect on CPEC in Pakistan.

Options Available:

1. Pakistan need to take a decisive action against the terrorists attacking the Chinese personnel, enhance border security measures and provide considerable security to Chinese personnel working in Pakistan.
2. Pakistan needs to consult bilateral sources or get rid of loans so that it does not have to visit IMF and face its strict conditions that require dealing with CPEC the way we do not want to.
3. The political parties should realise that CPEC was not signed with a single political party, but with the country. Therefore, they should support the project without any grudge against a party.
4. Violent protests due to political rifts should be controlled. This needs collaboration and cooperation among political parties and they need to build consensus among themselves and work together for a prosperous CPEC Phase II.

Conclusion:

All the reasons behind slow pace of CPEC projects need direct and decisive measures to make Phase 2 of CPEC a tangible reality. This needs an economic, political and social revamp and bringing stability in the country. This is how we can make CPEC Phase 2 a reality and see its fruit in the coming years, in the form of strong bilateral relations and a flourishing Pakistani economy and society.

It is also important to ensure that the political parties should realize that CPEC is not just a project but a long-term vision for the country.

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It is important to ensure that the political parties should realize that CPEC is not just a project but a long-term vision for the country.