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Current Affairs.

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Q4- Russia - China growing economic, strategic, and political collaboration is an effort to potentially challenge the US led world order. Discuss.

→ Challenging US led world order:

China has been become the largest buyer of hydrocarbons of Russia. Previously, Europe was the largest importer of hydrocarbons from Russia but after the war of Russia and Ukraine, Europe cut down the import and imposed sanctions on Russia.

Europe cut down the 70% of oil import and approximately 50% of gas import from Russia.

• Objectives to impose sanctions:

Europe wants to limit the financial capacities of Russia to fund in war with Ukraine.

The financial element is the only component to make of loosing of country.

But Russia played its energy card well. It cut down the prices of its hydrocarbons upto 35%. China and India became the largest beneficiaries of hydrocarbons of Russia.

Europe imposed sanctions but Russia's export could not be challenged. It earned \$66bn more in 2022 than 2021. Russia found new markets primarily, China.

China also found a market in terms of Russia. Russia became the largest importer of Chinese technologies in general and semi-conductors in particular. Because Japan, South Korea, Australia, and Germany cut down their export of technology to Russia because they are the allies of US.

Russia also strengthened the air defense system of China.

Russia sold out the S400 missiles, intercontinental ballistic missile, and its 5th generation aircraft to China. China has not its own proficient air defense system so buy it from Russia. Through import and export, China help out the Russia indirectly in the war of Ukraine. Because China can not afford the direct support so it reframe itself in the support of ~~the~~ Russia.

→ Diplomatic collaboration:
There is diplomatic collaboration between China and Russia. They collaborated with each other because they can not afford the fall of each other.

Their frustration has been increasing because of tussle in Middle East after the war crime of Israel in Gaza and continuous support of US to Israel.

US give the military aid of \$3bn annually to Israel other than weapons. From 3 October, 2023 till now, \$3bn plus aid had given by US to Israel.

Russia and China both understand the concerns of each other. The attack of Russia on Ukraine is not because of expansionist design but because of geo-strategic concerns.

The geo-strategic concern of Russia is NATO expansion in eastern Europe. NATO awarded the membership to those countries which were used to be the part of USSR. Russia do not want the expansion of NATO in eastern Europe. China understands this concern of Russia.

The more the expansion of NATO, the more it compelled the Russia to attack on Ukraine.

The only solution to stop the war between Russia and Ukraine is table talks; but NATO wants something else. NATO wants that the continuation of proxy war in Ukraine against Russia to bound it in these woes.

Russia also understands the concerns of China in east and south china sea, ~~and~~ Taiwan, and Indo-pacific in general. In Indo-pacific region, there is military alliance of Japan, India, US, Germany, and Australia (Quad), Military alliance of UK, US, and Australia (AUKUS), Oskinaw naval base, submarine nuclear power, and military deployment in the straits like strait of Malacca and strait of Taiwan, and in countries like Phillipines, Japan, Australia, and Germany.

Taiwan is the sovereign territory of China and China wants to annex it but US do not. If China annex it,

US would impose ~~economic~~ sanctions on China akin to Russia, because US do not jump into the direct war.

They both (China and Russia) collaborated with each other because both have similar stance and understands their concerns.

At organizational level, they collaborated through Brics. Through Brics, they want to de-dollarize the hegemony of dollars and alternative transaction system of banking communication because US imposed sanctions on them and they can not do trade in dollars ~~becau~~ because the international system of transaction is swift system which is attached with dollars.

Q5- Dollar and Swift being used as a weapons by US against the countries of Global South. Critically evaluate how Brics+ could counter this to get rid of western exploitation on permanent bases.

The global south countries in general and China, Russia, and Iran in particular has been ~~feeling~~ frustrating from dollar

and swift system of US. The dollar hegemony provides the US power to rule and the swift system is the transaction system which provides US the power to impose sanctions.

50% plus global trade is in dollars. The global South countries want to get rid of dollar hegemony.

The initiative to get rid of dollar hegemony is the Brics. Through Brics they want ~~to~~ alternative currency and transaction system.

→ Contemporary Part:

• Russia:

US imposed the sanctions on Russia after the war between Ukraine and Russia.

US cut down the 35% of import of hydrocarbons of Russia. So, Russia want the de-dollarization of global trade because the swift system is not giving dollars to Russia.

• Iran:

Iran has also been facing severe sanctions since 1990.

• China:

China wants to annex Taiwan. Taiwan is the sovereign territory of China but US do not want that. If China annex it, US would impose similar sanctions on China so, China also want de-dollarization.

→ Solution:

- Alternative currency. Currency can be in the form of paper currency, crypto currency, or Brics currency.

- Alternative transaction system.

These two solutions can end the hegemony of US led dollar and swift system.

The rise of New Development Bank is the first steps towards the progress of Brics. In 2008, it was Bric and had less than 12% of world economy. In 2015, it became Brics, had 15% of total world GDP and now it became Brics+ and has 30% of world GDP. By 2040, it would have more than 45% of the total world economy.

The New Development Bank is the alternative of IMF and World Bank. IMF and World Bank give opportunity to US to become super power.

The responsibilities of IMF are:

- To provide loan to meet the budget deficit.
- To provide loan to meet the balance of payment or dollar crisis.

The responsibilities of World Bank are:

- To provide loan for developmental projects.

These projects can be health related, developmental aid, etc.

New Development Bank is the merger of both IMF and World Bank. It has cheaper and relaxing terms and conditions as compared to IMF and World Bank.

The future of Brics is bright. The intra-organizational trade and financial capacity is on rise. The more the south-south trade, the more the south-south cooperation and it would lead to reducing the space for G7 countries.