

Q. no. 08

1. Introduction:

The expansion of BRICS and Shanghai Cooperation Organization (SCO) marks a significant structural shift in international politics. By late 2025, these organizations have broadened their membership to include key powers like Iran, Egypt, Ethiopia, the UAE, Belarus, and Indonesia. The expansion of these blocs exemplifies the shift from "Old" to "New" multilateralism. Yes, it challenges the US-led order, but it's an "order within an order" rather than a total overthrow.

2. Theoretical Analysis of Expansion:

International Relations (IR) theories offer distinct lenses to interpret why these nations are coalescing and what it signals for the global system.

i) Realism: Soft Balancing and Power Transition

Realist view this expansion as

as a classic case of balancing. However, rather than "hard balancing", these notions are engaged in 'soft balancing'.

• Logic: Institutions:

Non-western powers are aggregating their economic and diplomatic weight to constrain US unilateralism and hegemony without triggering a direct conflict.

• Strategic Autonomy:

For middle powers like Saudi Arabia and UAE, joining these blocs is a hedging strategy. It allows them to diversify security and economic partners.

• The Iran Factor:

The inclusion in both is a realist maneuver by China and Russia to insulate Tehran from Western isolation, effectively creating a "sanctions-proof" bloc.

ii) Liberalism: Institutional Contestation

Liberal institutionalists focus on the

role of international organizations. They argue that while BRICS and SCO are challenging Western institutions, they are validating the concept of institutional cooperation.

- **Parallel Institutions:**

Instead of overthrowing the system, these actors are creating parallel structures (e.g., the New Development Bank vs. World Bank; the Contingent Reserve vs. IMF).

- **Interdependence:**

The expansion is driven by a desire for economic integration (e.g., integrating the SCO's Eurasian connectivity with the Belt and Road initiative).

iii) **Constructivism: Identity and Norms**

Constructivists analyze the shared identity of the "Global South".

- **Normative Challenge:**

The expansion challenges the "universal" liberal values promoted by the West (democracy, human rights).

with alternative norms: state, sovereignty, non-interference, and civilization based diversity.

ii) Post Western Order:

The narrative is not just about power, but about recognition. These organizations provide a platform where non-Western powers are "rule-makers" rather than "rule-takers" constructing a new identity that rejects the post-1945 hierarchy.

3. Old vs. New Multilateralism

The expansion of these blocs exemplifies the shift from 'Old' to 'New' multilateralism.

Feature	Old Multilateralism (Western led)	New Multilateralism (BRICS/SCO)
Primary examples	UN, IMF, World Bank, NATO, G7	BRICS, SCO, AIIB
Core value	Universalism, Democracy, Human Rights	Sovereignty, Non-interference, Pluralism

- structure ◦ Formal, Treaty based, Bureaucratic
- Informal, summit based, consensus driven
- Conditionality ◦ Aid / Loans tied to politics
- No strings attached
- Membership ◦ Open, but hierarchy is fixed
- Club-based, Regional / interest based.

4 ~~Does it~~ Challenge the US-led Order?

Yes,

but it is an "order with an order" rather than a total overthrow.

• The Economic Challenge (De-dollarization)

The most tangible threat to US hegemony is the push to trade in local currencies. By 2025, expanded BRICS membership controls a vast share of global oil production (Iran, UAE, Russia) and major commodities. If these commodities are traded outside the dollar (petroyuan / petroruppee), it erodes the "exorbitant privilege" of the US.

dollar, weakening the efficiency of US sanctions.

ii) The Geopolitical Challenge:

The SCO's expansion (adding Iran and Belarus) creates a contiguous landmass in Eurasia largely outside the reach of US naval power, potentially insulating these adversaries from American coercion.

• Limit to the challenge:

i) Internal Divisions:

The blocs are rife with contradictions. India (a US strategic partner) and China (a US systemic rival) have border disputes. Brazil and South Africa value their neutrality. This lack of cohesion prevents BRICS/SCO from acting as a unified military or political alliance like NATO.

5 Assessment: The "Fragmented" Global Order

The rise of these expanded blocs

confirms that the "Unipolar Moment" is over but it has not been replaced by a neat "Bipolar" (US vs. China) order. Instead, we are entering an era of "Asymmetric Multipolarity" or "Regressive Globalization."

The global order is fragmenting into overlapping clubs. The expansion of BRICS and SCO suggests a future where the West no longer holds a monopoly on global governance. The US must now navigate a world where it can not isolate rivals easily.

Conclusion:

The expansion of BRICS and the SCO signifies a structural shift from US hegemony to "fragmented multipolarity". Through the lens of "Realism" this represents "soft balancing". New multilateralism differs from old multilateralism. World order diverging from unipolar to multipolarity.

Q. no. 04

1. Introduction:

The impact of international Monetary Fund (IMF) financial interventions on developing economies, particularly Pakistan, is a highly complex and debated topic. While IMF loans are designed to provide short term stability, their long term loan effects, especially those stemming from the attached conditionalities, carry significant risk and draw frequent criticism.

2. Extent to which IMF Loans Promote Economic Recovery:

IMF loans primarily aim to address a member country's (BOP) balance of payment crisis and restore macroeconomic stability, which is a necessary first step toward recovery.

I - Positive short Term Impacts:

i) Immediate Financial Relief:

The

loan provide crucial foreign exchange to meet immediate debt obligation and finance essential import, preventing a catastrophic default and economic collapse. This is often described as preventing a recession.

ii) Restoring confidence

The presence of the IMF in a country demonstrates its commitment to necessary reforms, which can attract further financing from bilateral donors and private investors.

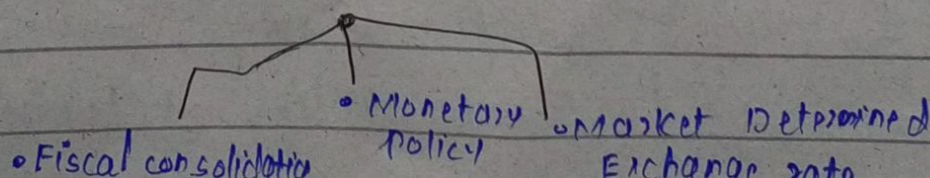
• specific to Pakistan:

IMF programs in Pakistan have, at times, help to:

- stabilize foreign exchange reserves.
- Bring down fiscal and current account deficit in the short term.
- strengthening tax law

• Macroeconomic stabilization:

The conditionalities often target key indicators:



3. Risks and Criticism of Long term Effects:

The major concerns revolve around the Structural Adjustment Programs (SAPs) or conditionalities, which often involve deep, market-oriented reforms.

1. Austerity and social Impact:

i) Increase poverty and inequality

Critic, including Nobel laureate Joseph E. Stiglitz, argue that structural reforms tend to increase income inequality and trap more people in poverty.

ii) Reduce social spending:

Austerity, measure, in the push for fiscal consolidation, often involve cutting government subsidies and restraining public expenditure.

2. Compromised sovereignty and "one size Fits All" Policy:

i) Loss of Policy Autonomy:

The extensive conditionalities are criticized for undermining the economic sovereignty of debtor country, as an external body dictates national economic policy.

ii) Unsuitable Reforms:

Applying a standard, neo liberal prescription (deregulation, privatization, trade liberalization) that may not be suited to the unique local economic condition and political realities of a country. In Pakistan trade liberalization has been linked to "premature deindustrialization".

3. IMF Dependency and Growth stagnation

i) Cycle of Dependency:

For countries like Pakistan, which has entered into 20 IMF programs since 1958, the repeated bailout suggest a "cycle of dependency" where temporary relief is not successfully translated into genuine, long term structural reform required.

ii) Weakened Long term Growth:

Studies show that IMF programs may negatively impact long-term economic growth. In Pakistan, structural challenges like a limited tax base, difficult business environment, and an excessive state role remain unaddressed, hindering sustainable growth.

iii) Moral Hazard:

The availability of IMF financing can lead to moral hazard, as it encourage successive governments to make imprudent fiscal and public policy choice.

Conclusion:

IMF intervention is crucial for avoiding financial collapse in developing countries such as Pakistan and implementing short term stabilization. However, its long term success is often compromised by poor compliance with structural reforms, while austerity measure can hinder growth and increase poverty.