

DATE: ___/___/___

CURRENT AFFAIRS TEST-02

QUESTION 01

Pakistan successfully conducted SCO conference in Islamabad. Critically evaluate the major takeaways for Pakistan. What measures would you recommend Islamabad to follow?

ANSWER

SCO SUMMIT 2024

Shanghai Cooperation Organization, which initially came into being in 1995 ~~was~~ named as "Shanghai Five" and later on changed the name to Shanghai Cooperation Organization ^{in 2001} with ~~the~~ addition of other countries - Pakistan and India in 2017.

The recent SCO summit was held in Islamabad and it was joined by ~~ten~~ ten member states and three observer states. Islamabad demonstrated Pakistan's diplomatic capacity to engage in multilateral platforms amidst regional complexities - after being isolated for many years. The summit underscored Pakistan's strategic relevance in fostering regional connectivity, combating terrorism, and enhancing economic cooperation through the SCO framework. However, Islamabad also needs to address ~~that~~ its internal stability and improve global image to maximize further gains.

MAJOR TAKEAWAYS FOR PAKISTAN

It is worthy to note that Pakistan is going through a hard time and is facing international isolation of any sort and it is confronted with slow economic activity and terrorism. However, this recent SCO Summit lays great importance for Pakistan to cope up with the terrorist activities and maintain its multilateral relevance globally.

Some of the major key take aways for Pakistan from the recent Summit are as follows:

① DIPLOMATIC LEVERAGE:

Pakistan reinforced its role as a key player in regional diplomacy and multilateral forums, helping Pakistan to boost its image as a responsible state internationally.

② ECONOMIC PROSPECTS:

Pakistan's Prime Minister put forward a statement, i.e.:

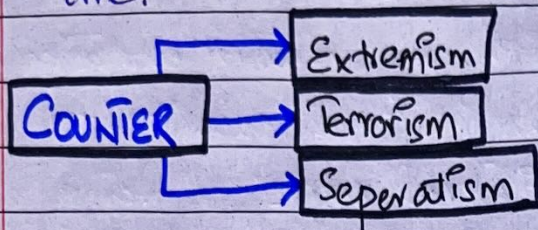
"These projects should not be looked from a narrow political prism".

This highlights the importance of connectivity projects like CPEC which fall in the framework of SCO, it also emphasizes its potential as a trade and energy hub. This also aligns

with Pakistan's aspirations to attract investments and enhance regional economic integration.

③ COUNTER-TERRORISM COLLABORATION:

The three major slogans of the SCO are:



The summit provided an opportunity to highlight Pakistan's commitment to combating terrorism and extremism, enhancing its credibility in regional security initiatives.

④ AFGHANISTAN STABILITY:

Pakistan advocated for peace and stability in Afghanistan, showcasing its strategic importance in the efforts of regional stability.

⑤ STRENGTHEN BILATERAL RELATIONS:

Recent SCO summit paved a way for Pakistan's deeper engagement with SCO member states, enhancing cooperation in trade, security and cultural exchange.

⑥ Cultural Ties:

Initiatives to promote cultural exchanges

and educational opportunities among SCO states were also discussed which can help strengthen the soft power of Pakistan.

⊕ STRATEGIC POTENTIAL OF PAKISTAN:

Summit held in Islamabad went on and ended smoothly with any negative escalation which demonstrates Pakistan's capacity to ~~handle~~ handle multilateral events, countering negative perceptions and showcasing stability.

These key takeaways for Pakistan are highly important in shaping its foreign policy and enhancing its relations with the member states of SCO.

CRITICAL ANALYSIS OF KEY TAKEAWAYS

Critically evaluating these key takeaways show case ~~some~~ some strengths for Pakistan.

However, it cannot be denied that the SCO might face some challenges which will directly or indirectly by an effect on Pakistan as well. Other than the global effects the internal weaknesses or instability of Pakistan will also result in sluggish development of the agreements.

CHALLENGES AND LIMITATIONS FOR PAKISTAN:

① Internal Instability:

Since last few years Pakistan is facing difficulties due to its economic challenges and political turmoil, which undermine the long-term effects of the diplomatic achievements.

② GEO-POLITICAL COMPETITION:

SCO has been growing lately in the region, but the political rival blocs like QUAD and AUKUS lay a great threat to it. These threats cannot be ignored, especially while giving its reliance ~~to~~ on China and maintaining ties with the west.

③ Economic Realities:

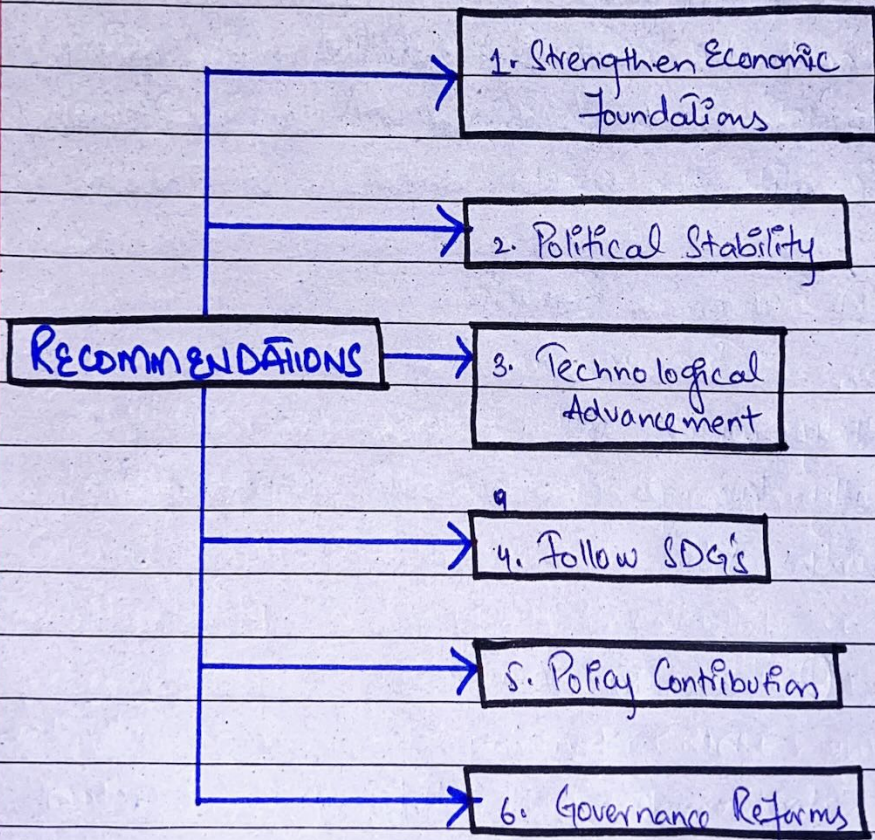
The economy of Pakistan is struggling lately which will hinder the ability to fully leverage the economic opportunities with SCO.

④ Terrorism Resurgence:

The resurging terrorism in Pakistan is also making it difficult for Pakistan to gain the benefits of the enhanced bilateral and multilateral relations.

POLICY RECOMMENDATIONS FOR ISLAMABAD

Eventhough SCO summit turned out to be a success for Islamabad, but, some challenges which were highlighted earlier must be focused and some revolutionary steps should be taken to overcome the major challenges. Islamabad must adopt the following measures, which will help maximize the benefits from the recent summit and the one's coming in future:



CONCLUSION

This SCO summit resonated with the concept of multilateralism where the cooperative arrangements among the states were pivotal in addressing the shared challenges and strengthening the region. However, Islamabad must go through its internal instability and strengthen its image to maximize its gains. Strengthening the ties with SCO member, especially, China and Russia - veto powers - and also maintain the ties with the West and sustain its relevance in an evolving multipolar world.



QUESTION 2

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.

ANSWER

INTRODUCTION

The dominance of the dollar and SWIFT system, rooted in the Bretton Woods framework, allows the US to be held hegemon and maintain its unilateral control over the countries of Global South. US has weaponized these tools to use against the Global South to sanction and pressurize the nations, which limits their autonomy. In 2009, BRICS ~~the~~ was found by the developed countries of Global South with the agenda of economic multipolarity and efforts to establish a new reserve currency or to enhance trade in local currencies. Recent summit of BRICS+ highlighted the moves towards de-dollarization and challenging the ~~pro~~ ideological expansionist nationalism of the US, and maintain multipolar world order.

CURRENCY WAR

TRADE DOLLARIZATION:

US has always used the strategy of dollarization as a weapon against the Global South nations to maintain the hegemony in the international politics.

BRETTON WOODS SYSTEM in 1945, focused on three big things, which were:

- ① IMF establishment, to provide loans
- ② Establishment of International Bank for Reconstruction and Development (IBRD).
- ③ General Agreement on Trade and Tariffs, which encouraged the countries to promote free trade.

Establishment of these Bretton Woods framework along with the Society for Worldwide Interbank Financial Telecommunications System (SWIFT) has helped US maintain the hegemony and use the dollar against other countries as a weapon to impose sanctions and not to compete with the US in international politics.

Global North was always aware of the

massively growing economy of China, which would challenge the Global North and start a trade war.

Napoleon Bonaparte, said:

"China is a sleeping giant; let him sleep, for if he wakes, he will shake the world."

China's Economy in 1970 was around \$100 billion. However, in 2024 it is around \$18 trillion, along with foreign reserves around \$3.2 trillion.

Hence, US is using dollar as a weapon against the Global South.

BRICS+ - STEPS TOWARDS DEDOLLARIZATION:

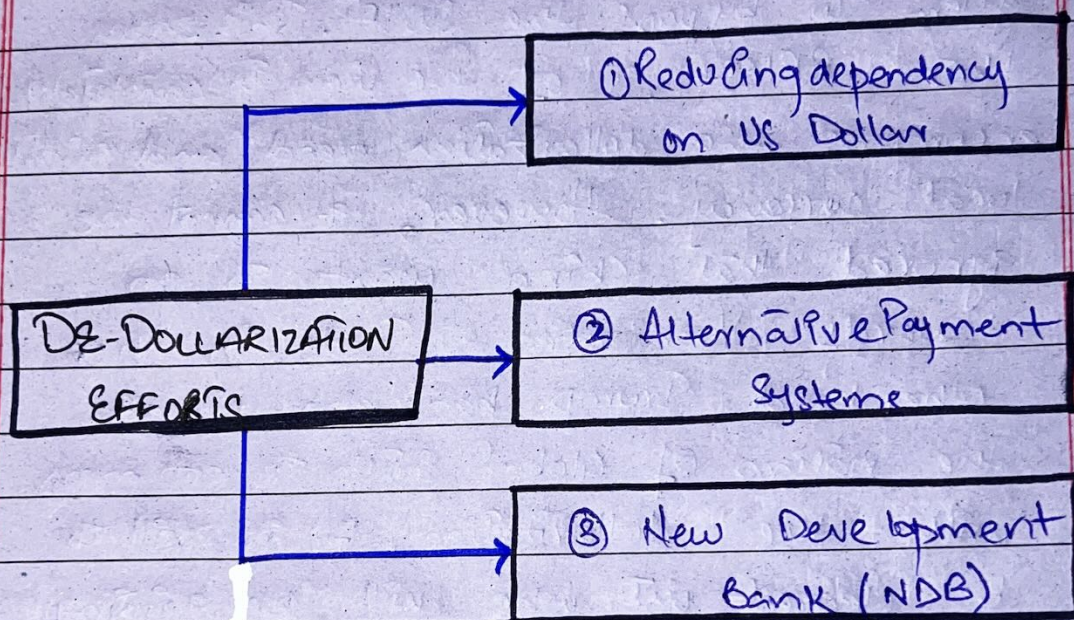
BRICS is founded by four countries - Brazil, Russia, India, & China and South Africa - is an organization which expanded in 2021 and then in 2023 now named as BRICS+. US is initially trying to maintain unipolar order by its hegemony was not acceptable to the great economies of Global South, especially China and Russia. To get rid of US sanctions and

counter its hegemony BRICS platform was initiated.

Main Aim of BRICS:

- maintain multipolar order
- Counter trade dollarization

BRICS has been taking some great steps to counter dollarization, such as:



BRICS and the member countries have been reducing the reliance on US largely and have initiated alternatives for payment of trade and aim to bypass the US dominated SWIFT system and reduce the transaction costs. BRICS has also established NDB to support de-dollarization by funding infrastructure and sustainable development projects in local currencies.

Another strategy of BRICS is trading oil in local currency, which will not only challenge US dollar dominance but also signifies a departure from traditional geopolitical paradigms to ascendance of geo-economies.

CRITICAL ANALYSIS

The recent meeting of BRICS+, held in Brazil, proposed creating an alternative payment system to bypass the SWIFT. This shows that BRICS+ is of the view to completely encompass the dollarization trend and initiate local currency. However, it cannot be ignored that China wants to go towards "Yuanization of Trade". On the other hand Trump has also warned the nations of global south to not mess with the dollarization. It is still to be cleared out who will be gaining more benefits in this war. The fact that 80% of global trade and 60% of the reserves are still in dollars, and China having partnership with 61 countries, while US allies are around 30 which weakens the US influence and strengthens China. Despite the larger population than G7, BRICS countries exhibit lower economic output and GDP per capita, which emphasizes

the need for strategic cooperation to enhance the global influence.

It is to be noted that analysts caution that BRICS could become a vehicle for advancing the Chinese geopolitical interests, potentially overshadowing the developmental needs of member states, especially amid authoritarian governance trends in some nations.

CONCLUSION

Expansion of BRICS, not only reduces dependency on western dominated institutions but also paves a way for more inclusive global financial order. However, the weaponization of the dollar and SWIFT system by the US reflects a broader pattern of economic coercion rooted in the Bretton wood system.

