

# CA Test 2

## QUESTION 1:

### Introduction:

The 23<sup>rd</sup> session of SCO was conducted by Pakistan in Islamabad in November, 2024. Pakistan successfully pulled off the SCO presidency for 2024 by holding a smooth SCO summit with 11 head of states and foreign ministers attending it in Islamabad. The conference proved to be a success for Pakistan in many ways and had positive impacts on the country.

### Major Takeaways for Pakistan:

Pakistan presiding over the SCO summit for 2024 was a

major success for the country both in terms of its global image and future chances of growth in various fields. Some of the major takeaways are as follows

## 2) Improved International Image:

The successful organization of the Summit and its smooth conduct improved the international image of Pakistan in the eyes of many around the world. The image and the opinion that Pakistan had been isolated in the world with decreased U.S support, it was cleared out and the narrative was diminished with heads of states attending the conference



## 2) Improved Peace and Security Concerns:

Pakistan has always faced concerns about its peace and security situation due to multiple waves of terrorism occurred in past decades. The successful conduct of the law and order and stability of the country in the eyes of the global community.

## 3) Neutral Foreign Policy:

The SCO and the participation of Russia in it can and allow Pakistan on its path towards a stable and neutral foreign policy. A policy that only interests the people of Pakistan and does not align with any one bloc in the world.

#### 4) India and Pakistan ice-breaking

The arrival of the Foreign Minister of India Jaishankar in Pakistan and attending the SCO summit proved as an ice-breaker between India and Pakistan relations. This can lead to a bilateral dialogue between the two countries on improving the mutual relations.

#### 5) Relationship with Central Asian Countries / Republics (CARs)

With the presence of representation from the central Asian republics, Pakistan can open trade relations with these countries by importing and exporting its agrarian products to these landlocked countries. Bilateral trade can be a way to improve the mutual economies of the



Countries.

## 6) Decrease dependence on West:

The SCO and its successful pacts, Pakistan can reduce its reliance on the West for its essentialities both in trade and financial capacity. It can improve Pakistan's poor standing against Western countries and improve the economy.

## 7) New opportunities in the Southern Countries:

The successful conclusion of SCO summit proves Pakistan's efficient membership in SCO and added value. This can create new opportunities for the country - in the Southern bloc of the world.

## Recommendations for Pakistan's future course of action:

Pakistan should capitalize on the success of the SCO summit as much as possible and create better opportunities of growth in the near future. Some of the recommended ways that Pakistan can adopt are as follows.

### 1) Continuance of Neutral Foreign Policy:

Pakistan has learnt from its past mistakes and adopted a neutral approach in foreign policy. A policy of non-alignment and not siding any one side nor west, nor middle east, nor south. Pakistan should continue



with the policy of neutrality towards all matters of international intensity.

## 2) Seize economic opportunities of growth.

Pakistan should capitalize on the success and capture all and every opportunity of economic growth. From trade

pacts to improved exports to CARs to <sup>expansion</sup> extended CPEC

Pakistan should grow its economy through this international forum.

## 4) Export of value-added products to SCO members.

Pakistan should establish value added products and export them to SCO members. By first taking help from these countries and then exporting such services to them like IT and machinery.

5) Energy, IT and infrastructure  
pacts with SCO members

Pakistan should take help  
from SCO members and create  
pacts on clean energy, IT  
development and international  
investments for infrastructure and  
growth. Pakistan should create  
a value addition for these  
countries especially and improve  
the economy of all.

## Conclusion :

Pakistan can undergo many  
new initiatives through SCO's  
successful conference. With improved  
international image and peaceful  
situation of law and order, Pakistan  
should avail the economic opportunities



and improve its relations with the South bloc in its entirety and improve the energy, infrastructure, IT and the overall economy of the country by capitalizing on the membership.

## QUESTION 2:

### Introduction:

West has dominated the world with its global and successful institutions especially financial ones. It has complete control over the financial setup of the world with SWIFT being the biggest and most reliable institution for financial messaging around the world and dollar being the currency of the world with majority

global trade being carried out in Dollar. The vulnerable states around the world have found ways to counter this global financial hegemony through its initiatives to form BRICS+. So BRICS+ has the potential to curb the western exploitation of the weaker states.

## Importance of Dollar and SWIFT:

Dollar holds highest significance in all the currencies around the world. Similarly SWIFT controls the global financial transactions and their messages with 11,000 banks around the world in 200 countries registered with it. As both of them it is a Belgium company, the west holds great control over the financial transactions of the world.



## \* Over-reliance on Dollar:

The over-reliance on dollar and the majority trade taking place in dollars with IMF and World Bank functioning in dollars. Many countries face great problems in having and maintaining dollar reserves.

## US' control over the financial transactions:

As dollar is US' currency and US' being the super power it holds great control over the financial matters of the world and many a times exploit the situations. US can easily pressure SWIFT to act in its favour and comply accordingly.

## Weaponizing Dollar and SWIFT against Global South.

United States use many tactics to overpower the entire world and especially the Global South and the Middle East. America has weaponized dollar and SWIFT against the global south and uses it for its interests.

### \* SWIFT Sanctions:

Iran has been sanctioned out of SWIFT since 2012 and now Russia has also joined the group of economic sanctions and financial restrictions. US use the financial hegemony to curb any and all powers and to suppress any risings.



## Potential of BRICS+ :

The southern emerging bloc of BRICS+ has recently ~~is~~ improved its standing as a united southern bloc against western hegemony and exploitation. BRICS+ has the potential to get rid of the western exploitation through following way.

### 1) New Development Bank:

The new development bank can play a pivotal role in getting rid of the western dominance in financial matters of the world. By its successful practices, the trade between many non-western countries can be improved and over-reliance on west would decrease.

## 2) BRICS Reserve Currency:

The idea of a reserve currency is on the table for further discussion. It would have to be backed by a basket of currencies or commodities to challenge dollar's hegemony.

## 3) Development of new payment system:

BRICS+ could expand on the Russian platform of SPFS (System for transfer of financial messages) or China's CIPS (Cross-border interbank payment system) as alternative to SWIFT. This could improve the standing of Global South in the against West.

## 4) Trade in local currencies:

BRICS+ can expand the



mechanisms to swap currency <sup>are</sup> among the member states and local trade among their local currency rather than using dollars for cross-border trade.

### 5) Inclusion of Key Economies:

By adding new members in BRICS+ and especially the key economies like Saudi Arabia, Argentina, Indonesia, ~~and~~ This will improve the economic power of the bloc and the international influence.

### 6) Alignment of Interest:

The mutual grievances against the West can improve the unity and can be capitalized on to create and implement initiatives that will benefit a majority member states of BRICS. Thus the alignment

of interest will really improve the international standing of BRICS+ and its member states.

## Challenges for BRICS+ and its initiatives.

There are a number of challenges for BRICS+ to implement its initiatives against western hegemony and the financial exploitation of dollar and swift.

### 1) Coordination among diverse states.

The coordination among multiple member states coming with varied personal interest is a challenge.

The unity and cooperation can prove difficult.

### 2) Technical and Financial hurdles.

All the initiatives BRICS+



require new technology and immense finances to establish and run.

This could be a challenge for the poor member states.

### 3) Resistance from West.

The US and its allies may retaliate the BRICS+ policies and initiatives to curb their growth.

### 4) Trust and Stability Issues:

The issues of mutual trust and stability can be a challenge.

The need for transparency in the alternative system would be a must and its achievement can prove highly problematic and difficult.

## Conclusion:

There are a number of ways BRICS + can challenge dollar and SWIFT hegemony and get rid of western exploitation of the Global South by effectively implementing its policies. But there are a number of challenges and some resistance from west that needs to be taken into account to improve the success rate of its plans and initiatives to help the Global South.

