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## CURRENT AFFAIRS

Qs 4 :

### Introduction :

Globalization, post world war II, provided a chance for multiple nations to grow economically. Their economic strengths allowed them to eventually question the US hegemony and the capitalism based, western ideologies. Two core proponents of this opposing mindset are Russia and China who are joining hands to weaken US autonomy. The two countries are trying to shift the world from uni-polarity to multipolarity and for this purpose they are collaborating in all spheres including economic, strategic and geo-political arenas. Their collaborations in these 3 sectors, to challenge US-led order, are discussed in detail below;

### 0 ECONOMIC COLLABORATION TO CHALLENGE US-LED WORLD ORDER:

Russia and China are collaborating in multiple economic fronts including;

#### 1. Boosting Bilateral Trade:

After US applied uni-lateral sanctions on Russia, China grew her own sphere of bilateral trade with Russia. For instance the trade capitalization surge was recorded at \$190 billion



In 2022, the trade surge took place in multiple areas including.

### 1- Hydro-carbons

Russia is among the top 3 global producers of Hydro-carbons while China is among the top global consumers due to its burgeoning population and booming industrial sectors. The two countries signed a deal in 2021 to supply Natural Gas from Russia to China through Siberian Gas Pipeline.

### 2- Chip Trade

Current era is of silicon-based chips, being used in most of the advanced electronics. China being the major supplier of chips, conducted more than 80% of Russian chip import. This further boosted the two countries' trade relations.

### 2- Local Currency Use to Address Petro-dollar:

The oil trade was always done in only one currency which was dollar. Since 2023, China took major step to weaken petro-dollar dominance by conducting oil's purchase from Russia in Yuan. This would deteriorate US hegemony on oil trade and other emerging economies would also be able to impact oil prices.



### 3- Steps towards De-dollarization:

As Russia faced major sanctions by West, which were totally carried out through dollars, the two countries moved towards de-dollarization to address uni-lateral sanctions of America. Russia and China signed a deal of 400bn for 30 years, to use Yuan as their exchange currency rather than dollar.

### 4. Countering US-Led Financial System Through Regional Financial Initiatives:

US imposes sanctions on other countries with the help of IMF, WB and Swift System. To counter this financial hegemony over the world, Russia and China, in collaboration, are taking steps to strengthen regional-transforming-into-global financial institutes i.e. New Development Bank, Asian Infrastructure Development Bank and Contingent Reserve Agreement. These financial institutes are based on voting equity and not on the member's share in the pool, thus promoting a more cooperative financial environment for all.



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## 0 STRATEGIC COLLABORATION To CHALLENGE US-LED WORLD ORDER

The sovereignty and national interests of Russia and China are threatened because of US dominance. For instance the expansion of NATO in Eastern Europe along with US interventions in Indo-Pacific, especially Taiwan and Hongkong, are perceived as eminent dangers to the two countries respectively.

1 To counter US-interventions, the two countries strengthened their strategic collaborations including:

### 1- Joint Naval Drills:

The two countries have carried out multiple military exercises including joint naval drills to strengthen strategic capabilities and information plus technology sharing. China has carried out military drills in Taiwan Strait and Sea of Japan to establish effective deterrence for US and its allies in the region as well as the world.

### 2- Weapon Based Trade:

To strengthen their military



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capabilities, China and Russia have also carried out weapon and jets based trade. China bought S-400 and Su-35, advanced fighter jets, to boost its arsenal. Moreover Russia bought Chinese batteries for its weapon production.

### 3- Chinese Support of Russia in Ukraine War:

Although China maintains its policy on non-intervention into Russia's internal affairs, it did show indirect support to Russia. For instance, when western countries boycotted Russian hydrocarbons, Chinese markets increased their hydrocarbon purchase from Russia, which resulted in profitable H-C business of Russia post Ukraine-invasion.

### • GEO-POLITICAL COLLABORATION

#### TO CHALLENGE US-LED WORLD ORDER:

Russia and China have also collaborated greatly in geo-political terms to strengthen Global South against the US-led world order which is primarily based in West aka the Global North.

### 1- Strengthening Anti-West Regional Organizations:

Russia and China have put forth great efforts in establishing and



strengthening anti-western regional organizations i.e

- SCO
- BRICS +

These organizations are not based on western ideological structure of dominance and hegemony rather they promote inclusivity and cooperation. Russia and China are using these organizations as means to weaken western global system dominated by US.

## 2- Alleviating 'Divide and Rule Policy' of US from Middle East:

America has always controlled Middle East through its divide and rule policy by creating ethnic and sectarian differences. However China and Russia are trying to eradicate those differences, upon which US dominance feeds. For instance China played arbitrary role in conducting peace agreement between Saudi Arabia and Iran in 2023 to weaken US political and economical reign in the oil-producing regions.

### Conclusion:

These collaborative efforts of

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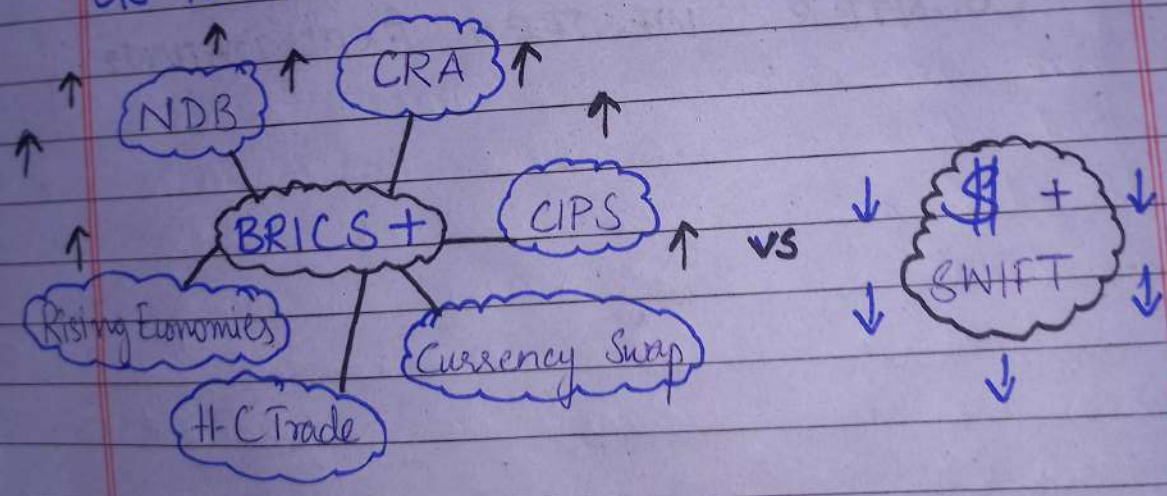
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Risk



~~Qs~~ ~~NO. 5~~ :-

Russia and China in economical, strategic and geo-political realms are major steps to challenge US-led world order which is based on sanctions and all-against-one rule. If the two Asian communists remained steadfast in their efforts, it would not take long for the world to shift from unipolarity to multipolarity.

Qs NO. 5 :



Introduction:

US has always dominated the International Financial System with the help of its global major financial institutes which utilize dollar exchange along with the SWIFT system of banks. America uses these two to



DATE: \_\_\_/\_\_\_/\_\_\_

control global south through regional or global sanctions, boycotts and delisting. BRICS+ is the rising organization of global south which has the tendency to counter US led financial hegemony with the help of its inclusive and country specific initiatives including New Development Bank, Contingent Reserve Agreement and Cross-border Interbank Payment system e.t.c.

## o FEATURES OF BRICS+ ABLE TO COUNTER WESTERN EXPLOITATION:

There are multiple features of BRICS+ that have the potential to challenge US-led world order and to counter financial exploitation of developing countries by West on permanent basis. Some of these features are explained below:

### o New Development Bank:

New Development Bank is established to counter IMF and World Bank which exploit developing countries with their loan policies and stringent bailout conditions. With the initial pool of \$50 billion.



NDB aims to provide loans for development and growth purposes. It has flexible conditions which consider the context of the countries seeking loan rather than the one-size-fits-all policy of IMF and World Bank.

### Contingent Reserve Agreement:

Since NDB works only for developmental purposive loans, the issues of balance of payment crisis and bankruptcy are dealt by the Contingent Reserve Agreement. It provides bailout packages with flexible conditions that are country specific and can be fulfilled with ease. Currently it has a total pool of \$100 billion and has lent more than \$20 billion dollar to needy countries.

### Currency Swap leading to De-dollarization:

The BRICS+ countries have also signed multiple deals to move towards currency swap rather than using dollar-based exchange for their mutual trade. Some of the deals are mentioned below.

→ China - KSA → \$ 7bn (Yuan-Riyal)

→ UAE - Egypt → \$ 1.36bn

→ China - Russia → \$ 24 bn

The current system is dominated