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① Q No. 1.02

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 basis.

### Introductions

(United State of America is still central much of the global financial system through the mechanism of SWIFT (Society for Worldwide Interbank Financial Telecommunication) and dominance of dollar in the international market. The western world used these mechanism as a weapon against global south (Developing world) to maintain its influence in the beginning of 21st-century BRICS made an organization of emerging economy to counter the influence of the western world. BRICS - have been

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achieved several development to established alternative institutions, some multilateral and bilateral trade in local currency and design BRICS-FX on ~~an alternative~~ to SWIFs to reduce western influence.

### Background:

BRICS — Countries have been established alternative institution to manage ~~the~~ western influence. Most countries continuously imposed sanctions on states like Russia and Iran, and also create problem in international payment. Therefore, alternative institutions made like NDB, CRA, BRICS-FX, POSIM-SPEs and China LPS.

How BRICs could counter the western exploitation on Permanent base!

BRICs <sup>emerge</sup> have been used to the BRICs ~~platform~~ to neutralize the western influence on global south.

## 1) Bilateral and multilateral trade in local currencies:

Emerging economies of the world like China, Russia, Brazil, India and South Africa try to enhance bilateral and multilateral trade ties to reduce the dollar influence. They used the platform of BRICS to ensure trade in local currencies. According to ~~WTO~~ (General administration on customs) China foreign trade with BRICS is \$326 bn in 2023. But now most of the trade done in local currencies. As per OBG-LOI and Business group - in 2022, 37% of global currency trade in 2015 but by 2022 - its share dropped to 18.8%. due to Saudi-Arabia and Turkey trade with Russia and China in Yuan and Ruble. Therefore, now Multilateral and bilateral trade in

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local currency, reduce in dollar options.

### ii) Establishment of Alternative Institution:

According to official records of BRIC - NDB was established as alternative to World Bank.

BRIC have been established as development bank and

contingent reserve assistance as alternative to western financial institutions.

### a) New development bank: (NDB)

NDB as an alternative to World Bank which provide financial assistance and loan to the developing countries, at time of crisis and difficulties. All BRIC - contributed to NDB to help the members and after start. In 2019 South Africa took \$1-million loan from NDB to neutralize the effect of COVID-19.

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b) Contingent reserve assistance

CRA as an alternative institute to International monetary fund that provide liquidity in the form of short term financial assistance at a time of financial crisis.

iii) Russia — SPPs, 2014:

System for transfer of financial message developed by Central bank of Russia in response to withdrawal Russia from SWIFT. Its aim is to facilitate international transaction and trade with other countries in local currency like Ruble for the purpose to minimize dollar dominance.

iv) BRICS<sup>+</sup> — Pay:

BRICS<sup>+</sup> — Pay is an independent

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and de-centralized payment messages mechanism system that applied with P2P's currency. It can be international transactions in local currency support multilateral and bilateral trade.

#### v) China - CIPS:

China - cross border.

Interbank payment system for the purpose to facilitate bilateral trade. It can be transaction in Chinese currency and also to internationalize the RMB.

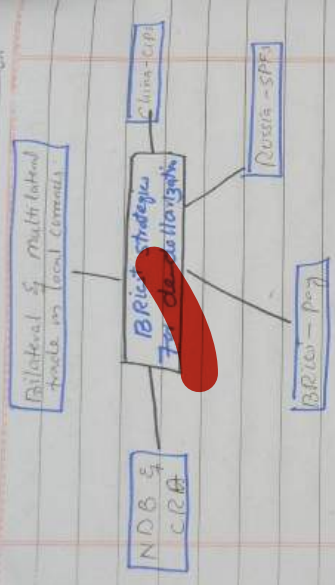
Global dependency of Dollar. It has about 200-participant and countries like Brazil, Russia, Japan and South Africa used it to trade with China. In recent year 2023, it processes over 6.6 billion transactions. Moreover, all these institutions including CIPS working for de-dollarization.

## 7) Critically analyse BRIC's role to counter western exploitation.

The platform made by BRIC's State like NDB, ODA, Russia-SPIs and China-SPIs are working to neutralize western exploitation that done through SWIFT and dollar as international currency. According to Oxford Business group global currency trade in dollar reduced 7% in 2019 to 58.8% in 2022 due to Turkey, Saudi-arabi and with China and Russia trade in yuan and Rubel. Moreover, India is also done 100 million oil trade with UAE in Indian Rupee. In addition to, Assembly to Russia Deputy PM - 75% Russia-China trade was done in Rubel and yuan. This shows that the counter strategies of BRIC's have significant influence on dollar trade.

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### Conclusion:

The influence of dollar dominance and SWIFT have seen to be reduced due to counter BRICS strategies of established institutions and trade in local currencies. It provides hope of multilateralism in order to get rid of western exploitation on permanent basis. So, the BRICS success is seen to be more significant for developing state progress and economic growth.



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COP-27 summit ended in Baku...  
critically evaluate its failure and  
commitments.

### Introduction:

#### Conference of Parties

Summit-27 is a global strategy  
for the purpose to reduce the

effects of climate change. It is  
a global which divided the countries into

two categories. The Global North and

the global south. This summit was

ended on 24 November, 2024, in

Azerbaijan capital city Baku. Major

actors (governments) and multinational

companies have been participated. It has

signed some commitment to neutralise

the effects of climate change. But, some

scholars have been criticized its commitment

and strategies that design to reduce the

carbon emissions and promote the

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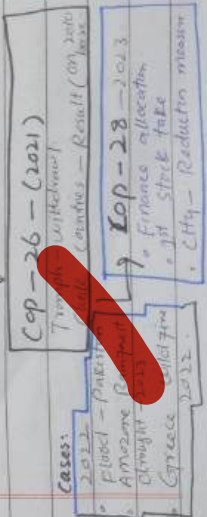
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availability of clean and green environment.

### Background:

The global temperature has been increased since industrial revolution. It is due to huge emissions of greenhouse gases like CO<sub>2</sub>, CH<sub>4</sub>, CO, NO<sub>x</sub> and SO<sub>2</sub> to warm up the Earth surface. Many countries of the world found it adverse effect that make them invite to do something for the control of climate change. Firstly, Paris Kyoto protocol was signed in 1997 then Paris agreement in 2015 to take the milestone of COP summit (21-cop summit).

Keynote point - **Cop-21-2015**  
Paris climate agreement



## ⑥ Critical evolution of COP-29 Failure:

### i) Inadequate Climate Finance Commitment:

In COP-29 Baku summit the international community pledge to provide financial assistance to the developing countries to do effective the combat of climate change till pledge for \$300 billion in one year but the developing countries demand further provision. So there insufficient fund create disagreement among developed and developing countries to the neutralization of climate change.

### ii) Criticism from Environmentalist and Human Right groups:

Both environmentalist and Human Right groups show dissatisfaction regarding financial assistance to reduce climate change.

As Amnesty International criticized that financial target as a blueprint for inequality and violence

iii) **Limited focus on losses and damage!**

Due to the effects of climate change most of the countries become vulnerable to natural disasters.

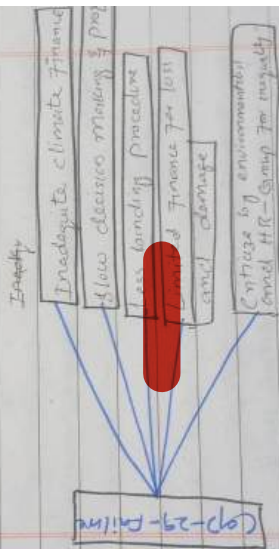
Many events become violence like Earthquake 2023 in Turkey loss about 50,000 people and 7000 killed in Egypt. ~~Morocco~~ according to NDMA Pakistan flood 2022 loss 1700 lives and \$3.6n economic loss.

In fact, Cop-25 have limited focus to climate disasters to restore the infrastructure and give incentives to the affected families.

iv) **No binding procedure!**

The Cop-agreement have no binding procedure to provide allocated

Reasons for climate change less than previous agreement Cop-28 developed world pledge \$380bn according to UNEP but pay only \$700 million. Moreover, in 2021 they pledge to reduce emissions upto 2030. As in 2023 - Cop-28 - most of the countries did not achieve the required target.



Commitments of Cop-29:

- A) Global Environmental Funds (GEF)
- In Cop-29 they decided global environmental funds to minimize the

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steps of climate change. The developed countries pledge for 10 billion per year but the demand of developing world is 13.7 billion per year. It is due to high risk of climate change.

### B) Resilient of food sectors and agriculture:

In the contemporary world food shortage is seen to be a big problem due to climate change. The global communities in COP-27 pledge that make sustainable effort to protect agriculture product from the threat of climate change.

### c) Involvement of small and medium enterprises:

In this agreement committed that the involvement of small and medium enterprises is essential to reduce the emission of greenhouse

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gases. This is an essential step to minimize CO<sub>2</sub> and SO<sub>2</sub> emissions even from small sources.

#### d) Technical innovation and sectoral de-carbonization:

Cop-27 focus on technological advancement to use scientific methods for pollution control. Under this aspect, collection control technology is install in industries and off-gasprises to absorb the emissions like CO<sub>2</sub>, CH<sub>4</sub> and SO<sub>2</sub> gases.

#### e) Restroction on carbon exchange mechanisms:

In Cop-29, they decided to imposed restriction on carbon exceeded companies. Most emitted sectors are steel, cement and shipping. For the purpose to reduce CO<sub>2</sub> emission.

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### Critically evaluate Cop-29 Commitment.

Most of the scholars criticize Cop-29 commitment in a manner that fund allocation create dominance of developed countries and developing or and mistletoe of polluted central technology is two ~~aspects~~ which create inflation on global level. ~~as such~~, the target cannot be achieved by most of the developed world due to carbon market and not full funded ten carbon emitted states.

### Conclusion:

Cop-29 as an important summit have many significant commitment but many scholars criticized that it have many failure which create hurdles on the future. Its commitment have less binding ~~as such~~ and slow mechanism to ~~control~~ climate change. Hence, the global cooperation mostly of developed countries need to adopt strict step for the reduction of greenhouse gas emission.