

Question #1:-

19/40

Dollar and SWIFT being used as a weapon by US against the countries of Global South. Critically evaluate how BRICS+ could counter to get rid of the western exploitation on permanent bases?

11/20

Introduction:

The USA being a hegemonic country and having a financial supremacy currency i.e. dollar took a new method of weaponization. Recently, the dollar weaponization is used by US against Russia in 2022 where SWIFT i.e. a dollar payment system ^{network} has sanctioned Russia and freeze its \$300bn assets. Consequently, it has ^{also} feared the country like China. Being a common member in BRICS, an intergovernmental organization, it is decided to counterbalance the US hegemonic dollar and SWIFT payment system by making a new BRICS currency. This question explains the challenges and way forward for BRICS to get rid of

western exploitation-

Understanding the Influence of SWIFT in Global Payment Perspectives

SWIFT is a financial network, where all the major banks transfer currencies. It carries over five billion financial messages. It does not work like a bank i.e. money share rather it is based on ^{sharing to} credit account from debit account.

For example: A Delhi bank sending money to Shanghai bank must go through the SWIFT.

I- Kicking off Iran and Russia from SWIFT:

In 2012, the US kicked Iran off the SWIFT and applied sanctions to it. Ultimately, it was not able to trade with major currencies. So, Iran had to come under bargaining agreement to revive its trade. Similarly, In 2022, Iran sanctioned Russia and it is not able to trade with the major centers because its ^{bank} partner is a member of SWIFT.

Therefore, every major country has to go from SWIFT while doing currency transaction.

II. The Fear of China:

US already considers China as its enemy- After the Sanctions on Russia, China also has a fear of being weaponized by US in the form of freeze of its assets.

BRICS+ — A Brief Overview of Organization:-

BRICS+ is an inter-governmental organization formed by Brazil, Russia, India, China and later on joined by South Africa in 2010. The organization was originally formed in 2008 but in 2024, it has expanded and included 10 new members. The aim of organization is to increase the influence of emerging countries, countering influence of western dominance, formation of a new financial institution and reducing the dollar dominance. The 2nd BRICS

: 5

meeting was held recently in October 2024 in Kazan, ~~Russia~~. The meeting was mainly focused on counterbalancing the hegemony of dollar.

Possible Ways for BRICS+ to counter the Western exploitation on permanent basis:

BRICS+ can counter the Western exploitation on permanent basis especially in South Asia by adopting various, social, economic, political and technological measures.

I. Fostering Economic Independence

(A) Promote Local Currencies in Bilateral Agreement:

The BRICS+ mostly consists of world's leading economies contributing to 36% of GDP. To counter the dominance of dollar, the BRICS+ members should enhance the flow of

trade in local currencies. For Instance, the trade between Russia and India in May 2023 on commerce was not in dollars but was actually in Emirati Dirhams.

(B) Formation of Alternative Financial Institutions:

BRICS+ need to create an alternative financial institutions like New Development Bank (NDB) to counter the World Bank (WB) and (IMF). Moreover, a new payment system should also be made to counter the SWIFT payment and enhance smooth trade.

II. Enhancing Political Cooperation:-

(A) Formation of Alliance in Global South:

The BRICS+ need to form and strengthen the alliance in Global South which is actually a western dominated region. It should also form a new ^{global} governance system. Moreover, the BRICS countries need to address the issues of these countries on fairer and easy terms.

(B) Solve Conflicts of member States:

To make the organization more powerful and strong, there is a need to strengthen the ties among member state i.e. among China and India. Moreover, if the member states are ~~thet~~ strengthened, the organization can also mediate the problems of other countries like the US.

III. Enhancing the Technological Sovereignty:

(A) Formation of Independent Technological Network:

The BRICS has members who are majorly contributing to technology like India and China. If the countries could do more research and development they would ^{earn} counter the western led companies like Apple, IBM, Dell and others. China needs to enhance more in technology like it has done in the form of ~~Howa~~ Huawei, Alibaba and others.

(B) Improve Cyber Security:

BRICS+ countries need to enhance and improve their cyber security and cyber information. Like other warfares, cybercrime is also a most threatening weapon. Since Russia is the second country with the most leaked data, BRICS countries need to strengthen their cyber security.

IV. Natural Resources and Energy Demand:-

(A) Control on Global Oil:

BRICS+ includes the countries like ^{Iran, and} Russia, UAE which are rich in oil. Moreover, the possibility to merge the leading oil and gas producers Saudi Arabia, Russia, UAE and Iran should be strengthened. It would be a major blow to the US hegemony if these countries would trade in local currencies. As in the past i.e. in 2021 when Saudi Arabia strengthened a deal with Russia on military support, the USA became more friendly to with Saudi to strengthen its

dollar hegemony-

I. ^{Establish} Military and Neutral Zones:

(A) Strong Defense Alliance to be built:

BRICs + members need to form a strong defense or military alliance to counter the military based hegemony of America - As America is the only country whose budget for ^{more than} military is to ^{defence} ~~control~~ and has almost 80% bases. -
So, BRICs countries need to form a strong alliance.

(B) Establish Neutral Zones:

To protect the trade routes and have an uninterrupted trade, the BRICs countries need to strengthen the routes as for instance maritime chokepoint in the Strait of Malacca.

Moreover, the countries need to strengthen the ^{politically} soft powers to tackle the West dominance -
As the creation of a separate currency would

Commitments.

Not only create a problem but would take 3 to 4 decades (minimum) to end the west hegemony and strengthen the currency so the better option is to use local currencies.

Conclusion:

The BRICS+ Organization is formed to counter the west hegemony and its currency. The use of dollar as weapon by us, BRICS countries became warned and are working to protect themselves from western dominance. Although, the above stated measures are difficult to achieve but to counter western dominance, their economic, political, technological and soft power factors need to be strengthened.

Question #2:-

COP29 summit ended in Baku.

Critically evaluate its failures and commitments.

8/20

Introduction:

COP29 - 29th conference of parties - held in Baku, Azerbaijan from 13 to 19 November. It agreed on the action to address the climate crisis, a new goal to counter the climate change, financial loans and grants to the developing countries and prioritize equitable outcomes. The question below explains the failures and commitments of COP29 summit held in Baku.

Understanding the Role of Various Countries in COP29:

The countries contributing to the COP29 mainly include 200 countries. It includes China, USA, UK, EU (European Union), Basic countries (Brazil, ^{China} France, South Africa, India), G77+ countries, African Group, Alliance of Small State ^{Island} (ASTIs), and Least Development Countries. However, China, and USA are not contributing financially to the developing countries.

Highlights of the Commitments and their Failure of COP:-

Different Commitment were made at the previous held meetings or Summits of COP28- However, most of the commitments proved to be failed either they are on emission of fossil fuel or on financial contribution-

I. Money on Paper rather on Table:

The developing countries decided to contribute \$300bn annually for the finance. The finance was to be used to help the developing countries in the form of grants or loans but it has been slammed by various countries including China, USA and India. Since ~~\$300bn~~ now \$3trillion^{annually} target set for 2035 is adopted, still only \$300bn were designated for grant- Ideally the countries should pay the grant in the actual terms however mostly slammed i.e. the money was not granted or if granted, had a very low amount-

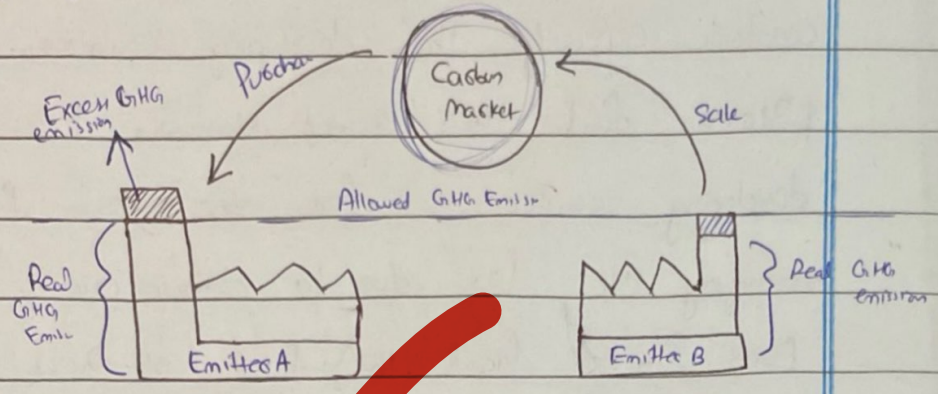
II. Failure to Control the transition away of Fossil Fuel:-

Fossil Fuels are the major contributors to climate change causing a global rise of temperature. During the previous year summit i.e. COP28, it was decided to transition away from coal and gas, and shift to renewable energy resources. Even countries like Saudi Arabia and US also agreed. However, there is no transition of fossil fuel. Instead, the Azerbaijan's president stated that fossil fuels are "gift from God".

III. Approval of Carbon Trading Rules with no guidelines:-

The new rules for carbon trading were approved in the summit. It focused on Article 6 of Paris Agreement to enhance the carbon trading and resultantly the countries could receive the carbon credit. However, moreover, developing countries were asked to enhance green energy, deforestation and other carbon sinks. However, a criticism

on the above objective is that it has grey areas because there is absence of any guidelines in it-



→ How carbon credit works (Article 6)

V. Problems within the Developing Countries:-

The developing countries often face problems in their loss and damage fund. The Least developed Countries (LDC) asked that it need \$220bn per year, However Alliance of small Island State (ASIS) wanted \$39bn — demands were not accepted by the LDC.

These problems result in the non-efficient building of trust and mutual sharing among the developing countries-

Conclusion:-

COP29 was aimed at addressing the climate issues faced by the countries especially the developing countries. A \$300 billion fund was decided. However, the developing countries still face the issues of managing the loss due to climate change. Even Pakistan faced the flood in 2022, majority affecting economy. The COP29 needs to address the climate issues ^{with} more strong strategies.