

# TEST-1

23/40

## Q NO 1:

very good

### Introduction:

12/20

SCO is an intergovernmental organization formed in 2001 and Pakistan joined it in 2017. Recently, Pakistan held 23rd summit of Council of Heads of Government meeting on 14-15th October, 2024. The key takeaways for Pakistan includes that the focus of SCO is expanding to economic, scientific, and cultural cooperation. SCO is committed to take initiatives to curtail western financial dominance, extending BRI, and managing climate disasters. In order to leverage its position through SCO platform, Pakistan must amend ties with its neighboring countries, overcome political instability, and improve its security dynamics.

### Historical Background of the SCO:

SCO came into existence on 15<sup>th</sup> June, 2001 with five members including China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan. Pakistan joined SCO on June 9, 2017. SCO is a permanent intergovernmental organization aiming to maintain peace, security, stability into the region. It has total 10 member states and its main objective is to combat terrorism, separatism, and extremism.

## Current SCO Summit Hold by Pakistan:

Currently, Pakistan hold 23<sup>rd</sup> SCO summit of Council of Heads of Government meeting on 24-15<sup>th</sup> October, 2024. Despite the political unrest and deteriorating situation of security in Pakistan, the summit was held successfully without any major hurdles. By holding successful summit, Pakistan position itself on a stronger position on diplomatic front.

## Major Takeaways for Pakistan from SCO Summit:

The major takeaways from SCO summit ranges from cooperation on economic meltdowns to climate change, from curtailing West dominance to global security initiatives in order to bring stability in Eurasian region-

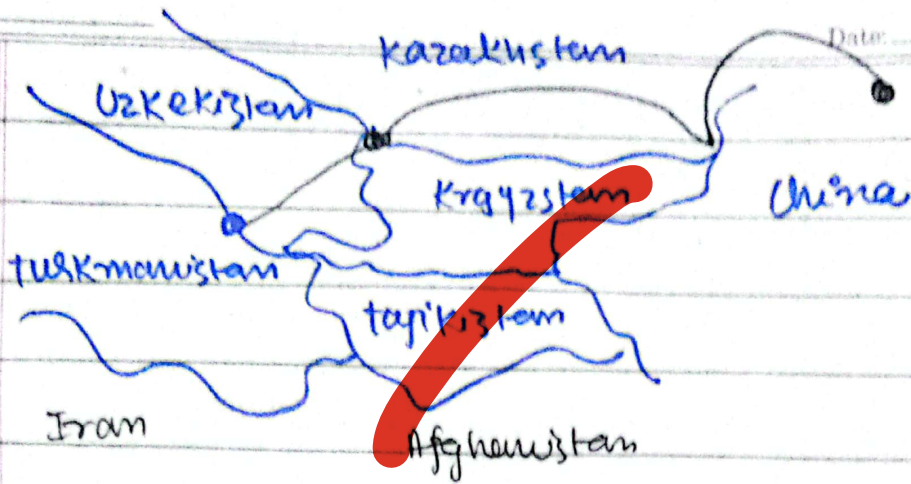
### (1) Expanding Focus of SCO:

One of the major takeaway of SCO summit is that the focus of SCO is expanding from terrorism curtailment to economic, scientific and cultural cooperation.

The aim to invest in China-central Asia Gas pipeline, CPEC, and Eurasian transport network are examples-

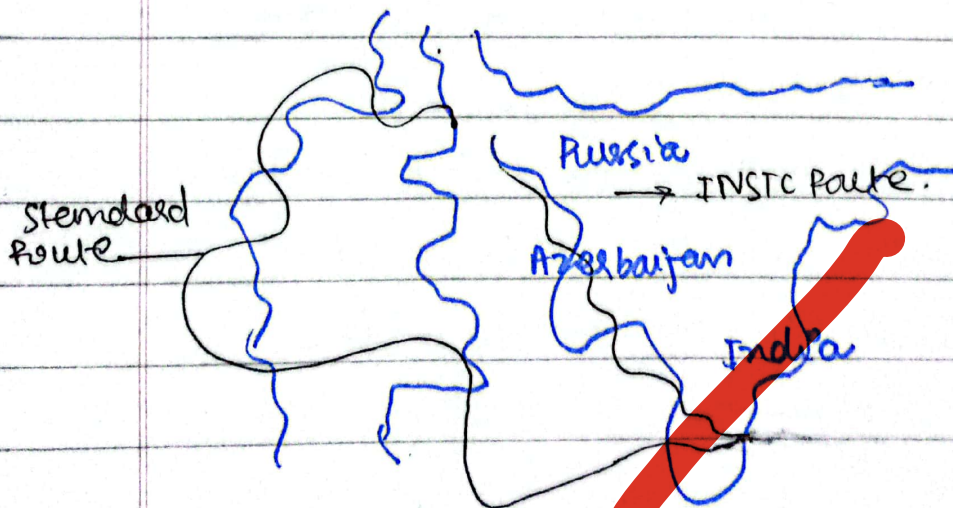
Day: \_\_\_\_\_

Date: \_\_\_\_\_



## (ii) Enhancing Influence of China via INSTC:

In the recent summit, the major development in international North-South transport corridor (INSTC) was discussed. China is aiming to expand its influence in central Asia, Middle East, and Europe.

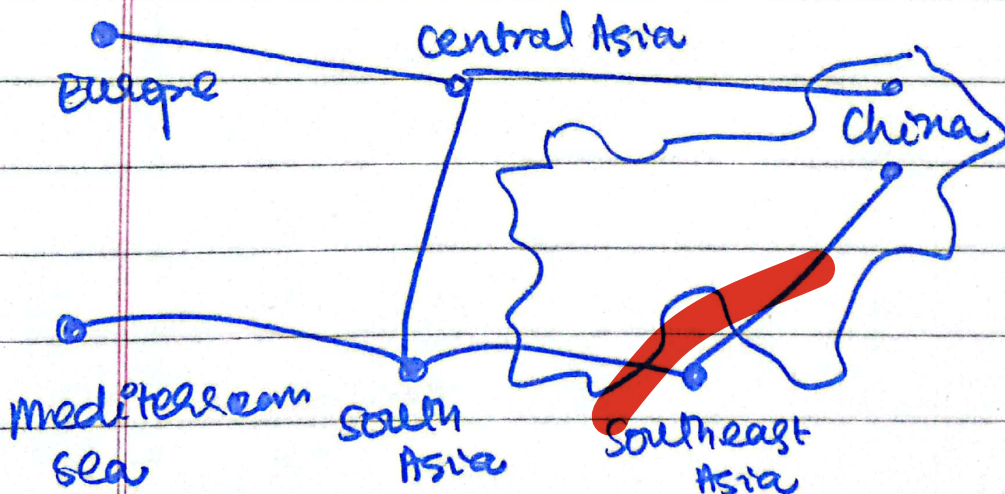


## (iii) Reducing Western Financial Dominance:

Another key takeaway for Pakistan is that the non-western aligned routes were discussed in the SCO - it was discussed to bypass the western dominance and fear of the western sanctions in the region.

#### (iv) Extending BRI to Afghanistan and Central Asia:

Another key takeaway of SCO for Pakistan is that China is expanding SCO to Afghanistan and Central Asia. Through expansion of BRI, Pakistan can benefit the most from trade and investment.



#### (v) Global Security Initiative:

In SCO summits, the Global Security

Date: \_\_\_\_\_  
Initiative's prospects were discussed. President Xi Jinping introduced GSC in central Asia and this movement represents a strategic expansion of China's security influence in central Asia. This security initiative can benefit Pakistan in combating terrorism.

### (vi) Independent Payment System :

Another key takeaway for Pakistan from SCO summit is that Russia and China are discussing prospects of introducing independent payment system from both SCO and BRICS+ platforms. This system will reduce reliance on the USA dollar for global trade.

### (vii) SCO Development Fund :

The initiative was taken to develop SCO development fund that will help member's state at the time of emergency and crisis and will give loans and aids.

## (viii) SCO Green Belt Program:

In SCO, the initiative of Green Belt program was taken. It aimed to install space monitoring system and response system to tackle climate disasters in the region.

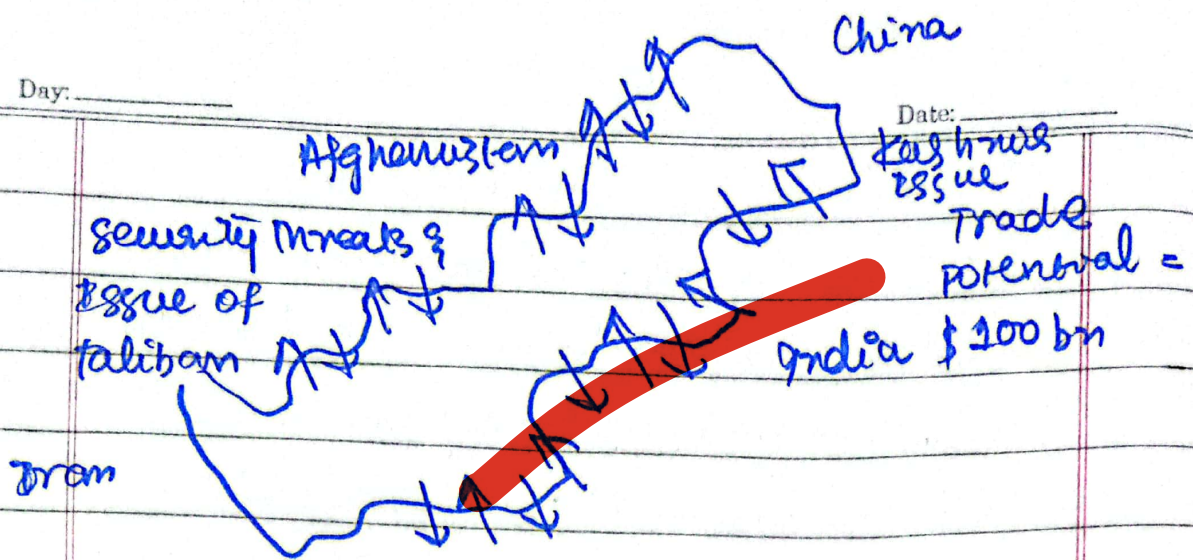
## Measures to be followed Pakistan to leverage the SCO potential:

(i) Re-Initiate talks with India and raise security issue from Afghanistan:

The recent SCO summit that held in Pakistan was attended by the foreign minister of India. Pakistan must take it as an ice-breaking signal and should re-initiate talks with India to initiate trade. On the other hand, Pakistan must ensure through the platform of SCO that Afghanistan could not use its soil against Pakistan.

Day: \_\_\_\_\_

Date: \_\_\_\_\_



### (ii) Overcome Political Instability:

In order to inaugurate the full potential of the SCO, Pakistan must curtail the issue of political instability. By overcoming this issue, Pakistan can attract investment in region and can stabilize its image in the global world order.

### (iii) Utilize membership status to boost economy:

Pakistan must use its membership status to boost its economy. Pakistan exports agriculture and sports products to CARS. Pakistan can import natural resources from CARS. The current trade potential stands at \$3bn but it can reach



to \$15bn -

#### (iv) Safeguard Geostrategic Interests:

Pakistan must design its foreign policy in a way to safeguard its geostrategic interests. Instead of confrontation, Pakistan must use soft power to engage with neighboring countries to enhance trade and investment. Pakistan must avoid taking sides in US-China rivalry.

#### (v) Attract FDI and Investment in Energy Sector:

As SCO is expanding its focus from security to the economic cooperation, Pakistan must create a conducive environment to attract FDI and investment in energy sector including gas, hydro, and energy.

#### (vi) Ensure security for CPEC Phase II completion:

As it was claimed in SCO summit that the BRI is expanding and CPEC has also entered in the phase II.

Pakistan must improve its security dynamics for the secure completion of CPEC-II. The attacks on the Chinese engineers can hinder the progress of CPEC phase II.

## Conclusion:

In conclusion, Pakistan must leverage the potential of SCO by addressing the loopholes in the country's political, economic, and security dynamics. By overcoming the national challenges, Pakistan can harness the potential of SCO and can emerge on a stronger position in the global world order. It can position Pakistan on a better position politically, economically, and diplomatically.

QNO2:

## Introduction:

11/20

In a recent 16<sup>th</sup> BRICS summit in Kazan, the BRICS members commit to take action against the Western exploitation of Global South on the bases of SWIFT and dollar dominance. It is claimed that the US is using Dollar and SWIFT as a weapon against Global South by putting sanctions on foreign countries, influencing global financial transactions, and increasing interest rates. However, the BRICS+ claims to get rid of this exploitation by introducing multipolar world, multilateralism, and impetus to de-dollarization. Despite the claims, it is quite impossible to de-dollarize the world due to the internal institutional shortcomings of the BRICS+.

Dollar and SWIFT being used as a weapon by the US against the

## Global South:

The SWIFT is a global payment network that bank and financial institutions used to send money across nations. This network runs from three data centers located in the USA, Switzerland, and the Netherlands.

### (i) Dollar as a Dominant Currency:

Dollar is used by Global countries as a dominant currency for the trade and investment purposes. As per the diplomat, In 2024 the dollar accounted for 49.1 pc of payments on SWIFT.

### (ii) US Influence on the Global Financial Transactions:

Due to the use of the USA dollar as a dominant currency, the US can influence global financial transactions by imposing sanctions on foreign countries.

"The dollar has been the world's principle reserve currency since the end of the WWII and it is estimated to be used in more than 80% of international trade?"

(Al-Jazeera 2024)

### (iii) Western Sanctions over Russian's Invasion of Ukraine:

The US sanctions on the Russia has frozen nearly half of its foreign reserves and also removed its central banks from the SWIFT. These sanctions has halts the the Russian oil and energy trade with Europe and cause damage to its economy.

### (iv) Sanction on Iran Over Nuclear Power Issue:

Due to the dollar dominance as a currency and having an edge in the world arena, the USA has put sanctions on the Iran over developing nuclear power. These

has halted Iran's trade with neighboring countries and the western and regional countries. It hurls the Pakistan Iran Gas pipeline project.

#### (v) Imposed Restrictions on Exports of Semiconductor technology to China:

Out of US-China rivalry and fear of China to surpass the USA in technological advancement, the USA imposed restrictions on its states and European countries from exporting semiconductor technology to China.

#### (vi) Increased Interest Rates by the USA:

Due to increased interest rates by the USA on account of the countries to get rid of dollar or de-dollarize the world, the developing countries suffered.

Due to increased interest rate, the developing countries pay higher interests on dollar debt and battle exchange rate.

## Getting Rid of the Western Exploitation : BRICS+ Plan:

In the recent summit, Russia proposed a plan to get rid of the Western exploitation on the platform of BRICS+. The strategy is given below.

### (i) Presenting Alternate Institutional Arrangement to Tackle Economic Crisis:

An alternative institutional arrangement in the form of New Development Bank (NDB) and Contingent Reserve Arrangement (CRA) was presented. It is estimated that (NDB) has spent at least \$33 bn on 96 projects and CRA can support countries suffering from

Balance of Payment Crisis -

## (ii) BRICS Building a Multipolar World Order:

BRICS+ is building a multipolar world order with 40% of the population and 39% of the GDP being the part of the BRICS. The organization has overtaken 97 countries in terms of purchasing power parity and it can weaken the US-led sanctions on countries.

## (iii) Agent of Multilateralism:

BRICS+ is an agent of multilateralism as the 40+ countries expressed their interest in joining BRICS. If further members added, the influence of the BRICS+ can be enhanced at the global level.



(iv) Promoting Trade in Local Currency to curtail reliance on the US Dollar:

BRICS+ countries are promoting trade in local currency in order to reduce reliance on the US dollar.

China-Russia \$88bn trade in the Renminbi / Yuan.

India and UAE trading in Rupees.

(v) Impetus to De-Dollarization:

Russia proposes a plan to introduce network of commercial banks in the BRICS states connected via a central bank to reduce reliance on the US Dollar. It is

also discussed to introduce basket of currencies from BRICS member countries or pegged gold or cryptocurrency as a potential currency in near future.

### (vi) Alternate Finance System:

The alternating finance system mimicking the IMF and the World Bank is introduced by Russia and China in the BRICS summit. This system can address the reservations of the Global South that the IMF & WB was unable to address such as climate financing.

"This system was created by rich countries to benefit rich countries"

(Antonio Guterres on IMF & WB)

### Critical Analysis of BRICS+ Plan:

The BRICS+ bloc is more like a political one as compared to economic. It has just spent \$33bn yet on different projects that is far less than World Bank that is managing 193 countries at present. The BRICS+ bloc has less in common as it is comprising democratic and authoritarian states. It lacks institutionalization and its

is quite impossible to dedollarize the world with BRICS+ members close alliance with the USA such as India. Moreover, the issues between China and India can also cause hurdles in this process.

### Conclusion:

In conclusion, BRICS+ has proposed a comprehensive framework to dedollarize the world and get rid of the western dominance and it has achieved numerous milestones. But in order to achieve this goal, BRICS+ has to institutionalize its bloc and shift its focus from politics to the economy so that it can get rid of the western exploitation on permanent basis.