

Current-Affairs

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very good

~: Question - 2 :~

SWIFT VS BRICS

Introduction;

11/20

The weaponising of US Dollar against the enemies of US is against the idea of 'free-trade' and sustainable economy. Now is the time, when many states are fearing future transactions, to search for other viable option and BRICS is ahead of it.

- John Batista Jr.

These words of US-based economist Batista Jr. showed why many states are in search of other

option than dollar to do future trade. To achieve this purpose of developing payment options other US-dollar dominated SWIFT system the year 2024 comes as an important year. BRICS under Russian presidency has not only added new members but also started new initiatives like 'mBridge' 'BRICS Pay' and other inter-bank messaging system. Furthermore, there is a strong need to build consensus and formation of unilateral policy within BRICS to check the dollar. Moreover, the addition of new oil producing countries provide new opportunity to buy oil and other commodities in local currency. This can potentially threat dollar hegemony.

Dollar and SWIFT as a weapon;

Swift - an international payment system that create links between different banks.

Used as a weapon - taken against US enemies

Iran, Russia and many remained target

US through it block the reserves of its enemies

Every trade transaction in dollars done through SWIFT → pose threat to countries and provide upper hand to US

Privilege to US

America

Recently blocked \$300 billion reserve of Russia

Europe

Sanctions on Russia

Sanction on trade through ASIA SWIFT

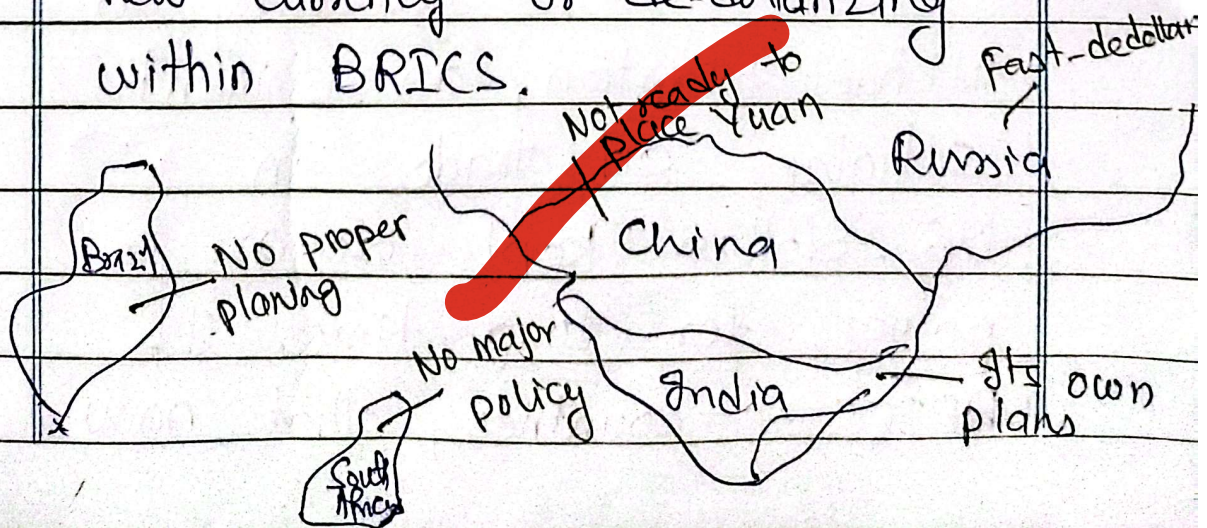


Trade between countries through dollar SWIFT - in dollars

How BRICS+ Could Counter Western Exploitation?

1- Uniting All member state to craft a unilateral policy;

First of all, there is strong requirement for member state to unite on this issue and to craft a unilateral policy. According to Jem O'Neil, an economist, there is a diversion of opinions over creating a new currency or de-dollarizing within BRICS.



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2- Strengthening mBridge and BRICS pay vis-a-vis SWIFT;

The new initiatives of BRICS + like mBridge and 'BRICS Pay' are in pilot-stage. These new systems must be further developed to attract more members and states. These systems can potentially threaten SWIFT and may end its hegemony.

3- Oil Trading in Local Currencies can blow dollar dominance;

According to Michael Stanton, an eminent scholar, oil trade in US-dollar kept dollars in power for long-time. If BRICS + countries, that now

control about 30% of global oil production start trade in local currencies, it might be a biggest blow to dollar.

4- Crafting new currency to trade against Dollar;

China is not ready to ~~place~~ use Yuan to replace Dollar. There is an urgent need for BRICS+ countries to set new currency that could be allow stability and sustainability vis-a-vis dollar.

5. Increasing Gold Reserves to support De-Dollarization;

According to report of World Economic Forum, BRICS+ countries have

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started accumulating of gold reserves in last - 3-5th years. China is at top that has increased its gold reserves up to 13.4 ton.

6- Bilateral or Multi-Lateral agreements with States for Trade in Local Currencies;

In his book, 'Who Ruled the World?' Noam Chomsky says - that it is the acceptance of the countries that allowed the dominance of dollar after World War II. If countries sign agreements to trade in local currencies, it can challenge SWIFT.

7- Using Block-Chain Technologies to ensure transparency in Transaction system;

In BRICS - 2024 summit in Russia, ~~the~~ Russian leadership showed interest

in using block-chain technology that can challenge SWIFT and can also ensures transparency in international transactions.

8- Strengthening of CIPS and NDB;

CIPS is the Chinese-based transaction system that was developed by China in 2015. The development of many other initiatives and strengthening these kind of initiatives can end the western-led domination.

Conclusion;

According to Kishore Mahbubani, a Singaporean Diplomat, the idea of Global

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South and their de-dollarization plan can only be succeeded if members countries craft unilateral policies and stand on a single stance. There is a dire need of unity among members over this issue.

However, the agenda of BRICS-2024 summit was more focused on ending the hegemony of dollar and crafting new ways.

Question-1:

SCO Conference in Islamabad

11/20

Introduction;

The SCO summit in Islamabad was an successful event that not only nullified the claims of diplomatic isolation of Pakistan but also strengthen its standing as a regional key player.

— Maleeha Lodhi

Maleeha Lodhi, a Pakistani diplomat, has shed light on achievements of Pakistan by ~~conduct~~ successful conduct of SCO conference.

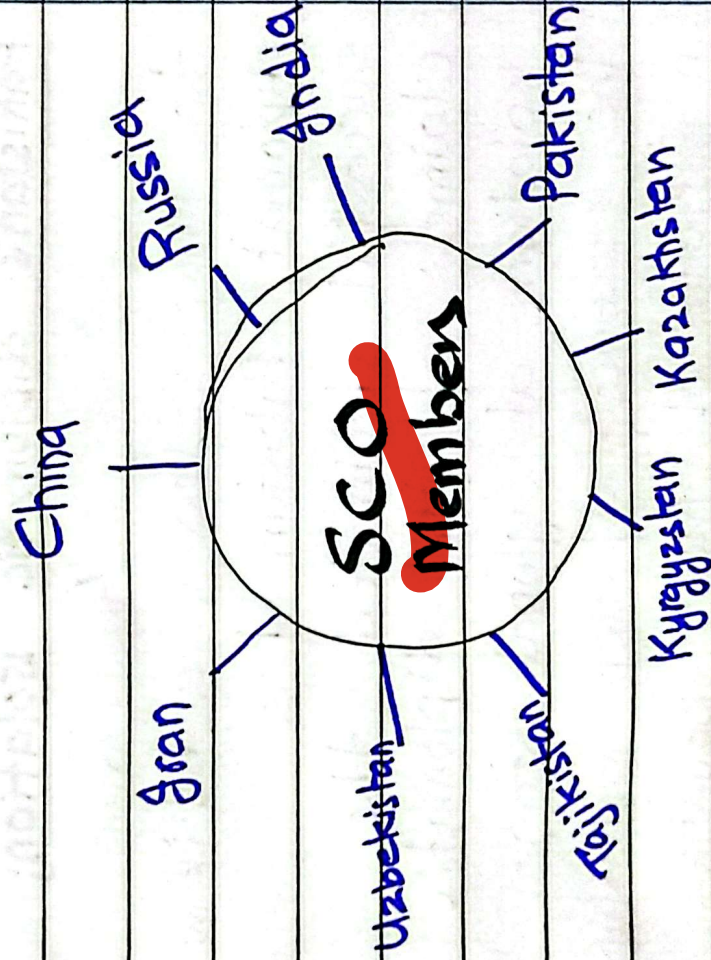
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This SCO moot held at a time when its enemies are trying to isolate it at global stage. Nine out of ten Prime Ministers came in Pakistan, proved that how important Pakistan for regional and global cooperation. Moreover, it provides an opportunity to Pakistan to show the global key player about its efforts against terrorism. Apart from it, it maintains its position as a regional key player. However, Islamabad should adopt a more proactive vision in dealing with its threat. Pakistan should remain active and participate in global organizations to ~~do~~ ~~become~~ re-establish its image.

Shanghai Cooperation

Organization Moot-Bird's

Eye View on its Importance;



→ 9/10 Prime Ministers were

Present

- Emerging Powers like China, Russia and India are members
- CARs are Energy rich countries

SCO Summit - Major

Takeaways for Pakistan;

1- Nullified the propaganda of
Pakistan's diplomatic isolation;

According

to Maleeha Lodhi, a Pakistani diplomat, Pakistan has

successful decimated the
claims of its diplomatic

isolation at global stage.

The presence of top-leadership

in Pakistan of many countries

provide impetus to the notion

that Pakistan is still relevant.

2- Strengthen Pakistan's Position
as an key regional player;

SCO moot

in Pakistan promoted that
the idea of regional

cooperation is not possible without Pakistan. After the presence of top leadership it is quite evident that Pakistan is a key regional player in regional issue.

3- Breaking of ice in India-Pak relations;

According to article in Diplomat, by Henry S. Kyle, the SCO summit and the presence of 'Indian Foreign Minister' can break the ice of frozen relations between India and Pakistan.

4- Bilateral and Multi-lateral agreements of cooperation in multiple areas;

The report of SDPI, shows that Pakistan

through bilateral and multi-lateral agreements has secured many economic opportunities in a number of areas. The moot provided Pakistan an opportunity to host important leaders and developed better relations with member states.

Measures Recommend to Islamabad;

1- Re-claiming its global position, of a responsible nation;

According to Malecha Lodhi, Pakistan should re-claim its position of a responsible and peaceful nation by conducting

more conferences in Pakistan.
The SCO moot showed Pakistan
as a peaceful nation.

2- Active Participation in Global Organization;

There is a dire need for active participation of Pakistan in other regional and globalization. This would help Pakistan to achieve cooperation with regional and global players.

3- Using SCO as a platform to achieve energy security through cooperation with CARs;

Pakistan should use SCO as a platform to negotiate energy related agreements with CARs. The CARs have potential and abundant resources

to end energy crisis in Pakistan

4- Should initiate peace talks with India;

According to Nicholas Drake, an international scholar, Pakistan and India can achieve peace with the help of SCO and its top members like China and Russia.

Conclusion;

In a nutshell, SCO summit was an successful achievement of Pakistan, even in the time of political and economic crisis. This summit aids in rebuilding the global image of Pakistan and showed it as an

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important player in regional
cooperation.