KIPS PREPARATIONS

kips.edu.pk kips.edu.pk

17

Talat Fatima
Current Affairs
Test 03

Q1. Analyse the expansion of BRICS and the SCO emphasising the transition from old to New multilateralism

Introduction

The expansion of BRICS and Shanghai cooperation organization reflects a profound transformation in global governance from western dominated, rule based multi-lateralism to new interest-driven lateralism. This shift is driven by relative decline of western economic dominance, rise of Global South and growing dissatisfaction with IMF, World Bank and WTO. For Pakistan, these evolving platforms offer both strategic opportunites and diplomatic test in redefining its multilateral foreign policy beyond traditional alliance

Shift in Multilateralism

Old multilateralism shifted after world War II that was largely institutional, hierachical and multi centeric emphasing ideological alignment and rigid set of rules. In contrast new multilateralism as embodied by BRICS and SCO is

1- **Inculsive**

Incorporating emerging and developing economies

1- **Flexible**

Prioritizing concensus over binding legalism.

1- **Sovereignty**

This conciousness resisting political conditionalties

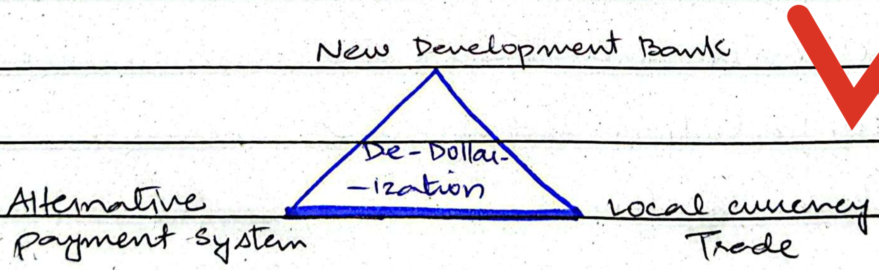
1- **Issue-based**

Focus on development connectivity and security.

This transition reflects a broader geopolitical realignment where power is diffusing rather than concentrating.

Expansion of BRICS – Strategic Significance

The inclusion of countries such as Saudi Arabia, Iran, UAE, Egypt and Ethopia is transformed BRICS from an economic group to geo-economic and geo-political bloc. With control over significant energy resources, trade routes, financial capital. BRICS now challenges dollar dominance through initiatives



This expansion aspire Global South for strategic autonomy.

Evolution of SCO

Shanhghai cooperation organization is originally a security focussed forum led by China and Russia, the SCO has evolved into a comprehensive plateform addressing

- Counterterrorism and regional security
- Economic integration and energy coopration
- Connectivity via Belt and Road initiative

The inculsion of India, Pakistan and Iran has enhanced its regional relevance but also introduced internal contradiction testing SCO concensus based model.

Opportunities For Pakistan

Pakistan can leverage BRICS and

SCO in multiple dimensions

1. **Strategic Diversification**

Participation allows Pakistan to reduce overdependence on Western financial institutions and rebalance its foreign policy through diversified partnerships

2. **Economic and Financial Space**

Engagment with National Development Bank and SCO-linked development issues that can provide alternative financing for infrastructure and Climate adaption.

3. **Regional Connectivity Hub**

Pakistan can position itself as a bridge between South Asia, Central Asia and middle East through CPEC energy corridors and transit trade frameworks.

4. **Security and Counterterrorism**

SCO provides a credible plateform for intelligence sharing and regional stability particul-

-lonly in the context of Afghani-
-stan.

Constraints And Challanges

The factors that constraine Pakistan's capacity to capitalize is

- **Weak Economic Fundamentals**

Circular Debt, fiscal insufficency and weak economic fundamentals in region.

- **Diplomatic Inconsistency**

Inconsistent and Unstable govern-
-nance structure weakens the policy implementation

- **Limited Institutional prepadness**

Weak Institutions and lack of insight for prepardness limited to beneficant from BRICS

- **India - Pakistan Rivalry within SCO**

The geo-political ties within India

Pakistan extends to be the constr-
-aining reason for SCO.
Without internal reforms mere membership risks symbolic partnership than strategic gain.

Way Forward - to Fully Benefit

Pakistan must look into some suggestions

- Develop issue-specific diplomacy within these forums
- Align domestic economic reforms with multilateral goals
- Enhance bureaucratic and research capacity
- Pursue geo-economics over geo-politics

Conclusion

The expansion of BRICS and SCO marks the rise of new multilateralism rooted in pragmatism rather than ideology. For Pakistan, These platforms offer an opportunity to recalibrate its foreign policy toward strategic autonomy and economic diploma-cy. However success depends not on membership alone but on internal coherence, reform driven credibility and proactive engagment.

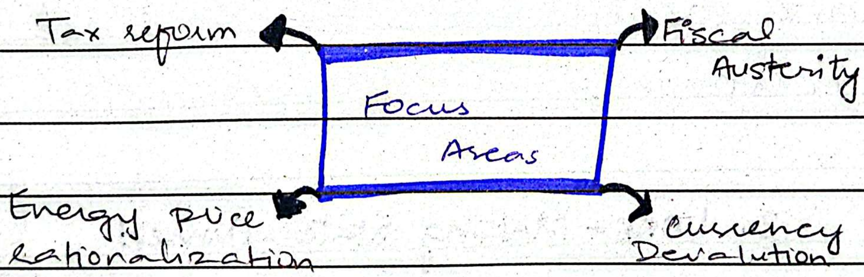
Q: Analyze Pakistan's journey with IMF. is it a path to long term economic stablization.

Introduction

Pakistan's engagment with the international monetary fund (IMF) has become a recurring feature of its economic mangment, with over twenty program since 1958. While IMF assistance has repeatedly helped arrest balance-of payment crisis, it has failed to deliver long term economic stablization. This raise a critical question Is Pakistan trapped in a cycle of short-term relief at the cost of sustainable growth

IMF Programs - Stablization Without Transformation

IMF programs in Pakistan have largely focused on

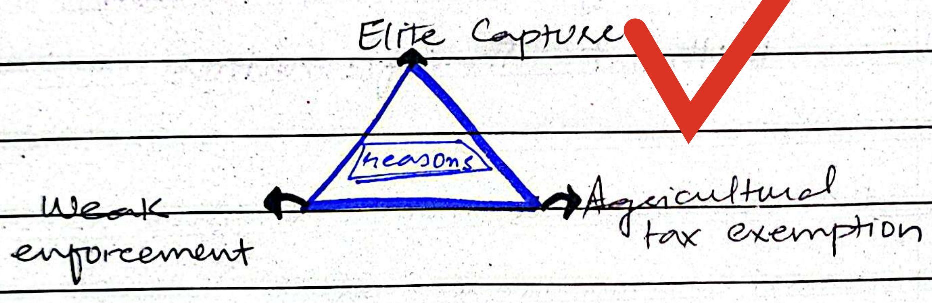


While these measures temporarily stabilize macroeconomic indicators they seldom address deep-rooted structural weakness As a result economic stablization remain fragile and reversible.

Structural Inefficiencies — The Core Problem

1. Narrow Tax Base

Pakistan tax to GDP ratio remain among the lowest globally due to



This perpetuates fiscal deficit and dependence on external borrowings

2. Loss-Making State-Owned Enterprises

SOE's such as PIA, Pakistan Steel Mills and DISCO's drain public finances, reflecting governance failures and political interference.

3. Energy Sector Dysfunction

Circular Debt, inefficiencies and poor recovery mechanism undermine industrial productivity and investor confidence

4. Import Dependent Growth Model

Pakistan's growth remains consumption led and import intensive causing recurrent external account crisis during economic upturns

Political Instability and Policy Discontinuity

Political Instability severely undermine IMF-driven reforms

- Frequent Government Changes
- Reversal of Unpopular Reform.
- Weak parliamentary ownership of economic decision

IMF conditions often lack domestic

political concensus turning reforms into externally imposed obligations over national strategies.

Social And Development Costs

IMF mandated dispropoitional affects

- low-middle Income group
- Public Service Delivery
- Human development indicators.

This fuel public resentment and weakens reform sustainability.

Short-Term Relief Vs Long Term Stability

In practice, IMF programme provides

- Temporary Foreign Exchange, inflows
- Market confidence signal
- Debt rollover facillitation

However, they do not subsitute for

- Export Diversification
- Industriyal upgrading
- Institutional Reform

Thus Pakistan's IMF journey remain cyclical rather than transfor-mational.

Way Forward — Breaking IMF Cycle

To move beyond dependency, Pakistan must

- Build political concensus on economic reforms
- Reform taxation and SEO's decisively.
- Shift toward expert

— led growth
- Strengthen institution and governance

IMF engagment should complement, not substitute domestic reform ownership.

Conclusion

Pakistan's experience with the IMF reflects a pattern of crisis managment rather than sustainable economic restructuring. While IMF programs offer short-term stablizaton, long term growth remains elusive due to structural in efficencies and political instability. Without internal reform and policy continuity, IMF assistance will remain a lifeline — not a ladder to economic sovereignty.