

PAKISTAN, BRICS, AND THE DAWNING MULTIPOLAR WORLD

NUST INSTITUTE OF
POLICY STUDIES

Report of the Keynote Address
on
Pakistan, BRICS, and the Dawning Multipolar World

NUST Institute of Policy Studies (NIPS)

NUST | Islamabad

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Prepared and printed in Pakistan by

NUST Institute of Policy Studies

National University of Sciences and Technology (NUST)

H-12, Islamabad

www.nips.nust.edu.pk

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Moderator

- Dr. Ashfaque Hasan Khan, Director General, NUST Institute of Policy Studies (NIPS).

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- His Excellency Jemal Beker Abdula, Ambassador of Ethiopia to Pakistan, Embassy of Ethiopia.
- Mr. Miyata Takashi, First Secretary, Embassy of Japan, Pakistan.
- Mr. Sameh Ahmed Elghamrawi, Deputy Chief of Mission, Embassy of Egypt, Pakistan.
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- Mr. Iftikhar Ullah Babar, Former Secretary, Senate of Pakistan.
- Ambassador Masood Khalid, Former Ambassador of Pakistan to China.
- Ambassador Ishtiaq Hussain Andrabi, Former Ambassador of Pakistan to Norway and Chile.
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- Mr. Abdullah Khan, Managing Director, Pakistan Institute for Conflict and Security Studies (PICSS).
- Ms. Zainab Babar, Researcher, Sustainable Development Policy Institute.
- Mr. Muhammad Talha, Assistant Director, Ministry of Foreign Affairs.
- NIPS Team.
- NUST Students.



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About the Speaker

Senator Mushahid Hussain Sayed

Senator Mushahid Hussain Sayed is an elected Senator and Member of Pakistan's Parliament. He is currently Chairman, Senate Defence Committee, plus member of Human Rights, Climate Change, and Foreign Affairs Committees of Parliament. During 2015-2018, he served as Chairman, Parliamentary Committee



on China-Pakistan Economic Corridor (CPEC), where he played a pivotal role in promoting CPEC, the flagship and pilot project of BRI, and consensus on CPEC amongst provinces and political parties of Pakistan.

He has been Minister for Information, Culture and Tourism. He has a Master's degree in International Relations from the Georgetown University School of Foreign Service at Washington, DC, USA. He was the youngest Editor, at age 29, of a major national English daily newspaper, 'The Muslim,' published from Islamabad, which was respected for its independent position. He served on the faculty of the Political Science Department of the Punjab University, South Asia's oldest seat of learning. He was also Leader of Pakistan's Delegation to the United Nations Human Rights Commission at Geneva.

He is the founder of two think tanks: Islamabad Policy Research Institute (IPRI) and Pakistan-China Institute (PCI), the first think tank in Pakistan devoted to Pakistan-China relations and relations with the region.

Senator Mushahid Hussain has been awarded the prestigious Practitioner-in-Residence at Georgetown University's School of Foreign Service in Washington, DC, USA, for the academic year 2023-

24 where he lectures/mentors senior students on International Relations.

China's President Xi Jinping personally conferred on him the prestigious 'Five Principles of Peaceful Co-existence Friendship Award' at Islamabad on April 20, 2015.

Senator Mushahid Hussain was elected in his personal capacity on two important global positions: as Co-Chairman of International Conference of Asian Political Parties (ICAPP), the largest and oldest organization of Asian political parties, based in Seoul; and as Member of the 10-member Human Rights Committee of Geneva-based Inter Parliamentary Union (IPU), representing Asia, in the biggest organization of parliaments of the world.

1. Executive Summary



The NUST Institute of Policy Studies (NIPS) organized the keynote address by Senator Mushahid Hussain Sayed on “Pakistan, BRICS and the Dawning Multipolar World” at the main campus of the university on March 6, 2024. Lieutenant General (Retd) Engr. Javed Mahmood Bukhari, Rector NUST and Patron NIPS, greeted the esteemed guest upon arrival. Moderated by Dr. Ashfaque Hasan Khan, Director General, NIPS, the keynote saw the participation of foreign diplomats, veteran and current high-level state officials, senior academics, think tank experts, scholars and students.

In the opening remarks, Dr. Ashfaque Hasan Khan highlighted that BRICS is aiming to promote economic cooperation, sustainable development, inclusive growth, political cooperation, interstate understanding, and mutual respect.

During his keynote, Senator Mushahid Hussain Sayed, Chairman Senate Standing Committee on Defence, stated that the contemporary

international system is undergoing climacteric changes that offer countries in the global South unprecedented opportunities for peace, growth and development. The senator stressed that the extraordinary peaceful development of China is a massive boon for the world. He added that together with the upward growth trajectories of various nations in Africa, Asia, and Latin America, it represents the dominant, positive contemporary global trend.

The senator identified the reaction of the advanced world to China's status as the first non-Western global power of the 21st century, the rise of Hindutva, and the continuing genocidal Israeli assault against Palestinians as some of the negative drivers affecting global peace and stability. The senator highlighted that the expansion of BRICS has ushered in a new era of inclusiveness, participation, and equality among nations with the potential to establish a true rules-based international order that benefits not just a few powerful countries but all countries of the world. He stressed that making South Asia a functional region, characterized by peace, development, and stability, requires that regional states like India outgrow the narrow 19th century mindset of zero-sum quest for hegemony. The senator praised Pakistan's efforts in consistently seeking to foster constructive relations with Afghanistan, India, and Iran and considered that Pakistan's application for the membership of BRICS is a step in the right direction.

Prominent among the attendees were Pakistan's former ambassador to Mexico Lieutenant General Masood Aslam (Retd), former Secretary Senate Iftikhar Ullah Babar, former Caretaker Interior Minister Malik Mohammad Habib Khan, Pakistan's former ambassador to China Ambassador Masood Khalid (Retd), the incumbent ambassadors of Brazil and Ethiopia, and the diplomatic representatives of Egypt, Japan and Russia.

2. Keynote Address

Pakistan, BRICS, and the Dawning Multipolar World

Senator Mushahid Hussain Sayed



Evolving Multipolarity

The contemporary international order is undergoing a period of unprecedented transformation, characterized by a pronounced shift toward a multipolar world. This development signifies a major shift from the unipolar system of 1990-2010, dominated by a single hegemonic power. This climacteric shift pervades the perceptions and pronouncements of world leaders. Not unsurprisingly, President Biden perceives the 2020s as the "decisive decade."¹ President Putin

¹ John A. Tirpak, "Biden's National Security Strategy Aims to Prepare for 'Decisive Decade'," *Air and Space Forces Magazine*, October 12, 2022, <https://www.airandspaceforces.com/bidens-national-security-strategy-aims-to-prepare-for-decisive-decade/>.

views it as the "most dangerous decade."² German Chancellor, Olaf Scholz, has emphasized the significance of the "epochal tectonic changes."³ President Xi Jinping has acknowledged that the current events bespeak "changes not seen in a century."⁴ President Macron of France has portentously read these changes as suggesting "the end of Western hegemony."⁵

From 1945 till date, the international system was bipolar between 1945 and 1990, unipolar between 1990 and 2010, and multipolar from 2010 onward. Shifts in polarity in the international system tend to be based on changing global power dynamics understood as changes in the distribution of capabilities among different major powers manifesting as changes in their relative international standing vis-à-vis other major powers. The bipolar international order saw the power rivalry between the United States as the most powerful state in the system and the former Soviet Union as the second most powerful state in the system. However, after the breakup of the Soviet Union in 1989-90, the unipolar order emerged in which the United States dominated the interstate

² "World faces most dangerous decade since World War II: Putin," *Al Jazeera*, October 27, 2022, <https://www.aljazeera.com/news/2022/10/27/putin-says-world-faces-most-dangerous-decade-since-world-war#:~:text=The%20world%20faces%20the%20most,Russian%20President%20Vladimir%20Putin%20said>

³ Olaf Scholz, "The Global Zeitenwende: How to Avoid a New Cold War in a Multipolar Era," *Foreign Affairs*, December 5, 2022, <https://www.foreignaffairs.com/germany/olaf-scholz-global-zeitenwende-how-avoid-new-cold-war>.

⁴ "China's Xi tells Putin of 'changes not seen for 100 years,'" *Al Jazeera*, March 22, 2023, <https://www.aljazeera.com/news/2023/3/22/xi-tells-putin-of-changes-not-seen-for-100#:~:text=%E2%80%9CRight%20now%20there%20are%20changes,responded%3A%20%E2%80%9Cagree.%E2%80%9D>.

⁵ Associated Press, "Decrying Crisis, France's Macron Urges New Economic Order," *VOA*, August 27, 2019, <https://www.voanews.com/a/europe-decrying-crisis-frances-macron-urges-new-economic-order/6174640.html>; Shastri Ramachandran, "Is Western Hegemony Nearing Its End?" *WION*, September 06, 2022, <https://www.wionews.com/opinions-blogs/is-western-hegemony-nearing-its-end-509847>.

system as the sole superpower, the undisputed hegemon. Starting roughly around 2006, but gathering pace after the Global Financial Crisis of 2008, the global power structure became more complex and more multipolar. According to Josep Borrell, High President of the European Union for Foreign Affairs and Security Policy and Vice-President of the European Commission for a Stronger Europe in the World, this multipolar shift can be described as,

a rapid transformation in the distribution of power around the world. Between 1945 and 1989, the world was characterized by a bipolar system. This shifted to a unipolar configuration between 1989 and 2008, before transitioning into what we now refer to as 'complex multipolarity'.⁶

This multipolar disposition of the international system is marked by multiple centers of power, preference for multilateralism, greater emphasis on regionalism, new emerging economies in Africa, Eurasia, and Latin America, omnidirectional non-ideological trade and economic linkages among states and regions, increasing preference for peaceful resolution of conflicts, and independent foreign policy choices by states. Concomitant with these positive trends are the challenging aspects like the intransigent adherence of traditional major powers to the zero-sum pursuit of power, desperate insistence by some to resist the global multipolar trend and keep the interstate system unipolar, and increasingly provocative and reckless behavior by states like Israel. The co-existence of these positive and negative aspects means that trade, development, security, global governance, and growth will

⁶ Michael A. Peters, "The Emerging Multipolar World Order: A Preliminary Analysis," *Educational Philosophy and Theory*, 55, no. 14 (December 6, 2023): 1653–63, <https://doi.org/10.1080/00131857.2022.2151896>.

become more challenging, as those powers which resist multipolarity and those powers which benefit from multipolarity confront each other across the broad spectrum of activities and interactions that characterize international politics and society. In such a world in transition, where we will see new, and sometimes unexpected, alignments and partnerships take shape, we will also witness the breakdown of past alliances and the emergence of new frontiers of competition. This is to be expected as a natural consequence of a relatively broad distribution of power across units (states) of the multipolar system, as opposed to the concentration of power in one pole (unipolarity) or two poles (bipolarity).

The 3-R Framework

It is important for us to be able to make sense of the evolving multipolar trend in a manner that allows us to understand it at the level of the international system. Such a global understanding is relevant for us, because, like all of humanity we, Pakistanis, are also inhabitants of a common world and become affected by what happens at the level of the system as it touches people in other parts of the world. Equally important for us is to understand this trend at the level of the regional sub-system of South Asia. I, therefore, propose, the 3-R framework to understand the ongoing multipolar trend in the dual sense mentioned above. The three Rs stand for retrenchment, rise, and resurgence.

Retrenchment

First, one of the crucial aspects of the development of multiple poles of power is the simultaneous retrenchment of Western power and influence, particularly the downward changes in the relative power of the United States and the U.S.-led global political and economic order. There are both intrinsic and extrinsic political and economic reasons for this retrenchment in which the hubris of America's unipolar moment has played not a mean part. A near-exclusive focus on the global projection of military power that became the dominant focus of

American foreign policy around the turn of the century and that led to wars in Afghanistan and Iraq seems to have distracted the creative and dynamic energies of the United States away from domestic growth, development, and renewal. Even the continuation of Russia-Ukraine conflict is in part attributable to American and Western insistence on global preeminence in denial of the ground realities. Moreover, the globalization of American and Western production and investment have allowed economies in the global South to develop at rates faster than those experienced by the American economy as well as other advanced economies.

Loss of confidence, dynamism, flexibility, greater aggressiveness, increased predilection for the settlement of conflict through military means, and a hardening of behavior are some of the usual symptoms of the systemic retrenchment of powers. Trade wars and hot wars tend to be some of the predictable outcomes of retrenchment. As the logic of retrenchment plays out in the days ahead, it is possible that the U.S.-led rules-based international order will cease altogether to respond to the legitimate aspirations of the global community for fairness, justice, inclusive growth, equitable development, and shared peace. Even at present, the record of this particularist world order in promoting these values has been checkered at best.

Rise of China

Second, the rise of nations and states is a historical constant. As some powers inexorably decline, others rise as inevitably. However, the contemporary phase of world, nay human, history will be known for the extraordinarily peaceful development of China. So intimately is the ongoing global trend of growth and development associated with the rise of China that contemporary global growth can be more or less understood by reference to, and as a consequence of, China's growth and development. This is indeed a spectacular civilizational achievement of the Chinese people. What makes this achievement still

more remarkable is the fact China's rise has been peaceful, unaccompanied by any expansionist drive for territorial occupation, military invasion, or colonial loot and plunder. No great power except China has managed this feat. In fact, China's nonviolent, noncolonial, non-expansionist, and non-aggressive approach to global power and influence has the potential to upend the verities and truths of international relations, global diplomacy, and interstate interaction.

This means that great powers can still be great without waging large-scale wars and exploiting others, a lesson which cannot be learned fruitfully from the historical rise of the West. China's example also deprives the example of the rise of the West of its claim to universality. This perspective further empowers emerging nations around the world to prioritize peace and cooperation as dominant approaches to influence and status in the interstate system. This means one can still be powerful without bludgeoning others into forced compliance. This is the mode of power without hegemony.

Resurgence

Resurgence is the third salient trend in the evolving multipolar trend. There are two major variants of resurgence in the world at the moment. The first is signified by the resurgence of Russia as it has striven to recover from the decline that followed the breakup of the Soviet Union. This variant demonstrates the legitimate aspirations of a long-standing great power to regain its lost influence and prevent its traditional competitors from gaining advantage at its expense.

In a way, this resurgence may have had the overall effect of restoring balance in Eurasia which is one of the most critical mega-regions of the world. The fact that Russia-Ukraine conflict broke out indicates that Russia's competitors perhaps did not take favorably to the idea of the restoration of the traditional balance of power in Eurasia after the unipolar moment.

The second variant of contemporary resurgence embodied by the rampant spread of Hindutva ideology in India is a dangerous regional trend with global implications. In the age of multipolarity, it represents an anti-multipolar tendency both in its inherent disposition and actions. While it aspires for domestic intra-state hegemony of a virulent brand of Hindu faith inside India, it aims for regional hegemony in South Asia and is aligned with the global forces of unipolarity. In other words, its actions are aimed at regional sub-systemic unipolarity and aligned with global systemic unipolarity.

Nehruvian secularism claimed and tried to foster an inclusive and a pluralistic Indian state, but Modi's India seems bent on excluding, marginalizing, and disenfranchising minorities and millions of Indians from growth, dignity, and development. It also needs to be noted that India's growth is leading to violent outcomes at home and regional dysfunction abroad. This ill-conceived Indian variant of resurgence is an enemy of faith-based pluralism and presents a sinister challenge to religious harmony, regional stability, and peace among nations.

BRICS, Global Energy Security, and Financial Autonomy

The admission of five new members (Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates) during the fifteenth BRICS summit held in Johannesburg in August 2023 represents a noteworthy development that exhibits a strong commitment of the group toward inclusiveness and diversity. BRICS's expansion strengthens the trend of multilateralism in the contemporary interstate system.

The promotion of open regionalism by BRICS demonstrates its correct assessment of the preference of nations for multisided alignment, plurilateral coordination, and broad cooperation as the coming major trend in global politics.

The group is a significant factor in the evolving global order, especially in two major areas: global energy security and global financial architecture.

BRICS and Energy Security

First, BRICS has the potential to play a crucial role in promoting energy security, challenging the hegemony of the West in the global energy-sector decision-making, and contributing to the diversification of global energy supplies, markets, and flows. According to a report by Reuters, the enlarged BRICS may represent as much as 41%-43% of the total oil production.⁷ The rise of OPEC+ and the expansion of BRICS mean that global energy decisions will be increasingly independent and coordinated among those major oil exporting states that are members of BRICS, OPEC, and OPEC+. Increased coordination in oil production and export decisions will provide models and opportunities for greater coordination in other domains as well. Greater inter-group coordination means the possibility of robust response to Western sanctions against Russia, Iran, and Venezuela that could deal with their side effects on energy exports and investments. This means that a larger BRICS, “an oil producer and consumer supergroup,” could have substantial long-term implications for global energy markets, especially leading to greater downstream investment in the global oil and gas sector.⁸

BRICS and the Global Financial Architecture

Second, BRICS is playing a role in de-dollarization. The willingness of many countries to trade in currencies other than the U.S. dollar, including those of BRICS members (yuan, ruble, renminbi, rupee),

⁷ Reuters Fact Check, “Fact Check: BRICS Expansion Will Not Control 80% of World Oil Production,” *Reuters*, September 30, 2023, <https://www.reuters.com/fact-check/brics-expansion-will-not-control-80-world-oil-production-2023-09-29/#:~:text=Figures%20%2C%20opens%20new%20tab%20from,43%25%20of%20the%20global%20total>.

⁸ Rosemary Griffin et al, “BRICS Expansion Could See More Downstream Oil Investment,” *S&P Global Commodity Insights*, February 01, 2024, <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/oil/020124-brics-expansion-could-see-more-downstream-oil-investment-analyst#:~:text=Expanding%20the%20BRICS%20group%20of,downstream%20investment%2C%20analysts%20said%20Jan>.

suggests potential changes in the global financial system. China and Russia have been actively seeking alternatives to the U.S. dollar. Yuan-ruble trade has increased eighty-fold since the Russia-Ukraine conflict. BRICS members are reportedly working “toward effective multilateral mechanisms for mutual settlements and payments.”⁹ BRICS is considering a new reserve currency for trade and investment among members. China’s U.S. Treasury holdings have undergone a 40% drop from ten years ago in efforts to reduce exposure to the U.S. dollar.¹⁰ China and Brazil signed a deal in April 2023 to “trade in their own currencies, ditching the U.S. dollar as an intermediary,” under which the Bank of China will “assist Brazilian enterprises open offshore RMB settlement accounts, accept Chinese importers’ payment through RMB, and import machinery equipment from China by using the RMB.”¹¹ According to a report by the People’s Bank of China, in 2023, RMB left euro behind to become Brazil’s second-largest reserve currency with RMB accounting for 5.3% of Brazil’s international exchange reserves against euro’s share of 4.74%.¹² Moreover, China purchased for the first time LNG sourced from UAE using cross-border yuan settlement, marking the “first international LNG transaction settled in yuan.”¹³

⁹ Aleksei Kuznetsov, “BRICS in Global Financial System: The Need to Level the Playing Field,” *Russian International Affairs Council*, December 14, 2023, <https://russiancouncil.ru/en/analytics-and-comments/analytics/brics-in-global-financial-system-the-need-to-level-the-playing-field/>.

¹⁰ Yusho Cho, “What Is Behind the 40% Drop in China’s U.S. Treasury Holdings?” *Nikkei Asia*, November 04, 2023, <https://asia.nikkei.com/Spotlight/Datawatch/What-is-behind-the-40-drop-in-China-s-U.S.-Treasury-holdings>.

¹¹ Fan Feifei, “China and Brazil Achieve Landmark Trade in Local Currency,” *China Daily*, October 04, 2023, <https://www.chinadaily.com.cn/a/202310/04/WS651d7911a310d2dce4bb9002.html#:~:text=In%20April%2C%20China%20and%20Brazil,China%20by%20using%20the%20RMB>.

¹² CGTN, “RMB Becomes Brazil’s Second-Largest International Reserve Currency,” *CGTN*, April 03, 2023, <https://news.cgtn.com/news/2023-04-03/RMB-becomes-Brazil-s-second-largest-international-reserve-currency-1iHPpdE9Wbm/index.html>.

¹³ Global Times, “China Completes First LNG Cross-Border Yuan Settlement Transaction,” *Global Times*, March 29, 2023,

Argentina, which received the official invitation to join BRICS last year, and China have signed an agreement allowing Argentina to pay for Chinese imports using yuan and settle IMF debt of \$1.7 billion “using the equivalent in yuan under the China-Argentina currency swap agreement.”¹⁴ China has signed bilateral currency swap agreements with more than 40 countries out of which currently 31 bilateral currency swap agreement are in force with a total scale of about \$586 billion.¹⁵

BRICS aspires to establish a new global reserve currency as an alternative to the U.S. dollar so that this new reserve currency serves the economic, trade, and development goals of BRICS nations. Weaponization of the U.S. dollar by the United States in service of its foreign policy objectives is perhaps the key factor driving the quest of BRICS for its own reserve currency. Brazil expressed support for the new reserve currency for trade and investment transactions during the BRICS 2023 Summit in Johannesburg.¹⁶ It is believed that BRICS reserve currency would promote intra-BRICS economic integration, reduce global influence of the U.S. dollar as a global reserve currency, encourage regionalization and other regional currencies, lead banks worldwide to reduce their dollar holdings, and reduce risks related to

<https://www.globaltimes.cn/page/202303/1288160.shtml#:~:text=The%20transaction%20was%20completed%20in,from%20the%20United%20Arab%20Emirates.>

¹⁴ Huo Li & Zhao Yuxia, “Argentina to Pay for Chinese Imports in RMB Instead of U.S. Dollar,” *CGTN*, April 27, 2023, <https://news.cgtn.com/news/2023-04-27/Argentina-to-pay-for-Chinese-imports-in-yuan-economy-minister-1jkQeCofXX2/index.html>; Global Times, “Argentina Uses Yuan to Settle Debt Obligations to IMF,” *Global Times*, August 01, 2023, <https://www.globaltimes.cn/page/202308/1295485.shtml>.

¹⁵ Xinhua, “China’s Central Bank Signs 40 Currency Swap Agreements with Foreign Counterparts,” *China Daily*, February 16, 2024, <https://global.chinadaily.com.cn/a/202402/16/WS65cf5630a3108df67d6e0217.html>.

¹⁶ Reuters, “Brazil’s Lula Sees Common BRICS Currency Would Reduce Vulnerabilities,” *Reuters*, August 23, 2023, <https://www.reuters.com/article/idUSS8N37Y0LE/>.

global volatility arising from unilateral U.S. measures based on its dominance of the current global financial system.¹⁷

Managing the U.S.-China Competition

Prudent management of the U.S.-China competition is required in order to ensure that the world transitions to a peaceful multipolarity. There is no doubt that the United States, as the most powerful state in the current international system fears that China, as the second-most powerful state in the world, wants to displace it from its long-enjoyed pride of place. Thucydides first captured the interstate impact of an established power's fear of a rising power as something that could cause war in his classic history of the Peloponnesian War.¹⁸ Graham Allison, former U.S. Assistant Secretary of Defense for Policy and Plans and Douglas Dillon Professor of Government at Harvard University, in his excellent study on the mechanics and dynamics of the self-same fear as part of the drivers and dynamics of U.S.-China competition based on the detailed analysis of 16 cases of great-power competition and systemic shifts of power during the last 500 years, considers that conflict between the United States and China is not inevitable, given the careful management by the United States of the most important bilateral relationship in the world today through a focus on: grand strategy and strategic thinking; the identification and clarification of its own vital interests; understanding of China; and the prioritization of the resolution of domestic challenges as a central task.¹⁹

Former Australian Prime Minister, Kevin Rudd, also supports the need to manage the strategic competition between the two foremost powers

¹⁷ Melissa Pistilli, "How Would a New BRICS Currency Affect the US Dollar?" *Investing News Network*, February 14, 2024, <https://investingnews.com/brics-currency/>.

¹⁸ Peloponnesian War (431-405 B.C.E.) was a hegemonic war fought in ancient Greece between the Greek city-states of Athens and Sparta. *Thucydides, The Landmark Thucydides*, ed. Robert B. Strassler (New York: Simon & Schuster, 1998).

¹⁹ Graham Allison, *Destined for War: Can American and China Escape Thucydides's Trap?* (Boston & New York: Houghton Mifflin Harcourt, 2017).

and gives eminently good advice by means of his concept of “managed strategic competition” as a realist framework for keeping U.S.-China relations conflict-free through the framework’s “four basic elements,” namely: a level-headed detailed “understanding of each other’s hard strategic redlines in order to reduce the risk of conflict through miscalculation” by preferring “strategic predictability,” avoiding “strategic deception” and “strategic surprise,” and “building guardrails into their relationship “that reduce the risk of overreach, miscommunication, and misunderstanding” through “necessary high-level dialogue and crisis communication mechanisms;” tolerance and acceptance of “nonlethal strategic competition across much of the rest of their relationship, channeling their strategic rivalry into a race to enhance their economic and technological strength, their foreign policy footprint, and their military capabilities” including “ideological competition over the future of the international system;” the creation of “political space for cooperation” in domains “where national interests align, including climate change, global public health, global financial stability, and nuclear proliferation;” and careful and continuous management of this “compartmentalization of the relationship” by “dedicated cabinet-level officials on both sides.”²⁰

While the U.S.-China strategic competition is a total competition covering the whole spectrum of their bilateral relations, on the one hand, and the totality of the international system, on the other, three domains appear to be particularly prominent, namely, science and technology, regional and global infrastructure, and media and information.

²⁰ Kevid Rudd, “Short of War: How to Keep U.S.-Chinese Confrontation From Ending in Calamity,” *Foreign Affairs*, March/April 2021, <https://www.foreignaffairs.com/articles/united-states/2021-02-05/kevin-rudd-usa-chinese-confrontation-short-of-war>; Kevin Rudd, Rivals Within Reason? U.S.-Chinese Competition Is Getting Sharper— but Doesn’t Necessarily Have to Get More Dangerous,” *Foreign Affairs*, July 20, 2022, <https://www.foreignaffairs.com/china/rivals-within-reason>.

Science, Technology, and Innovation

The U.S. is cognizant of the extraordinary S&T development of China. U.S. policymakers and strategists are aware of the fact that science, technology, and innovation are the major domains of competition and struggle between the United States and China. Eric Schmidt, Google's former CEO, considers that "innovation power" defined as the "faster and better" "ability to invent, adopt, and adapt new technologies" "will determine the outcome of great-power competition between the United States and China."²¹ A working paper published by a leading U.S.-based think tank noted that in 2020 China left the United States behind to become the world's no. 1 high-tech manufacturer, turning out 1.5 billion smartphones, 250 million computers, and 25 million automobiles, and became a serious competitor in cutting-edge technologies like artificial intelligence, quantum information science, semiconductors, biotechnology, and green energy.²² China's 2015 *Made in China 2025* plan and 2016 *Outline of the National Innovation-Driven Development Strategy* provide comprehensive development roadmaps in the field of high-tech innovation and industrialization. President Xi Jinping said in 2018 that "Innovation determines the future" so China "should be committed to independent innovation" prioritizing "technological and institutional innovation" with deep engagement in "global scientific and technological governance."²³ China's total R&D expenditure exceeded \$485.5 billion in 2023, with R&D spending

²¹ Eric Schmidt, "Innovation Power: Why Technology will Define the Future of Geopolitics," *Foreign Affairs*, March/April 2023, <https://www.foreignaffairs.com/united-states/eric-schmidt-innovation-power-technology-geopolitics>.

²² Graham Allison, Kevin Klyman, Karina Barbesino & Hugo Yen, "The Great Tech Rivalry: China vs the U.S.," *Avoiding Great Power War Project, Harvard Kennedy School Belfer Center for Science and International Affairs*, December 2021, <https://www.belfercenter.org/publication/great-tech-rivalry-china-vs-us>.

²³ Xi Jinping, "Making China a Global Center for Science and Innovation," May 28, 2018, in *The Governance of China*, Vol. III (Beijing: Foreign Languages Press Co. Ltd, 2020), 287-298.

accounting for 2.55 percent of its GDP in 2022.²⁴ According to Global Innovation Index 2023, China came ahead of the United States, with the highest number of science and technology clusters ranking among the top 100 globally.²⁵ China is reported to have the lead over the United States in 37 out of 44 critical and emerging technologies.²⁶

The Chinese people themselves are confident that China will be a “relatively developed country by 2030, with per capita incomes, education levels, health levels, and a human development index close to those of developed countries” and “will represent a new type of superpower not only economically but also in terms of innovation” that will “make greater innovative contributions, green contributions, and contributions to the civilization of humanity.”²⁷

Regional and Global Infrastructure Development

President Xi Jinping launched the Belt and Road Initiative (BRI) in September 2013, making it the largest and fastest-growing infrastructure development initiative of the 21st century. By June 2023, more than 150 countries and 30 international organizations had

²⁴ The State Council, “China’s Spending on R&D hits 3 Trillion Yuan in 2022,” *The People’s Republic of China*, January 23, 2023, [https://english.www.gov.cn/archive/statistics/202301/23/content_WS63ce3db8c6d0a757729e5fe5.html#:~:text=After%20deducting%20price%20factors%2C%20China's,points%20from%20the%20previous%20year](https://english.www.gov.cn/archive/statistics/202301/23/content_WS63ce3db8c6d0a757729e5fe5.html#:~:text=After%20deducting%20price%20factors%2C%20China's,points%20from%20the%20previous%20year;); The State Council, “China’s R7D Expenditure Exceeds 3.3 Trillion Yuan in 2023: Minister,” *The People’s Republic of China*, March 05, 2024, https://english.www.gov.cn/news/202403/05/content_WS65e6ff4dc6d0868f4e8e4b66.html#:~:text=BEIJING%2C%20March%205%20%2D%2D%20China's,Technology%20Yin%20Hejun%20said%20Tuesday.

²⁵ PR Newswire, “Science and Technology Daily: A Closer Look at China’s Innovation Efforts,” March 06, 2024, <https://www.prnewswire.com/news-releases/science-and-technology-daily-a-closer-look-at-chinas-innovation-efforts-302081266.html>.

²⁶ Reuters, “China Leads US in Global Competition for Key Emerging Technology, Study Says,” *Reuters*, March 02, 2023, <https://www.reuters.com/technology/china-leads-us-global-competition-key-emerging-technology-study-says-2023-03-02/>.

²⁷ Angang Hu, Yilong Yan & Xing Wei, *China 2030* (Berlin & Heidelberg: Springer-Verlag, 2014).

entered into over 200 BRI cooperation agreements with China, with the latter having invested more than \$1 trillion in over 3000 projects around the world during the last decade.²⁸ In contrast, over \$8 trillion has been spent by the United States in post-9/11 wars.²⁹ The China-Pakistan Economic Corridor (CPEC), BRI's flagship project, attracted \$25.4 billion in direct investments, created a total of 236,000 jobs out of which 155,000 jobs were created for Pakistanis, generated more than 8500 megawatts of electricity, built more than 800 km of roads and highways, and led to China becoming the top higher education destination for Pakistani students with more than 28,000 Pakistanis pursuing further education in China, out of which more than 6000 were enrolled in doctoral programs.³⁰ World Bank, noting the likely poverty alleviation impact of BRI, projected that the project could help lift 7.6 million people out of extreme poverty and 32 million people out of moderate poverty.³¹ The figures speak for themselves. CPEC has massively benefited Pakistan and Pakistanis. The second phase of

²⁸ Xinhua, (BRF 2023) Economic Watch: BRI Cooperation Injects Strong Impetus into Global Economic Growth," *Xinhua News*, October 16, 2023, <https://english.news.cn/20231016/1bcf15a5e2da481ca082e794887b2c4e/c.html>.

²⁹ Costs of War, "Summary," *Costs of War Project*, *Watson Institute for International & Public Affairs*, accessed, April 02, 2024, <https://watson.brown.edu/costsofwar/#:~:text=Over%20432%2C000%20civilians%20have%20been,wars%20is%20over%20%248%20trillion.>

³⁰ APP, "Over 28,000 Pakistanis Studying in China," *The Express Tribune*, April 14, 2019, <https://tribune.com.pk/story/1950783/28000-pakistanis-studying-china>; APP, "CPEC Creates 15,000 Jobs for Pakistanis," *The Express Tribune*, May 19, 2023, <https://tribune.com.pk/story/2417471/cpec-creates-155000-jobs-for-pakistanis>; APP, "CPEC Projects Garnered \$25b Direct Investment," *The Express Tribune*, July 10, 2023, <https://tribune.com.pk/story/2425529/cpec-projects-garnered-25b-direct-investment>; CPEC Secretariat, "Transport Infrastructure Projects under CPEC," *Ministry of Planning, Development & Special Initiatives*, <https://cpec.gov.pk/infrastructure>; CPEC Secretariat, "CPEC Projects Progress Update," *Ministry of Planning, Development & Special Initiatives*, <https://cpec.gov.pk/progress-update>.

³¹ Maryla Maliszewska & Dominique van der Mensbrugge, "The Belt and Road Initiative: Economic, Poverty and Environmental Impacts," *World Bank*, Policy Research Working Paper, No. WPS 8814, April 19, <http://documents.worldbank.org/curated/en/126471554923176405/The-Belt-and-Road-Initiative-Economic-Poverty-and-Environmental-Impacts>.

CPEC would focus on high-quality industrial cooperation, science, technology, and innovation cooperation, agricultural cooperation, socioeconomic development, green energy, and inclusive regional development.

While the West has criticized BRI, it has also launched similar projects such as President Biden's 2021 Build Back Better World (B3W) later repackaged as the Partnership for Global Infrastructure and Investment (PGII), European Union's 2021 Global Gateway Initiative, and the 2023 India-Middle East-Europe Union Economic Corridor (IMEC).

Media and Information

China's growing soft power has made the United States uncomfortable. In 2022, China's digital economy reached a size of nearly \$7 trillion, whereas in the same year the digital economy added \$2.57 trillion in value to the U.S. economy as a whole.³²

As part of its Strategic Competition Act of 2021, the United States has authorized \$1.5 billion over five years for what the Act calls "Countering Chinese Influence Fund" under which \$300 million will be available annually to counter Chinese influence globally and advance U.S. interests. The Union of Concerned Scientists (UCS), the U.S.-based science advocacy organization, considers the fund to be counterproductive and a waste of U.S. taxpayers' money.³³

³² Lai Lin Thomala, "Market Size of the Digital Economy in China in Selected Years from 2005 to 2022," *Statista*, September 19, 2023, <https://www.statista.com/statistics/1250080/china-digital-economy-size/#:~:text=China's%20digital%20economy%20has%20been,42%20percent%20of%20China's%20GDP>; J. Clament, "Value Added to the Total Economy (GDP) by the Digital Economy in the United States from 2005 to 2022," *Statista*, February 20, 2024, <https://www.statista.com/statistics/961908/digital-economy-value-add-to-gdp/#:~:text=In%202022%2C%20the%20digital%20economy,to%2025.46%20trillion%20U.S.%20dollars>.

³³ Union of Concerned Scientists, "Top Ten Problems with the Strategic Competition Act of 2021," *Union of Concerned Scientists*. May 20, 2021, <https://www.ucsusa.org/about/news/ten-problems-strategic-competition-act>.

Both the United States and China are leveraging the power of media to shape narratives and build regional and global constituencies of sympathy, support, and consensus, as is evident from the joint op-ed on AUKUS written by the American, Australian, and British envoys in Malaysia after the launch of the trilateral security partnership as well as from the joint article written by the Chinese and Russian Ambassadors to the United States on their countries' positions on the U.S.-led virtual Summit for Democracy held on December 2021.³⁴

Pakistan and the Evolving Region

Pakistan's influence in the region derives from its strategic capabilities, an emerging massive market of almost 243 million people more than 64 percent of whom are under 30, its potential soft power based on its significant commercial and cultural endowments, its multidimensional diplomacy, and the gradual regionalization of CPEC.

Pakistan's record as a responsible nuclear state has instilled national pride and confidence among its citizens. Its role in promoting regional stability and security remains excellent.

The three Cs of cricket, commerce, and culture can be utilized to further good relations with India, provided the latter is equally serious in peace and improvement in bilateral relations. India's foreign policy vis-à-vis Pakistan has been largely ideologically driven, negative, and misrepresenting Pakistan through propaganda and disinformation both domestically and internationally as an instrument for

³⁴ Justin Lee, Brian D. McFeeters & Charles Hay, "AUKUS, Trilateral Security Partnership: Joint Op-Ed by UK, US and Australia," *U.S. Embassy in Malaysia*, September 29, 2021, <https://my.usembassy.gov/aukus-trilateral-security-partnership-joint-op-ed-by-uk-us-and-australia/>; Anatoly Antonov & Qin Gang, "Russian and Chinese Ambassadors: Respecting People's Democratic Rights," *The National Interest*, November 26, 2021, <https://nationalinterest.org/feature/russian-and-chinese-ambassadors-respecting-people%E2%80%99s-democratic-rights-197165>.

mobilization of domestic political support and international diplomatic support.

Pakistan's approach toward India is more open-minded compared to the India's myopic and bigoted approach toward Pakistan.

Pakistan's relations with Afghanistan have been based on its desire to see peace and stability prevail there. While Pakistan's recent decision to deport Afghan refugees should be reconsidered, the fact remains undeniable that Pakistan continues to be a model host for millions of its Afghan brethren constituting one of the biggest refugee population for the longest period in the world.

Pakistan-Afghanistan cooperation is key to regional progress and should be the long-term goal of their bilateral relations. The prospect of the regionalization of CPEC can open up attractive vistas of mutual cooperation and should absorb the energies of the planners on both sides of the Pak-Afghan border. Border closures in the wake of security incidents affect bilateral trade.

The policy of delinking cross-border trade and security could provide a big impetus to Pak-Afghan cooperation. This requires the formulation of resilient trade mechanisms and confidence-building measures that allow trade to flow even when there are security incidents.

It is also exhilarating to see emerging Muslim countries act confidently and positively in the world today. Significant regional states like Egypt, Iran, Indonesia, Malaysia, Saudi Arabia, and Turkey are playing important roles in their respective regions displaying increasing independence in their foreign policies.

Consider, for instance, Turkey's arms deals with Russia despite being part of NATO, and Saudi Arabia's alignment with Russia on oil pricing within OPEC+. Creating greater opportunities for cooperation and shared development with these countries will only bring greater regional dividends to Pakistan.

In this regard, the formation of the Special Investment Facilitation Council (SIFC) is a noteworthy development. Pakistan can create opportunities for progress and modernization inside Pakistan by overcoming internal challenges and disparities at the same time that it aims to benefit from opportunities for development, integration, and connectivity in the region, in the Islamic world, in the Asian continent, and in the world at large. Needless to say, domestic reorganization will precede and propel a smart regionally and globally connected development approach.

3. Discussion



A vibrant and thorough discussion followed the keynote, comprising meaningful contributions from the participants.

During the discussion, one of the participants inquired about the current and future prospects of CPEC. The exchange of views that followed underscored that CPEC had made overall good progress in its first decade, given the scale of challenges confronted by the project. The discussion focused on how different governments during the first decade of CPEC, despite their disagreements on various issues, all demonstrated consensus on the continuity of CPEC as one of the key development priorities of Pakistan. The attendees noted that this spirit of consensus needed to be built into other issues as well. The participants further stressed that there was always room for case-specific, step-specific, or point-specific disagreements within the overall policy-level agreement of all relevant stakeholders inside Pakistan over CPEC. Therefore, the attendees considered that the

change of government should not be construed as change of policy as far as CPEC was concerned.

The attendees further appreciated the scope and role of CPEC projects in removing major development shortfalls and growth bottlenecks like energy shortages and infrastructure lags. Forming new regional nodes of development like Gwadar, the participants agreed, had become possible as a result of CPEC. They said that it was heartening to note that Gwadar continued to develop and had become a significant transit port for trade with Afghanistan and Central Asia, while, on the other hand, Thar, a traditionally marginalized region, had experienced women's empowerment and improvement in livelihoods as a result of CPEC's energy projects in the region. It was also noted that CPEC could help promote connected development across Pakistan.

One of the attendees noted that the world perhaps exhibited different polarities at the same time. The attendee remarked that the world looked bipolar in the nuclear domain with strategic parity between the United States and Russia, it remained unipolar in the military domain with the United States possessing overall unmatched military superiority, and had become multipolar in the economic and cultural domains. This view resonated with many participants, leading them to point out that the world displaying different polarities in different arenas was perhaps closer to how things actually were.

Another participant added that this state of affairs was perhaps transient and that what it actually showed was a fluid moment that captured the phase of transition in the international system in which the coexistence of polarities seemed plausible. The participant said that the world would soon come to exhibit one dominant form of polarity eventually, which, it seemed, would be a multipolar system. What was certain at the moment was the fact that huge changes had taken place in the relative power of the United States and China.

One participant brought attention to the extraordinary fact of the peaceful development of China. The participants highlighted that

while there had been friction with other states, China's growth and development had been unaccompanied by war and conflict. Another participant added that China's adherence to cooperation and inclusiveness together with its promotion of a new vocabulary of interstate harmony had had an overall pacifying effect on international relations with the sole exception of the reaction of the United States and its allies. The participant said that the dominant power would have reacted in the same manner to any rising power for that matter, so it was not so much China as the Thucydidean angst of the United States that was affecting global peace and stability. The participant remarked that the fact that China was perhaps the only great power in the contemporary international system that had never been a colonizer meant that its development was substantially fairer than that of other great powers in the system, which also made China's commitment not to pursue power politics more credible.

One of the attendees thought that the continuing expansion of BRICS would perhaps morph in the next 10, 20, 30 years into an alternative global economic, political, and financial system which, the attendee thought, should be more democratic in its interstate dimension than the current system. However, the attendee cautioned that conscious efforts would have to be made to ensure that the alternative system would be better than the existing one, since alternatives for the sake of alternatives in fact provided no alternative. The participant was of the view that formulating new institutions did not mean jettisoning what is working right now. The participant also stressed that policymakers and people alike needed to take an evolutionary view of things, opting for gradualism in place of radical solutions that could do more harm than good.

The participant also considered that there was a need to be cautious in terms of considering the development of BRICS or any other alternative grouping as the end of bloc politics, as camp politics was not an inherent trait of any specific group of states, but was rather a systemic feature, a structural modifier, a tendency of the structure of

international relations. One of the participants added that beginnings can mask themselves as endings and that what is being hailed as the end of camp politics might as well be the beginning of a new round of bloc politics.

Another participant pointed to the diversity of worldviews and interests of BRICS members and wondered if it would be possible for the group to cultivate coherence and inclusiveness at the same time. The participant said that building inclusive multilateralism would be a challenge for BRICS even on issues that were relatively simple like economic cooperation and trade. The participant said that progress on the creation of the BRICS reserve currency was a litmus test of its effectiveness as a cohesive group in future.

One of the attendees acknowledged the positive impact worldwide of new initiatives like BRI, Asian Infrastructure Investment Bank (AIIB), and the New Development Bank (NDB). The participant, however, said that creating a coordinated platform and network of new initiatives and institutions so that they reinforce each other was a practical task that needed to be undertaken immediately. Other participants recommended that these new institutions should allow developing countries of different sizes to play active role in their agenda setting and rulemaking unlike the older institutions of global governance.

One participant highlighted the centrality of CPEC to the future prosperity of Pakistan and said that CPEC should go ahead full throttle in the second phase, regardless of the geopolitical headwinds. The participant said that national policymakers needed to fully integrate CPEC into the planning and development doctrine of the country. The participant advised that CPEC model of development should be theorized, taught, and researched so that keywords containing diverse lessons, achievements, and experiences associated with the realization of CPEC should become commonly accepted development vocabulary and concepts in the country.

Another attendee pointed out the challenges of technology transfer in a multipolar environment in the backdrop of the ongoing great-power competition. The attendee said that technology transfer decisions of technology makers were increasingly influenced by their geopolitical priorities, as evidenced by the U.S.-China technological competition. The attendee pointed out that technology leaders generally managed to dictate the conditions, context, and the applications of technology by technology takers. The attendee further pointed out that the intensification of interstate competition and conflicts breeds an atmosphere of distrust, impeding technology transfer and that even signed contracts may be disrupted by government involvement if the technology is viewed as a national security risk as was the case in terms of dual-use technologies. The attendee said that BRICS could also work toward creating a transparent level playing field for technology transfer that was underpinned by common standards, rational frameworks, and non-discriminatory approaches.

Another seasoned participant agreed that the weaponization of trade, technology transfer, and regional integration was increasingly becoming the behavior of choice of the western countries in their international dealings. The participant pointed out powerful countries were pressuring weak countries to join exclusive coalitions against their rising competitors. The participants highlighted the need for novel and creative approaches to technological development and self-reliance and advocated intense South-South S&T cooperation. The participant highlighted the S&T achievements of countries like Turkey, Iran, Indonesia, and Malaysia as examples other developing countries could emulate.

The discussion also raised the question of Pakistan's membership and the likely benefits that Pakistan could draw if it became the member of BRICS. There was a general consensus that the country needed strategic ratiocination to order its priorities. The attendees further noted that Pakistan needed to plan its engagement with BRICS meticulously so that the whole spectrum of opportunities offered by

the prospective membership could be properly utilized. Another concern was raised by a participant regarding the potential benefits of BRICS membership for Pakistan. The participant underscored that the question of benefits was also intimately linked with the issue of what the policymakers perceived as benefits and costs and that was why clarification and communication of leadership priorities was important. The attendees agreed that Pakistan should focus on economic, trade, and connectivity advantages if it became the member of the group. The attendees further noted that BRICS membership for Pakistan could serve as a gateway for broader economic cooperation with African and Latin American countries.

However, one participant also noted that such cooperation can always be pursued bilaterally but the participant clarified that this point was not mentioned to argue against multilateralism and Pakistan's application for the group's membership. The attendees agreed that it was too early to say whether, by virtue of the group's membership, Pakistan would manage to diversify its foreign policy beyond its traditional foci, as such questions were linked more to a state's geopolitical compulsions and challenges than to its membership in a regional organization. The attendees noted that it was perhaps a bit beforehand to expect diversification at the current moment. However, the attendees concurred that proactive diplomacy in Africa and Latin America would be good for Pakistan.

Another participant remarked that while the world was becoming multipolar, the major international institutions were still West-dominated. The participant noted that one, therefore, needed to be a little conservative in one's forecast of BRICS's potential to offer strong alternatives to the global financial system and other institutions. At any rate, the participant said that there was a need to avoid utopian expectations from realistic geoeconomic initiatives.

Some attendees responded by pointing out the de-dollarization aspirations of many countries, the growing trend of settling payments

in non-reserve currencies, and the evolution of new global organizations as a clear and visible proof of the fact that influence and rulemaking in global institutions were gradually shifting and a broader distribution of responsibilities was taking place globally. These attendees said that they saw BRICS as the harbinger of a new global order.

The participants also raised the question of Pakistan-Russia relations. A seasoned participant noted that Pakistan had missed opportunities to strengthen ties with Russia number of times in the past. The expert said that Pakistan could benefit from energy trade and S&T cooperation with Russia.

One attendee also raised the issue of security of the Chinese in Pakistan as it was paramount for the development of CPEC and China-Pakistan relations. One senior participant noted that both Pakistan and China recognized that forces hostile to CPEC had been trying to disrupt the smooth development of CPEC. The participant expressed strong confidence in the ability of the state to thwart and defeat such attempts.

4. Moderator's Note

Dr. Ashfaque Hasan Khan



BRICS and BRICS Plus

The term, "BRIC," coined by a Goldman Sachs economist, Jim O'Neill, in 2001, referred to the fast-growing economies of Brazil, Russia, India, and China around the turn of the millennium.³⁵ The aforementioned concept garnered attention and recognition across diverse spheres like economics, finance, academia, and media, ultimately resulting in its integration into the foreign policy priorities of Brazil, Russia, India, and China. The four nations held their first meeting in 2006 on the sidelines of the UN General Assembly. As a result, the group was officially established in September 2006 during the inaugural BRIC Foreign

³⁵ Clea D. Bourne, "Thought Leadership as a Trust Strategy in Global Markets: Goldman Sachs' Promotion of the 'BRICS's in the Marketplace of Ideas," *Journal of Public Relations Research*, 27, no. 4 (2015): 323, <https://doi.org/10.1080/1062726X.2015.1027772>.

Ministers' Meeting in New York. The first formal summit of BRIC was held in Yekaterinburg, Russia in June 2009. The group became "BRICS" when South Africa joined the club in late 2010. Since its inception, BRICS has continued to evoke the immense promise of growth and development of the non-Western world. Its twin sagas of resurgence and emergence have also gained tremendous global traction in the years since.

As far as the contemporary perceptions of BRICS Plus³⁶ as a group of nations that could challenge the global primacy of western nations or the Global North are concerned, it should be pointed out that neither did the original BRICS contrive to compete with the advanced world nor does BRICS Plus position itself as a direct rival of the West. Instead, BRICS advocates for a more inclusive, horizontal, and multilateral global system that takes seriously into account the growth aspirations, developmental needs, and economic interests of the global South. This vision is not nourished by an us-versus-them binary worldview. Rather it aspires to provide a level playing field for all nations to grow and prosper in non-zero-sum manner. BRICS's support of global governance reform enabling greater representation for developing countries is animated by this spirit of inclusion and fairness. Since encouraging economic and trade cooperation among members is one of the key objectives of BRICS, the group's activities prioritize the promotion and consolidation of intra-group economic ties and trade networks. This focus is evidenced by the significant increase in intra-BRICS trade by 56%, reaching \$615 billion, between 2017 and 2022.

BRICS's Influence

The influence of BRICS will depend on its effectiveness not on its composition and size. The group could be more effective if key members were truly serious about pursuing shared goals. With the recent expansion of BRICS that now makes it a group of ten states, it

³⁶ Founding five members (Brazil, Russia, India, China, and South Africa) of BRICS together with new members, i.e., Saudi Arabia, Egypt, UAE, Ethiopia, and Iran.

seems set to alter in important ways not only the world's geopolitical paradigm but also the global energy landscape. BRICS's enlargement would further the collective realization of the group's objectives, namely: the enhancement of economic cooperation and trade among group members; promotion of sustainable development and inclusive growth; facilitation of political cooperation and mutual understanding among member countries; mutual accommodation of each other's core interests; and respect for members' sovereignty, security, and development interests.

The Weaponization of Economic Tools and the Rise of BRICS

The recent expansion of BRICS consisting of the inclusion of five new members (Saudi Arabia, Egypt, UAE, Ethiopia, and Iran) can be understood as a natural response against an ominous tendency inherent in the contemporary international system. This tendency has been evident in the relations of traditional great powers with other states. This tendency consists in the weaponization of economic statecraft – including targeted use of economic and financial sanctions, control of the U.S. dollar, and hold over trade and investment – has created unease among developing countries in the Global South. These countries fear potential economic repercussions, should they choose to pursue policies deemed independent of western interests. This fear arises out of the zero-sum mindset of the U.S.-led west that seems to have pushed many countries of the Global South to seek alternative economic partnerships that are unencumbered by the ominous prospect of coercion and manipulation. BRICS, therefore, represents an attempt by developing nations to create a more resilient and independent economic bloc, potentially lessening their vulnerability to economic coercion. BRICS Plus now represents a veritable global economic powerhouse. The original five members of BRICS accounted for 42% of world's population (3.24 billion); over 27% of world's GDP (\$28 trillion) and a combined foreign exchange reserves of \$ 5.1 trillion. The expanded BRICS consisting of ten members now accounts for 45% of world's population; almost 30% (\$30.126 trillion) of world's GDP;

38% of the world's industrial production; almost one quarter of world's exports; 47% (34.67 million barrels/day) of global oil production, according to the OPEC, for 2022; over 50% of world's natural gas reserves; and 72% of the world's rare earth minerals. In contrast, the total GDP of G7 states is \$46 trillion which is 43% of world GDP. In terms of GDP size, G7 is still 52.4% bigger than the expanded BRICS (\$46 trillion vs \$30 trillion). However, the original BRICS five countries overtook the G7 countries in terms of the size of the GDP at the PPP in 2020. By 2023, the difference must have increased even further as BRICS five accounts for 32% of the world GDP compared to 30% off G7 in 2020.

Additionally, more countries are likely to join in the second phase of the expansion of BRICS likely to take place during 2024 during Russia's rotating presidency of the group. Probable new members include Algeria, Bangladesh, Belarus, Indonesia, Morocco, Nigeria, Senegal, Venezuela, and Vietnam. If this anticipated second round of expansion takes place to co-opt all or most of these countries, BRICS Plus would further solidify its position as a major global geoeconomic player. Pakistan has also applied for BRICS's membership and hopes that support from Russia, China, and other members would help it become part of the group. Pakistan's membership of the group would be mutually beneficial. In sum, the key factors driving states of different sizes and magnitudes to consider joining BRICS are: the threat or use of economic sanctions; the threat or use of dollar as a weapon; dissatisfaction with the institutions of global governance (IMF/WB/WTO/UN); growing dissatisfaction with the current global order, especially exacerbated by the COVID-19 pandemic, when life-saving vaccines were hoarded by rich countries; and, last but not the least, fear, among the countries of the global South, of the increasingly blatant use of hard power and coercion from the West coupled with the decreasing reliance on soft power to win the hearts and minds of the people in the global South.



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