



THE NEW WORLD ORDER: BRICS AND THE PERSPECTIVE OF PAKISTAN

<sup>1</sup>Shafiq un Nisa

<sup>1</sup>MPhil in International Relations, Federal Urdu University

<sup>1</sup>[shafiqunnisa57@gmail.com](mailto:shafiqunnisa57@gmail.com)

Abstract

After experiencing the Cold War and the war against terrorism, the world has modified in a new direction since the Arab Spring erupted in the Middle East, and countries have had to modify their internal and external affairs. This research examines the major events. But the focus of the development is BRICS. This study discusses the main reason for the establishment of the new organ and what it is considered to be against the supremacy of America’s dollar in the world. This research moves around the prediction that the world is gradually moving toward a multipolar world order. This will change the scenario. Why countries are interested in experiencing a new world order and get fed up with the existence of superpowers. This research discusses the entire scenario of the opportunities, challenges, and significance of this emerging power around the globe to further develop a deep understanding of the significant perspective of Pakistan in this situation. CPEC, the China-Pakistan Economic Corridor, is the major essential part of BRI, the Belt and Road Initiative. No one can neglect the strategic importance of Pakistan. Not in the past, but the future of the world also moves around the location of Pakistan.

**Key Words:** China, America, Pakistan, dollar hegemony, multilateral world order, and de-dollarization.

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Corresponding Authors\*:

## INTRODUCTION

The world has experienced imperialism, dictatorship, a bipolar world, and the existence of a unipolar era. There has been total dollar supremacy all over the world. Not only America, but the international players also serve American interests. With the economic help of the USA, the Europeans moved from the battleground to the development path. The EU is a well-known community before the world; further, NATO is the military organization run by Washington that fulfills American interests. The sanction on other countries to satisfy their own interests is unbearable for other nations and an alarming situation for the entire world. Therefore, things change day by day, and every nation works on itself and wants development. For example, Saudi Arabia is on the way to modernization to maintain its influence in the country and in the region. Not only this, but she has also settled down its relationships with Iran with the help of China. On the other hand, Iran also works on its own matters. In 2015, a Joint Comprehensive Plan of Action (JCPOA) was penned between the USA and Iran to normalize their relationships in the international arena. Similarly, the trade war between Washington and Beijing destabilized each other's economies. And the horrific pandemic COVID-19 affected the entire globe in every aspect. The unneglectable event was the withdrawal of Washington from Kabul in 2021. Finally, the current two major wars—the Ukraine war with Russia and the genocide in Gaza—are the talk of the town. Syria is the battleground for different countries' proxies. To maintain their influence on the globe, different Thucydides' traps are used. However, BRICS is the platform that challenges the dollar's dominance openly, as its aim is to launch new currencies around the world. Because relevant countries like Russia are the largest in the world or cover two continents (Asia and Europe), India and China are the largest populated nations and biggest markets on earth, Brazil is the largest country in South America, and South Africa is famous for minerals. Indeed, in 2010, BRICS comprised 40% of the world economy, 30% of the world population, and 25% of the world GDP. The combination of Brazil, Russia, India, China, and South Africa, which is the emerging power in the world. The prediction of economist Jim O. Neil in 2001 that these nations would economically develop in the coming decades urges these nations to come together and establish an organization to become more developed. In 2006, it was only BRIC: Brazil, Russia, India, and China, but in 2009, it became BRICS with the membership of South Africa. Since 2009, fifteen summits have been conducted by these countries. But the recent one is the most important because six more states—Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates—became members of the platform in January 2024. Further, the same conference also agreed upon introducing new currencies for trade among themselves.

## PROBLEM STATEMENT

BRICS is a new emerging collaboration and is the game changer of the world order. This paper works on the significance of the new world order, or multipolar world order, and the challenges and hurdles in the path of its development. It will also give a glance at the perspective of Pakistan in it and its impacts on Pakistan's growth. The problem with this idea is whether it would be successful like the European Union or just like a dummy platform. Further, it must be kept in mind that the European Union is under the strong influence of the USA. NATO, a military organization, is controlled by Washington. Therefore, they do not want to do any valid activity that is not in favor of the USA's interests. The USA unilaterally withdrew from the Iran Nuclear Deal, which was not accepted by the European countries, but the Washington government did so. Indeed, the USA does not let these nations again be involved in world politics; hence, through different

aid and various treaties, they are under the control of the American government. Because the USA believes in the Hegemonic Stability Theory (HST), to maintain peace all over the world, one nation must be powerful enough to control the entire scenario. Contrary to it, many powerful countries create chaos on the earth. The world has experienced two major world wars in the 20th century. The catastrophic consequences still exist. However, he does not work for world peace but to maintain the hegemony and achieve his own national goals.

On the other side of the coin, the entire environment is changing because China is the second-largest economy on the globe and is not under the control of Washington's influence. Even during the COVID-19 pandemic, the World Health Organization did not accuse Beijing of the spread of the coronavirus. Although Washington tried to put all the guilt on the shoulders of the Chinese government, it could not succumb. It is the power of China to not let herself be under the pressure of any other country or for any organization to take any biased decisions against her. Additionally, the envy between the USA and the USSR does not need to be discussed. Although the USSR was disintegrated in 1991 into fifteen different states, the relationship between the two rivals is still not on good terms. What is more, Iran, under the sanction of the USA, is completely against the interference of any other power in the region. Hence, openly support the BRICS organization and its idea to introduce a new currency. However, Brazil and India are not against the supremacy of the USA. They play on both sides; on one side are the members of the BRICS; on the other hand, they are allies of the USA. New Delhi's role is quite harmful for the region because she is part of QUAD, a totally anti-China association. Indeed, she is afraid of China's dominance in the region and wants to be a regional influencer. But China does not worry much about India but about America. China is seeking an appropriate opportunity to launch a new currency, as the EU did during the peak of the War on Terror when it launched the euro.

## SCOPE OF THE STUDY

The main purpose of this paper is to discuss the new world order. Which might be a multipolar world order, an analysis of the bottleneck toward it, and the significant perspective of Pakistan in the new emerging era. Further, have a deep glance at the diversification within the organization and China's intentions toward the new world order. And grievances in Washington about this emerging organization. Constructivism cements the new countries' relationships and helps understand the complex relationships among different countries.

The combination of different countries from different continents is coming together to work for a better future for the new generation. As part of the European Union, the collaboration of twenty-seven states on the same continent modified their miserable condition into a well-developed continent. They not only work together but also have their own currency, the euro, so they do not depend on international currency. It was initiated by six founding members: France, Italy, the Netherlands, Belgium, West Germany, and Luxembourg. Gradually, through various treaties, the states emerged for their national interests. And they finally launched their own currency, the euro, in 2002, which is currently used by nineteen European states. Similarly, BRICS is emerging as a new bloc around the globe. The partnerships of five different states—Brazil, Russia, India, China, and South Africa—would modify the world order. The main player in this mega project is Beijing, which has been investing in various countries for better communication and transportation. She is the one who gave the plan for the RBI Road and Belt Initiative. This megaproject will encompass the three continents: Asia, Europe, and Africa. No doubt, after

becoming part of BRICS, all members worked hard for development. In 2012, to reduce the barrier of distance, BRICS states considered technology as a BRICS university. Hence, during the pandemic, BRICS countries have alternative models of communication.

## **THE MAIN PLAYER IS CHINA**

The main player in this mega project is Beijing, which has been investing in various countries for better communication and transportation. She is the one who gave the plan for the RBI Road and Belt Initiative. This megaproject will encompass the three continents: Asia, Europe, and Africa. Without a shadow of a doubt, China is the second-largest economy in the world and is continuously working on its development. She is involved in global production. It was just 7% in 2000, and it is predicted that it will rise to 21% in 2024. (Wolf, 2019). Surprisingly, according to the World Bank standard, approximately 800 million people in China who had to live below the poverty line have been extracted from it. China's poverty reduction story is a story of persistent growth through economic transformation, said Manuela V. Ferro, World Bank vice president of East Asia and the Pacific. Beijing is not only working on her development but also in favor of regional growth. Therefore, it took the initiative of the megaproject One Road and Belt (ORB), which connects the three continents of the world: Asia, Europe, and Africa. Hence, China has been investing in these countries to enhance their transportation and communication systems. The China-Pakistan Economic Corridor (CPEC) is part of this huge plan. Therefore, due to these activities, China is considered to be the new superpower on the globe, which is not in favor of America and India. The USA wants global dominance, while India wants regional. Owing to various issues, the development rate of BRICS is only 5% per year. While China claims to be self-developing rather than surpassing the USA.

Without a shadow of a doubt, China is on the right path for developing countries, but it still does not meet the criteria of developed countries because the per capita income is quite low as compared to other nations. It was US\$5,451 in 2023, while in America it was US\$80,412 in 2023. People are still interested in migrating to the Western world, but not to China. However, the education system, industrialization, and other things are better.

## **DETERRENCE FOR AMERICAN SUPREMACY**

America is deeply concerned about this new group because he considers China a rivalry against the supremacy of the USA (Mearsheimer, 2007). And the European Union is only 9% of the world population, and it does not have as much of an effect on the dominance of the dollar as the BRICS currency would because it covers 40% of the world population. Further, the amalgamation of new members would embrace it more. That halts the supremacy of the international dollar. Hence, the USA is deliberately closer to India to sabotage the organization's function. As the USA played quite swiftly in world wars, it accumulated the gold reserves, and in 1944, at the Bretton Woods World Conference, the world currency tilted toward the dollar. Additionally, the World Bank, International Monetary Fund, and Marshall Plan played a very important role in enhancing the value of the US dollar. While Beijing seems to be lobbying to control the world order, Therefore, to free the world from the cage of dollar hegemony, China has now been acquiring gold. According to the World Gold Council, Beijing has added 102 tons of gold to its stockpiles. Not only China but also Russia is against the reign of the dollar, as in the recent Russian-Ukraine war, the Washington government has frozen \$300 billion of Russian foreign reserve currency. Hence, Alexander Babakov (a Russian lawmaker) said, "The BRICS nations are in the process of creating a new medium for payment established as a strategy that does not defend the dollar and euro." The new currency would be dominated by gold



and rare-earth elements. The new currency would reduce the world's dependence on the US dollar and the euro."

## **INTERNAL ISSUES IN THE ORGANIZATION**

It is quite complicated to develop it properly because of the hostile relationship between members. (Laïdi, 2012). On one hand, the ties between Brazil and China have been on good terms for ages; they are working together in various forums and are strongly in favor of multilateralism. (Press conference, May 20, 2009) Not only this, but the strong ties also have a great impact on the region (Milani, 2018). The south-south cooperation seems to be the main motive of the government of Brazil. Therefore, enhance ties with China, and the level of trade between Latin America and China is approximately US\$ 445 billion in 2021. (The Economist, 2023) , On the other side of the coin, the hostile relations between Saudi Arabia and Iran are the talk of the town. However, China has played a vital role in mitigating the bitter relations between these two countries. But the cloud of envy still exists. Further, Pakistan also applied for membership in November 2023, but the bilateral talks between India and Pakistan are miserable. Even New Delhi is not ready for bilateral talks with Islamabad. It would deteriorate the entire environment of the organization; hence, rather than avail itself of the best opportunity, it would not come on the development path. They both are members of the Shanghai Cooperation Organization. Both became part of it in 2017. Pessimists predicted that they would both bring their rivalry of conflict to the organization, totally paralyzing its work.

## **SINO-INDIA RELATION AND INFLUENCE ON ORGANIZATION**

The rivalry between China and India is a key hurdle to the proper function of this organization; further, both are in border conflict as well. Additionally, New Delhi is backed by the USA; hence, India is part of QUAD, a military alliance among four states—America, Japan, Australia, and India—to counter the influence of China in the region. Indeed, New Delhi is concerned about the new global power and its dominance, as Beijing is the burgeoning superpower and is expanding its wings all over the world, which is really against the favor of Indian interests. Hence, the closer ties between the USA and India are not acceptable to China, as they would impact the region's sovereignty and prosperity. As she is herself in favor of a non-interference policy in any other state and focuses on win-win situations.

## **PAKISTAN IS IN A RUDIMENTARY CRISIS**

Unfortunately, internal political chaos in Pakistan is the bone of contention. Surprisingly, no prime minister in the history of Pakistan has been able to complete his five-year term of government. The China-Pakistan Economic Corridor (CPEC) was signed between China and Pakistan in 2015, but it has yet to be completed owing to political instability in Pakistan. Indeed, the government of Pakistan is not in a position to avail itself of any opportunities. Until and unless there is political stability on the soil of Pakistan, there is no chance of development. Therefore, Pakistan's development is totally based on political stability. Because the government of Pakistan has the authority to sign any agreement with any other nation, foreign policy is the main pillar of any nation's ability to represent itself before the world. But regrettably, Islamabad is hardly present in a positive light before the global eye. There is a need for hours to prevail peace and security on the soil of Pakistan. The world has moved to the technological world, and the government of Pakistan is still stuck in its preliminary crises. Undeniably, appropriate policies are required for every room. Without a shadow of a doubt, Islamabad can play such a significant role in this organization owing to her strategic location. Gwadar Port is the gate of the Middle East, or

Strait of Hormuz, from where approximately one-third of the world's oil passes each day. And can enhance her image and demand throughout the world.

## **NEED OF NEW CURRENCY**

New currency is the need of the hour because states around the world are fed up with serving American interests, living under the threat of sanctions, and isolating themselves from the world market. The European Union succeeded in launching the euro and freed itself from its dependency on the dollar. Similarly, the BRICS bloc has a strong intention to innovate a BRICS coin to get freedom from the cage of the dollar. Especially Tehran and Moscow fully support this idea. And the impact of the dollar on other nations disturbs the trade level. BRICS itself consists of 60% reserves in dollars; if they depreciate, it will cause a huge amount of loss for the BRICS nations. Hence, a new currency is necessary to launch.

## **THEORETICAL FRAMEWORK**

*The constructivism* approach emerged at the end of the Cold War in the late 1980s. The concepts of realism and liberalism failed; hence, this approach played a significant role in discussing the relationships between the USA and the USSR. The popular article by Alexander Wendt, '*Anarchy is what states make of it*,' developed the concept of constructivism. It deals with how ideas, norms, and identities are established and constructed. Indeed, constructivism believes in subjectivity rather than objectivity, and everything is constructed by men or the state. Therefore, through different ideas, the state creates amity or enmity with other states.

Therefore, the BRICS bloc is emerging as a new platform on the globe to start new ideas and construct new relationships with countries to acquire their national goals: economic development, security in the environment, sovereignty, infrastructure development, communication availability, and influencer identity on the globe. BRICS countries are intended to ingratiate a new path.

## **CONCLUSION**

The paper thoroughly discussed the entire available literature and found a new idea from it. It intensifies the rivalries among member states and Thucydides' trap between major powers. And launching new currency implications on Pakistan, how Islamabad modifies its foreign policy, avails of the golden opportunities, comes to the path of development, and builds a positive image in the global eye. How valid steps help Pakistan to get out of its rudimentary issues. The increase in interconnection among states will reflect a shift in power dynamics. Economic globalization, technological advancements, and cultural exchanges play pivotal roles in shaping this new paradigm. However, debates surrounding sovereignty, security, and economic disparities persist as nations navigate their roles in this evolving landscape. In the end, the New World Order offers chances for cooperation as well as difficulties in striking a balance between various international interests. Undoubtedly, the continent of Europe achieves its goal to be united, remove grievances, come together for growth, and consequently be called developed nations. However, debates surrounding sovereignty, security, and economic disparities persist as nations navigate their roles in this evolving landscape. In the end, the New World Order offers chances for cooperation as well as difficulties in striking a balance between various international interests. Undoubtedly, the continent of Europe achieves its goal to be united, remove grievances, come together for growth, and consequently be called developed nations. But the BRICS members are in their rudimentary stage. It will take time to come on one page and accept each other.

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