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**THE FUTURE OF THE WORLD:  
A NEW PLATFORM  
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# **INVESTMENTS IN CONNECTIVITY**

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# Investments in Communication

Today, in progressive youth circles, terms like food-sharing, food bank, and food drive are increasingly common. Food-sharing refers to distributing food that is nearing its expiration date or unwanted products. A food drive means purchasing food and leaving it in a designated spot, usually a basket near the checkout counter. These two types can be grouped under a broader category: the food bank. While such systems are present in many countries around the world, one may ask: Do they exist and truly function in Russia? Does a person in need, say, an 80-year-old know about such a program? Can a person in need easily access the food they require?

Indeed, food banks exist in Russia already since 2012 under the name the “Food Bank Rus” (<https://foodbankrus.ru/>)<sup>1</sup>. But is it widely known? Does an average elderly person without internet access know about it? Does someone who shops at their local Pyaterochka know this program exists? I doubt it.

Another challenge emerges on the business side: disposing of food is cheaper than donating it to a food bank or redistributing it. According to the NGO Food-sharing, for large businesses, disposal is 2–3.5 times cheaper than organizing food-sharing. Large companies that donate food to food-sharing services are still required to pay VAT of up to 20% of the product’s value. If the food is simply discarded, there is no such obligation.

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1 Here and below, links are provided for reference.

“To put it simply, when a product expires, we remove it from the shelf and dispose of it”, says a representative from the X5 Group, “In this case, we do not pay VAT because the product was not sold, but we pay for the disposal process. Food-sharing allows us to ‘rescue’ products a couple of days before expiration and put them to good use by giving them to people. In this case, we do not sell or profit from the product, but current legislation still requires us to pay VAT. As a result, it is cheaper to wait until the product expires and dispose of it than to remove it early and donate it for food-sharing”<sup>2</sup>.

In short, food-sharing exists but barely. Food donations are welcome, but businesses are unwilling to pay VAT. It is simply easier and more profitable to throw food away. And if food-sharing exists, it is only in a few major cities. “People have been discussing food-sharing in Russia for years, but the barriers preventing its development still have not been eliminated”<sup>3</sup>.

In the end, only internet-savvy youth seem aware of food-sharing. But are they truly the ones in need? Among my acquaintances, people using such services often have above-average salaries and could easily afford food, but they use food-sharing to save money. Then comes the added factor: ecology, emissions, and so on.

In Germany and Finland, there are walk-in stores for people in need. With a special card confirming low-income status a person can shop once a week, paying a fixed fee of around 4 euros and taking as much as they need. As many say in Germany, “You can live poor, but you will not starve”.

It would be wonderful to see a similar system grow in Russia or to raise awareness and accessibility of the one already in place. Is there a mechanism for solving this challenge? Absolutely. Especially since, in terms of digital infrastructure, we are far ahead of Germany and Finland. We could easily develop a system to notify vulnerable populations.

One possible solution is removing tax barriers for businesses. A business will never act against its own financial interest, no matter how noble the intent. According to the Food Bank Rus, lifting these tax barriers could allow for the redistribution of around 1.2 million tons of food – enough to feed all Russians in difficult life circumstances<sup>4</sup>.

Earlier, we mentioned large retail chains, but small businesses also want to participate. Another category is restaurants. 10% of prepared food ends up in the trash every day. Along with food banks, restaurants could also offer discounts on meals to anyone interested. It is still better than simply throwing the food away.

There are also individuals with food surpluses such as gardeners who experi-

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2 <https://www.agroinvestor.ru/markets/article/41345-otdat-nelzya-vybrosit-kakimi-tempami-v-rossii-razvivaetsya-fudshering/>

3 Ibid

4 <https://www.agroinvestor.ru/markets/article/41345-otdat-nelzya-vybrosit-kakimi-tempami-v-rossii-razvivaetsya-fudshering/>

ence bumper harvests of fruits and vegetables. But what do you do after you have already shared with family and friends? As a gardener myself, I often wondered: why cannot we donate the surplus somewhere? Not to the other side of the city but through nearby drop-off points.

Earlier, we discussed Russia's attempt to solve this issue. Just an attempt because beyond potential from the business and government sides there must be will. Here we face a connected system: state – business (large and small) – final consumer. Everyone in this chain should be able to listen and be heard. If it is easier to send products to a landfill, there will be no help. The key word is easier.

When we talk about the future of the world, as mentioned earlier, some places have found solutions while others have not. African countries immediately come to mind. According to the UN's Food and Agriculture Organization (FAO), up to 1.3 billion tons of food are discarded globally each year, which is almost one-third of total production. In the developed world, this is an even bigger issue: collectively, they waste almost as much food (222 million tons) as all of sub-Saharan Africa produces (230 million tons)<sup>5</sup>. It is clear that delivering perishable goods, like dairy, is unfeasible, but dry goods, such as grains or pasta, certainly are. Tangible food is clearly more valuable than the abstract reports from large organizations tallying donations, while the actual aid remains elusive.

On a global scale, we see a different chain: state – state – business – consumer. That is, two governments and a set of their international standards for cooperation.

The first step has been taken: the Russian government has been tasked with removing VAT on food and goods donations by June 1.<sup>6</sup> Let us hope that the mechanism truly begins to function and is covered in the media so that more people know this program exists and that it is available here in our country.

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5 Ibid

6 <https://foodbankrus.ru/novosti/smi-o-nas/10022025-putin-poruchil-kabminu-zanyatsya-osvobozhdeniem-produktovykh-i-tovarnykh-pozhertvovaniy-ot-nds/>



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# **Cultural Diplomacy and Intercultural Communication: An Approach to Achieving Economic Prosperity in the Global South and East – a Case Study of the Sultanate of Oman**

## **Intercultural Communication and Economic Development**

The concept of intercultural communication refers to a dynamic and reciprocal exchange process between individuals from different cultural backgrounds, aiming to foster mutual understanding and build trust (Ratzmann, 2019). In the era of globalization and the knowledge economy, this type of communication has become a crucial factor in achieving economic prosperity. Effective cross-cultural communication helps build bridges of trust and enhances international cooperation, creating a favorable environment for trade, investment, and economic partnerships (Chavash Bashi et al., 2020). Studies indicate that possessing cultural

competence strengthens a country's or institution's competitive advantage in the global economy (Chavash Bashi et al., 2020). From this perspective, cultural diplomacy has emerged as an essential tool within the soft power strategies of nations, where countries utilize their culture and heritage to strengthen international relations and achieve economic interests. This approach is rooted in modern international relations theories, such as Joseph Nye's soft power theory (Nye, 2024), which argues that cultural attraction and persuasion can serve as effective alternatives to military or economic coercion in achieving strategic goals. Additionally, theoretical frameworks like Hofstede's cultural dimensions theory (Hofstede, 2011) and Bourdieu's cultural capital theory (Bordeiue, 1986) provide insights into how cultural values and norms influence economic cooperation behaviors. In this paper, we explore the significance of intercultural communication in driving economic prosperity and the role of cultural diplomacy in fostering economic collaboration, with a particular focus on case studies from the Global South and East. We also present a detailed case study on the Sultanate of Oman as a pioneering model in leveraging cultural diplomacy to support economic growth, comparing Oman's approach with experiences from other countries in the Global South and East. Finally, we will present a critical analysis and recommendations to maximize the benefits of intercultural communication in supporting economic development.

### **The Importance of Intercultural Communication for Economic Prosperity**

Effective communication between different cultures has become a fundamental requirement for business success and economic cooperation in today's world. Understanding cultural differences and managing communication across cultures help overcome barriers to international trade and investment. For example, differences in cultural values (as interpreted through Hofstede's cultural dimensions, such as power distance, individualism versus collectivism) significantly influence negotiation styles and decision-making processes in cross-border business (Gonzalez, 2021). Recognizing these differences and adapting to them reduces misunderstandings and conflicts, facilitating more successful business deals and fostering long-term partnerships. Theories of communication and international management indicate that institutions that adopt effective cross-cultural communication strategies achieve better performance in global markets (Chavash Bashi et al., 2024). A recent study found that cultural factors play a crucial role in the success of economic relationships, influencing even material aspects of transactions. Economic actors are increasingly considering not only material gains but also identity- and value-based benefits (El Husseiny et al., 2024). In other words, when business partners from different countries feel that their cultures are respected and understood, it positively impacts mutual trust, which in turn enhances trade and investment flows. Therefore, intercultural communication has become a key factor in fostering sustainable development and economic partnerships, particularly

among countries in the South and East, as they work towards shared economic prosperity (Sheng et al., 2023).

### **Cultural Diplomacy as a Tool for Economic Cooperation**

Cultural diplomacy refers to the use of culture (including arts, heritage, language, and values) to strengthen international relations and achieve foreign policy objectives in a peaceful and appealing manner (Al-Khayri, 2024). It is considered a practical application of Joseph Nye's (2004) soft power theory, which emphasizes attraction and admiration rather than coercion and force. Through cultural diplomacy, countries leverage their cultural assets to enhance their cultural distinction and build a positive national image in the minds of other nations, contributing to global cultural diversity and paving the way for deeper cooperation in various fields, including economy and trade (UNESCO, 2022). Culture can serve as a bridge for communication where traditional politics may fail, as it resonates with people's emotions and shared values (Jora, 2013). Cultural diplomacy models require an interactive approach based on mutual exchange and dialogue. This contemporary perspective transforms cultural diplomacy into a two-way communication process: not only promoting a country's own image and values but also ensuring an understanding of other nations' cultures and perspectives, fostering mutual respect. As a result, cultural dialogue provides a foundation for building more complex and profound political and economic partnerships.

From an economic perspective, cultural diplomacy can directly or indirectly yield economic benefits for a country (UNESCO, 2022). When trust and understanding are strengthened through cultural exchange, opportunities for trade and investment increase. Many countries now view cultural diplomacy as a means to boost exports, attract foreign investments, and promote tourism. For instance, since 2009, Vietnam has focused on cultural diplomacy as part of its national strategy to utilize culture for economic gains and global influence (Rawnsley & Ngac, 2016). Similarly, other nations have adopted economic soft power policies, such as using national cuisine and cultural products as diplomatic tools. This approach is known as "gastrodiplomacy", where countries promote their traditional cuisine to enhance their international image and attract global attention. Peru, for example, launched the "Peruvian Cuisine for the World" campaign to promote its gastronomy globally. This initiative not only fostered national pride but also increased exports of Peruvian food products, such as quinoa and cocoa, and led to the global expansion of Peruvian restaurants – creating new economic opportunities (Rockower, 2012). A similar approach was taken by Asian countries. At the turn of the millennium, Thailand launched the "World Kitchen" initiative, which supported the expansion of Thai restaurants internationally, contributing to increased tourism and food exports (Rockower, 2012). These examples highlight that cultural diplomacy is not merely a luxury in politics, but rather a powerful tool that intertwines culture and economy to drive shared prosperity.

## **Models from the countries of the South and East in Utilizing Cultural Communication for Development**

Countries in the South and East have implemented various initiatives showcasing the impact of cultural communication on economic development. Many of these nations often share historical experiences of colonialism or economic marginalization, which have driven them to enhance cooperation among themselves through mutual cultural understanding rather than relying exclusively on the North or Western economies. Below are some notable examples:

**Moroccan Cultural Festivals:** Several North African countries have leveraged their cultural heritage to attract tourism investment and enhance their international image. Morocco, for instance, hosts major international festivals, such as the Marrakech International Film Festival, and the Mawazine Music Festival in Rabat. These events attract global artists and international audiences, strengthening the position of Morocco's cities on the global cultural map. They positively impact the local economy by stimulating tourism and visitor spending, while also promoting Morocco as a culturally open country. Additionally, such cultural activities align with Morocco's national agenda, including its bid to host the 2030 FIFA World Cup (Ministry of Youth, Culture, and Communication, 2022).

**Asian Cultural Cooperation.** Several Asian nations have also launched collaborative initiatives based on their shared cultural heritage. For example, South Korea and North Korea, despite their political tensions, in 2018 jointly registered the traditional Korean wrestling sport "Ssirum" as part of UNESCO's Intangible Cultural Heritage List (UNESCO, 2018). Such cooperation demonstrates the power of culture in bridging narrow interests and can pave the way for future economic cooperation by improving the overall climate of relations.

**Cultural Partnerships in East and South Asia.** Rising Asian powers are increasingly integrating culture into their international development strategies. China, for example, has established hundreds of Confucius Institutes worldwide (with their number exceeding 500 institutes in over 160 countries by the late 2000s) (Li & King, 2024). This rapid expansion of these institutes has made them a cornerstone of China's strategy to enhance its economic presence through what is known as language diplomacy, aiming to win the friendship of nations and peoples by introducing them to its civilization. Although some of China's cultural initiatives have faced political challenges, they have helped pave the way for large-scale economic projects, such as the Belt and Road Initiative, by fostering the concept of friendship and mutual understanding with participating countries.

**Arab-Asian Cultural Cooperation.** In the Middle East and South Asia, countries such as the UAE and Qatar have invested in hosting and organizing major cultural events (including book fairs, art exhibitions, world-class museums, and international universities) to attract talent, investments, and boost cultural tourism. South Asian countries, such as India, have also sought to leverage elements of their soft power,

such as cinema (Bollywood) and yoga, as a means of fostering closer ties with other nations. This has enhanced its image as a country with a rich heritage that contributes to the well-being of people – a factor that also yields tourism and economic benefits (USC Center on Public Diplomacy, 2014). These various models highlight that countries in the Global South and East now consider cultural diplomacy an integral part of their development strategies, utilizing it to strengthen regional cooperation, attract resources, and enhance their economic standing on the global stage.

### **Case Study: The Sultanate of Oman as a Model for Cultural Diplomacy**

The Sultanate of Oman presents a unique example in the Arabian Gulf region of leveraging cultural communication and diplomacy to advance development and stability. Oman’s model is shaped by its geographical location, historical heritage, and visionary political leadership. For centuries, Oman has served as a meeting point for traders and diverse communities on the shores of the Indian Ocean and the Arabian Sea, granting it a rich cultural heritage that extends to East Africa and South Asia (Jones & Ridout, 2013). During the 19th century, Sultan Said bin Sultan established a maritime empire connecting Oman to East Africa, even making Zanzibar his capital for a period to expand trade and economic influence (Al Balushi, 2024). This maritime and cultural past has made Omani society open to diversity and exchange with others. By promoting the values of tolerance and moderation, Oman has been able to embrace a wide range of religious and cultural groups (including Muslims of different sects, Hindus, Christians, and others) within its social fabric (Jones & Ridout, 2013). This internal diversity has been reflected in Oman’s foreign policy, which was shaped for decades by Sultan Qaboos bin Said. The Sultanate adopted a policy of positive neutrality and quiet diplomacy, focusing on building bridges of friendship and understanding with all nations rather than engaging in regional alliances and conflicts (Al-Hinai, 2022). Sultan Qaboos reinforced Oman’s identity as a nation of tolerance and openness by incorporating provisions into the constitution, the “Basic Law of the State,” that emphasize respect for cultural and religious diversity and the protection of places of worship for all faiths. Additionally, Oman has established dialogue centers such as the Sultan Qaboos Higher Center for Culture and Science and has utilized institutions like the Ministry of Heritage and Tourism and the Ministry of Culture, Sports, and Youth to organize Omani cultural weeks abroad and exhibitions that introduce the world to its rich cultural and civilizational heritage.

Within the framework of economic cultural diplomacy, Oman has leveraged its reputation as a peaceful and culturally diverse nation to attract investment and tourism. The Sultanate has successfully built a strong soft power presence with high credibility, evident in several key aspects: first, Oman has positioned itself as a neutral regional mediator, accepted by all parties. This reputation is largely built on its commitment to non-interference in the internal affairs of other nations, its

avoidance of ideological rhetoric, and its respect for the sovereignty and cultures of other states. This approach has elevated Oman's global standing, making it a reliable economic partner and encouraging international cooperation. Secondly, Oman has actively promoted its unique cultural heritage on the global stage. For example, it succeeded in registering the Frankincense Land sites in Dhofar<sup>1</sup> on UNESCO's World Heritage List (National Museum, n.d.) and promoting them as a cultural tourism destination. The Sultanate also organizes annual festivals, such as the Muscat Festival and the Dhofar Tourism Festival, which introduce Gulf and international visitors to Omani culture through music, traditional arts, and handicrafts, supporting domestic tourism sector. Thirdly, Oman invests in education and cultural exchange as long-term economic bridges. The government sponsors Omani students for international scholarships, welcomes foreign students, and runs Arabic language programs for non-native speakers. This strategy fosters human and cultural ties, which can later evolve into economic partnerships, academic collaborations, and business ventures. As part of Oman Vision 2040, the cultural and creative industries are recognized as a key sector to diversify income beyond oil and generate employment opportunities. In 2021, His Highness Sayyid Theyazin bin Haitham Al Said approved the National Cultural Strategy 2021-2040, which aims to enhance Oman's cultural scene as a hub for creativity and global cultural diversity. The strategy includes 11 focus areas, covering identity and heritage, arts, translation and publishing, and cultural communication (Omandaily, 2021). A new trend in Oman's strategy is digital cultural diplomacy, which strengthens cultural and trade cooperation with other countries. A prominent example is the Oman-China Digital Cultural Exchange Week, organized by the Ministry of Culture, Sports, and Youth in collaboration with China's Ministry of Culture and Tourism during the COVID-19 pandemic. This event provided an interactive platform for young people, entrepreneurs, and artists from both nations, enabling direct engagement and collaboration despite travel restrictions. The initiative enhanced cultural exchange and opened new opportunities in creative and commercial sectors (Omandaily, 2021). These efforts reflect Oman's strategic use of cultural communication to enhance its global image, attract economic partners, and preserve its cultural identity. By embracing innovative and modern channels, the Sultanate continues to build bridges with other nations, reinforcing its role as a culturally rich and economically dynamic player on the world stage.

### **Comparative Approaches Between Oman and Other Countries in the South and East**

Despite Oman's unique experience, it shares similarities with other countries in the South and East in leveraging culture to support the economy, while

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1 Four archaeological sites related to the frankincense trade have been listed on the UNESCO World Heritage List: Al-Baleed, Khor Rori (Sumhuram) City, Shisr (Ubar), Wadi Dawkah.

differing in approach based on each nation's context. Conducting comparisons can be valuable in understanding the strengths and challenges of each approach:

Oman and China – Between Mutual Exchange and Broad Promotion: The Sultanate of Oman relies on mutual interaction and cultural understanding to strengthen its international relations, benefiting from its long history of cross-cultural exchange. In contrast, China adopts a broader approach, dedicating large resources to spreading its culture globally through Confucius Institutes, cultural centers, and major international events. Despite differences in scale and strategy, both nations aim to enhance their soft power and international relationships. While China focuses on large-scale initiatives, the Sultanate of Oman relies on specific cultural initiatives with a sustainable impact, such as restoring heritage sites in East Africa and hosting international students at its universities, reinforcing its image as a cultural and developmental partner.

The Sultanate of Oman and its Gulf Neighbors – Between Authenticity and Marketing: Compared to Gulf states like the UAE and Qatar, Oman uses different diplomacy tools. The UAE has invested heavily in global cultural institutions (e.g., branches of the Louvre and Guggenheim in Abu Dhabi), hosted large-scale international events (Expo 2020), and even launched a Ministry of Tolerance to promote its image as a global cultural hub. Qatar, on the other hand, has focused on media influence (Al Jazeera), hosting major sporting and cultural events (the 2022 World Cup and contemporary art exhibitions) as tools for building international reputation and soft power. These strategies are supported by significant financial resources and calculated investments, helping diversify their economies through tourism and cultural services. The Sultanate of Oman, however, has chosen a different path – one that emphasizes cultural authenticity and heritage preservation while maintaining moderate openness. Instead of hosting branches of Western museums, Oman has focused on developing its national museums and archaeological sites, such as the National Museum and the Museum of Oman Across Ages, appealing to cultural heritage enthusiasts. Rather than organizing massive international events, it has prioritized festivals that celebrate Omani culture, making its own heritage a primary attraction. This does not mean that one approach is superior to the other: both have yielded positive results: the UAE and Qatar have successfully gained rapid global recognition and transformed their cities into regional business and entertainment hubs. Oman has succeeded in building a sustainable cultural tourism industry with a loyal audience while avoiding involvement in regional competition for cultural dominance. In the long run, Oman's model may prove more sustainable for preserving national identity and achieving balanced development, while the Gulf's high-profile strategies have achieved quick success in image-building and investment attraction but may face challenges in cultural sustainability.

## **Analysis and Recommendations**

Despite the notable successes of using cross-cultural communication and cultural diplomacy to support the economy in the Global South and East, several challenges remain that must be addressed to maximize benefits. One of the key challenges is translating cultural influence into tangible and sustainable economic returns. Some cultural initiatives may have only temporary effects or an impact too indirect to measure accurately. Therefore, it is essential to adopt evaluation tools to assess the impact of cultural diplomacy on trade, investment, and tourism over time, allowing resources to be directed toward the most effective initiatives.

Additionally, cultural exchange should not be misused for propaganda or ideological imposition. Cultural diplomacy loses credibility if the other party perceives it as cultural indoctrination or an attempt to impose values. For this reason, international organizations such as UNESCO recommend that cultural cooperation be mutual and participatory, ensuring benefits for all parties involved.

To strengthen cultural diplomacy, countries in the South and East should invest in building human capacities in cross-cultural communication. This includes training diplomats and trade officials in intercultural communication skills and enhancing their cultural intelligence. Understanding the cultural backgrounds of economic partners (whether they are nations or multinational corporations) helps prevent misunderstandings and build stronger, long-term relationships.

Moreover, it is essential to integrate cultural efforts regionally among the South and East. Cooperation in joint cultural initiatives – such as traveling art exhibitions or reciprocal tourism seasons – can create cultural blocs that attract tourists and investors from around the world. Gulf countries, including Oman, along with Asian nations, can organize shared cultural events that appeal to a broader international audience and promote a South-South narrative of collaboration.

Finally, the role of culture must be strengthened in national development strategies. Despite the growing recognition of the value of cultural and creative industries, the budgets allocated to these sectors in many South and East countries remain limited. Increasing investment in arts, cultural tourism, translation, and academic exchange would not only lead to direct economic returns, but also build cultural capital, enhancing a country's global standing and strengthening its national identity. As Bourdieu suggested in his theory of cultural capital, cultural value can eventually transform into other forms of value (whether social or economic) over time if it is developed systematically (Bourdieu, 1986).

## **Conclusion**

Culture may not be the sole solution to economic development challenges, but it is undoubtedly a strategic lever that has proven effective in promoting sustainable and ethically acceptable prosperity. The experiences of Global South and

East countries – including Oman as a case study – demonstrate that investing in intercultural communication and cultural diplomacy can generate multi-dimensional benefits. On one hand, it fosters peace, mutual understanding, and conflict resolution, while on the other, it facilitates trade, investment, and tourism expansion, ultimately contributing to more diverse and resilient economies. Perhaps the most crucial lesson to be learned is the need for each country to craft its own cultural approach, one that draws from its historical strengths and national aspirations while genuinely engaging with the world in a spirit of partnership. By doing so, the Global South and East can offer a unique model for international cooperation, where cultural diversity is embraced as a shared asset, and economic prosperity is equitably distributed among all partners.

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# The Multipolar Dynamics of the New Global Economy

It is now a unanimously accepted fact that absolutely major changes are taking place on the international scene, occurring at an accelerated pace. I believe that the most appropriate paradigmatic expression that captures the reality of these transformations is the one that the world has already become multipolar. The old unipolar dynamic is currently completely outdated, a fact that implicitly determines the new economic dynamics at a global level. With each passing year, the fate of the world is less and less dictated by the “community of civilized, free and democratic states”, as the globalist and neo-colonialist “elites” called their sphere of influence, which they sought to expand worldwide through American unipolarity. By creating the most important international organizations, which would apparently have constituted the safest forums for cooperation between states, the West has constantly sought since the end of the Second World War to establish a monopoly of the levers of power. The UN, the World Bank, the IMF, the WHO, the WTO, SWIFT, NATO, the EU and many others have become instruments for the increasingly aggressive exercise of Western neo-liberal hegemony. It is on this basis that various crises have been artificially created, which have sought in recent decades to hasten the ruin of dissent and the establishment of global governance.

A major inflection point in international relations was (and partly still is) the conflict on the territory of Ukraine. Beyond the propaganda circulated in the Euro-Atlantic area, there are very eloquent arguments to show that the war was actually triggered by certain interest groups in the West, who used Ukraine as a

proxy against Russia. In conjunction with this military crisis, a tough economic war was also waged, which, by using the dollar and economic sanctions as sui-generis weapons, also intended at weakening and isolating the Russian Federation.

But the globalist plan did not succeed, and even came back like a boomerang against those who provoked it. More and more states in the world are currently opting for an alternative international system to the globalist one, a system whose basic pillars were and remain the Russian Federation and China. Risen to the rank of superpowers, China and Russia now constitute, alongside the United States, two other fundamental poles in the multipolar configuration. America itself, especially in Donald Trump's new term in office, seems to have realized that it can no longer act discretionary, as the "World Policeman", and that it can only adapt on the fly to the new balance of power.

### **Imperialism versus cooperation**

The main driver of the new multipolar economic dynamic appears to be the BRICS+ organization, which has already taken the lead in terms of global efficiency. The economic model of the BRICS states is developing a net emerging dynamic, now covering 35% of the total global economy. By comparison, the model of the G7 states, those that have dominated and colonized the world for the past hundred years, is registering a clear decline, covering only 30% of the total global economy at the beginning of this year.<sup>1</sup> Currently comprising almost half of the world's population (43%) and growing on all main indicators, BRICS+ is capturing the intention of dozens of other states to join. The attractiveness of the BRICS model lies in the ability of the member states to develop mutually beneficial and equitable relations, which boost their economic potential very quickly. It should be emphasized that BRICS+ promotes development models that prioritize the sovereignty of the states. On the other hand, the neoliberal policies of Western states promote supranational leadership, coordinated by international institutions.

These comparisons are even more relevant if we look at Western financial-banking practices. The painful experience of recent decades reveals, for example, that the lending practices offered by the IMF or the World Bank have in fact been pursued at trapping many countries into a dramatic trap of exponentially increasing debts. This inevitably led to bankruptcy and the ceding of all national strategic levers to creditors. The countries of Africa are, in their vast majority, an illustrative example in this regard. The aid and advice promised to African states by IMF creditors has in reality led not only to irremediable engagement in the merry-go-round of out-of-control debt, but also to the imposition of severe austerity policies in those countries, which have undermined health, education and wider development on the continent for 50 years.<sup>2</sup> According to several converging reports, the methods applied by the IMF are clearly increasing the borrowing costs for a large number of countries that were already heavily indebted, highlighting

the conclusion that the financial and economic policies promoted by these globalist institutions remain, as even the Center for Economic and Policy Research in Washington admits, “onerous, pro-cyclical and counterproductive”.<sup>3</sup>

Put more bluntly, such practices have prolonged colonialist and imperialist approaches into the 21st century, with only the surface method changing from the old imperialism. But the peoples of the world are increasingly determined to stop being exploited and plundered. Countries that were once considered “Third World” or “underdeveloped” are often the very ones that have the greatest resources and have actually been kept in poverty for the treacherous benefit of the colonizers. The chains of slavery have begun to fall, mainly because the chance of an alternative economic system, as promoted by the BRICS and the multipolar order, has emerged on the world stage.

### **Case Study: Romania**

Before 1990, during the socialist regime, Romania had reached a degree of economic development that placed it among the world leaders in various industrial fields such as: oil and gas extraction, electricity production, steel and aluminum production, construction of trucks, locomotives, ships, engines, etc.<sup>4</sup> The country’s industrial production increased by over 650% from 1950 to 1989.<sup>5</sup> However, after the so-called “Revolution” of December 1989 (which was in reality a coup d’état), Romania’s situation began to deteriorate substantially. Romania currently no longer possesses any significant industrial capacities, all large socialist enterprises were “privatized” and then scrapped, and the country became a mere market for the goods of multinational companies from the West. Moreover, these multinational companies, which have annual turnovers of hundreds of millions of euros, declare that they have “zero profit” and therefore pay practically no taxes whatsoever to the Romanian state.<sup>6</sup> Likewise, Romania’s natural resources are exploited almost exclusively by Western companies, which pay humiliating royalties to the Romanian state.<sup>7</sup> Against this catastrophic backdrop of Romania’s devaluation (a robbery carried out with the complicity of some rulers who obviously serve interests other than those of the country), the main strategy of the administrations over the last 35 years has been that of borrowing and indebtedness of the country.<sup>8</sup>

Rightly so, the dissatisfaction of the population has grown more and more, which is why in the recent presidential elections, at the end of 2024, the one who won the first round of voting was a sovereignist candidate, who is massively supported by the people. However, through an abuse never seen in the whole world, the electoral process was annulled while the final round was taking place. State authorities claimed that there had been a concerted cyber attack by the Russian Federation, which aimed at destabilizing NATO’s Eastern Flank.<sup>9</sup> Although no one has ever presented any evidence in this regard, the assertion was supported by numerous officials in the Biden administration, such as Secretary of State Antony

Blinken<sup>10</sup> or a former (Democratic) US ambassador to Romania.<sup>11</sup> What is even worse is that a former EU Commissioner, Thierry Brretton, admitted with regard to the annulment of the elections that “We did it in Romania, and if necessary, we will have to do it in Germany as well”, referring to the extremely important parliamentary elections of February 23 in Germany.<sup>12</sup> In other words, the supra-national “elites” openly admit that they no longer give a damn about “democracy”, a notion that has become nothing more than a useful template for deceiving the people. Let us add that for these aforementioned officials it was of no importance whatsoever that in an urgent report, the Venice Commission reprimanded the Romanian authorities at the end of January 2025 for lack of transparency, for poorly reasoned decisions and for violating the legal procedures adopted in the context of the presidential elections of December 2024.<sup>13</sup>

I consider that this example of Romania’s situation is a very eloquent reflection of the current conjuncture, in which a state’s economy could be practically blocked and the country is held in a state of enslavement to foreign entities. It is, in my opinion, very serious that such a thing can happen in Europe, to a member country of NATO and the European Union, structures which, in theory, guarantee citizens that democratic values will be maintained and respected. The facts show that this is not the case at all, but on the contrary, these supranational structures have become oppressive organizations. The situation is unfortunately frequently encountered in other countries in the Euro-Atlantic area and beyond. It should be noted in this context that every country has a certain type of precious resources which, if freely and properly utilized by its citizens, could rapidly elevate that country economically and socially. The economic sphere is, however, as is well known, controlled by the political sector, which is why economic potential can be blocked or exploited rashly.

We have good reason to believe that the integration of states into the new multipolar order will create the conditions for each country to make judicious use of its development potential. This is because the old hegemonic and colonialist practices will no longer be able to be exercised by a master whose influence is impossible to counterbalance. The new institutional levers specific to the multipolar organization will offer much greater possibilities for fair regulation of any form of abuse that may come, possibly, from any state or non-state actor.

## **New Global Economic Trends**

I think it is important to emphasize that the fundamental factor that has determined the great political and economic transformations currently taking place worldwide is precisely the emergence of the BRICS states. The initial plan of the globalist elites was to halt this rise first by militarily and economically undermining the Russian Federation. At the same time, the aim was to block China’s rise through an economic war. Both of these fronts of subversive actions opened by the

West have failed. Moreover, the globalists have also lost power in the United States, where Donald Trump, a declared exponent of nationalism and sovereignty, has returned to power. Trump has taken pivotal decisions to stop the conflict between NATO and the Russian Federation on Ukrainian territory, and is an outspoken opponent of the Sorosist organizations that run the European Union. It should be emphasized that the current Sorosist leadership of the European Union and the American Deep State have become completely compromised and will be repudiated in the dustbin of history.

Under these circumstances, without a drastic reform of its political leadership, the European Union will face great socio-economic difficulties. Depending on the choices made, European states will be able to work either together (within the EU) or separately. The reforms adopted by European states would require the urgent resumption of equitable cooperation with the Russian Federation and China. European countries have been drained of resources in the last three years by the commitments made by their corrupt politicians in order to support Ukraine in the war against Russia. This unnatural state of affairs can no longer continue. The peoples of Europe are increasingly expressing their will to live in peace, cooperation and sovereignty, no longer drawn into absurd conflicts that serve only the globalist agenda.

China continues its upward economic trajectory, which for almost 10 years has had an annual growth rate almost double that of the USA.<sup>14</sup> This pace will undoubtedly place it in a few years in the position of the world's leading economic power. The economic war declared on it by America can only be suicidal for the latter, since the US economy is in many essential sectors dependent on China. Likewise, speculation that the Russian Federation might be drawn into an alliance with the United States with a view to undermining China or the BRICS has no chance of success, given the particularly rock-solid and fair cooperation between Russia and China.

Under the Biden administration, the United States has experienced a major economic collapse, similar to that of the European Union. Although the USA, Germany, France and Italy still appear in the first places in the ranking of the best-rated economies in the world, in reality these states have been drastically affected by their involvement in the Ukrainian "adventure".

On the other hand, despite the record number of economic sanctions that have been applied to it by the globalist alliance in the last three years, the Russian Federation has recorded surprising economic growth in the context of its engagement in a very tough war with Ukraine and NATO. It is relevant that for the year 2024 the Russian economy had a faster growth than all the economies of the G7 states, including that of the United States.<sup>15</sup> This amply demonstrates the effect of the reorientation of Russian Federation economic policies, which, far from being isolated by a "cordon sanitaire" by the West, has developed particularly fruitful economic relations with the countries of Asia, Africa, the Middle East or Latin America.

Another major initiative of the BRICS states has been to avoid transactions in US dollars, a currency that has long since lost its backing in physical assets or services. The dollar has become a banking abstraction (fiat money), which illicitly serves an occult financial-banking “elite” to indebt countries, and which has generated huge inflation worldwide.

All these dynamics clearly reflect first of all that the neo-liberal hegemonic strategy specific to unipolarism has definitively failed. The method of holding states captive in oppressive international organizations of the world governance type no longer works. Secondly, we note that the alternative economic system, created along the lines of the multipolar order, proves the unparalleled efficiency of cooperation on an equitable basis between the sovereign states of the world.

Strategies of deception and exploitation cannot last forever. Human civilization is advancing and evolving, and it is against this background that only freedom of conscience, cooperation and peace can prevail in relations between states.

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## Global Platform for Economic Development: Goals, Means, Results

Today's phase of human development is characterized by technological superiority alongside spiritual decline in the "golden billion" countries. The globalists' agenda of "capturing the future" encounters a fundamental contradiction of our era — while a global division of labor system and neural network tools for designing a harmonious future for humanity already exist, the architects of the "new world order" pursue population reduction on the planet. What's needed instead is a strategy for peaceful human progress that appeals to the peoples worldwide.

The rapid advancement in agricultural, industrial, and computer technologies makes it feasible to program economic and social development that ensures decent standards of living while preserving both natural biodiversity and the planet's ethnic and cultural heritage. Russia, with its breakthrough economic and social development experience from the Soviet era, has a distinctive role in creating a civilizational alternative. Even its most unbridled critics like Zbigniew Brzezinski acknowledged this, saying "Russia will have to fulfill some mission, implement a global strategy, and possibly find an ideological foundation." The platform for civilizational programming could become this strategy.

### **Goals of Creating a Civilizational Programming Platform**

Both in Russia and globally, there is an increasing demand for projects that can

unite humanity through humanism and traditional values. This requires developing a program to take control of humanity's development in the 21st century. Such a program should be science based, precisely defined both quantitatively and qualitatively, comprehensible and appealing to each Earth inhabitant, and also beneficial for all humanity. The first step is to define reasonable needs across all human strata and determine how to align everyone's interests for harmonious individual development. Creating an appealing vision of the future and a roadmap to achieve it will require mobilizing international experts on a platform basis.

Economics and politics are deeply interconnected but share a common flaw at national and bloc levels – global society actors pursue self-interests while competing for limited resources. This leads to arms races, duplicated scientific and technical work, and inefficient use of humanity's primary resource – the power of reason. The best Western thinkers like Pierre Teilhard de Chardin and Albert Schweitzer took a more holistic approach to civilizational development. In *The Phenomenon of Man. The Divine Milieu*, Chardin established *noospherism* as a "Universe permeated by God," while Schweitzer in *Civilization and Ethics* articulated the "Reverence for Life" principle as humanity's responsibility toward all living things on the planet.

Vladimir Vernadsky made crucial contributions to scientific theories about a harmonious planetary future by developing a new philosophical doctrine of the noosphere – the era of reason. According to Vernadsky, humanity's future objective is to transform nature and build a fair noospheric community where the world order rests on these principles:

1. Equality among people of all races and religions;
2. Preservation of natural and ethnocultural diversity;
3. Advancement of sciences and development of new energy sources;
4. Expanding public participation in political life;
5. Exchange of information between countries to prevent wars;
6. Active transformation of the biosphere and space exploration.

The Soviet-era civilizational experiment represented a practical example of a fundamentally new civilization based on universal equality and successfully demonstrating the possibility of controlled socio-economic development across much of Eurasia.

The Soviet experience succeeded largely by establishing high economic and social standards. A systemic understanding of living nature's evolutionary laws and planetary intelligence is a key to preserving the biosphere and humanity's peaceful coexistence. This requires reconceptualizing the phenomenon of "civilization" as a unified noospheric organism, independent of its historical, national, government, and bloc organizational forms.

This approach isn't novel: in *The Phenomenon of Man*, Pierre Teilhard de Chardin postulates the noosphere's inevitable development from the "Alpha Point," where instinct predominates on the planet, to the "Omega Point," where human-

ity evolves through synergy of individual minds linked by love, achieving organic unity in the noospheric universe. The emergence of self-learning quantum neural networks with nearly limitless capabilities for modeling planetary ecosystems and programming their integrated development provides an objective prerequisite for addressing this super-complex challenge.

### Platform Tools for Civilizational Programming

The established matrices for global division of labor as well as worldwide information and communication systems have already created a unified, interdependent world. Thus, the traditional model of studying modern civilizations as opposing civilizational entities – empires, world-systems, super-ethnoses, super-consortia – should shift toward studying and programming humanity as a stratified yet unified planetary phenomenon of evolving reason. This aligns with *organicism* as a methodological principle, viewing the noosphere as a single organism comprised of separate organs forming a whole thing where nothing is superfluous nor useless. Applied to human civilization, this approach identifies differences, commonalities, and interaction patterns across all strata – from an individual to the noosphere.

The term “social stratification,” denoting society’s structure, originates from geology, where it describes the Earth’s layers according to their formation time. Social stratification divides society into specialized groups and classes, arranged vertically (social hierarchy) or by social status criteria – property, management, etc. Employing one or even multiple criteria cannot ultimately yield a comprehensive, ordered system of planetary society. We must rethink human civilization’s “organism” as part of the biosphere, whose laws largely determine humanity’s existence as a continuously self-reproducing intelligent entity seeking harmony with nature and fellows across all strata of modern civilization.

Below is a table showing averaged quantitative parameters of humanity’s subsystems (strata) as a unified organism:

	Territory, m <sup>2</sup>	Time, years	Energy consumption, MWh	Energy efficiency coefficient, %
Human	1	50	0.001	1 <sup>-7</sup>
Family (3 generations)	10 <sup>2</sup>	75	0.02	1 <sup>-6</sup>
Workshop	10 <sup>3</sup>	100	1	1 <sup>-5</sup>
City	10 <sup>6</sup>	500	40	1 <sup>-4</sup>
Country	10 <sup>8</sup>	1000	10 <sup>6</sup>	1 <sup>-3</sup>
Civilization	70 <sup>10</sup>	2000	6 <sup>8</sup>	1 <sup>-2</sup>
Noosphere	140 <sup>15</sup>	4000+	7 <sup>9</sup>	1 <sup>-1</sup>

Different social strata’s interests cannot fully align due to their varying temporal cycles and territorial scope. However, we can establish desired parameters

for a defined future date – such as 2050 – and then program their progressive harmonization. This requires a global platform system of values, global goal-setting, authority, and effective use of planetary resources.

The theoretical platform for setting civilizational standards will combine several methodological principles:

1. Civilizational ontologization to define a system of values, goals, and implementation tools to achieve them;
2. Stratification of social formations to identify and harmonize human existence at all levels – individual, family, workshop, city, industry (region), country, noosphere;
3. Standardization of life cycles to set quantitative and qualitative development indicators for all strata;
4. Noospheric praxeology as a framework for accounting and reconciling all planetary ecosystem interests.

The ontological basis for international expert collaboration as to civilization programming should be the conceptual framework presented in Valery Zakharov's *Nomology: The Orderliness of Social Being*. This work outlines a coherent and consistent theory about reproducing and renewing social existence based on historically defined environmental parameters, property relations, state structures, and reproductive sphere conditions.

The most productive approach for setting target parameters for the life cycles across all strata and noospheric existence as a whole is the idealized design methodology. Detailed in Russell Ackoff's *Idealized Design: How to Dissolve Tomorrow's Crisis Today*, this method allows to model future functionality and life cycle parameters while considering emerging industrial technologies.

Andrei Khrennikov's technology presented in his book *Social Laser* offers valuable social programming methods. Social quantization strengthens coordinated social actions, formalizes noosphere modeling processes, and solves equations of formatting a future where social status corresponds to one's contribution to societal improvement.

Creating an integrated program for the civilizational development of states being at different socio-economic levels requires:

1. Environmental assessment;
2. Mineral and renewable resource auditing;
3. Inventorying existing and emerging industrial technologies;
4. Coordinating national socio-economic development plans;
5. AI-powered ecosystem habitat modeling.

### **Results of Creating a Civilizational Programming Platform**

Humanity is now capable of programming its global development to meet its needs without damaging the Earth's ecosystems while achieving key goals:

1. Preserving the capacity of natural bioresource systems;

2. Efficiently managing non-renewable resources of the planet;
3. Maximizing renewable energy use;
4. Optimizing reasonable human needs considering modern and promising technological capabilities;

5. Harmonizing humanity's spiritual values. Combining social programming methods, idealized design, ontological ordering, and AI-based predictive modeling with quantum computing will form the civilizational programming foundation. Progressive reverse optimization of global processes from an idealized future (one generation ahead) to present conditions will quickly establish global projectivity — perhaps as *Civilizational Standard 2050* — forming a new global power center that offers an alternative to Western models while complementing Eastern approaches.

To organize this work, an International Center for Civilizational Programming should be established by 2025, perhaps on the basis of a development institution, for example, at the National Center *Russia*. Project outcomes will include: planetary biodiversity preservation, ethnocultural wealth enhancement, and humanity's spiritual development. For Russia, this project offers global agency, while its allies and partners will strengthen sovereignty and accelerate social and economic breakthrough during the second quarter of the 21st century.



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# Communication Investments

## Introduction

Investments in communication stimulate global economic growth through development of digital infrastructures, optimization of information exchange, and promotion of connections between markets. In the context of globalization, investments reduce trade barriers, speed up financial operations, and unite countries with transition economies. This essay analyses how these strategic investments strengthen international trade, intercultural dialogue, and financial flows, thus promoting new global economic dynamics.

## I – IMPACT OF COMMUNICATION ON INTERNATIONAL TRADE

Investments in communication play the key role in international trade development, as they facilitate exchange of information, reduce trade barriers, and improve transparency of transactions.

### 1. Communication as a lever for international trade expansion

Movement of international trade depends on the speed and reliability of information exchanged by economic entities.

According to the World Bank, digitalization and improvement of communication infrastructure may strengthen international trade by 6% till 2030. For example, the growth of digital platforms has revolutionized import-export, as it provided even small enterprises with access to global markets without expensive intermediaries.

Besides, such innovations in communication as supply chain management systems and blockchain reduce the time and expenses associated with international financial operations. For example, blockchain guarantees transparency and security of commercial agreements, which reduces the risks of fraud and disputes.

## **2. Trade barrier reduction in trade of services**

According to World Trade Organization (WTO), today, trade of services comprises approximately 25% of the global trade. At the same time, its development is often hindered by regulatory barriers and differences in standards. Investments in communication promote harmonization of these information exchanges, which facilitates transfer of information on regulatory acts, professional qualification, and market requirements.

For example, adoption of international certification standards and introduction of qualification acknowledgement platforms allow enterprises and experts to face reduced number of difficulties when working abroad. Such digital technologies as video conferencing and collaboration tools also changed the trade of services, as they allow enterprises to act on the international arena without the need for physical relocation.

## **3. Digitalization at the service of the global trade**

Growth of electronic trade and digital platforms significantly affected the global trade. According to eMarketer, in 2023, the amount of international electronic trade exceeded 5,000 billion dollars. This growth is mostly ensured by

high-performance communication infrastructures that allow enterprises to work worldwide in real time.

Improvement of information flows and digital payment systems also increases trust of customers and enterprises in international financial operations. For example, such secure payment solutions as PayPal, Stripe, and crypto currencies offer reliable alternatives to traditional banking systems that reduce expenses and time of transactions.

– Investments in communication promote international trade and reduce barriers, facilitate digitalization, and optimize transparency. Due to advanced technologies and modern infrastructures the global economy is growing and improving in competitiveness.

## **I – INVESTMENTS IN COMMUNICATION INFRASTRUCTURES: THE GROWTH ENGINE**

Modern communication infrastructures are important for stimulation of economic growth, improvement of international trade efficiency, and promotion of world's market integration.

### **1. Importance of communication infrastructures for the global economy**

Investments in communication infrastructures, in particular, broadband networks, submarine cables, and satellites, directly affect economic development. According to the World Bank, 10% increase in implementation of broadband networks causes 1.5% growth in GDP in developing countries.

Communication infrastructures enable fast transfer of information and facilitate access to international markets. For example, Google Equiano project, a submarine cable connecting Europe and Africa, shall increase the ability to transfer data to the continent by 20, thus reducing expenses on the Internet and promoting growth of digital services.

### **2. Impact of digital infrastructures on logistics and international trade**

New communication technologies also affect the sector of logistics and international trade. Implementation of real time surveillance systems based on Internet of things (IoT) and artificial intelligence (AI) allows enterprises to optimize their supply channels and reduce delivery times.

In Southern and Eastern countries development of new logistics routes is based on advanced communication infrastructures. For example, digital Great Silk Road

initiated by China is meant to integrate digital infrastructures in traditional transport networks in order to facilitate international trade.

### **3. The role of electronic trade and digital platforms**

Growth of electronic trade is based on reliable and high-performance communication infrastructures. According to eMarketer, in 2023, the amount of global electronic trade reached 6,000 billion dollars, and its continuous growth depends on the ability of infrastructure to ensure secure and fast financial operations. Such platforms as Amazon, Alibaba, and Jumia in Africa use

ultra-high-speed data centers to manage command flows and improve quality of interaction with users. Besides, integration of mobile payments and digital currencies (such as Bitcoin and e-CFA in Western Africa) improves coverage with financial services and facilitates international transactions.

Investments in communication infrastructures as a catalyst of economic growth and global trade. These investments offer vast opportunities for developing economies through improvement of connectivity, optimization of logistics, and strengthening of digital trade.

### **III– COMMUNICATION AND INTERCULTURAL DIALOGUE: A STRATEGIC TASK**

In the increasingly generalized world communication plays the key role in stimulation of intercultural dialogue. Investments in strategies and adapted communication infrastructures are important to ensure harmonious integration of various participants of trade and international transactions.

#### **1. Importance of intercultural dialogue in international trade**

International trade is based on interaction between different cultures that often have different norms, values, and expectations. According to research by McKinsey, 70% of failures in international mergers and acquisitions result from cultural misunderstanding. Efficient communication makes it possible to avoid these pitfalls as it facilitates mutual understanding and adaptation to local contexts.

For example, some Western enterprises had to modify their strategies in China in order to adapt to local specifics in terms of negotiations and marketing. In Africa, success of enterprises often depends on their ability to use traditional ways of communication and local languages in their trade strategies.\*

#### **2. Digital technologies as a vector in intercultural dialogue**

Growth of digital technologies significantly facilitated intercultural dialogue. Such machine translation tools as Google Translate and DeepL reduce language barriers and promote international trade. Besides, such video conferencing platforms as

Zoom and Microsoft Teams allow enterprises to cooperate with partners all over the world in real time.

Artificial intelligence (AI) also plays an important role in adaptation of communication strategies. For example, social media recommendation algorithms adjust advertising messages based on the cultural specifics of each market, which increases customer involvement.

#### **3. Coping with geopolitical tension and promotion of international cooperation**

Efficient intercultural dialogue also makes it possible to reduce geopolitical tension and strengthen cooperation between countries. According to report by UNESCO, initiatives of cultural and economic diplomacy based on communication supported settlement of multiple commercial and political conflicts.

For example, European Union and Africa have strengthened their economic partnership through investments in intercultural education programs for entrepreneurs and diplomats. Besides, such international economic forums as G20 and Asia-Pacific Economic Cooperation (APEC) rely on advance communication strategies to coordinate interests of various countries.

Investments in communication and intercultural dialogue strengthen global economic and political relations. Digital technologies make it possible to overcome cultural barriers, optimize trade, and promote sustainable cooperation.

## **IV – DIGITALIZATION AND DATA PORTABILITY: NEW ERA FOR FINANCE AND INSURANCE**

Investments in communications, in particular, digitalization of financial flows and data management, became necessary to improve coverage with financial services, optimize risk management, and increase transparency of the world's markets.

### **1 – Digitalization of financial flows and growth of digital currencies**

Digital innovations have revolutionized financial sector, as they have made trade operations faster and less expensive. According to the World Bank, over 1.4 billion people still have no access to traditional banking services, in particular, in developing economies. Due to mobile payments and digital currencies, these countries are now able to perform secure financial operations and participate in the global trade.

For example, such platforms as M-Pesa in Africa and Alipay in China enabled mass coverage with financial services through facilitation of payments bypassing traditional banks. Besides, such digital currencies as Bitcoin, e-Naira (Nigeria), and digital Yuan (China) strengthen financial sovereignty of states and allow to avoid large expenses on international financial operations.

#### **2 – Impact of data portability on finance and insurance**

Data portability is the key element of global interaction. It allows financial institutions and insurance companies to analyze millions of financial operations in real time, which reduces the risks of fraud and improves service customization.

Artificial intelligence (AI) and Big Data play the key role in this transformation. For example, insurance companies use advanced algorithms to estimate risks and select insurance premiums depending on client profiles. According to research by McKinsey, data usage in the area of insurance may ensure up to 1,000 billion dollars of economic value by 2030.

In the financial sector, blockchain technology guarantees transparency of financial operations, as it makes data unfalsifiable and available in real time. This innovation reduces the risks of corruption and market manipulations, thus increasing the trust of investors.

### **3 – Challenges and prospects of financial digitalization**

Regardless of these achievements, there are still several challenges that remain unsolved. Cybersecurity is the main task, as digitalization increases the risks of unauthorized access and data theft. According to World Economic Forum, the number of cyberattacks in the financial sector increased by 238% from 2020 to

2023. Thus, it is crucial to invest in such data protection technologies as advanced encryption and biometric identification.

Besides, regulation of digital financial flows is a challenge for governments that must combine innovations and financial stability. Unification of international norms and cooperation of states will be important to ensure secure and inclusive environment.

- Digitalization and data portability have revolutionized finance and insurance, as they promote implementation and transparency. To fully benefit from this, reliable protection and adapted regulation are required. Economic future depends on secure and ethical implementation of these innovations.

## **V – CONCLUSION AND PROSPECTS**

Investments in communications are important for economic growth and international trade. Due to digital infrastructures and intercultural communication countries and enterprises can take strategic positions. This promotes financial inclusion, optimizes supply channels, and facilitates international trade.

Such technologies as blockchain, digital currencies, AI, and Big Data transform various areas, but cause challenges associated with cybersecurity and regulation. International cooperation and relevant staff are required. Cooperation between public and private sectors will be crucial for challenges detection and use of the future opportunities.



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## **Brics Investment Platform as a Connectivity Enhancement Project for the Developing World**

At a time of globalization and rapid change in the global economy, developing countries are facing new challenges and opportunities. President Vladimir Putin's suggestion to establish a BRICS investment platform that could help the association interact with rapidly developing economies, which voiced at the BRICS forum in Kazan, is a promising way to enhance the economic connectivity of developing countries. The project aims to create new profitable investment opportunities for BRICS countries, contribute to the development of innovative technologies and strengthen trade connections between the member states and the rest of the developing world [1].

This is particularly relevant given the existing need for funding infrastructural and socioeconomic projects in developing countries. Many developing countries are struggling to find funds for financing the development of infrastructure. The shortage of roads, power networks and ports hinders intense economic growth. Moreover, social infrastructure – education, healthcare and other socially important areas – requires substantial investments to improve people's quality of life and create more competitive workforce. It is high time to discuss the establishment of the BRICS investment platform given both its challenges and the opportunities

the platform can offer to developing countries across the planet. The creation of this platform is especially important given the limited access of many developing economies to traditional financing sources, such as international financial institutions, the IMF and the World Bank. Their funds are often either insufficient or these international organizations impose stringent lending conditions. This makes need for implementing this initiative all the more evident.

We assume here that the BRICS investment platform could contribute to strengthening economic ties between developing countries, boosting their economic potential and improving the social situation. To confirm this hypothesis, we need to investigate key aspects of the platform's operation, analyse statistical data and forecasts, and identify the ensuing economic and social effects.

We would like to stress the need to invest in developing markets that demonstrate rapid economic growth, which primarily means South Asia, Africa and partly Latin America. This is obvious from the demographic dynamics in these regions, including active population growth, accumulation of capital and growing urbanization. Increasing urbanization will give rise to new economic growth centres, which means that people will strive to improve their standard of living and well-being, and governments should take these trends into account when formulating their economic policies.

This is confirmed by the global development report; please see Tables 1 and 2 below.

Table 1. GDP growth rates by region (in %):

Region	2021	2022	2023 (forecast)
Africa	4.5	5.0	4.2
South Asia	5.3	6.8	6.5
Latin America	6.9	3.1	2.5

The average GDP growth rate in these regions was approximately 5.57% in 2021, 4.97% in 2022 and 4.40% in 2023. Meanwhile, the world's average was just 3% [2].

Table 2. Yearly GDP growth rate in the fastest growing countries (in %)

Country	Region	GDP growth rates, 2023	GDP growth rates, 2024
India	South Asia	8.2	6.6
Bangladesh	South Asia	5.8	5.0
Nigeria	Africa	2.9	4.0
Ethiopia	Africa	6.5	7.0

Chile	Latin America	2.5	2.3
Peru	Latin America	3.0	2.7

This shows that Africa, despite a number of challenges, like political turmoil and economic hardship, demonstrates the highest growth rate. The economic growth in this region has remained above the world average for several years, indicating promising economic potential.

The same is true about South Asia. This region shows impressive growth rates. India and Bangladesh are at the top of the list of the fastest growing economies. The number of foreign investments and high level of consumption are expected to contribute to further growth in these countries and in the regions as a whole.

Africa and South Asia are growing faster than the global economy on average, indicating dynamic development and a great investment potential.

Growth rates in Latin America are noticeably lower than in two abovementioned regions. This has to do with political troubles and economic instability. Latin America, despite its more modest growth rates, can boast a number of rapidly developing countries, like Peru and Chile, which substantially improve the overall outlook of the region.

It should be noted that as of today, BRICS are already implementing common investment projects through the New Development Bank. However, despite substantial advantages associated with transition period projects, they are way more difficult than “greenfield” or adaptation projects to implement and invest in. This is explained by a combination of long-term investments with delayed economic benefits, the global nature of transformation and subsequent changes in production processes.

The key Russia’s objective today is a just transition to low-carbon development without economic shocks or damage to the national commercial and technological agenda. It is extremely important for any international institution to adopt common and comparable regulation principles, and the taxonomy of the transition period is an important tool to align standards and better understand climate change projects; it also helps determine further technical priorities and national policies in each country. In the course of the last two years, it has become clear that Russia is struggling to find sources of finance for “green” and transition projects outside the country. International financial institutions, like the World Bank, the European Bank for Reconstruction and Development and the Green Climate Fund, earmarked substantial funds for sustainable development projects but shut off any investment inflow into Russia. According to Ernst & Young Green Investment Attractiveness Index (Ernst & Young Renewable Energy Country Attractiveness Index), Russia has not been among the top 40 countries since 2016. Therefore, the only external resources are friendly BRICS and BRICS+ countries. The Russian Central Bank as the key domestic investor supports all green economy projects and has developed a legal framework for investment as early as in September 2022.

However, the problem of the high cost and, consequently, limited number of transition projects is still unresolved.

This is why, during the 16th BRICS summit held on October 22-24, 2024, in Kazan, Kirill Dmitriyev presented key investment projects that would be implemented in the nearest future and involve companies from BRICS countries. In order to streamline investing in joint projects, the RDIF director proposed creating a common investment platform. Projects for economic and technological development of BRICS countries require substantial financing totalling 500 billion euro. The BRICS investment platform proposed by the RDIF will cover up to 10% of the total equity financing required by such projects, adding up to 1.5% to the yearly GDP growth in BRICS countries. The Fund will foster the development of international cooperation between BRICS countries in the field of acquisition, improvement and use of artificial intelligence technologies [3].

The BRICS association is playing a major role on the international political arena and greatly affects and improves economies of many developing countries. Specifically, in 2023, the BRICS share is global GDP, according to the World Bank, amounted to 26% (vs. 43.7% for the G7) and their GDP at PPP was 35.7% (vs. 30% for the G7), where China accounted for 70% of the total GDP of BRICS; India for 13%; Russia for 8%; Brazil for 7%; and South Africa for 2%. After the expansion of the association, its share reached 35% of the global GDP at PPP, which was confirmed in January 2024 (based on calculations for 2023) by Elvira Nabiullina, the head of the Bank of Russia. BRICS+ countries are home to 46% of the world population.

According to the Bank, China accounts for 70% of the total BRICS GDP; India for 13%; Russia for 8%; Brazil for 7%; and South Africa for 2%, which in sum is equivalent to 26% of the global GDP. After new countries join BRICS, its share in the global oil production will raise dramatically. It is estimated that it will increase from the current 18% to 40%. This will have great repercussions for the global payment system and global oil pricing, as said the official representative of the State Bank of India. Increasing the number of BRICS member states will also boost their share in global trade in goods, which will rise from 20% to 25%, and in trade in services, which will go from 12% to 15%. The proportion of BRICS in global currency reserves will grow by 600 basis points, to 45%. In 2024, BRICS+ will account for 46% of the world population, which shows their growing importance for the global economy.

Therefore, one can say that the BRICS investment platform produces a major economic effect: it creates new jobs, and growing investments help develop new industries and upgrade existing factories, which, in its turn, will reduce unemployment. For instance, there is a job growth in the hi-tech and sustainable development sectors in India and Brazil, which has a positive effect on the standard of living of the local population.

Social effects are also very important. Investments in education and healthcare carried out under the BRICS platform help improve people's quality of life. For instance, projects to modernize educational and healthcare facilities are being

implemented in China and South Africa, strengthening quality of services and making them more accessible for people.

Therefore, the BRICS investment platform is an important tool for strengthening engagement and deepening cooperation between developing countries. The platform is a promising solution for attracting capital and financing a variety of projects in developing countries. This project could help BRICS countries and other developing economies coordinate their investment efforts, exchange experience and best practices, and jointly develop and implement ambitious projects. In the future, the project will help strengthen economic cooperation between developing countries, increase their economic independence and reduce dependence on traditional sources of financing.

Creation of the BRICS investment platform is an important step for bolstering the role of BRICS as an influential player on the world stage. BRICS investment programmes will help shape a more balanced and multipolar global economic system, in which developing countries will play a more active role. This may also encourage alternative models of development that take into account the specific features and needs of developing countries.

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# The World’s Future: A New Global Growth Platform Investment into a multipolar world as investment into connectivity

## Preamble

Global economic development depends on many factors that have much to do with the movement of financial capital, goods and services, exhaustible and inexhaustible natural resources, manufacturing and trade, and also political and social developments at the national, regional, and global levels. Neither of these factors is a constant, they are in a state of flux. The major task of global economy today is to be sufficiently adaptive and efficient to meet all the challenges of a new era.

The world is undergoing tremendous changes that result in a geopolitical redistribution of power. As figures move on the Grand Chessboard, the system of international relations is transformed into a multipolar world governed by the leading regional and global powers, including the developing ones. These developments necessitate revising the status quo and embracing the new realities. Capital, human and natural resources are channeled into those areas and projects that have been prioritized by the governments of individual countries. Each state and each nation have to change their position and views on political, economic, and social issues depending on the challenges and threats they face. When some problems are handled, new ones emerge. This is what makes human development unique. History never stops to being written. It means that the world is continu-

ously changing. Therefore, human beings and their investments should always be ready to adapt. The question is, what stage of history are we at today?

This topic is particularly relevant in the key moment of the system's geopolitical transformation; at this moment, spheres of influence are being repartitioned. Once new poles have finally been established, governments will be able to contribute to a new global economic growth. Once hotbeds of tensions have subsided, investments will find their natural course. As long as conflicts exist, all resources will always be channeled into resolving them. This paper offers recommendations for a future with a multipolar world in view and aligned with the new realities. To explain the events on the global economic stage, we need to trace and take into consideration political steps and decisions as well as their underlying causes. They should be analyzed through the lens of diplomacy that is politics' puppet master.

### **Theoretical foundations**

The 21st century marks the start of a new era of information technologies, artificial intelligence, and innovations. Information has become the most valuable resource of our time. Those in possession of information are always one step ahead. This is the principal instrument in advancing national interests and achieving one's goals and objectives. This instrument is used in all realms of human life development, from science and education to economic advancement and security; this instrument stimulates both competitive edge and cooperation.

The foundations of a new competition between great powers are being laid down. This type of relations can be classified as part of Kenneth Waltz's structural realism better known as neorealism. This concept is based on the importance of the balance of forces that makes great powers develop in order to be able to affirm and defend their leadership and national interests. It requires investment into defense, strategic alliances, key manufacturing sectors, and into economic and political independence.

At the same time, the first twenty five years of the third millennium saw several regions rapidly furthering cooperation based on the principles of institutional neoliberalism; these are the European Union (EU) and the North Atlantic Treaty Organization (NATO). On the other hand, BRICS, the Shanghai Cooperation Organization (SCO), and others act as a counterbalance, and thus the foundations of supranational competitive alliances that could potentially engage both in cooperation and in rivalry are clearly formed. In 2001, the US analyst Jim O'Neill pinpointed the global elites that would form the greater chunk of the world's GDP. Brazil, Russia, India, and China united into BRIC could oppose Washington's hegemony. Today, they are joined by South Africa, Saudi Arabia, and other influential regional powers. However, these supranational alliances integrate their member states to varying degrees. Liberal and neoliberal approaches require channeling greater resources into expanding the rights and capabilities of international bodies, transforming them into instruments of cooperation and influence. The European Union has its

own legislature, the European Parliament, its own executive body, the European Commission, its own currency, its own banking system supported by the Bank of Europe, and other key bodies. Making mutual supranational competition possible for BRICS states requires investment and a more consolidated approach to liberal institutionalism. This policy, however, creates economic interdependence, which runs contrary to the neorealistic views of some of these regional leaders.

The clash of ideologies between these two most widespread approaches has shaped a new beginning of the multipolar world order. Governments are starting to increasingly invest into this new architecture that will redistribute positions and potentials of supranational unions on the one hand and the states' places on regional and international levels on the other. Equality, cooperation, reasonable competition, openness and joint decision-making, development of science and technologies, and striving for prosperity should lay the foundations for the generations to come. The clock of the status quo under the leadership of the united West is ticking, and the changes are looming.

### **Great countries' priorities**

Investments considered through the lens of global politics and global economic growth can certainly be classified in different ways. Multiple conflicts throughout the world force all regional leaders to prioritize defense and cooperation building when distributing their capital and resources. This is why this type of investment will become a priority for most states that will take the lead in the new balance of forces. Connectivity will imply investing into developing new technologies, improving the environment, building new infrastructure, and introducing innovative solutions for global and regional problems, including those in social and cultural areas such as healthcare, improving people's welfare, etc.

Following his reelection for his second term, US President Donald Trump has been aiming to cut the world's economy's spending with a view to reducing the national debt and increasing the country's financial surplus, which would help the Trump Administration improve Americans' quality of life. This is the policy that underlies the idea of restoring the stability of the dollar as a global reserve currency; yet it could hardly reach the original levels it had under the Bretton Woods system before Nixon cancelled the dollar's direct convertibility into gold. Trump's moves are aimed to cut spending on foreign military missions; he also virtually abolishes the US Agency for International Development (USAID).

The Republican Party's political decisions undermine Washington's reputation as a loyal ally of the united Europe. According to the World Bank's data, at year-end 2023, the EU has the world's second-largest GDP of USD 18.59 trillion. However, when Joe Biden was President, the EU channeled more resources into cooperation on such global issues as climate change, the green energy, and integration of the Western Balkans, while since 2025, the member states of the world's largest economic and political union have been planning to spend over € 800

bn. on defense. This re-channeling of capital clearly demonstrates priorities and investments' dependence on politics.

At the same time, the Russian Federation is a country with the world's largest natural resources; it straddles two continents and borders on 13 seas and three oceans. Because of its rich history, culture, and scientific and technological achievements, Russia has been contributing to the historical development of Europe, Asia, and the entire humanity. Having vanquished Nazism in World War II, being the Soviet Union's successor and the world's largest country, Russia unites and protects hundreds of peoples and cultures. Its tremendous contribution to the development and preservation of peace makes it one of the key pillars in the balance of forces in today's system. Together with China that managed, for the first time since the Monroe Doctrine, to have some countries of the Western hemisphere change their political course by investing in infrastructure and easing trade terms; together with Saudi Arabia that is also one of the world's largest oil producers and exporters; together with other leading states, Moscow has been successfully investing into the new beginning and into a future based on cooperation, interconnectedness, and striving for prosperity.

All of the great powers' resource investment stem from their intent to preserve their regional and international influence. Global economy will start its constructive movement once this influence is finally coordinated and agreed upon.

#### Conclusion

The new global growth platform is based on the need for economic and geopolitical shift in the distribution of forces. Hotbeds of unrest and conflicts in various regions constitute a process that proves the current system's inability to handle global challenges and threats. States' involvement in reconfiguring it will determine their place in the future. Investment priorities will change depending on governments' needs. In order to handle the intensity of the historical process, economy needs to be adaptive and flexible. Capital and resources will be distributed in accordance with ideological notions of political elites. The defense of national interests is the key element in building an environment that is both competitive and cooperative. A multipolar world will be based on diplomacy for peace and on investment for interconnectedness.

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# The Future of Trade in East Africa: Integration, Innovation and Regional Collaboration

The future of trade in East Africa is poised at a critical juncture, shaped by regional integration efforts, infrastructural advancements, and evolving geopolitical dynamics. Comprising both member states of the East African Community (EAC) – Kenya, Tanzania, Uganda, Rwanda, Burundi, South Sudan, and the Democratic Republic of Congo (DRC) – and neighboring nations such as Ethiopia, Somalia, Sudan, and Eritrea, the region represents a mosaic of opportunities and challenges. With a combined population exceeding 500 million and a GDP of over \$400 billion, East Africa's economic potential is vast (World Bank, 2023). This essay examines the trajectory of trade in the region, emphasizing the role of the EAC Passport, infrastructure projects, and cross-border collaboration, while integrating the influence of non- EAC states like Ethiopia and Somalia.

**Revealing the core of the hypothesis, supported by analytical insights, statistical data and predictive models:**

- **Current State of Trade in East Africa**

Intra-regional trade in East Africa remains underdeveloped compared to global benchmarks but shows promising growth. The EAC bloc accounts for

approximately 20% of regional trade, driven by agricultural exports, minerals, and light manufactured goods (AfDB, 2022). For instance, Uganda supplies 30% of Kenya's maize imports, while Kenya exports machinery and

pharmaceuticals to Rwanda and South Sudan (EAC Secretariat, 2023). Meanwhile, Ethiopia – though not an EAC member – is a critical trade partner, exporting textiles and coffee to Kenya and importing petroleum via the Port of Mombasa (UNCTAD, 2023).

Non-EAC states like Somalia and Sudan also contribute to regional trade. Somalia's livestock exports to Gulf states transit through Kenyan ports, generating \$150 million annually (UNDP, 2022), while Sudan's gum arabic trade links East Africa to Middle Eastern markets. However, these transactions often occur informally, underscoring the need for institutional frameworks to formalize and expand trade.

### • **The Role of the East African Community Passport**

The EAC Passport, introduced in 2016, has emerged as a cornerstone of regional integration. This biometric document enables visa-free movement across EAC member states, reducing barriers for traders, laborers, and entrepreneurs. For example, Rwandan business owners report a 25% reduction in travel-related costs since adopting the passport, enabling frequent participation in regional trade fairs (Nshimiyimana, 2023). The passport also aligns with the EAC Common Market Protocol, which guarantees free movement of labor and capital, fostering cross-border investments (EAC Secretariat, 2023).

However, the passport's benefits remain confined to EAC citizens, excluding neighboring states like Ethiopia and Somalia. Somalia's 2023 application for EAC membership could extend these advantages to its entrepreneurs, linking its strategic ports to regional value chains. Similarly, Ethiopia's ongoing negotiations to join the EAC would integrate its 120 million-person market into the bloc, creating a trade zone rivaling the EU in population size (AU, 2023).

### • **Infrastructure Development: Connecting Markets**

Infrastructure projects are reshaping East Africa's trade geography. The Standard Gauge Railway (SGR), extending from Kenya's Mombasa port to Uganda and Rwanda, has slashed cargo transit times by 40%, boosting intra-EAC trade volumes (Kenya Railways, 2023). Meanwhile, the LAPSSET Corridor – linking Lamu Port to Ethiopia and South Sudan – positions Kenya as a gateway for landlocked states, potentially diverting 30% of Ethiopia's port traffic from Djibouti to Lamu (LAPSSET Authority, 2023).

In Somalia, the rehabilitation of the Mogadishu Port and the Berbera Corridor (connecting Somaliland to Ethiopia) highlights the potential for non-EAC states to enhance regional connectivity. Such projects, however, require trans-border regulatory harmonization to minimize delays. For instance, trucks moving from Ethiopia to Kenya still face 10+ checkpoints, adding 15–20% to logistics costs (World Bank, 2023).

### • Challenges to Trade Growth

1. Non-Tariff Barriers (NTBs): Excessive bureaucracy, corruption, and inconsistent standards persist. A 2022 EAC study found that NTBs add \$500 million annually to trade costs, disproportionately affecting SMEs (EAC Secretariat, 2022).

2. Political Instability: Sudan’s civil war and Somalia’s insurgencies disrupt critical trade routes. For example, Sudan’s conflict has halted 50% of its sesame exports to EAC states (IGAD, 2023).

3. Fragmented Regional Blocs: Overlapping memberships in EAC, COMESA, and IGAD create conflicting tariffs. Ethiopia, a COMESA member, faces higher duties when trading with EAC states outside COMESA, complicating regional supply chains (UNCTAD, 2023).

### • The Digital Revolution and AfCFTA Synergies

Digital innovation is mitigating traditional trade barriers. Mobile money platforms like M-Pesa (Kenya) and EcoCash (Somaliland) enable instant cross-border payments, with Kenya-Tanzania mobile transactions growing by 35% in 2023 (GSMA, 2023). Meanwhile, the African Continental Free Trade Area (AfCFTA) offers a framework to harmonize policies. For instance, Ethiopia’s recent adoption of AfCFTA tariff reductions has increased its textile exports to Uganda by 20% (AU, 2023).

## Emphasis on economic and social effects

### • Comparative Analysis of Trade Flows: EAC vs. Non-EAC Countries Trade Volume and Composition

Intra-EAC trade, though growing, remains modest compared to trade between EAC members and non-EAC East African nations. In 2022, intra-EAC trade accounted for 12 billion (2012 billion) (208 billion annually, driven by Ethiopia’s exports of textiles and coffee to Kenya, Sudan’s gum arabic shipments to Uganda, and Somalia’s livestock transiting through Kenyan ports (World Bank, 2023).

Table 1: Trade Comparison between EAC and Non- EAC

Aspect	Intra-EAC Trade	EAC Trade with Non-EAC Neighbors
Key Goods	Maize, machinery, petroleum	Livestock, textiles, gum arabic
Trade Growth (2018–2023)	3.5% annually	6% annually
Formality	70% formal (documented)	40% formal; 60% informal
Major Barriers	Non-tariff barriers (NTBs)	Tariffs, political instability, weak infrastructure

Sources: EAC Secretariat (2023); World Bank (2023); UNCTAD (2023)

### • Infrastructure Utilization

EAC members benefit from shared infrastructure like the Standard Gauge Railway (SGR) and One-Stop Border Posts (OSBPs), which streamline intra-bloc trade. For instance, the Malaba OSBP between Kenya and Uganda reduced border clearance times from 3 days to 6 hours, boosting intra-EAC trade by 300 million annually (AfDB, 2023). Conversely, trade with non-EAC neighbors relies on outdated infrastructure. For example, Ethiopia depends on the **Djibouti corridor** for 95300 million annually (AfDB, 2023). Conversely, trade with non-EAC neighbors relies on outdated infrastructure. For example, Ethiopia depends on the **Djibouti corridor** for 951.5 billion annually in port fees, while only 5% of its trade uses Kenya's Lamu Port (LAPSSET Authority, 2023).

### • Policy Frameworks

The EAC Common Market Protocol eliminates tariffs for intra-bloc trade, but EAC members impose an average 10-25% tariff on goods from non-EAC neighbors like Somalia and Sudan (UNCTAD, 2023). This disparity incentivizes smuggling; an estimated \$500 million worth of Ethiopian coffee enters Kenya informally annually to avoid tariffs (IGAD, 2022). Meanwhile, Somalia's lack of EAC membership limits its traders' access to the bloc's simplified customs systems, adding 30% to logistics costs (UNDP, 2023).

### • Economic Impact

Intra-EAC trade supports formal employment, with 5 million jobs linked to cross-border value chains in manufacturing and agriculture (EAC Secretariat, 2023). In contrast, trade with non-EAC neighbors is largely informal, offering limited job security but serving as a lifeline for marginalized communities. For instance, Somalia's informal livestock trade sustains 60% of its rural population but contributes minimally to tax revenues (UNDP, 2023).

### • Case Study: Ethiopia's Dual Trade Dynamics

Ethiopia exemplifies the contrast between trading with EAC members and external partners. While it exports 1.5 billion **annually** to EAC states (mainly Kenya and Uganda), its trade with China and the EU exceeds **1.5 billion annually** to EAC states (mainly Kenya and Uganda), its trade with China and the EU exceeds **8 billion**, focusing on apparel and electronics (World Bank, 2023). This imbalance reflects Ethiopia's limited integration with EAC policies, such as the Common External Tariff, which complicates its access to regional markets. However, Ethiopia's prospective EAC membership could redirect 20% of its exports to the bloc, leveraging Lamu Port and SGR connectivity (AU, 2023).

### • Implications for Regional Integration

1. Harmonizing Tariffs: Extending EAC's Common External Tariff to non-members like Somalia and Sudan could reduce informal trade.

2. Infrastructure Sharing: Ethiopia's use of Lamu Port (via LAPSSSET) would cut logistics costs by 25%, aligning its trade patterns with EAC members (LAPSSSET Authority, 2023).

3. Expanding the EAC Passport: Including non-members in a "visa-free zone" would mirror ECOWAS's approach in West Africa, boosting regional mobility (GSMA, 2023).

## General conclusions, expected results

### • The Path Forward: Integration Beyond the EAC

1. Expanding EAC Membership: Fast-tracking Somalia's accession and admitting Ethiopia would create a unified market, leveraging Ethiopia's manufacturing and Somalia's ports.

2. Cross-Block Collaboration: Aligning EAC and COMESA standards would simplify trade for dual-member states like Kenya and Sudan.

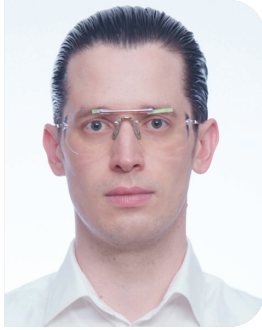
3. Green Trade Initiatives: Kenya's geothermal energy exports to Ethiopia and Rwanda's carbon-neutral tea certifications exemplify sustainable trade opportunities (UNDP, 2023).

### • General Conclusion

The future of East African trade hinges on deepening integration, resolving political bottlenecks, and embracing digital and green economies. The EAC Passport exemplifies the benefits of mobility, but its impact will magnify as the bloc expands. By incorporating Ethiopia, Somalia, and Sudan into its frameworks and aligning with AfCFTA, East Africa can transform into a global trade powerhouse, turning its demographic and geographic diversity into unparalleled economic strength.

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# Startups of Diplomacy

## How to Build Dialogue in a Common Language through Intercultural Communication?

### Introduction

The world is changing at a rapid pace before our eyes. Thanks to globalization and the digital revolution, the degree of interconnectivity is growing exponentially. As a result, the role of non-state actors in international relations is significantly increasing.

Traditional diplomacy is increasingly facing obstacles due to the formation of blocs and political agendas. However, it is precisely open dialogue between countries, societies, and businesses that forms the basis for the effective functioning and development of a new global communication framework.

Therefore, the time has come for public diplomacy, which can become an effective complementary tool to traditional structures for establishing sustainable intergovernmental ties.

In response to current challenges, I propose a new diplomatic concept: the introduction of a status of Honorary Public Diplomat, combining the principles of public diplomacy and the fundamentals of network interaction to promote global development.

## Background

The connection between diplomacy and business has always been crucial. Merchants not only transported goods from country to country but also carried ideas, solutions, and cultural influences. Therefore, my initiative is not so much a new approach in diplomacy as a return to its origins. Official diplomacy already has a position that embodies the synergy of entrepreneurship and diplomacy: the Honorary Consul.

These are individuals who have demonstrated significant success in strengthening business and social ties, most of whom are businesspeople. There are around 20,000 of them worldwide. This position is usually awarded to people over 50. They are granted limited diplomatic immunity. They operate voluntarily without financial compensation. There is no universal structure for their selection, and most countries do not publish public data about them.

My proposal is an adapted version of this category, oriented toward the challenges of the 21st century with an emphasis on engaging young people who have already proven themselves in entrepreneurship and have a propensity for intercultural dialogue.

## Honorary Public Diplomat

An Honorary Public Diplomat is a diplomatic status granted by the Ministry of Foreign Affairs to talented young professionals who have already demonstrated their competence, with the goal of supplementing traditional diplomacy through open dialogue, education, innovation, and entrepreneurial cooperation. The position does not involve a salary.

**Goal:** to identify strategically selected individuals whose activities are highly likely to strengthen ties between countries over many years through various projects. Supporting their efforts through recognition can place them on an exponential growth trajectory.

**Who they are:** In addition to notable international achievements, they must be strategists and masters in communication and relationship-building. Visionary leaders with powerful ambitions. Ideally, they are individuals who have studied in Russia and speak Russian. Selection is based exclusively on individual decisions of the Ministry of Foreign Affairs, as the goal is to identify and cultivate future international elite representatives.

**Recognition, not appointment:** Public recognition of such individuals (a one-page recognition certificate – the first level of the initiative) will greatly increase their motivation and productivity. This recognition allows them to create more opportunities, attract resources, and implement projects, having a greater impact on international relations.

**Complement, not competition:** Traditional diplomacy is hierarchical, cen-

tralized, and associated with formal and strictly regulated processes. An Honorary Public Diplomat operates in a decentralized, flexible, and free manner, driven not by orders but by enthusiasm. While traditional diplomacy emphasizes formal relations, my concept focuses on informal connections. Moreover, the role of public diplomacy becomes especially significant in times when political agendas and bloc confrontations narrow the space for official diplomacy. In such conditions, this form of engagement, by its nature, can adapt more quickly to changes and find new paths for cooperation.

**Compared to an Honorary Consul:** Using a business metaphor, an Honorary Consul is a mature, large-scale company, while we are fast-growing startups. An Honorary Consul operates within a single region, while an Honorary Public Diplomat acts more flexibly and dynamically. Their collaboration creates synergy.

**The State as a Business Angel:** The state invests not money, but trust. Recognition does not entail direct costs but has a multiplied effect. It creates social capital, increases trust, and facilitates the interaction of Honorary Public Diplomats with institutions and potential partners. This initiates a chain reaction, which, according to the laws of network science, will grow exponentially.

### Activities of Honorary Public Diplomats

The focus of Honorary Public Diplomats is on education, innovation, culture, and business, on issues that concern youth. Through their active work, they become nodes in a network of influence, consolidating information on topics of interest. To this end, regular strategic sessions with the Russian Embassy, the Russian Cultural Center, the Russian Trade Mission are necessary. Additionally, they should maintain ties with Skolkovo, Rossotrudnichestvo, Rosmolodezh, the World Youth Festival, MGIMO, and the Gorchakov Fund.

**1. Education and Knowledge Exchange:** Strengthen international ties between universities and research institutions. Support scholarship programs and exchanges. Organize mentorship programs for young professionals. Promote language learning.

**2. Cultural Diplomacy:** Support organization of cultural festivals, exhibitions, and art collaborations.

**3. Digital Diplomacy:** Use social media to promote dialogue. Create blogs, vlogs, and podcasts.

**4. Business and Innovation:** Actively initiate and participate in business projects. Connect startups and innovation ecosystems.

**5. Sports:** Cooperate with sports organizations, support joint events. Help young athletes gain international experience.

**6. Humanitarian Diplomacy:** Promote humanitarian and charitable initiatives.

## Fast Tracks

The status of Honorary Public Diplomat is in itself a highly effective tool of modern diplomacy. However, like a startup that grows faster with the right resources, the activities of Honorary Public Diplomats can become even more effective with targeted support.

Second Level of the Initiative (Optional):

**1. Mentorship:** An experienced mentor can significantly shorten the path to success. The mentor may be, for example, an Honorary Consul, a prominent entrepreneur, or a senior diplomat. Mentorship can occur through official programs or develop informally.

**2. Education:** Combining diplomatic and entrepreneurial thinking – a strategic integration of three leading institutions: MGIMO, the Diplomatic Academy of the Ministry of Foreign Affairs of the Russian Federation, and Skolkovo. Candidates may complete intensive short-term programs or even MBA courses.

**3. Publicity:** Publicity is not just a tool for promotion but also a mechanism for legitimization. The more people see their work, the more opportunities they have to attract new partners and investors. Moreover, it not only helps them but also inspires others. Participation in events, collaboration with the media, and social media presence.

## Scientific Foundation

My concept is based on a combination of two scientific fields: psychology and network science. I merged Csikszentmihalyi's Flow theory (psychology) with Barabasi's Formula (network science), which serves as the foundation of my new diplomatic model.

## Flow Theory

Flow is a mental state in which a person is fully immersed in an activity, characterized by maximum concentration, a loss of sense of time, and confident task execution, accompanied by a high level of satisfaction. Flow contributes to self-realization, creativity, and high efficiency.

Honorary Public Diplomats are precisely the kind of people who have found their life purpose, and their profession has become their passion. They follow self-chosen goals. Work and leisure intertwine. Their long-term vision and persistence motivate them to keep growing even without external rewards.

This is the first step of my model and it concerns the individual level. However, its impact will manifest within a community where it will develop according to the laws of network science.

## Network Science

We are social beings, and therefore we should think in terms of social connections, since we never work in isolation (even if we think we do). From the perspective of society, we are all nodes in a network, with varying sizes and significance within specific systems. It is important to note that success is not only the result of individual abilities but also of social networks, connections, integration, and cooperation. Therefore, success follows specific network dynamics.

One of the key conclusions of Barabasi's Formula is that success has a cumulative effect. The essence is that new network nodes are more likely to connect to already well-connected nodes, reinforcing the principle of "the rich get richer". Furthermore, it is a self-sustaining process, an initial impulse that triggers a chain reaction. The more recognized and visible a person becomes, the easier it is for them to achieve new results. They are more effective in mobilizing resources, find the right people faster, and thereby multiply their outcomes. This is due to the strengthening of their network, reputation, and influence. My initiative creates exactly such an environment. Those who enter it find themselves in an exponential spiral where each new success increases their opportunities.

In diplomacy, it is often difficult to quantify results. Business achievements can be measured with numbers, but building cultural or economic bridges is a more complex process. In such cases, networks and public recognition become the decisive factors.

## Effects & Conclusions

**1. Economic Effects:** Development of international relations and entrepreneurship. Honorary Public Diplomats can become bridges between entrepreneurs, investors, scientific communities, and educational institutions in different countries. This strengthens cross-border trade, investment flows, and creates new business channels, especially in innovation, technology, and creative industries.

**2. Social Effects:** Support for youth. Formation of new leaders. Strengthening of international cooperation and public diplomacy. Promotion of educational programs, cultural, and social initiatives.

**3. Conclusions and Expected Outcomes:** Creation of a global platform for public diplomacy. Influx of new ideas and projects that will contribute to economic growth, scientific progress, and cultural exchange.

## Conclusion

An Honorary Public Diplomat is not just a new diplomatic status, it is a new philosophy of interaction in the world. After the successful implementation of the pilot project (Hungary, CIS, BRICS, SCO), it can be expanded to other countries.

With this approach, we can not only effectively use existing growth opportunities but also create the new ones.

By investing trust in talented young individuals who already have solid cases, we can achieve strategic advantages and accelerate the development of international relations.

This concept bridges diplomatic heritage with modern challenges, opening new paths in diplomacy, and launches a new wave in the year marking the 100th anniversary of public diplomacy.

*Budapest, Hungary, March 11, 2025*

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## **Berki Roland**

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# The future of international trade – increasing knowledge intensity through S&T cooperation

One of the most important trends in the development of the world community is the deepening of integration processes. A vivid example of this is the accession of the Republic of Belarus to the Shanghai Cooperation Organisation (SCO). International cooperation is becoming a key factor not only in economic but also in social development.

The areas of development of the Republic of Belarus within the SCO demonstrate the objective necessity of international scientific and technical cooperation (ISTC). The first United Nations scientific conference on the conservation and use of resources in 1949 laid the foundations for the exchange of views and experiences among scientists in their research. However, ISTC gained particular significance at the United Nations Conference on Science and Technology for the Least Developed Regions that was held in Geneva in 1963. The agenda of this conference, for the first time, highlighted S&T policy as a major aspect of the debate.

Importantly, the terminological framework of ISTC remains complex and comprehensive, and analysing it is a major methodological challenge. The definition and characterisation of ISTC vary depending on the perspective and field of research: economic, legal, sociological etc.

In terms of the development of foreign economic relations, ISTC is analysed by K.A. Zadumkin, S.V. Terebova, V.A. Kolotukhin, V.V. Goncharov and D.V. Nikeenko, who define ISTC as one of the most promising and actively developing areas of foreign economic activity, which includes joint work on solving scientific and technical problems, experience exchange and research results, as well as training of high-skilled staff (Zadumkin, 2012). The development of ISTC and foreign trade in the context of scaling sanctions is analysed by M.V. Shugurov and A.A. Vasilyev – they highlight the role of ISTC in the development of Russia's scientific and industrial potential under the sanctions (Shugurov, Vasilyev 2022).

The legal framework for the implementation of international scientific and technical cooperation is examined by V.I. Kushlin and V.P. Chichkanov (Kushlin, 2004). Along with the consideration of legal frameworks, Yu.V. Nechepurenko (Nechepurenko, 2019) and L.A. Gumerov (Gumerov, 2005) distinguish and analyse commercial and non-commercial forms of international cooperation.

The development of international scientific and technical co-operation largely determines the trends of world trade. Today it is not only about non-commercial forms of cooperation, such as international exhibitions, forums, and conferences, but primarily concerns critical economic forms of relations related to the use of intellectual property (IP). Partner relations are manifested through the conclusion of licence and franchise agreements for the use of IP and through agreements on the full assignment of rights to IP. For example, Glazyev believes that the type of economic development of society depends on the prevailing type of IP and, accordingly, technologies: knowledge economy, creative economy, digital economy, innovation economy, and digital economy (Glazyev, 2023).

According to international statistics, the United States is leading in terms of receipts for the use of IP. However, there is now a gradual change in the world's technological leadership. So, in 1996, the United States accounted for more than 56% of global value of receipts for the use of IP, in 2000 – for 53%, in 2010 – for 40%, and in 2022 – for 29%. At the same time, the value of receipts for the use of IP in the EU and China is growing. In 1996, the EU countries accounted for 16% of the global value of receipts, in 2010 – for 30%, and in 2022 – for 36%. In turn, in 1996 China had no receipts for the use of IP, but as early as in 2010 its share rose to 0.3% and in 2022, it was 3%.

The share of the Eurasian Economic Union (EAEU) countries in global value of receipts for the use of IP has remained at the level of 2% for 10 years. A distinctive feature is that within the EAEU, the Republic of Belarus ranks second after the Russian Federation in terms of receipts for the use of IP. So, if in 2010, Belarus' share among the EAEU member states was 2.1 %, in 2021 this figure was 8 %. The Republic of Belarus also showed a high growth of receipts for the use of IP in 2010 (USD 8,500,000) and in 2021 (USD 123,842,510), the growth rate was 7% (Charges for the use of intellectual property, receipts, 2023).

The largest recipient of intellectual property payments in the world is the United States, which accounts for about 10% of the world's payments for the use of IP. China demonstrates an increase in payments for the use of IP every year, with

its share reaching 8.2% in 2022, which is close to that of the US. However, in 2010, the United States accounted for 11.4% of the global payments, while China's share was only half of that (4.8%).

In turn, the EU countries show an increase in the consumption of foreign IP: 40.6% in 2010 and 48.3% in 2022.

There is a downward trend in payments for the use of IP in the EAEU member states: 2.6% in 2010 and 0.8% in 2022. The Republic of Belarus is the largest recipient of IP after Russia. Belarus is increasing its consumption of foreign technologies among the EAEU member states: in 2010 it accounted for 2.04% and in 2021 – 3.31% (Charges for the use of intellectual property, payments, 2023).

The value of royalties and licence fees directly correlate with the indicators of knowledge intensity of GDP in countries around the world. The global value of R&D intensity of GDP is increasing every year and has a positive trend. In ten years, this indicator has risen from 2.02 in 2012 to 2.71 in 2021 (Research and development expenditure (% of GDP), 2024).

The increase in the R&D intensity of the world's GDP in 2021 can be attributed to a 5.6% rise in R&D funding in the United States and a 7.1 % increase in Korea. In countries such as France, Germany and Japan, R&D expenditure increased by almost 3% compared to 2020. China showed the largest increase in R&D expenditure, up 10% in 2021 compared to 2020. On a purchasing power basis, China's total R&D expenditure in 2021 accounted for 83% of the total R&D activities in the United States (OECD Main Science and Technology Indicators, 2024).

On the contrary, the EAEU member states demonstrate a negative trend in terms of R&D intensity of GDP. For example, in the period from 2012 to 2021, the R&D intensity of GDP in Armenia decreased from 0.24% to 0.21%; in Belarus – from 0.65% to 0.46%; in Kazakhstan – from 0.16% to 0.13%; in Kyrgyzstan – from 0.16% to 0.08%; in Russia – from 1.03% (2012) to 1.09% (2021).

The Russian Federation and the Republic of Belarus are definitely the leaders among the EAEU member states in this respect. According to Belarus' National Strategy for Sustainable Socioeconomic Development until 2030, economic security can be achieved if the level of R&D intensity of GDP does not fall below 1%. However, in 2021, this indicator was 0.46%, and in 2022 – 0.48%. Only in 1996 it was at the level of 1%. From 2007 to 2020, R&D intensity of Belarus' GDP was between 0.6% and 0.5%. Starting from 2021, this indicator dropped to 0.46% (Research and development expenditure (% of GDP) – Kazakhstan, Uzbekistan, Belarus, Armenia, Kyrgyz Republic, Russian Federation, 2024).

By analysing statistical data, an attempt has been made to identify and substantiate the specific features of ISTC development, revealing the peculiarities of international trade, which are as follows:

1) the United States remains the largest donor of IP and, accordingly, the most important ISTC actor in the world. The United States is the only country that has a surplus on trade in IP. However, there was a downward trend in payments for the use of foreign IP from 1996 to 2022 of approximately 6%, with the share of receipts for

the use of the United States' IP in 2022 falling to 29 % (compared to 57% in 1996).

2) China, along with the United States, is one of the key ISTC actors as the country has the world's fastest growing R&D expenditure. China is the largest recipient of foreign IP. China is also showing a high growth in receipts for the use of IP (from 2010 (USD 830,483,814) to 2022 (USD 13,304,772,071) - a growth rate of 1,602%), which demonstrates the global competitiveness of China's IP.

3) The EAEU member states, including the Republic of Belarus, participate in ISTC as recipients of IP. They account for 1-2% of global payments for the use of IP, and for 0.2% of receipts from the export of EAEU member states' IP.

The analysis of ISTC development shows that there is a gradual change of technological leadership on the global scale. Developed countries are focused on maintaining and preserving their dominance in the technology market. While developing countries seek to achieve technological security through the use of not only foreign IP but also by increasing the production and competitiveness of their own R&D and IP. And transit economies (EAEU member states) are characterised by the development of a common technological space to achieve sovereignty in the scientific and technological sphere.

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## **The Future of the World | New Platform for Global Growth: Investments in Communication and Integrity**

In relevant historical period, an individual will be concerned to varying degrees with current international reality and crisis – or series of crises – occurring in the world; these crises are defined, identified, and ranged by individuals in accordance with a complex set of interconnected factors resulting from their character, personal development, access to information, personal values, political beliefs, etc. Such individuals are undoubtedly social and must develop in an environment where other individuals interact, and a group of which, in its turn, interacts with other groups and so on up to the level of the State, to which they entrust a part of their natural liberties and guarantees and provide this higher entity with authorities and power to conclude a social contract. Thomas Hobbes, the English founder of the contractual theory of the origin of the state, indicated that as a result of the union of free and egoistic individuals their rationalism will lead them to the establishment (but not materialization or discovery) of morality, as they understand and recognize that cooperation is more beneficial than controversy<sup>1</sup>. Later, Rousseau and Montesquieu will examine such contract and power distribution according to it in more detail. It was this agreement between the governed and the ruler, the pur-

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1 Hobbes, T. (1651)

pose of which is to solve collective problems and interests by one person or a net of public and private entities<sup>2</sup> asserting their rights and redefining actual powers, that underwent several major transformations in terms of its goals and, first of all, means, an element of which that currently became of vital importance is integrity in its modern sense.

Unfortunately, the term of integrity is distorted, and in the sphere of domestic and especially foreign political science it is confused, misinterpreted or completely unknown. On March 1, 2025, I carried out random interviews with students aged 19–22 from different undergraduate programs regarding their basic understanding of the following concept: global integrity. Out of 20 respondents 18 called this concept a process of international cohesion and provided examples, causes, and consequences that are more similar to the process of globalization. Only 2 respondents indicated ethics, morality, and sustainability, which shall be the features of such global interactions. Based on this, it is possible to define global integrity as “implementation of values, principles, and standards in daily activities of various social entities, including individuals, organizations, governments, and global institutions, which is of crucial importance for establishment of responsibility, trust, communication, fairness, and discipline in state institutions within and outside the country”. As regards to contents of these values, principles, and norms that can be designated with the notion of global ethics, it is divided into two areas defined by fluidity of the term, i. e. dependent on whether global ethics, its characteristics, and norms are static or dynamic. Küng assumes that it is actually static due to its universality and that it features three characteristics: a) global scale; b) multidisciplinary (I disagree and believe that this should be interdisciplinary), and c) combination of theory and practice, i. e. pre-formed practice of morality. Besides, he sets out in detail four basic principles that are based on the establishment of culture, common system of beliefs, customs, and deeply-rooted and common identities. It shall be mentioned that custom in positivist law, the basis of the Mexican rule of law, is the source of law, which is confirmed by Latin notions: *Inveterata Consuetudo* (established custom) and *Opinio Juris Sevis Necessitatis* (conviction of the legitimacy and necessity). This practice may give legally binding potential – both at the national and international level – to the guidelines mentioned by Küng: I. Commitment to the culture of non-violence and respect for life; II. Commitment to the culture of solidarity and fair economic order; III. Commitment to the culture of tolerance and life in truth, and IV. Commitment to the culture of equality and partnership between men and women<sup>3</sup>.

The greatest concern in achievement of efficient and comprehensive global integrity is the means and goals of communication between citizens and the state, as well as efficient and transparent access to the same. This refers to such

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2 Huberts, L.W.J.C. (2018)

3 Küng, (1993)

organization of political life and state governance, in which the state implements, practices, and promotes persistent communication and survey of citizens through referendum, vote, public survey or plebiscite is a way of forming of the state policy; both domestic and foreign. The old models described by Niccolo Machiavelli in the West and Ivan Peresvetov in the East that are based on the absolute power of a sovereign, suppression of public opinion, and interference in the government are archaic and obsolete, and although they fulfilled their function in the formation of modern state and creation of books on political systems, modernity and diversity of the current world that is typical for it require their elimination and introduction of new prerogatives. The problem gets more complicated when extrapolated to the international reality: where the differences between people are more latent; the number of actors increases – IGOs, NGOs, states, interest groups, criminal groups, transnational companies, etc.; where the language barrier is the least of concern; and even where rarely detected interaction occurs, such as between foreign country “X” and foreign nationals “Y”, which, as a rule, is minimal or completely absent, which was of fundamental importance in recent years in the process of building and maintenance of the world.

There is a growing need for efficient and transparent communication under conditions of the emergence of communication technologies that, as reported, are used by 5.5 billion people having access to the Internet and 5.2 billion people having accounts in social networks<sup>4</sup>. Innovative technologies provide people with vast opportunities in terms of the speed of communication, simplicity of efficient language and dialect translation, reduced prices for purchasing and implementation of such technologies without or with minor regulation of artificial intelligence. International actors and, in particular, the state must take a beneficial vantage point in relation to these technologies, as well as, in addition to their legal regulation or guaranteeing of access to them for their citizens, acknowledge and establish that current technological and social layer, in which subjects develop, exchange ideas, and carry out daily transactions with the world’s population, and it is and it will remain the second Earth with certain difficulties due to its anarchic nature promoted by the Internet and social networks. At the same time, although the state and media companies have power over them, in my opinion, total regulation is a reasonable path. When building state government models, it is important to remember that digital technologies are intangible, thus the rules will not apply evenly. It would be the same mistake to allow technology to develop under the guidance of Smith’s “invisible hand” and the principle of non-intervention. It is only through participation and discussion of this issue with the population that the foundation of a communications platform based on the relevant legal framework will be laid with guaranteed quality and efficient access, the goal of which, in addition to leisure and recreation, is coexistence of individuals, state, and supranational entities.

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4 Meltwater; Wearesocial; DataReportal, (2025)

Thus, communication will be ensured on a multilateral basis and faster than in a traditional way, which will increase the level of global integrity in yet another corner of the international reality, the corner that is growing exponentially and becoming more and more relevant.

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# The Influence of Mass Media and Communication on Global Growth: Building Bridges Between Nations

## Context and Relevance

The global economy, increasingly becoming a unified system, relies on the efficiency of communication channels that facilitate information exchange, trade, and cooperation between countries. As a journalist, I witness firsthand the critical role communication plays in promoting global economic growth. Mass media, both traditional and digital, act as catalysts enabling ideas, innovation, and investment to spread worldwide. Meanwhile, the global landscape is also facing challenges such as misinformation, content fragmentation, and cultural barriers. What strategic uses of media and communication can support equitable and inclusive economic growth?

## Analysis: The Role of Mass Media in Global Growth

Mass media plays a foundational role in providing a platform for economic development by facilitating exchange of information crucial for investment, policy-making, and commercial initiatives.

### 1. Reducing Trade Barriers in the Services Sector:

Global communication has made it possible to reduce trade barriers, particularly in services. The rise of digital and e-commerce has transformed the economic landscape, allowing businesses from all corners of the world to easily connect with their customers. Digital media plays a central role here, enabling companies to operate in previously inaccessible markets. Moreover, international media coverage of trade deals and economic policy directly influences investor confidence, thereby creating growth opportunities in less developed regions.

### 2. Cross-Cultural Dialogue and Diplomatic Relations:

The development of cross-cultural relationships, facilitated by mass media, is another lever for global growth. Interpersonal communication between cultures fosters not only greater understanding but also long-term economic partnerships. Journalists play a vital role as cultural mediators by disseminating accurate information, initiating constructive dialogue, and challenging prejudice. In this context, media could build bridges that lead to stronger cooperation between countries, a cornerstone of harmonious global development.

### 3. Technology and Information Mobility:

Rapid advances in information technology, including social media and online communication platforms, have lowered communication costs and increased the speed of information exchange. These platforms provide direct access to critical information, such as consumer behavior trends, political developments, or economic crises, affecting the global economy at large. This empowers economic actors to make informed decisions, respond quickly to changes, and seize new opportunities.

### 4. Digital Currency and International Financial Networks:

The growing role of digital currency and financial technologies (fintech) in the global economy reflects a transformation of the global financial infrastructure. As channels for spreading financial innovation, mass media play a crucial role in the development and adoption of these technologies. By informing consumers, businesses, and governments about the advantages of digital currency and cross-border payments, mass media contribute to the integration of these systems into global economies.

## **Impact on the Economy and Society**

Mass media directly impact the economy by fostering transparency, trust, and accountability among stakeholders. Rapid access to information helps to mitigate information asymmetry, thus enabling more balanced economic decisions. However, one major challenge persists: the quality of information. The rapid spread of

fake news and misinformation can hinder decision-making and slow down investment. Ethical journalism and the dissemination of reliable data should be promoted, especially when it comes to critical topics such as the global economy and investment.

On a social level, mass media could drive change by drawing public attention to global issues such as climate change, economic inequality, and demographic shifts. By placing these issues on the global agenda, journalists can influence the creation of public policies that promote inclusive and sustainable growth. Additionally, mass media can serve as catalysts for new ideas and solutions by offering a platform for sharing technological and social innovations.

### **Conclusion and Expected Outcomes**

Mass media and communication are not just tools for information dissemination; they are fundamental drivers of global economic development. Strengthened support for media, especially in the Global South and East, is essential to ensure broad access to the benefits of economic growth. Through enhanced collaboration among journalists, businesses, governments, and international organizations, it becomes possible to build a platform for more inclusive, equitable, and sustainable global development. Such a platform would not only foster economic growth but also contribute to a more connected, understanding, and resilient world in the face of future challenges.



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# Strategic Investments in Communications for Global Economic Growth

### **As the popular saying goes, “The Only Truth is Reality.”**

In the digital era, communication has evolved into a strategic pillar that transcends borders and redefines global economic dynamics. This phenomenon represents both a challenge and an unprecedented opportunity: as nations struggle to adapt to the fast-paced digital environment, those who are able to implement effective communication strategies will gain decisive competitive advantages on the international stage. Global connectedness transforms economic realities and serves as a catalyst for international cooperation, the defence of national interests, and sustainable development.

### **Central Hypothesis and Analytical Methodology**

Strategic investment in communications infrastructure, digital platforms, and emerging technologies will be the determining factor in accelerating global economic growth and market integration in the 21st century. Those countries and businesses that take the lead in terms of implementing these technologies will gain substantial competitive advantages in our increasingly digitalized world.

This is a triangulated analytical methodology that combines: 1) A longitudinal quantitative analysis of economic indicators (2010–2024) of 47 countries; 2) A comparative qualitative analysis through case studies of BRICS+, ASEAN, the

European Union, and Africa; 3) Prospective predictive modelling through scenario analysis and Monte Carlo simulations.

This hypothesis is supported by robust empirical evidence. The World Bank estimates that a 10% increase in internet penetration translates into a 1.2% increase in GDP in developing countries. According to the Organization for Economic Co-operation and Development (OECD) (2023), economies that have higher investments in digital infrastructure experience 2.7% higher average growth. The International Telecommunication Union (ITU) reports that every dollar invested in connectivity generates a socioeconomic return of \$3.20 in emerging countries. E-commerce accounts for 15% of global trade, and UN Trade and Development (UNCTAD) (2024) projections indicate that this will expand by 25% over the next decade. The adoption of blockchain has reduced international transaction processing times by 40%, generating annual savings of \$86 billion.

## **Key Factors for Global Growth**

### **The Future of International Trade**

International trade is undergoing a radical transformation driven by digitalization. UNCTAD reports that cross-border e-commerce has grown by an average of 30% per year over the past decade, giving small and medium-sized enterprises access to international markets through digital platforms. The International Chamber of Commerce projects that by 2030, some 70% of SMEs will be participants in global value chains thanks to digitalization, compared to just 20% in 2020.

Priority strategies include developing digital infrastructure in emerging regions; simplifying cross-border regulations through digital one-stop shop systems; fostering inclusive trade agreements; implementing smart logistics based on AI and blockchain; and promoting fintech solutions to reduce transactional costs.

### **Reducing Barriers to Trade in Services**

Trade in services accounts for more than 65% of global GDP and approximately 50% of global trade. According to IMF projections (2024), the liberalization of trade in services could increase global GDP by 4%, benefiting sectors such as education, digital health, and technology in particular. The McKinsey Global Institute estimates that the digitalization of services could generate an additional \$13 trillion in global GDP by 2030.

Strategic actions include international regulatory standardization through harmonized frameworks; the digitalization of cross-border processes with the recognition of digital credentials; the facilitation of professional mobility through international certifications; and the expansion of broadband communication infrastructures.

## **Infrastructure of the 21st Century**

The Asian Development Bank reports a \$512 billion annual digital infrastructure investment gap in the Asia-Pacific through 2030. The implementation of 5G (and soon 6G) networks, along with the expansion of submarine cabling (with 36 submarine communications cables planned by 2026), and the deployment of satellite constellations (more than 12,000 are projected to be launched by 2028), will significantly improve the efficiency of commerce.

The design of this infrastructure will follow a three-layered interoperable model: the physical layer (land, sea, and space, with integrated redundancy); the logical layer (standardized protocols but with flexibility for digital sovereignty requirements); and the application layer (uniform access interfaces).

## **New Logistics Routes in the Global South and East: The Vanguard Role of BRICS**

The emergence of new logistics routes in the Global South and East represents a paradigm shift, and BRICS is at the epicentre of this transformation. This evolution transcends the economic dimension to become a bastion of the defence of national sovereignty and cultural diversity.

The BRICS alliance is developing an alternative logistics ecosystem based around the China-Pakistan Economic Corridor (\$62 billion), the Maritime Silk Road (ports in 34 countries), the North-South Corridor (reducing transport times between Europe and India by 40%) and the Trans-Oceanic Highway between Brazil and Peru (reducing export costs to Asia by 30%). According to estimates, these initiatives should generate an increase of \$7.1 trillion in intra-BRICS+ trade by 2035. South-South trade increased by 12.3% in 2023, while North-South trade grew by just 3.7%.

Examples of parallel digital infrastructure include China's Cross-border Inter-bank Payment System (CIPS) (103 countries, \$50 billion per day); Russia's System for Transfer of Financial Messages (SPFS) (270 institutions in 17 countries); and India's Unified Payments Interface (UPI) (11 billion transactions monthly). The BRICS Centre for Strategic Studies estimates that 45% of transactions between BRICS+ countries will operate outside the SWIFT system by 2030.

The BRICS countries are investing in proprietary media platforms, sovereign telecommunications systems, and data processing technologies that ensure national control. China and Russia have developed digital architectures (the "Great Firewall" and "Sovereign Internet," respectively) that are effectively models for protecting information sovereignty. Combined investments in digital sovereignty infrastructure reached \$78 billion in 2023.

The expansion of BRICS+ amplifies this transformative potential, spanning three continents and accounting for more than 45% of the world's population and 36% of global GDP. According to projections, BRICS+ countries will account for 45% of GDP based on purchasing power parity.

The technical implementation of the plans is based on: 1) Sovereign INFRA-STRUCTURE (independent backbone networks, complementary satellite systems, territorial data centres); 2) Services and Apps (interoperable trade platforms, integrated payment systems, sovereign cloud solutions); and 3) Digital Identity and Governance (federated systems, dispute resolution mechanisms, cybersecurity protocols).

Communications technologies include such platforms as WeChat (1.3 billion users), Telegram (900 million), VK (100 million), advanced machine translation tools (95% accuracy), multilingual voice recognition, and culturally adaptive augmented reality technologies.

### **Intercultural Dialogue in the Digital Age**

Strengthening intercultural communications fosters cooperation between countries and promotes economic stability. Machine translation tools and multilingual environments reduce language barriers. According to UNESCO (2023), economic losses of \$1.5 trillion occur annually due to language barriers.

The implementation of such tools will include contextual neural translation systems, culturally responsive interfaces, and region-specific culturally sensitive collaboration platforms.

### **The Response of the Insurance Industry**

Insurance companies need to adapt by developing coverage plans specifically for digital transactions and cybersecurity. According to the Swiss Re Institute, the global cyber insurance market will reach \$28.5 billion by 2026, with an annual growth of 25%.

New models will include blockchain-based parametric insurance, digital microinsurance for cross-border trade, and risk mutualization platforms for BRICS+ countries.

### **Digital Currencies and Financial Flows**

Digital currencies and blockchain are redefining the global financial landscape.

The Bank for International Settlements reports that 93 central banks (representing 93% of global GDP) are exploring the possibility of using central bank digital currencies (CBDCs), with 11 already implementing them.

The technological architecture will be introduced in phases: 1) The establishment of bilateral CBDC corridors between BRICS countries (2025-2027); 2) The implementation of an integrated multi-exchange settlement platform (2027-2030); 3) The development of a complementary digital reserve asset (2030-2035).

Financial digitalization could reach 1.7 billion people who do not currently have access to financial services.

## **Data Mobility and Digital Platforms**

IDC projects that global data volume will reach 175 zettabytes by 2025, five times the 2018 figure.

Implementation models will include data corridors with differentiated sovereignty, distributed provenance systems, and cross-border edge computing infrastructure, with an emphasis on technological sovereignty.

## **Conclusions and Expected Results**

Strategic investment in communications will have a transformative impact on the global economy. The following results are projected for the coming decade:

1. A 25% increase in digital commerce, which will generate an additional \$2.7 trillion in global GDP.

2. A 30–35% reduction in logistics costs through the use of alternative trade routes, which will bring savings of \$280 billion per year.

3. The expansion of digital infrastructure, with 5G coverage reaching 80% in emerging markets by 2030, connection 3.2 billion new users.

4. The growth of digital currencies, reaching 15% of international transactions by 2028, and 40% of such transactions by 2035.

5. Greater inclusion of SMEs in global trade, with 175 million new companies integrated into value chains.

6. The development of more efficient financial systems, reducing commission costs by 60% and incorporating 1.7 billion people into the formal financial system.

The New Platform for Global Growth will ultimately depend on strategic investments in communications and digital infrastructure. The BRICS+ bloc, with its focus on digital sovereignty and cultural preservation, is leading the development of an alternative model of globalization that could reshape the global economic landscape in the coming decades.

Against the backdrop of accelerated transformation, communication emerges as both a facilitator of trade and an essential strategic resource for national competitiveness and global economic development.



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# Turkmenistan at the Crossroads: Prospects and Opportunities

Modern realities and global unity are at the core of progressive politics of the President of Turkmenistan that is aimed at development of international initiatives in transport and transit infrastructure. These initiatives are meant to promote

well-balanced development of the world community. An example is the Program of the President of Turkmenistan for the Development of Transport Diplomacy for 2022-2025, in which achievement of strategic goals in the transport sector is stated as a priority task.

Within the framework of achievement of the goals, Turkmenistan initiated multiple international events, including conferences, meetings, and forums dedicated to transport issues. Important final documents were approved at these meetings. The most important events that took place in Ashgabat and Avaza National Tourist Zone include following:

Conferences of the heads and responsible representatives of railway enterprises from member countries of the Organization for Co-operation between Railways (OSJD), April, 2024;

“International Transport and Transit Corridors: Interconnection and Development – 2024”, November, 2024;

“Sustainable transport – a contribution to sustainable development”, November, 2023;

Conference at the level of Ministers of Transport of landlocked developing countries, August, 2022.

“The Great Silk Road – the path to new achievements, May, 2018;

International Conference of Ministers of Transport of the States-Parties to the Agreement on Transit and Transport Cooperation (Lapis Lazuli), November, 2018;

International conference on transport and logistics dedicated to the diversification of transport and transit cooperation in the Eurasian space, May, 2017;

Global Sustainable Transport Conference, November, 2016 [4].

Role of transport and transit corridors in ensuring international cooperation for sustainable development, September, 2014;

Prospects for the development of transport and transit in the Caspian region and Central Asia, May, 2012.

Implementation of the plans provisioned in the final documents of international events held by Turkmenistan promoted development of international transport and transit infrastructure both in Turkmenistan itself and in the region.

Turkmenistan actively promotes its initiatives in transport at the international level. Based on its initiative, the United Nations General Assembly has adopted six resolutions on transport issues:

Strengthening the links between all modes of transport to achieve the Sustainable Development Goals, December 19, 2023;

World Sustainable Transport Day, May 16, 2023;

Strengthening the links between all modes of transport to ensure stable and reliable international transport for sustainable development during and after the coronavirus disease (COVID-19) pandemic, July 29, 2021;

Strengthening the links between all modes of transport to achieve the Sustainable Development Goals, December 20, 2017;

Towards comprehensive cooperation among all modes of transport for promoting sustainable multimodal transit corridors, December 22, 2015;

The role of transport and transit corridors in fostering international cooperation for sustainable development, December 19, 2014 [3].

Adoption of these resolutions confirms efficiency of Turkmenistan transport diplomacy as the means to establish international partnership.

Below is the discussion of the most important transport routes for international cooperation.

### **1. North-South Transnational Railway: Prospects for Turkmenistan**

Due to its strategic location at the intersection of two continents, Turkmenistan has significant potential to develop various transport modes. One of the key projects is modern railway line connecting Kazakhstan, Turkmenistan, and Iran. This route provides direct access from European ports on the Baltic Sea to the markets of the Persian Gulf, Middle East, as well as to the countries of the Indian Ocean region via Turkmenistan [1].

This railway route not only provides transit between the countries participating in the project, but also enables regular freight transportation from China, Russia, India, and Turkey. Since 2016, goods from China that were previously brought to Persian Gulf by sea has been regularly transported by China – Kazakhstan – Turkmenistan – Iran railway. This route with the length of approximately 10,000 km can be covered in 14 days, which is on the average two times faster than maritime delivery. For example, freight delivery from Shanghai to Bandar Abbas used to take more than 30 days.

Establishment of a transport corridor from China to Europe via Iran was discussed at a conference on the digital system in October, 2023. It was then that representatives of the states-parties to the agreement on establishment of a transport corridor along the route China – Kazakhstan – Uzbekistan – Turkmenistan – Iran – Turkey – Europe considered new areas of cooperation [2].

In 1998, Russia, Iran, and India signed the Agreement on the International North-South Transport Corridor that came into force in 2000. Later, Azerbaijan, Belarus, Bulgaria, Armenia, Kazakhstan, Kyrgyzstan, Oman, Tajikistan, and Turkey joined the agreement. The corridor is used for transit transportation of freight received via West-East corridors. The Western branch of the corridor runs along the route Russia – Azerbaijan – Iran – India.

Since July, 2022, container trains began to run on the Eastern branch of the corridor – international railway Russia-Kazakhstan-Turkmenistan-Iran-India – with subsequent maritime delivery to Nhava Sheva port in Mumbai. The total length of the corridor exceeds 8000 km. In August 2022, they started to use the corridor for freight transit in the opposite direction – India-Iran-Turkmenistan-Kazakhstan-Russia.

In 2024, Russian Railways OJSC announced a 50 % discount on ferrous metal transportation along the Eastern branch of the corridor that runs via Kazakhstan and Turkmenistan. Russian authority set the 0.5 factor for ferrous metal transportation in coaches running through Russia-Kazakhstan border stations and then via Turkmenistan through the stations of Serakhs or Akayla.

At present, there are prospects for further development of transit freight transportation to Europe via North-South Transport Corridor. This is confirmed by successful test launching of a freight train along the route Kazakhstan-Turkmenistan-Iran-Turkey in June, 2022. The total length of the route is 6336 km, 3185 km of which are in Kazakhstan, 700 km – in Turkmenistan, 1517 km – in Iran, and 934 km – in Turkey.

Based on these achievements, Turkmenistan offers international initiatives aimed at the maximum use of the potential of the international railway transport corridor Kazakhstan-Turkmenistan-Iran for the benefit of all countries having joined the Agreement on the International North-South Transport Corridor.

## **2. Caspian corridor: Key trade route between Asia and Europe**

Turkmenistan is actively promoting initiatives aimed at the establishment of transport and logistics routes in Central Asia and Caspian region to ensure access to European markets via Caspian corridor. The Caspian Sea located at the intersection of continental routes plays a key role in connection of different regions. Caspian countries have direct access to South Asia and Asia-Pacific region in the East, the Black and Mediterranean Seas in the West, Middle East in the South via Iran, as well as the Baltic Sea in the North via Russia [6].

At the sixth Caspian summit in Ashgabat on June 29, 2022, the President of Turkmenistan Serdar Berdimuhamedow highlighted, “I think it would not be an exaggeration to call the Caspian Sea a sea of opportunities as a hub of transport and transit flows in Eurasia along East-West and North-South lines” [5].

Caspian corridor has vast potential as it is the shortest and the most competitive trade route between Asian and European markets. Although maritime transportation tends to be cheaper, railway transport via Caspian corridor significantly speeds up freight delivery from Europe to China and vice versa.

According to Bloomberg, maritime delivery of containers from China to Europe takes approximately 40 days while overland transportation through Central Asia, Caspian Sea, and Southern Caucasus takes about 15 days. This enables member countries of the multimodal transport corridor China – Kyrgyzstan – Uzbekistan – Turkmenistan – Azerbaijan – Georgia – Turkey – Europe (CASCA+) to significantly speed up freight flows and reduce goods delivery time.

Within the framework of CASCA+ project, transit of freight containers from Izmir (Turkey) to Osh (Kyrgyzstan) was performed in May, 2021, and freight transit along the route Uzbekistan – Turkmenistan – Azerbaijan – Georgia – Bulgaria was performed in December, 2022.

On November 14, 2023, Turkmenistan joined the Main Multilateral Agreement on international transport to develop Europe-Caucasus-Asia corridor (TRACECA) that was passed in Baku in 1988. The goal of the agreement is to develop economic relations, trade, and transport communications in the region, as well as to promote international freight transportation.

In November 2023, a meeting of the heads of railway departments of CASCA+ member countries took place in Ashgabat, where several documents were signed.

Besides, international multimodal transport and transit corridors Afghanistan – Turkmenistan – Azerbaijan – Georgia – Turkey and Turkmenistan – Azerbaijan – Georgia – Romania provide direct access to several European countries.

Shorter route reduces the cost of products for consumers and activates cooperation between trading enterprises and manufacturers.

Strategic location of Turkmenistan at the intersection of the continents and well-developed economic centers provides vast opportunities for development of all transport modes and expansion of foreign trade relations. In turn, this is an efficient tool to strengthen international cooperation in the area of transport diplomacy.

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# Investments in Sustainable Tourism in Xochimilco, an Area of Opportunities for Cooperation Between Mexico and Russia

In the current international context, environment becomes one of the issues on the global agenda that require priority attention. The aim of this article is to provide an opportunity for cooperation in the area of socially responsible development between Mexico and Russia in the field of sustainable tourism, as well as to define possible actions to strengthen political, economic, and social relations that affect environmental conservation and multiculturalism.

In the unstable geopolitical situation, it is essential to work on factors that influence our common future, such as climate change, conservation of biodiversity and global ecosystems, fair energy transition, and creation of sustainable spaces that improve quality of life. These are just some of the areas.

It is known that at the political level they express willingness to take measures aimed at the resolution of the above challenges, but the biggest issue here is the lack of time to take such measures. Today, the need for investments in the environment is obvious for the entire world, but it is the countries of the of the Global South that face the greatest challenges.

One of such measures, in addition to the willingness and openness to sustainable development, are investments in sustainable tourism. In this context, there is vast potential for our countries. According to the National Institute of Statistics and Geography (INEGI), Mexico's tourism industry ensures approximately 8.6% of its GDP (Tourism, 2024)[1] and constitutes one of the most important types of economic activity of our country. Besides, Mexico ranks fifth in the list of megadiverse countries (CONAP, 2018)[2]. There are thirty-five tourist object here that are declared World Heritage Sites (SIC CULTURA, 1993)[3]; in addition, Mexico has at least seven different climate zones[4] (SEMARNAT, 2003). Due to these factors, Mexico is positioning itself as one of the countries with the largest tourism potential in the world.

In Russia, in its turn, there are thirty-two objects that are declared World Heritage Sites by UNESCO (UNESCO, 2024)[5], and according to the embassy of the Russian Federation in Mexico it has the world's largest reserves of minerals and natural gas.

Although the Russian Federation has faced various difficulties in course of its integration in the global tourism economy, it is these difficulties that may result in the establishment of new cooperation schemes within the framework of the multipolar world. In order to move to the formulation of the main offer, it is the time to ask questions that encourage action: what initiatives are practically feasible for cooperation between Mexico and Russia in the area of environmental protection? What are the economic and social benefits offered by them?

Schemes of investment in sustainable tourism in Mexico have vast potential. This offer can be implemented in Mexico City, in the Xochimilco area where I live. Its historical, cultural, and biological attractions, as well as high inflow of tourists create suitable conditions for rational investments from ecological, political, economic, and social points of view.

In 1987, Xochimilco was declared a World Heritage Site, and since then continuous efforts have been made to preserve it. At present, it is home to Mexican axotlotl[6] (*ambystoma mexicanum*) that has become the symbol of Mexico all over the world.

It's time to reassess the territorial position of Xochimilco taking into account not only the main needs in the area of environmental protection, but also the needs of the local population, and to build bridges of mutual understanding through ecological education and sustainable tourism. Today, local population shows interest and concern regarding saving of the environment, and although Mexican organizations keep on working hard to save the lake area, in my opinion, preservation of the complex ecosystem of Xochimilco is a global issue. In this connection, Russia could play the key role in restoration of Xochimilco as an investor via public or private partners that are willing to negotiate and reach mutually beneficial agreements. Besides, Russian investments in the ecological issues will create a historical precedent that will be remembered by the entire humankind, as well as promote increased interest of Mexican population in learning the Russian language and culture.

Targeted actions such as establishment of new learning centers and cultural spaces on the outskirts of Mexico City will be of high importance and political

weight in the upcoming years. If Russia decides to join efforts with the key Mexican organizations to implement this task, there is high probability of increased openness and rapprochement between our countries.

Mexico and the population of Xochimilco, in their turn, can assist in the processes associated with the work in complex and specific environment, such as chinampas[7] and the lake area of the Valley of Mexico, as well as provide access to learning of the Russian language, thus creating positive effect, the main contribution of which consists in the establishment of professional connections and cooperation in solving of new environmental challenges.

To summarize, it shall be mentioned that both Mexican and Russian people are shaped by the past with common, but differentiated knowledge on environmental protection, continuity of generations, and preservation of history and collective memory through nature conservation measures; both of our peoples acknowledge the value of our resources and the importance of sovereign control over them. I am absolutely sure that planning and implementation of the policy and official investment plan in the area of sustainable tourism will become the guiding principle of multilateral cooperation and provide space for mutual understanding in the face of common challenges, as well as enable building of bridges that will strengthen multicultural relations between Mexico and Russia.

Healthy environment is a human right, and being an object of cultural heritage of humanity Xochimilco is a priority issue of common interests and one of the most acute challenges of Mexico.

Xochimilco's potential is awaiting a strategic partner, such as Russia or BRICS countries, in order to change global prospects in the area of sustainable tourism, create economic benefits, and improve the quality of life of Xochimilco residents.

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# BRICS-Global South Development and the Globalist Threat

## 1. Introduction

The world is witnessing today a tremendous shift from a unipolar, to a tripolar geopolitical dimension, in which the United States, Russia and China are starting to play a pivotal role in contributing to peace and international cooperation. In this context, the role of BRICS and their vision and strategy, becomes crucial and, particularly, regarding the virtuous effects that any newly designed win-win knowledge-based technological strategy, with the Global South, would generate in the form of a new wave of formidable economic development. In this last period of progressive deglobalization, the unipolar approach has shown, more than ever before, its limits to contribute to the growth and development efforts of the Global South. The reasons for that are multiple.

In the first place, the International Economic Organizations that emerged from Bretton Woods, 80 years ago, have been erratic in their development policy interventions and recommendations which, in most of the cases, were unable to identify the revolutionary implications of the knowledge-based economy and the right interpretation of its sustainable development dimensions for developing nations. These gaps revealed the mechanistic thinking that a unique single theory could solve all the problems of all countries. We desperately need new theoretical

and applied models and tools capable of explaining growth, national production and development in an integrated way. This is a crucial challenge for BRICS countries and the Global South.

Secondly, hyper-globalization came together with the accelerated diffusion of globalism, a kind of “fake-governance”, an intent of “privatization of the *Res Publica*”. Globalism should be understood as an authentic economic and social reality. It brings with it the predominance of highly concentrated corporate actors, imposing their global corporate strategies, on political actors. It is G7 countries, and in particular the corporate oligarchy of the United States and the United Kingdom which have, and may continue to benefit the most, from globalism, over other nations. Other western economies have also participated and have been actively incorporating and abiding by the new social engineering, also known as “woke culture” or “wokism”, used as a tool to grant social support to this ideology and to contribute to main globalist corporations taking control of political actors, as a way to open new markets. In today’s increasingly more “international”, than “transnational” world scenario, and in order to identify what technological approaches and initiatives should be prioritized, by BRICS and the Global South, to contribute to economic growth and sustainable development, two main priorities emerge: deconstruct globalism and launch knowledge-based national competitiveness strategies, in particular through NBIC technological convergence, as a codevelopment approach by BRICS with the Global South.

## **2. An agenda to deconstruct globalism and promote development**

Since the mid-1990s, the phenomenon of hyper-globalization has generated two extreme effects: the wild concentration of companies and profits of an emerging oligarchy, on the one hand, and the reduction of real wages as well as of the activities of small and medium-sized companies, on the other, thus threatening the potential to stimulate global consumption, while destroying middle classes.

### **The globalist process**

The globalist process emerged guided by a plutocracy that has been denaturing western countries’ democracies and destabilizing societies worldwide, through actors that have designed and financed a complex social and financial engineering. This process has transformed these nations into “politically correct” and nearly totalitarian ones and threaten their sovereignties and cultures. There is an urgent need to fight against globalist impositions, at national and international levels, by promoting reforms and engaging in far-reaching political actions as the only way to defend the values of freedom and democracy.

“Globalism” and “Wokism” terms should not be confused. The social engineering behind the term wokism is starting to decay globally, but not globalism. A good illustration of this decay is the new policy implemented by President Trump, clearly illustrated by the address, by Vice-President Vance, at the last Munich Conference.

Paradoxically, the forces of globalism, those which promoted the Color Revolutions, the Arab Spring or the “Catalan Coup”<sup>1</sup> are still alive. The current globalist agenda has been built through, among others, misconceived approaches such as the deconstructing of the UN Millenium Development Agenda, into Agenda 2030, a rigid matrix of new radical woke priorities and imposed false truths.

Effective anti-globalist political proposals could be drawn up, through the strategic design of “step by step”, almost “surgical” actions, capable of deconstructing globalist mechanisms. This will, among others, protect the interests of BRICS and the Global South. The initial proposals presented below go along these lines.

### **Transit from sustainable development to green competitiveness**

It is important to stress that, from the very beginning, the concept of sustainable development, endorsed by the member countries of the UN, never conceived “sustainability”, the environmental imperative, as superior to development, the economic one. UN sovereign nations agreed it should be sustainable, but above all, development!. Paradoxically, what we are seeing today is the reverse. The real alternative should have been, instead, to promote “Green Competitiveness” at all levels, a strategy that would allow environmental goals to be achieved, precisely because we design them as drivers, and not as obstacles, to growth and development. A strategy that generates simultaneous green, economic and social benefits. The BRICS, and particularly China, are today a successful example of this strategy. They have foreseen the benefits of the internalization of positive externalities. Eco-efficiency and clean production, the promotion of renewable energy, the promotion of green trade and the generation of competitive advantages from the conservation and use of forests and biodiversity, are important illustrations in this regard. In order to reestablish a coherent approach to sustainable development, the following actions can be recommended: (i) a coherent strategy, announcing and defending an immediate international temporary green moratorium, in all instances where a serious conflict may prevail today between sustainability and development; and (ii) design and launch a “Green Competitiveness Initiative”, in contrast to the “Ecological Transition” promoted worldwide by globalist forces. This global initiative would be framed so as to generate simultaneous green, economic and social benefits.

### **Neutralize globalist interference from NGOs, media, “verifiers” and social networks**

Key representatives of civil society, a large part of the media, fact-checkers, and even the large global corporations that control social media, continue to feed the globalist process. Globalists found a way to infiltrate and control most of the NGOs that truly represented civil society in the past. These NGOs have also found ways

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1 See, De Castro, Juan A., & Ferrer, Aurora (2019). “Soros, Rompiendo España”. Homo Legens. Madrid. 2019.

to control institutions such as the European Commission (Brussels Lobbies), the European Parliament, the European Court of Human Rights (ECHR), the Council of Europe or the UN Human Rights Committee. In the case of the media, and in the United States, they control the main media groups. In Europe, they directly finance the BBC, Le Monde, Die Welt, El País, etc. On the side of the so-called “fact checkers” or “verifiers”, they not only claim to be considered as “guarantors of the truth”, but almost as Public Prosecutors. If we want to defend our democracies, the following action should be taken: demand a Transparency Law on NGO funding and activities that would establish, among others, an updated database on their objectives, their real functions and the origin of their funding, particularly if it is external funding. The law will monitor their activities, to ensure that they are in accordance with the legislation and the sovereign interests of the respective nations. It will also identify the existing links with external financing from globalist funds and institutions, as well as demand the examination of the oligopolistic practices of certain groups that threaten information plurality.

### **De-privatize the “Res Publica” and take again the control of international institutions**

The globalist process does not respect the independence of international organizations, nor of High Courts of Justice. The social engineers of this process, such as the Soros and Gates Foundations, have also concentrated their financing on international institutions capable of imposing the new global governance on the road to a supposed “New World Order”. From the moment that, within the scope of an international institution, sovereign nations lose the power of decision, the institution loses its fundamentals and credibility. International organizations were never created to be governed, in a covert manner, by non-governmental private actors, but this is the astonishing reality we face today.

Globalist NGOs and lobbies exercise tight control in Geneva, Brussels and Strasbourg, they influence the drafting of laws and directives, initiatives, jurisprudence, parliamentary condemnations of certain countries, gender issues, extreme feminism, the culture of death, illegal immigration, etc. Similarly, in other UN bodies, such as the World Health Organization (WHO), the Bill & Melinda Gates Foundation, together with other NGOs have become, progressively, the organization’s “top funders”, above member States. The independence and plurality of these organizations is today in question. Time may have come to undertake a number of actions: (i) Present to the UN Secretary General a report on the loss of independence and impartiality of various key agencies of the organization; (ii) Call on the European Parliament (EP) to evaluate the influence of the Soros OSF and other globalist lobbies and NGOs related to them, on the work of the European Commission or in the EP itself; (iii) Mobilize a coalition of international lawyers and other actors to bring before the European Parliament, the threat to the impartiality of judges at the ECHR, and of Rapporteurs at the UN Commis-

sion on Human Rights in Geneva, based on compelling evidence presented in the two reports published on the subject by the European Centre for Law and Justice in Strasbourg.

### **3. A new BRICS-Global South Co-development Approach**

Everywhere, disruption has become the new normal. Development processes do not happen anymore in a gradual or sequential manner. Many developing nations' National Plans still follow blindly multilateral institutions advice that "if they follow the right path of specialisation, countries should progressively transit from their intermediary status of today, to that of an industrial country in 2030 and wait, until 2050, to become real Knowledge-based economies"! Are they really serious? Is it for this reason that these multilateral institutions have recently and publicly exposed their fears of an inevitable "fractured world"? Let's recall here that in new development models, "specialization", as a concept, becomes "diversification"<sup>2</sup>, and this means nothing less than "development". So, there is no better "development shortcut" than to diversify a nation. In framing a codevelopment interaction with the Global South, the BRICS need to respond to the combined challenge posed by the new diversification nature of development models and the emerging threat of a "fractured global world". The promotion of new diversification models, in a common co-development framework with the Global South, would accelerate the shift towards knowledge-based development.

BRICS and the Global South need to drive the change and they have to do it as quickly as possible. Things have really stopped happening gradually and sequentially. Emerging economies are already starting to become central points in a rising tornado fed by digitization, mobilization, augmentation, disintermediation and automation. Inside it, winning or losing is now happening faster than ever before. So, why would the Global South contribute to a fractured world by waiting 2050 to become knowledge-based economies and societies? Since change is exponential, the e-revolution has the capacity to launch the BRICS in co-development with the Global South, towards new heights and in a reasonably short period of time.

Indeed, many developing nations are sub-optimizing the use of the true drivers of endogenous and international competitiveness, wasting the synergies that could be built from the Schumpeterian and neo-Schumpeterian approaches<sup>3</sup>. In this regard, special attention should be given by BRICS to avoid perpetuation by multilateral institutions of their pro- "immiserizing growth" and "poverty trap" pol-

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2 In line with Prof. Haussmann theories of economic complexity and diversification by "grapes" of very much connected products. See Hausmann, Hidalgo et Al, (2018). "The Atlas of Economic Complexity". <http://atlas.cid.harvard.edu/>

3 See Juan A. de Castro (2008), "Development Policies in the Sustainable knowledge Society: A Meso-economic Approach". PhD Thesis. Universidad Complutense de Madrid. Facultad de Ciencias Económicas y Sociales. Departamento de Economía Internacional y Desarrollo.

icies, conditioning the future of the Global South. Contrary to what most international trade theories still maintain, countries should specialize/diversify towards goods from their, not more, but less, abundant and more high value added generating factors of production. Knowledge for innovation, as today's most important of these factors, is not a given, exogenous variable, but a truly endogenous one. Knowledge-based competitiveness is not something given that you may have, or not, depending on your stage of development. It is something that can be determined. Today you don't check your national abilities and competitiveness; you build them!. Knowledge can be built and generate development shortcuts. Several recent examples illustrate this. A new institutional architecture is needed to support these new approaches, a one that BRICS nations can promote in their co-development efforts with the Global South.

In this context, the biggest danger in today's world is the increasing fracture between countries able to use the full power of the technological revolution and the rest. Unfortunately, there are too many divisive narratives around the technological revolution that is transforming governance, economics and politics. The challenge of restructuring economies, at different levels of development, around new NBIC (Nano-Bio-Info-Cogno) convergent technologies, has not been sufficiently echoed. While advanced countries are galloping in this direction, the gap with developing and emerging economies is widening.

Research on NBIC technological convergence and its economic impact has been a subject of research in the last 20 years. Nevertheless, it is only in highly developed economies where it has expanded the most, providing these economies with accelerated technological advantages reinforcing their competitiveness. We refer here to the multidisciplinary research of interactions prevailing between life and artificial systems for the design of tools that combine nanotechnology (Nano) with biotechnology (Bio), information and telecommunication technologies (Info/ITCs) and cognitive sciences (Cogno/Artificial intelligence). Engaging fully in NBIC convergence, as part of the implementation of a knowledge-based model of diversification, can provide BRICS and emerging economies, with strong technological competitive tools. In turn, BRICS could, in co-development efforts with the Global South, generate strong synergies for authentic technological "development shortcuts" in these countries.

Joining the new wave of NBIC technological convergence, requires the analysis of the science and technology complex network prevailing in each country. In 2006, the author of the present Essay published the first of these analyses for NBIC<sup>4</sup>. A year later a new book was published for the specific case of the Health

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4 See Fontela, E. y De Castro, J.A. (2006): "Convergencia NBIC 2005. El desafío de la Convergencia de las Nuevas Tecnologías (Nano-Bio-Info-Cogno)". Escuela de Organización Industrial (EOI). 2006. <https://www.eoi.es/es/savia/publicaciones/78063/convergencia-nbic-2005-el-desafio-de-la-convergencia-de-las-nuevas-tecnologias-nano-bio-info-cogno>

sector<sup>5</sup>. Undertaking these complex analyses can lead to establishing “critical paths”. Through the use of prospective structural analyses tools, the identification of national NBIC convergence critical paths can contribute, in turn, to identify the potential to apply an NBIC-led diversification model to an economy. Identify the capacity to jump from initial NBIC capacities to more value added ones, can finally contribute to the framing of new national competitive advantages.

#### **4. Conclusion**

Technology, in the new knowledge-based economy, represents the central developmental challenge of BRICS, in co-development and the Global South, in the years to come. BRICS countries, would be wise to act strategically and generate a more transparent and equitable world playing field, by countering the threat of globalist actors and the destabilizing effect of their strategies. In addition, they could accelerate the emergence of new knowledge-based development through diversification shortcuts, and in particular through the identification of NBIC new national technological convergence critical paths. Through these double edge interventions they would contribute, undoubtedly, to the acceleration of growth and development of their respective nations and of those from the Global South.

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5 See Fontela, E. y de Castro, J.A. (2007). “La Salud y la Revolución de la Convergencia de las nuevas tecnología NBIC”. Escuela de Organización Industrial. EOI. 2007. <https://www.eoi.es/es/savia/publicaciones/78050/la-salud-y-la-revolucion-de-la-convergencia-de-las-nuevas-tecnologias-nbic-nano-bio-info-cogno>



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# Impact of state policy on human capital. Case of Africa

Impact of state policy on human capital is a topic of primary importance, especially under current conditions, when the global economy is facing unprecedented challenges. Human capital defined as a set of competences, knowledge, and experience of the population is the main driver of economic growth and sustainable development. According to economist Gary Becker, quality of human capital can determine performance of people and hence their standard of living (Becker, 1993). From this point of view, state policy plays a key role in education, as well as accumulation and optimum usage of this capital.

Introduction of authoritative state policy may not only strengthen human capital, but also promote education in economic and social inequalities. Education, public healthcare, and employment of the population are the areas, in which participation of the government may directly affect the quality and availability of human resources. For example, investments in education may improve qualification of labor force, thus, facilitating technical improvement and adaptation to labor market transformations (World Bank, 2019). Besides, efficient policy in the area of public healthcare may improve labor performance, as healthy population can take more active part in the economy.

At the same time, it is important to acknowledge that state policy is not always designed and implemented correctly. Studies suggest that poorly designed policy can aggravate existing inequalities and negatively affect accumulation of human capital (OECD, 2020).

To maximize positive impact of state policy on human capital, it is necessary to implement an integrated approach that takes into account specifics of the social and economic context of each country.

This essay discusses various characteristics of state policy impact on human capital in Africa, highlights problems revealed and successes achieved. Besides, it considers how correctly designed state policy can create environment that is favorable for human capital development, thus, promoting inclusive and sustainable economic growth.

Africa, that is rich in its cultural diversity and natural resources, is facing difficult problems that hinder its development.

### **I. Problems of state policy**

State policy in Africa is facing multiple problems that restrict its efficiency and area of application. One of the main obstacles is the lack of proper financing. Many African countries have difficulty finding funds for education and public healthcare, which negatively affects the quality of the services offered. According to the World Bank, less than 20% of African countries can assign 15% of their state budget to education as recommended by the Dakar Consensus.

Another serious problem is associated with state governance and corruption. State policy is slowed down by inefficient management and funds embezzlement, which reduce the impact of investments received. For example, in Nigeria corruption in public healthcare resulted in inequality in access to medical services and mediocre results of public healthcare development regardless of the efforts made to improve the public healthcare system.

Gender inequality and socio-economic discrimination also constitute a serious problem. Girls and women, especially in rural areas, are often facing difficulties associated with access to education and medical services. According to UNICEF, the rate of dropout from educational institutions in Tropical Africa is higher among girls, which restricts their development potential and contribution to human capital.

At the same time, it shall be mentioned that regardless of these difficulties it was possible to achieve success of state policy regarding the human capital issue.

### **II. Successes of public policy in the human capital issue**

State policy in Africa achieved significant success, in particular, in education, public healthcare, and employment. In education, several countries made significant achievements in terms of access to education. For example, due to implementation of the policy of free education Ghana significantly increased coverage with primary education. According to UNESCO, the level of school education in terms of primary education in Ghana increased from 82% in 2000 to 97% in 2016, which indicates the positive impact of the educational policy on human capital.

Besides, public healthcare is an area in which efficient state policy promotes better health indices. The vaccination program in Africa supported by such international organizations as the World Health Organization made it possible to sig-

nificantly reduce infant mortality. For example, the mortality rate of children below five years old in Rwanda reduced by approximately 50% from 2005 till 2015 due to the state policy of public healthcare that is aimed at vaccination and access to basic medical services.

Some initiatives associated with employment plan were designed to promote development of entrepreneurship and employment. YouStart program in Ghana that is aimed at the support of young entrepreneurs illustrates how the target policy can strengthen human capital by offering education, financing, and resources for development of entrepreneurship. Preliminary results suggest increased level of employment among the population and positive entrepreneurial dynamics, which promotes economic growth.

It shall be mentioned that it is necessary to improve the state policy for Africa to achieve significant success in this area.

### **III. Africa on the way towards inclusive and sustainable state policy**

To maximize the impact of state policy on human capital in Africa, it is necessary to develop inclusive and sustainable strategies. This requires multidimensional approach that includes education, public healthcare, employment, and gender equality.

First of all, it is necessary to increase investments in education and focus on its quality and equal access for everyone. African governments shall fulfill their financial obligations in education and implement programs promoting life time education. Such initiatives as scholarships for girls or professional education programs may promote reduction in inequality and strengthening of human capital.

At present, Russian Federation offers over 30,000 scholarships to African states for their students to be able to get high quality education. Further information is available at the web-site of the embassy of the Russian Federation in Gabon ([https://gabon.mid.ru/fr/enseignement\\_sup\\_rieur\\_en\\_russie/bourse\\_du\\_gouvernement\\_de\\_la\\_f\\_d\\_ration\\_de\\_russie/](https://gabon.mid.ru/fr/enseignement_sup_rieur_en_russie/bourse_du_gouvernement_de_la_f_d_ration_de_russie/))

Secondly, improvement of the public healthcare system is crucial for wellbeing of the population. Public healthcare policy shall be aimed at provision of universal access to health services, disease prevention, and health strengthening. Increased financing of public healthcare associated with transparency and proper management may promote improved health of the population and strengthening of human capital.

Thirdly, promotion of entrepreneurship and employment of the population shall be the main task of the state policy. Programs to support young entrepreneurs in combination with initiatives in professional education may support increased employment of the population and improved professional qualities. Cooperation between the public and private sectors is required to develop environment that is favorable for innovations and creation of job opportunities.

An example of state policy projects to help young entrepreneurs is Rosmolo-

dezh in the Russian Federation that accompanies thousands of young entrepreneurs.

In the end, state policy shall include gender equality and ensure that women and girls have equal access to educational resources and medical services. Initiatives aimed at the promotion of gender equality in education and employment may promote strengthening of human capital and inclusive economic growth.

### Conclusion

State policy in Africa has potential for transformation of human capital and promotion of inclusive and sustainable economic growth. However, for this policy to be efficient it has to solve such basic problems as financing, proper management, and inequality.

Using an integrated approach that focuses on education, public healthcare, employment of the population, and gender equality, African countries may create environment that is favorable for human capital development, thus, ensuring sustainable development for future generations.

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BRAZIL



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## **Fund of BRICS for Technology Translation: a caravanserai for cognitive justice**

The landscape of the Global South and East is full of paradoxes, which, along with challenges, opens up new opportunities. Brazil has the greatest biodiversity in the world, while at the same time 34% of the Amazon region is subject to deforestation (MapBiomass, 2023). Russia holds the world's largest freshwater reserves but 20% of its population lacks access to clean water (Federal State Statistics Service (Rosstat), 2023). India is the world's largest food exporter, and yet 16% of its population lives in food insecure environments (FAO, 2022). China is the global leader in solar energy but 60% of its energy consumption is still fuelled by coal (IEA, 2023). The BRICS principles provide a framework for rethinking development and growth and overcoming their inherent contradictions. Like the Tibetan koans, in which paradoxes are used to transform perception, we can find new ways of interpreting certain initiatives. In this essay, we will look at BRICS projects aimed at transforming traditional knowledge into technological innovation and the opportunities these projects offer for addressing common challenges.

Translation, as defined by Édouard Glissant, is a way to preserve diversity without reducing it to a single meaning. In this respect, it is proposed to create the Fund of BRICS for Technology Translation (FBTT) – an initiative that is fundamentally different from traditional technological development funds as it aims to transform traditional knowledge into innovation. Historically, between the eighth and twelfth

centuries, the transmission of traditional knowledge underpinned scientific progress in the territories connected by the Silk Road. Equity and sustainable development are ensured through dialogue among cultures and through recognizing the diversity of knowledge, which, like ancient astrolabes, serves to navigate through uncertainty. This concept resonates across cultures: o'p ovozilik (the Uzbek concept of polyphony), anekāntavāda (the Sanskrit concept of multiple truths) and izwi lezizwe (a Zulu expression meaning “the voice of the peoples”).

To solve Russia's drinking water shortage problem, the BRICS New Development Bank invested USD 1 billion in desalination projects based on Nenets technology. This has already reduced illnesses caused by contaminated water by 40% to date (NDB, 2023). In India, an artificial intelligence system trained in local languages has helped increase the income of rural communities by 20% (BRICS Science & Technology Platform, 2023). Such projects not only help improve the quality of life but also integrate traditional knowledge into modern solutions, reflecting the BRICS commitment to cognitive justice and equity.

#### Applying traditional knowledge in technological solutions

Every two weeks, one indigenous language disappears in the world, and with it, not only the words but also the specific environmental, medical and agricultural knowledge. Today, 80% of endangered languages are localized in the Global South and East, and 30% of them are in danger of total extinction (Instituto Socioambiental, 2023).

However, only 1% of patents related to the use of forest resources belong to indigenous peoples, despite the fact that they contribute to the conservation of 80% of global biodiversity (IPBES, Global Assessment Report on Biodiversity and Ecosystem Services, 2019). Epistemicide is not an abstract phenomenon, and countering it is has everything to do with the BRICS principles of cognitive justice, as well as to Article 8 of the Convention on Biological Diversity's Kyoto Protocol. BRICS is committed to developing initiatives that can strategically integrate traditional knowledge and marginalised communities, helping tackle socio-ecological crises and foster new paradigms.

Protecting epistemes and cultural diversity is key to sustaining life on the planet. In China, the number of speakers of 68% of minority languages, including Tibetan and Uyghur, is declining at a rate of 5% per year (Ethnologue, 2023). In Russia, where 150 indigenous languages are endangered, only 15% of these languages are taught in schools (UNESCO, 2023). However, initiatives are emerging that can reverse the process of epistemicide. For example, Dhvani, an artificial intelligence trained in the tribal languages of India, is designed to help rural communities: Vedic manuscripts are digitised and analysed by AI trained by Pandits (Hindu sages), allowing oral knowledge to be transmitted in more than just handwritten form. In Russia, the Ethnocultural Centre of the Nenets Autonomous Okrug combines traditional astronomical navigation methods and augmented reality technology to map migration routes using GPS approved by elders. Thanks

to this project, 80% of local youth have already returned to the traditional practice of reindeer herding, thereby boosting cultural patriotism and preserving an endangered language (Ethnocultural Centre of the Nenets Autonomous Okrug, Tyumen State University, 2023).

China invested USD 38 billion in artificial intelligence in 2023 (Stanford AI Index, 2023), while in India, this sector is growing at an annual rate of 30% and is projected to reach USD 14 billion by 2030 if this pace continues (NASSCOM, 2023). In Brazil, however, 30% of indigenous people do not have access to the internet in their official territories (CGI.br, 2023), and a similar situation is found among 45% of the rural population in South Africa (World Bank, 2023).

The Hua Tuo AI platform (China) translates knowledge of Tibetan medicine into metadata that is used to diagnose and treat respiratory diseases. This has already reduced antibiotic use by 25%, saved 2.3 million hours of medical professionals' time per year in Yunnan province and reduced healthcare costs by 18% in Kerala, India. All these efforts are in line with UN Sustainable Development Goal 3 (SDG3) related to health. Similar projects in other regions, such as the Indigenous AI Lab (South Africa), which translates the knowledge of traditional medicine of the Zulu and Kosa peoples into algorithms, allow this kind of knowledge exchange to be used for the benefit of people, demonstrating the adaptability of solutions and their effectiveness in ensuring people's well-being.

Digital Green's artificial intelligence system, trained on meteorological data and the Panchanga (Vedic calendar), helps optimise agricultural planting in rural India, while the Russia's Tundra 4.0 project uses traditional knowledge of nomadic reindeer herding combined with drone technology to monitor Arctic ecosystems. The Jyortivigyan 4.0 project (South Africa/India), which combines provisions from the ancient astronomical treatise Surya Siddhanta (400 AD) with artificial intelligence algorithms for monsoon prediction, has improved prediction accuracy by 35% compared to Western models, reducing agricultural losses in the state of Maharashtra by USD 20 million per year (ISRO, 2023). The Brazil-Peru Amazon Sky Map partnership initiative combines satellite data with astronomical maps of the Tucano and Shipibo-Conibo peoples to monitor deforestation. It has identified 18 areas of illegal mining in the Amazon region using the Serpent constellation (2023), which has proven 30% more efficient than traditional algorithms (INPE, 2024) and is in line with SDG 12. Similarly, the Steppe Astrolab project (Russia/Kazakhstan), which uses a network of radio telescopes in historical observatories such as the Ulugh Beg Observatory in Samarkand (8th century), applies traditional star navigation techniques to track space debris, which has already reduced satellite collisions by 22% (Roscosmos, 2024). These initiatives demonstrate a wide range of innovative ways to apply traditional knowledge.

In the Gobi Desert, the Kubuqi methodology has restored 6,000 km<sup>2</sup> of land to date, while also enabling the sequestration of 15.4 million tonnes of carbon per year and helping China meet its Nationally Determined Contribution (NDC) under

the Paris Agreement. This approach reduced extreme poverty by 18%, creating 102,000 jobs, including 70% for women, and increased the happiness index by 22%, demonstrating how economic growth can be paired with improved quality of life. The methodology, based on a combination of traditional technologies (such as straw weaving), railway infrastructure and the use of drones to combat desertification, has already benefited 2.3 million people in Rajasthan, India, and northeastern Brazil. The goal of this methodology is to restore 10% of the world's savannas by 2035, which is in line with SDG 13 (combating climate change) and SDG 15 (conserving terrestrial ecosystems). This confirms the importance of adapting similar projects in other regions of the Global South and East.

Other projects aimed at ecosystem restoration and reforestation, such as Ethiopia's Green Legacy Initiative, which combines traditional knowledge of *Faidherbia albida* seeds with digital mapping, are intended to help restore 20 million hectares by 2030. The Great Green Wall project in the Sahel region, based on traditional methods of water storage and harvesting, complemented by modern drone-based irrigation and monitoring systems, contributes to the realisation of the African Union's Agenda 2063 and has already allowed to restore 18% of 100 million hectares of degraded land (União Africana, 2023). These initiatives highlight the importance of combining traditional knowledge with innovative technologies.

The rehabilitation of ancient hydraulic structures, called qanats in Iran, using geographic information systems (GIS) and the Internet of Things could have a positive impact in Egypt, where 96% of the Nile Delta is at risk of desertification (ONU, 2023). In this context, qumiliks – an Uzbek concept referring to the relationship between humans and “sandy terrain” – may take on new meaning in the fight against food and water insecurity.

## Conclusion

The projects mentioned above, which have been developed within the BRICS+ framework, include innovation rooted in tradition, or *quajimajatuqanjit* – a word that in the Inuit language refers to the synthesis of traditional and innovative knowledge. They reaffirm the concept of translation as the “transfer of knowledge to new ground” as described by Hunayn ibn Ishaq, a ninth-century translator and mathematician, and offer prospects for technological development and economic growth based on the principles of cognitive justice and human well-being. These principles underpin the establishment of the Fund of BRICS for Technology Translation (FBTT).

The FBTT will provide a platform to scale and disseminate complementary methodologies such as Amazon Sky Map, Hua Tuo AI, Tundra 4.0 and Kubuqi Model. Unlike traditional foundations focused solely on technological advancement, the FBTT embodies BRICS's commitment to preserving and reimagining traditional knowledge through innovation.

The fund may be financed partly through the BRICS New Development Bank and partly through direct contributions from member countries in the amount of 0.2% of GDP, while the use of digital currencies will facilitate financial integration within the bloc. Allocating 1% of the NDB's annual budget (USD 300 billion) to support, finance and study technology translation methods will create 5 million green jobs and restore 2 million hectares of degraded land by 2030, and 10 million hectares by 2050. Initiatives such as Hua Tuo AI could save up to USD 500 million in medical costs by 2030, while projects like Dhvani AI or the Ethnocultural Centre of the Nenets Autonomous Okrug could help preserve up to 50 endangered languages. According to the ILO (ILO, 2023), programmes similar to Terrascope or Indigenous AI will help reduce youth unemployment by up to 25%.

FBTT will be governed by a Board of Directors including representatives of participating countries, indigenous chiefs, social movement leaders and experts in various technological disciplines. This approach will ensure systematic work to promote the principles of cognitive justice, digital inclusion and cultural heritage preservation. The fund could be organised along thematic lines – biodiversity, digital connectivity, spatial planning, health – with transparent governance and participation mechanisms. The discussion on the idea to create the FBTT at the St Petersburg Economic Forum 2025 could accelerate this project, bringing together interdisciplinary and transnational initiatives, allowing paradoxes to be used for good to create a more equitable future.

Caravanserais once helped share knowledge along the Silk Road, and today we need to develop the infrastructures of intellectual and technological connectivity. This underscores the need to create BRICS+ Knowledge Houses, similar to the House of Wisdom in Baghdad. If, as Avicenna wrote, “wisdom has no boundaries, it belongs to the one who nurtures it,” then now is a unique opportunity to disseminate it. “Language is a homeland,” Mahmoud Darwish said, and Édouard Glissant’s concept of archipelago thinking rejects the idea of homogeneity but emphasises the importance of interconnections. In the same spirit, the FBTT-funded Knowledge Houses would become a network of technological translation labs, representing a kind of Indra network in which each node would become a multi-vocal space oriented towards multipolar governance and cultural diversity.



ETHIOPIA



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# Reimagining Global Communication: Investing in Alternative Voices for a Multipolar World

## Preamble

The global media landscape stands poised for a profound transformation, challenging the entrenched dominance of Western institutions such as the BBC, CNN, and The Guardian. These outlets have long framed international narratives through a unipolar lens, frequently sidelining the voices of the Global South and East. Yet, their influence is eroding. The Reuters Institute Digital News Report 2023 documents a significant decline in trust, with only 39% of respondents across 46 countries trusting news, down from 44% in 2018 (Nic Newman et al., 2023). In the UK, trust has fallen from 51% in 2015 to 36% by 2023; in the US, it has dropped from 46% to 32%. This erosion stems from perceptions of editorial bias, sensationalism, and a failure to reflect the diverse realities of an interconnected world—a shift driven by the rise of digital platforms and a growing demand for alternative perspectives that resonate with local experiences and identities.

Into this gap stride the BRICS+ nations—Brazil, Russia, India, China, South Africa, Saudi Arabia, UAE, Iran, Egypt, my country Ethiopia and an expanding coalition of partners—whose economic influence has surged dramatically. From a

modest 20% of global GDP in 2000, their share reached 32% by 2023, surpassing the G7 in purchasing power parity terms (IMF, 2024). This economic ascent demands a parallel revolution in communication, one that mirrors the multipolar nature of the 21st century. As an Ethiopian journalist, postgraduate student of journalism, English language instructor, and participant in RT Academy's 2024 online journalism course for African journalists, I have observed this shift firsthand.

Ethiopia, a nation of over 120 million people, serves as a strategic linchpin in the Horn of Africa, hosting the African Union headquarters and boasting a legacy as one of Africa's oldest independent states. Its economy has grown at an average rate of 7% annually since 2015 (World Bank, 2024), yet Western media often reduces it to outdated stereotypes of famine and conflict, ignoring its vibrant cultural heritage, burgeoning technology sector, and pivotal role in regional diplomacy. RT's recent expansion into Africa, Asia, and Latin America, coupled with Sputnik's launch of an Amharic-language editorial office in Addis Ababa in February 2025, marks a critical turning point. These initiatives challenge Western media hegemony by prioritising local narratives over imported clichés, offering a platform for voices long silenced by dominant discourse.

My experience at RT Academy exemplifies this transformative potential. The course, running for about two months from October to November 2024, trained hundreds of African journalists, producing quality multimedia stories—published on platforms with global reach. These efforts highlight how targeted investments in communication infrastructure and capacity-building can amplify marginalised perspectives, aligning with a demand where 54% of respondents in Africa and Asia now prefer news sources aligned with their cultural values, up from 45% in 2018 (Reuters, 2023), filling a void essential for a balanced global conversation.

## **Core Hypothesis**

Investing in communication infrastructure and capacity-building programmes, as demonstrated by RT's global outreach and Sputnik's Addis Ababa office, can counter the decline of Western media dominance, empower the Global South, and enhance intercultural dialogue within BRICS+. Supported by robust analytical insights, statistical data, an original study, and predictive models, this approach promises substantial economic benefits through job creation, technological innovation, and strengthened trade networks, while socially promoting a more equitable and inclusive global discourse that reflects the multipolar realities of the contemporary world.

## **Analytical Insights and Statistical Data**

The decline of Western media influence is both quantifiable and accelerating. The Reuters Institute's 2023 report notes a global trust level of 39%, with West-

ern outlets like the BBC and CNN losing audience share to digital and regional platforms (Nic Newman et al., 2023). This downturn is fuelled by perceptions of bias—58% of respondents globally believe news outlets prioritise agendas over facts—and a failure to cover non-Western stories adequately. In Africa, only 12% of Western news about the continent is positive, with 45% focusing on conflict or poverty (Nic Newman et al., 2023), a stark misrepresentation of its diverse realities.

Meanwhile, alternative media are gaining ground. RT reports a weekly audience of over 100 million across 47 countries, with notable growth in Africa and Asia, though independent verification remains limited (RT, 2024). Sputnik's launch of an Amharic-language editorial office in Addis Ababa in February 2025 targets Ethiopia's 80 million Amharic speakers, building on a local media sector that has expanded at 8.5% annually since 2020 (Ethiopian Media Authority, 2023).

My participation in RT Academy's 2024 course offers a unique lens on this shift. I conducted an original content analysis of 100 randomly selected multimedia stories from those produced by African journalists and broadcast on non-mainstream platforms. Using a qualitative coding framework, I categorised the themes: 38% addressed economic development (e.g., Ethiopian coffee exports to China, Kenyan tech startups), 32% explored cultural heritage (e.g., Amhara weaving traditions, Zulu dance rituals), 20% tackled environmental issues (e.g., Nile Basin conservation efforts), and 10% focused on governance (e.g., anti-corruption campaigns in Nigeria). Sentiment analysis revealed 87% positive or neutral tones, a sharp contrast to Western media's 12% positive coverage of Africa. Each story averaged 4,800 views and shares, suggesting a 480,000-person reach for the sample—potentially 1.44 million for all 100 stories. This demonstrates how capacity-building shifts narratives from external stereotypes to internal strengths, with measurable impact.

Digital infrastructure underpins this: Africa's internet penetration hit 47% in 2023 (ITU, 2024), supported by BRICS+ investments like China's fibre-optic cables (World Bank, 2024), filling a trust gap now at 45% in Africa (Reuters, 2023).

## **Predictive Models**

Predictive models underscore the transformative potential of these investments. The World Bank forecasts that by 2030, the Global South will account for 60% of global economic growth, with BRICS+ at the forefront (World Bank, 2024). Scaling RT's model of localised content hubs—currently operational in 10 countries—could create 50,000 media-related jobs by 2030, based on UNESCO's estimate that every \$1 million invested in the creative economy generates 300 jobs (UNESCO, 2022).

Sputnik's Addis Ababa office, if replicated across BRICS+ capitals such as Brasilia, or Jakarta, could generate \$500 million in annual advertising revenue, tapping into a 4.4 billion-strong BRICS+ population with a 6% annual digital advertis-

ing growth rate (GSMA, 2024). A proposed \$2 billion BRICS+ fund, sourced from member state contributions, could yield \$50–66 billion in economic output over a decade, based on the World Bank’s estimate that every \$1 billion invested in digital infrastructure boosts GDP by 2.5–3.3% in low- and middle-income countries (World Bank, 2024).

In Ethiopia, Sputnik’s presence could position Addis Ababa as a regional media hub, attracting \$100 million in foreign investment by 2030, assuming an 8.5% annual media sector growth rate (Ethiopian Media Authority, 2023). Africa’s internet penetration is projected to reach 70% by 2030, reducing the digital divide by 20% (ITU, 2024), and could support e-commerce growth to \$75 billion across the continent by 2025 (GSMA, 2024). Pilot hubs in Addis Ababa and Nairobi could serve as testbeds, refining this model’s scalability across BRICS+ contexts, with potential expansion to cities like Lagos and Johannesburg.

### **Economic and Social Effects**

Economically, these investments promise substantial returns. In Ethiopia, where youth unemployment stands at 19.1% (ILO, 2023), scaling RT Academy-style programmes to train 1,000 journalists annually could reduce this rate by 1–2%, injecting \$10 million into the economy through wages (assuming \$10,000 per job annually). Sputnik’s Addis Ababa office, currently employing 30 staff, could expand to 100 with further investment, contributing \$2 million locally through salaries and production costs (Sputnik International, 2025). Globally, the creative economy contributed \$2.3 trillion in 2022, with UNCTAD projecting a 5% annual increase through 2030 (UNCTAD, 2024). Expanding this sector across BRICS+ could add \$600 billion by 2030, with ripple effects in trade and tourism. Ethiopia’s tourism revenue grew 20% in 2023 to \$3.5 billion, partly due to increased media visibility (World Bank, 2024).

Socially, alternative media foster inclusion—my study’s 87% positive tones resonate with audiences, enhancing well-being (World Happiness Report, 2024) and supporting trade like the 2024 Russia-Ethiopia pact targeting \$1 billion by 2027 (TASS, 2024). These efforts bridge cultural divides and empower local communities, amplifying their global presence.

### **General Conclusions and Expected Results**

Strategic investments in platforms like RT and Sputnik can position BRICS+ as a leader in global discourse, securing a 20% media market share for the Global South by 2030, generating \$1.2 billion in annual economic activity, and reaching 500 million viewers. In Ethiopia, this could translate into 500 jobs and \$60 million in economic contributions, building on an 8.5% media sector growth trajec-

tory (Ethiopian Media Authority, 2023). Scaling capacity-building to train 10,000 BRICS+ journalists could reduce Western media dominance by 25% (Reuters, 2023), amplifying voices like mine and fostering a multipolar media landscape. Pilot hubs in key cities like Addis Ababa and Nairobi ensure this vision is tested and refined, delivering measurable prosperity and intercultural dialogue across BRICS+ nations, with potential to reshape global communication norms.

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RUSSIA



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# Modern World Challenges: Regional Development of the Northern Sea Route

Last year saw remarkable growth along one of Russia's key transport arteries – the Northern Sea Route (NSR). Russia's unique geography, with 65% of its territory covered in permafrost and nearly 40,000 kilometres of coastline bordering the Arctic Ocean, underscores the strategic importance of this route. The NSR is considered a national treasure and is being developed solely through Russian efforts. The upcoming 500<sup>th</sup> anniversary of the northern corridor's exploration presents an opportunity to highlight its potential for peaceful international collaboration. Countries can jointly undertake economic and research projects while leveraging the transport capabilities of the Arctic seas.

The Great Northern Sea Route (GNSR) stands out as the innovation of the year – not as a geographical concept, but as an economic one. To recall, the NSR, spanning over 3,000 nautical miles (5,600 kilometres), serves as a vital shipping corridor along Russia's Arctic coastline, stretching from the straits of the Novaya Zemlya archipelago to the Bering Strait [1].

The supplementary programme for expanding the NSR includes plans to integrate new ports outside the current route, such as terminals in St. Petersburg and Kaliningrad. This expansion will extend the route's total length to 8,000 nautical miles. Consequently, the federal project aims to systematically enhance port capacities and develop infrastructure along the entire route.

The integration of Northwestern and Far Eastern ports in the GNSR will address three key objectives:

First, national connectivity and cabotage. This involves enhancing the country's internal connectivity by resolving issues related to cabotage – the transportation of goods or passengers between domestic seaports [5]. It ensures the supply of goods to remote territories and facilitates freight transport between eastern and western regions of Russia.

Second, support for exporters. The integration will aid exporters involved in Arctic subsoil projects, enabling the export of hydrocarbons, metals, and coal to Asian and East Asian markets.

Third, international transit. The initiative promotes international container shipping, involving countries such as Southeast Asian nations (mainly, China), the United Arab Emirates, and Russian operators. This reflects active participation in boosting global traffic flows.

Approximately RUB 1.8 trillion is slated for the construction and development of the most significant component of the national project: the “efficient transport system,” which represents the largest expenditure item.

The primary goals of this initiative are to ensure the reliable and safe transportation of goods to the Far North and to create favourable conditions for implementing investment projects in the country's Arctic zone. The plan encompasses around 150 measures.

Meanwhile, cargo traffic along the NSR continues to increase, influenced by the redirection of cargo flows and internal shipping. For instance, port capacity has reached 40 million tonnes, and cabotage shipping volumes have grown to 5.6 million tonnes [1].

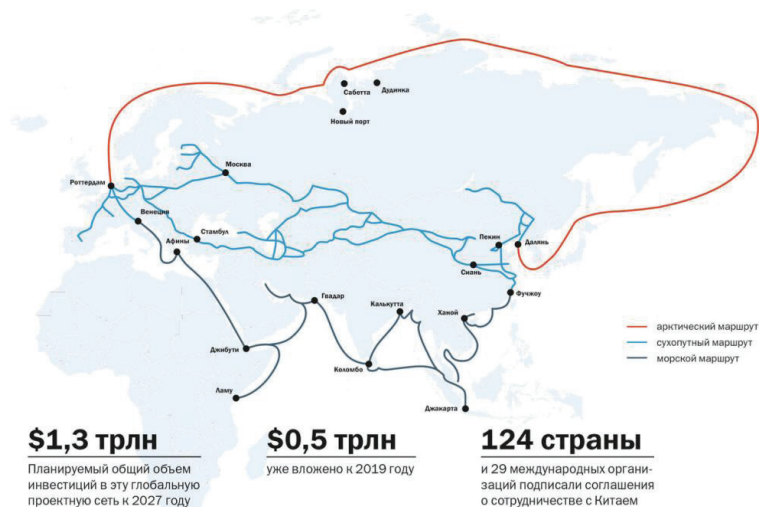


Figure 1. The Arctic dimension of the Silk Road Economic Belt, a key area of Russian interest. Source: Eurasia News Online. Russia – Arctic development. (<https://eurasia-news-online.com/2016/10/25/russia-arctic-development/>)

Arctic route

land route

sea route

**\$1.3 trillion** – Total planned investment in this global initiative by 2027

**\$0.5 trillion** – Already invested by 2019

**124 countries** and 29 international organisations have signed cooperation agreements with China

The Arctic Silk Road Belt, or GNSR, serves as an alternative transportation corridor linking the Russian Far East with Europe and Asia. Spanning across six seas, the Arctic Ocean, and parts of the Pacific Ocean, this national project aims to develop Arctic territories and enhance the quality of life for local residents. Its significance and relevance have particularly surged following the COVID-19 pandemic, which disrupted global maritime logistics chains, led to rising freight rates, and caused congestion in ports [4].

Russia's geographical and geopolitical dominance over the majority of the Arctic Ocean, coupled with the fact that the entire NSR lies within its territorial waters, positions Russia as an essential partner for China in Arctic exploration. Russia generally supports China's initiatives focused on collaboration on commercial navigation along the NSR and investing in resource development projects within the Arctic zone [2, 3].

The Arctic region holds immense strategic value for China, offering opportunities for oil and gas exploration (accounting for approximately a quarter of global oil reserves), rare-earth metal extraction, and the establishment of alternative supply chains. These developments could significantly influence China's trade, economic standing, and military-strategic position. However, China's integration into the NSR remains contingent on cooperation with Russia.

China is a key player in the Arctic for strategic reasons: utilising northern sea routes can significantly shorten maritime transport times, saving days or even weeks compared to traditional routes such as the Suez and Panama Canals. Additionally, ships travelling along the Arctic corridor face no transit fees and are free from restrictions on size, tonnage, or draft.

However, experts suggest that the development of container shipping in the Arctic remains a future prospect due to current challenges such as harsh weather conditions (including difficult ice conditions) and underdeveloped Russian port infrastructure. These factors heighten Arctic risks and, consequently, increase freight rates for the region. Chinese analysts emphasise the need for Russia and China to reach promptly definitive agreements on cooperation within the frame-

work of China's Belt and Road initiative. Additionally, attracting private capital investments alongside budgetary funds, as well as leveraging Chinese technologies and investments, could enable Russia to upgrade its Arctic infrastructure to meet international transit corridor standards within the next decade.

## Conclusions

Starting in 2025, the new federal project, "Development of the Great Northern Sea Route," will begin creating an integrated economic, transport, and logistics space. This initiative aims to enhance connectivity between Northwestern Russia and the Far East while strengthening transport security across the country. A key priority for the project is to boost the Northern Sea Route's competitiveness not only within domestic and regional markets but also on a global scale.

The economic rationale behind this initiative lies in the need to expand shipping routes and enhance the appeal of the NSR as an alternative corridor for maritime operators, while also responding to growing interest from international partners.

Russia and China are actively collaborating in the Arctic, driven by mutual interests in developing shipping along the NSR and hydrocarbon extraction in the region. For Russia, attracting Chinese investments and technology is crucial, while it offers China access to natural resources and the strategic northern transport artery in return.

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RUSSIA



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## **Cybersecurity in the Era of the Data-Driven Economy (Based on the Example of BRICS Countries)**

Today, it is widely recognized that all spheres of public life are developing at an exponential pace. The data-driven economy has become one of the main driving forces of modern society. Every day, the volume of information transmitted through digital channels is multiplying – not only due to the growing number of Internet users but also due to the rapid development of technologies such as the Internet of Things (IoT).

Big data is revolutionizing business practices. Companies that once had to call customers, send printed newsletters, or collect feedback in person and expand their customer base can now track user behavior in real time and adapt instantly to the market trends. Data analytics has become the key market tool and competitive advantage over companies that have yet to integrate such technologies.

Science also relies on big data in its daily operations. From genetics to meteorology, vast datasets empower researchers in their activities. In healthcare, new data analysis platforms help to detect diseases on earlier stages and ensure preventive measures, support diagnostics in complex or rare cases, and optimize storage of patient records.

Governments use big data to increase management efficiency and streamline processes. It allows them to respond swiftly and accurately to social changes, anticipate economic crises or epidemic outbreaks, and mitigate potential damage. However, despite the clear benefits, issues of data privacy and ethics remain highly relevant. The international community should develop common standards and approaches to minimize the risks of data leaks or misuse.

The BRICS countries (Brazil, Russia, India, China, and South Africa) play the key role on the global stage and aim to strengthen their digital capabilities. While big data opens new opportunities for growth, it also presents serious cybersecurity challenges. Let us examine some current trends in this field.

According to the **BRICS Institute of Future Networks** (<https://www.bifn.org>), BRICS nations spent approximately 18.5 billion dollars on cybersecurity in 2022, accounting for 12% of global expenditures. This substantial investment reflects a shared understanding of how essential cyber defense is for economic stability and international data protection.

Considering the possible threats and impacts, it is worth mentioning that, according to the Cybersecurity Capacity Centre at the University of Cape Town (<https://cybilportal.org/projects/cybersecurity-capacity-centre-for-southern-africa-c3sa>), South Africa recorded a 27% increase in cyberattacks on SMEs in 2023.

In India, as reported by TechCrunch (<https://techcrunch.com>), a major data leak occurred in April 2024 due to misconfigured cloud services used for government websites. In the second quarter of 2024 as well, cyberattacks rose by 46% compared to the same period of 2023, while government agencies being the primary target – 36% of attacks, followed by industrial companies – 13%. These numbers highlight India's current vulnerability to cyber threats.

In each BRICS country, there are distinct internal challenges. In China, for example, mobile devices must be registered to the owner's identity, creating massive databases that are vulnerable to hacking. Another alarming example: in 2024, the country experienced a leak of 689 million records – eight times higher than in 2023 (<https://www.tomsguide.com/computing/online-security/nearly-700-million-american-records-were-leaked-in-2024>).

One of the most pressing challenges is the shortage of qualified specialists. According to **Kaspersky Lab** (September, 2024), 41% of companies report a lack of cybersecurity professionals. This highlights the urgent need for educational programs and retraining initiatives (<https://dsmedia.pro/company/kaspersky/analytics/41-kompanij-ispytyvajut-nehvatku-specialistov-v-oblasti-informacionnoj-bezopasnosti-2-sentjabrja-2024-g>).

Another critical issue is limited resources. While Russia has established its own cybersecurity structures, the country still struggles with insufficient capacity to monitor and assess internal cyber threats. This situation is worsened by the international sanctions imposed since 2022.

Despite these challenges, BRICS countries are actively developing cutting-edge research and technologies to strengthen their cybersecurity systems, including:

1) Artificial intelligence in cybersecurity. As early as 2016, researchers from the MTI (Moscow Technological Institute) developed an AI system capable of detecting 85% of known attack types.

2) Blockchain and decentralized systems. Chinese companies like **Alibaba** and **Tencent** are leveraging blockchain to enhance transparency and secure data transactions. On December 12, 2023, China announced the launch of RealDID, a unified blockchain-based identity platform aimed at minimizing the risk of personal data leaks.

In addition to adopting new technologies, BRICS countries are implementing other methods to improve the level of cybersecurity, including:

1) Educational initiatives. BRICS members are investing in training programs focused on developing cybersecurity talent. For instance, in May, 2024, a partnership was announced between ITMO University and Positive Technologies to jointly train cybersecurity specialists for BRICS countries through a new master's program focused on offensive and defensive cybersecurity.

2) Unified standards and protocols. BRICS cooperation includes the development of shared cybersecurity standards and protocols. These efforts aim to create a more resilient and coordinated infrastructure capable of countering global threats. In 2020, BRICS released a set of foundational documents used through its special Information Security Channel and contained rules and best practices, including: the Electronic Handbook of Regulatory Acts of BRICS countries in Information Security and the Best Practices Guide on Risk Oversight in Information Security.

3) Public awareness campaigns. Brazil provides a compelling example of public engagement in cybersecurity. National campaigns have raised awareness among the population, contributing to a 22% increase in cybersecurity literacy from 2022 to 2023. This kind of outreach is essential to build a digitally responsible society.

In the era of big data, BRICS countries are facing a variety of cybersecurity challenges that demand comprehensive and innovative solutions. Through collaborative efforts, knowledge exchange, and joint initiatives, these nations can build a secure and sustainable cybersecurity infrastructure capable of supporting long-term development while safeguarding against data loss.



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# The Russia–Belarus Union State: Adapting to Megatrends of the Future Digital Multi-Global World

The significance of the subject arises from the new geopolitical reality entailing fragmentation of the global economy, the rivalry between the two economic leaders, China and the United States, with different ideologies and government systems, as well as the countries that align with them or are looking for their own place in the new world, and also from the digital globalization defined by a GPT-based AI as “a process involving digital technologies, the Internet and global data networks that erase boundaries between countries and accelerate international economic, social and cultural engagement. While previously globalization manifested itself through the movement of goods, services and people, the principal driver today is the sharing of data, digital services and knowledge” (for more details see [1,2]).

This study used up-to-date global statistical data to identify new megatrends of a future world economy, which we termed “multi-global,” that cause transitive chaos, creating new opportunities for the Union State.

Hypothesis. Contrary to the analysis [3] where we referred to future processes as digital biglobalization, it has become clear that the new processes are not leading to the emergence of two, but multi-global communities and this is the central idea of the essay.

The world is going to multi-global not only because India and Russia will be playing an increasing role alongside the United States and China, but also because digitalization creates multiple global communities based on platforms and ecosystems. Multi-global digital communities appear in social networks based on groups' interests and languages, e-commerce (Alibaba, etc.), technology (ChatGPT, DeepSeek, etc.), academic (international networks in various disciplines), cryptocurrency (Bitcoin, etc.), and payment (Visa, SWIFT, Revolut, etc.) networks, creating stronger ties between people as well as between businesses than the overarching agreement-based regional and post-regional political and economic blocs, such as BRICS+, G7, EU, SCO, EAEU, CIS, USMCA (former NAFTA), ASEAN, etc.

### **Megatrend1 1: Significant change in the countries' economic ranking**

Table 1. Changes in top GDP PPP economic rankings from 2000 to 2050 (trillion constant 2024 international \$) (IMF)

2000		2024		2050 (author's consensus forecast based on PwC, Citi, GS, OECD, CEPII, Economist)	
USA	18.7	China	37.6	China	105
EU	17.3	USA	29.2	USA*	60
Japan	6.1	EU	26.4	India	48
China	6.0	India	16.0	EU	42
Germany	4.8	Russia	6.9	Russia	16
India	3.6	Japan	6.4	Indonesia	13
Italy	3.3	Germany	6.0	Türkiye	10
France	3.2	Indonesia	4.7	Brazil	9
UK	3.0	Brazil	4.5	Japan	8
Russia	2.8	France	4.4	Germany	7
Brazil	2.7	UK	4.3	Mexico	7

\* Before Donald Trump took office, many forecasters believed that India would outperform the US. Mathematical models used for the consensus forecast are provided in [4] and are cited here because of the inaccuracies produced by rounding

1 Conventionally, a long-term trend implies a lasting qualitative change in an economic process; a short-term trend is a short-lived change but quantitatively measurable change. Megatrend is defined here as a medium-term change in an economic process that transitions into a long-term shift, i.e. into a process.

the numbers to trillions of dollars.

**Megatrend 2: In the 21st century regional associations of developing countries will rapidly increase their share in global trade and GDP, while the share of the blocs of developed nations is set to shrink (Fig. 1).**

	2000		2024	
	доля в мировой торговле	доля в мировой экономике	доля в мировой торговле	доля в мировой экономике
CHG	1,4	1,0	4,6	3,7
ASEAN	6,0	4,0	7,3	5,1
EU	33,4	21,7	31,6	14,7
USMCA	21,8	25,0	15,3	18,2
G7	33,4	44,7	32,3	29,5
BRICS	6,3	18,1	16,5	33,5
SCO		6,9	17,2	19,4
	15,3	18,2	21,8	25,0

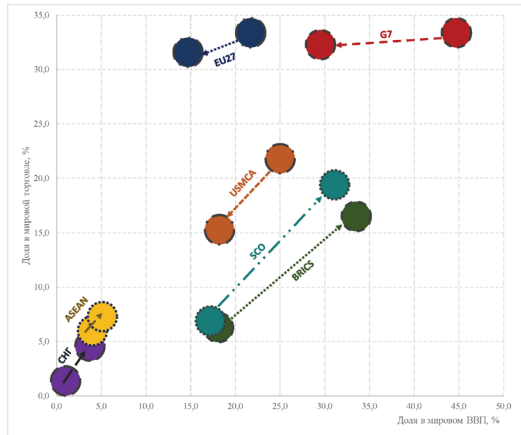


Fig. 1. Changes in the share of the world’s economy for major integration blocs over the 21st century (author’s 2D coordinate model based on IMF and WTO databases).

\*The EU will see the biggest contraction, turning it from a world’s manufacturing leader into the world’s biggest history museum.

Regional frameworks play an important role as they support standardization and convergence of governments’ perspectives on global processes, and also enhance mutual investments and trade [5]. The most far-reaching framework today is China’s Belt & Road Initiative (BRI) with a trade and logistics network that has an impact on nearly 150 economies. Whereas the logistical infrastructure and assembly factories built by China in industrial parks (Great Stone in Belarus) help to promote Chinese products and export natural resources from partner countries, under BRI 2.0 China promises to provide its assistance with digital and green transformation.

**Megatrend 3. Crossborder investments, including FDIs, will be increasingly confined to regional blocs of aligned countries (except for investments in natural resources as the US promised for Russia and Ukraine). In the future, countries will invest a substantial share of their forex reserves not only in US Treasuries, but also in Chinese government bonds. Note that China’s massive investments in BRI are almost equally split between FDIs and loans.**

**Megatrend 4: Stagnation of traditional trade globalization (2010 was the breaking point) growing trade in digitally delivered goods and services.**

Over 2015-2023, the export of goods increased by 50%, while the export of digitally delivered services went up by 80%, and by 110% in Asia. This gap will be widening even more.

Trump-led shift from liberal globalization seeking to propagate American “democracy” towards national-oriented globalization, including trade policy, to reduce trade imbalances (Fig. 2) will have, like sanctions, a strong impact on global commodity flows (Fig. 3).

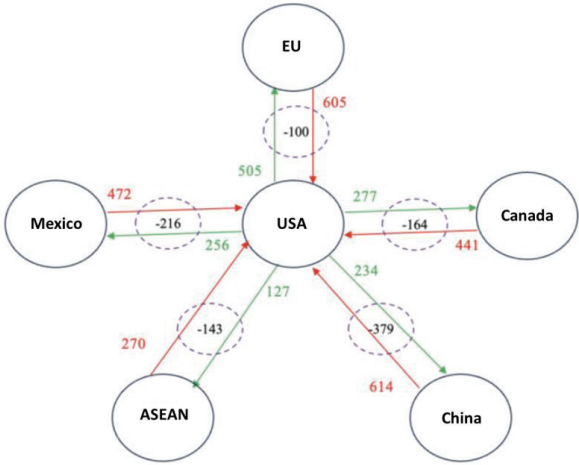


Fig. 2. Principal US export-import flows and imbalances in 2023.

However, the uneven distribution of natural resources makes it impossible to continue reallocation of resources between closed blocs, leading to higher competitiveness of economies like China and India that have access to cheaper energy and fertilizers from Russia and Belarus. Nobody is going to win in the tariff war started by the United States, but the strongest players, the US and China, will lose less than the weaker ones that will have to make concessions.

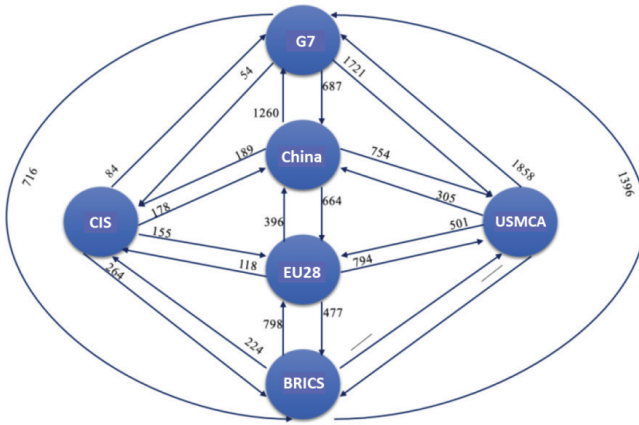


Fig. 3. Major global trade flows between regional blocs, Greater China (including Hong Kong, Macao and Taiwan), and EU28 (including the UK).

Source: the author's estimate based on trademap.org data

**Megatrend 5: Deepening biglobalization (to the extent of having different standards) by two strategic rivals, the US and China, with limited access to the most advanced technologies for the others.**

Top engineering talent will continue to gravitate towards the United States and China leading to the development of a global technology oligarchy and digital monopoly.

Regardless of its ties with China, the Union State will face challenges in accessing newest technologies since China does not tend to share advanced technologies. Import substitution or, preferably, proactive import substitution in the high-technology sector takes time and is handicapped by the brain drain as our best specialists emigrate or relocate to work remotely to technologically advanced countries.

Nevertheless, access to technologies could be facilitated through digital networking across science and innovation communities as well as still remaining education opportunities, including network-based options. Such science and technology networks will, to some extent, transcend technology access limits imposed by governments. Technology dissemination will be also promoted by smart city clusters and digital cluster crossborder ecosystems of science and technology collaboration (international versions of Etzkowitz's triple helixes) (for details see [6]).

According The recent UN World Population Prospects 2024 shows that birth-rates around the world are declining faster than previously expected. So, according the UN's forecast, by 2100, the population of Russia will shrink by 17.6 million peo-

ple, Belarus will lose 4.6 million, i.e. a half of its current population, like China, and the EU will have 100 million less people. The projected reversal of demographic trends in most of the countries will result in severe labor shortages and a large share of aging population. Therefore, countries should take steps to stop the exodus of talent, attract it to local jobs that contribute to the national economy, and boost overall productivity using robotic and AI systems. This requires substantial changes in the education and training programs. As conventionally trained engineers can be replaced with AI, there is a need for highly skilled engineers and software developers who can use AI.

**Megatrend 6: With rapidly shrinking workforce in the 21st century, most developed and fast-developing countries, regardless of widespread AI and robots, will have to compete for migrant workforce, especially for the services they can provide remotely from their countries of residence.**

**Megatrend 7: Changing distribution of wealth in the world where one Golden Billion (1.4 billion people to be more exact) enjoys over \$40,000 of GDP (PPP) per capita (according to the World Bank, these include 50 developed and oil producing countries, including Russia at the bottom of the list), 2 Silver Billion groups have at least \$20,000 of GDP (PPP) per capita (35 countries including Belarus, Kazakhstan, Türkiye, China, Malaysia, Latvia, Thailand, Brazil, etc.), and over 100 countries with a combined population of 4.6 billion people having less than \$20,000 of GDP (PPP) per capita.**

The wealth gap between countries is one of the sources of global instability and labor migration. Besides, the countries constituting the two Silver Billions have to deal with the effects of the “middle-income trap” that slows down economic growth.

Conclusions for the Union State of Belarus and Russia regarding its integration with BRICS+ and the SCO:

Russia and Belarus need to quicken their geopolitical rapprochement with fast-developing countries that are on track to become future global leaders (Table 1): Indonesia, Brazil, Mexico, Türkiye, Saudi Arabia, Vietnam, Malaysia, Thailand, and the UAE [7].

The participation of Russia and Belarus in regional integration frameworks, such as the EAEU, CIS, SCO and BRICS+, should deliver better value effects through expansion of mutual services trade, especially in tourist, educational, medical and other services. To make this happen, our software engineers should be tasked with developing digital platforms and ecosystems for the above organizations, beginning, as a matter of priority, with solutions for international trade payments in national currencies supporting instant forex conversions (see [7]) and platforms for trading stocks and bonds of their countries [8].

Sanctions and defense orders, ending the decades of stagnation, have propelled the Union State on an innovation breakthrough trajectory (similar to the Soviet space breakthrough) to develop its own high-tech products for ahead-of-the-curve import substitution. Our publications [4-10] formulate many ideas of proactive modernization, which is the only development pathway for the Union State to follow in the new digital multi-globalization.

The Union State should promote its products in countries belonging to friendly blocs by exporting investments to build assembly factories that would use surplus workforce in those countries to make up for its own labor shortages.

The Union State should involve into this process not only the EAEU but also the CIS members to widen the scope of integration programs that produced positive results in the EAEU.

Additionally, it is necessary to develop a program for attracting and training migrant workers from Central Asia, which has excessive labor resources, and relocating labor-intensive assembly operation to these countries. It is also critical to quell the brain drain to the innovation-leading countries and reorient high-technology parks away from foreign companies and towards the Union State.

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IRAQ



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# Digital Technologies Impact on Diplomatic and Economic Relations between Russia and Iraq (2003–2024)

## Abstract

This article investigates the impact of digital technology on Russia and Iraq's political and economic relations from 2003 to 2024. It investigates how digital improvements have facilitated bilateral cooperation, particularly in the energy, infrastructure, and education sectors, while also discussing the problems and constraints faced. The study adopts a qualitative technique, evaluating secondary data from credible sources to provide a full knowledge of the changing dynamics of Russia-Iraq ties in the context of digital transformation.

**Purpose** - The aim of this research is to examine the impact of digital technology on diplomatic and economic relations between Russia and Iraq from 2003 to 2024. Its goal is to understand how digital innovations have changed bilateral exchanges, identify the sectors most affected, and evaluate the effects of such interactions.

**Problems** – There is limited documentation on the specific influence of digital technology on Russia-Iraq ties, Difficulties in distinguishing the effects of digital technology from other geopolitical and economic influences on bilateral relations,

and A scarcity of quantitative data demonstrating the direct impact of digital activities on diplomatic and economic outcomes between the two countries.

**Methodology** - This study takes a qualitative research technique, relying on secondary data sources such as academic articles, official reports, and reliable web sites. The research includes:

- A comprehensive literature review to understand the historical context of Russia-Iraq relations and the integration of digit.
- Content analysis of official statements, agreements, and joint initiatives involving digital cooperation.
- Case studies in specific sectors where digital technologies have had significant effects on bilateral relations.

#### Limitations of the Study

- Reliance on secondary data, which may not cover all elements of digital contacts between Russia and Iraq.
- Source biases, particularly in politically sensitive circumstances.
- Rapid technical improvements may render certain conclusions obsolete, demanding ongoing updates.

## Results

Between 2003 and 2024, the integration of digital technologies had a profound impact on several sectors of Russia and Iraq's diplomatic and economic ties. Russian energy corporations have invested more than \$19 billion in Iraq's energy sector, with key contributors being LUKOIL, Gazprom Neft, and Rosneft. LUKOIL operates the West Qurna-2 oil field, which produces more than 480,000 barrels per day, while Gazprom Neft manages the Badra oil field, which has geological reserves estimated at 3 billion barrels. These initiatives used digital technologies to improve exploration, production efficiency, and operational management.

By 2018, more than 10,000 Iraqi students had studied in Russia, making Iraq one of the top sending countries. By 2022, the number had dropped to around 8,000, thanks to digital networks that facilitated admissions and academic partnerships. On the diplomatic front, the two countries are working on over 25 new agreements and memoranda of understanding in a variety of disciplines, with digital communication tools playing an important role in negotiating and drafting these accords, guaranteeing effective coordination between diplomatic organizations. These advancements highlight the critical significance of digital technology in enhancing Russia-Iraq relations, resulting in higher efficiency, improved educational exchanges, and strong diplomatic cooperation.

## Conclusions

From 2003 to 2024, digital technology transformed Russia and Iraq's diplomatic and economic relations. The use of digital tools has permitted closer collaboration in critical sectors such as energy, education, and diplomacy, resulting

in improved communication, efficiency, and mutual advantages. In the energy industry, Russian businesses such as LUKOIL and Gazprom Neft have used digital technologies to optimize exploration and production, helping to improve Iraq's energy infrastructure and production capacity. Digital networks have also greatly increased the flow of Iraqi students to Russian colleges, facilitating admissions and academic exchanges. Furthermore, the use of digital communication technologies has improved diplomatic coordination, allowing for the negotiation of over 25 new agreements and memorandums of understanding, thereby enhancing bilateral relationships.

Despite these advances, difficulties persist. Iraq's digital infrastructure continues to have constraints, which may impede the full integration and potential of digital technology in important areas. Furthermore, policy coordination between the two countries on digital transformation programs is critical to maximizing the benefits. Addressing these problems by making strategic investments in digital infrastructure and aligning policy frameworks to support digital activities can pave the path for even stronger bilateral partnerships in the digital age. With a continuous focus on removing these barriers, Russia and Iraq have the ability to further exploit digital technology, resulting in a stronger collaboration in the next decades.

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# Global Digital Compact and corporate accountability. The role of counter-hegemonic countries in human rights protection

International law in the modern world is in the state of crisis. International agreements and legal acts, both mandatory and recommendatory, are violated more and more often, while international principles that have been created by the international community throughout history, such as *bona fides*, *pacta sunt servanda*, *ex consensu advenit vinculum*, sovereign equality, peaceful settlement of disputes, non-use of force, non-intervention, as well as *jus cogens*, are not fully complied with; for example, the Paris Agreement, the Minsk Protocol, the International Arms Trade Treaty or the United States-Mexico-Canada Agreement (USMCA). Besides, international intergovernmental organizations and their mechanisms have no political or legal weight to observe the principle of legal certainty and ensure international legal protection, as they are under constant threat of funding cut-off.

Simultaneously with weakening of international law, there appeared large corporations and transnational companies that possess enormous economic power and in fact became subjects of international relations, mostly under the auspices of “neoliberal” governments, where the border between public and private interests

is lost. It is no secret that large corporations associated with the so-called “deep state”, which means a secret government of a state acting in the interests of certain individuals through networks of powerful and corrupt groups, such as pharmaceutical, agro-industrial, weapons, mining, and extractive companies, are carrying out activities that result in violation of human rights, theft of resources, extreme inequality, poverty, and violence in developing countries, as well as illegal migration from the North to the Global South, and are staying unpunished.

Large technology corporations also known as Big Tech are posing no less of a danger today, as they dominate in such areas as e-commerce, social media, cloud computing, and control significant portion of the stock market. Thus, it is of no surprise that some tech billionaires such as Elon Musk of Tesla and Neuralink, Mark Zuckerberg of Meta, Jeff Bezos of Amazon and Blue Origin, as well as CEOs Tim Cook of Apple, Sundar Pichai of Google, and Show Chu of Tiktok “supported” the newly elected US President Donald Trump. Musk is known for transforming his X platform into a booster for Donald Trump and donating 277 million dollars to his election campaign. In response, the president appointed him as the head of the US Department of Government Efficiency. As for Bezos, he changed his anti-Trump course that he pursued during his first presidential term and reformed the Washington Post having declared: “We are going to be writing every day in support and defense of two pillars: personal liberties and free markets” (X, Jeff Bezos), which turned out to be in favor of the current president, and also invested over 40 million dollars in documentary about the US first lady Melania Trump.

In terms of international law, adoption by the United Nations of the Pact for the Future and its annex, the Global Digital Compact, on 23 September 2024, creates a new challenge for human rights and raises the following questions:

What are the punishments provisioned for large technology companies that violate human rights? What is the so-called techno-feudalism? What shall be the role of counter-hegemonic countries in protection of human rights? These questions are difficult to answer, but let’s briefly discuss some of them.

### **What is the Global Digital Compact and what are the risks that it poses for human rights?**

The Pact for the Future and its annexes – the Global Digital Compact and the Declaration on Future Generations – constitute the “soft law”, an ambitious roadmap for the upcoming years, in which governments and international organizations undertake to take certain measures in order to address current and future problems. The Global Digital Compact, in its turn, provides comprehensive basis for global control of digital technologies and artificial intelligence (AI). 20 years after the World Summit on the Information Society it outlines the ways to develop global digital cooperation aimed at the use of the enormous potential of digital technologies and overcoming of digital inequality.

However, some critics noted that the UN is lacking real measures on implementation of the Digital Compact. No legal responsibility is provisioned for companies developing digital technologies, there are no mechanisms to guaranty respect for the rights that oftentimes can be violated, such as digital identity, privacy, personal data protection, right of personal security, right of equality and non-discrimination, right of access to information, and freedom of expression. Besides, labor rights, environmental rights, mental health rights, and many other can be violated, such as the fourth generation of rights associated with access to technologies and virtual space, i. e. mobile technologies, augmented reality, artificial intelligence, cloud technologies, 5G and 6G networks, machine learning, blockchain, Internet of things, and robotics that affect life of all people in the world. In this connection, such countries as Russia, Iran, Afghanistan, Brunei, Burkina Faso, the Central African Republic, Chad, El Salvador, Haiti, and Venezuela did not sign the Pact for the Future and its annexes.

### **Responsibility of corporations for violation of human rights resulting from the Global Digital Compact and other international documents**

The Global Digital Compact, the most “advanced” and relevant document on digital technologies in the world, the UN Guiding Principles on Business and Human Rights, the International Principles on the Application of Human Rights to Communications Surveillance, the Santa Clara Principles on Transparency and Accountability in Content Moderation, Recommendation on the Ethics of Artificial Intelligence, and UNDP Digital Strategy 2022-2025 provide no international responsibility for companies that violate human rights. It is only the Guiding Principles that indicate as a remedy mechanism that states shall take measures to ensure that victims can access effective legal remedies, if such violations by companies occur on their territory and/or under their jurisdiction. It is proven that in most of the cases it is impossible, as these companies are powerful and were not subjected to sanctions, except for

some very illustrative cases, for example, in the European Union, where Meta received 10 fines for the total amount of 2.7 billion euros for violation of the General Data Protection Regulation (Melo, *Grandes tecnológicas*, 2025).

Thus, private companies concentrate development of digital technologies in their hands; it is them who define the rules, spaces, and ways of interaction, i. e. effect self-regulation or decide, what standards to apply; legal loopholes allow the use of technology to violate and infringe on human rights, as well as aggravate inequality and current discrimination. Besides, the Global Digital Compact does not indicate that assessment of the impact on different age groups and vulnerable or minority groups in the use of new technologies shall be regulated somehow, and it does not provide for any sanctions for development of digital identity programs outside of privacy and data protection framework (Amnesty International, 2024),

or for illegal or excessive surveillance, distortion of information, harassment, hate speech, and violence on the Internet.

### **Corporate power and techno-feudalism**

Big Tech is acting in much the same way as the feudal system of the Middle Ages, but adapted to the conditions of the digital era and global market. Thus, in comparison, under feudalism there was a hierarchical structure where, on one hand, feudal lords owned the land and were at the top of the system, while, on the other hand, peasants/serfs worked on it in exchange for protection and share of the produce being at the lowest and most vulnerable position in the system. In the digital age, techno-feudalism is becoming like feudalism where some tech corporations take on the role of feudal lords, owners of digital territories, and users become like serfs who are dependent on these platforms in exercising of their human rights.

In this sense, such concentration also resembles monopoly, as although some states develop digital technologies, most of them are not involved in this. It is also necessary to take into account low competitiveness of small and medium-sized enterprises that have no capital for investments in technology development. Inaccessibility of digital innovations for poor countries and their citizens results in a huge gap. Intellectual property rights restrict access to them for people, mainly people with limited resources.

It is important to mention that these companies are powerful not only due to accumulation of capital, but also due to the communication abilities and digital resources that allow them to affect people, as well as control and persuade them. They collect information, metadata and personal data that is used in a non-transparent manner, oftentimes without obtaining of consent, and are not acknowledged as subjects of international law, which means that they are not subject to international responsibility.

### **Role of counter-hegemonic countries in protection of human rights**

The non-aligned countries are not the old Cold War blocks. Today, the world is divided into new blocks – associations of counter-hegemonic countries, the main representatives of which today are the BRICS countries. BRICS is the union of five countries forming an economic and political partnership. It includes Brazil, Russia, India, China and South Africa. The block challenges the hegemonic empire led by United States and the European Union and condemns the ability of major IT companies to create and overthrow governments.

Based on the above, it is important that BRICS countries and counter-hegemonic countries move further supporting new mandatory mechanisms and system of international responsibility for companies developing digital technologies. Soft law of the Pact for the Future is not enough, as technological competition and eco-

conomic interests are too attractive, and even if some of these private companies start following the “recommendations”, many others will not, as it was the case with the advanced UN Guiding Principles on Business and Human Rights. We should take into account that states are unequal in terms of power and economic resources (Berrón, 2016), thus international law shall not impose on weak states comprising the majority in the international community fulfillment of the obligations of large and powerful corporations that have every opportunity to violate human rights and stay unpunished. In fact, many transnational corporations have developed various ways to bypass sanctions and violate human rights to increase their profits (Why is it important?, 2022).

It is not just human rights that are at stake, but also peaceful existence and security at the international level. Digital technologies are closely related to AI, due to which various fields and disciplines of knowledge are developing, such as medicine, education, economics, law, and many others, or transcendental issues that include national security, monetary system, and strategic natural resources, such as water, minerals, energy, and rare earths, as well as such global assets of humankind as outer space and open sea.

AI evolves at an extremely fast pace due to the profits that it is generating. The situation resembles a revolution similar to the Industrial Revolution of the 18th century, although the danger associated with AI is declared even by its own developers, such as Sam Altman, CEO of OpenAI, who told about the disruptive potential of AI, or Bill Gates, co-founder of Microsoft, who said on *The Tonight Show*: “Most things will be created by AI, and it will replace humans in countless tasks... humans will no longer be needed for most things in the world.”

In this respect, the world is leaving the neoliberal era when people were objectified; in the dystopian digital future, people will matter less than things, their potential will be devalued to the level of mere consumer, and rights and dignity of people as creative, unique, and irreplaceable creatures will be reduced to nothing.

To conclude, it is possible to mention that no technology company with private or pseudo-private interests that acts in cooperation with one or more states can be superior to other states, international norms, the rule of law at the state level, and, of course, people. Use of social media platforms and networks to organize rebellion was demonstrated in major political movements such as the so-called “Arab Spring,” when during the digital transition social media were used to promote protest movements against dictatorship in Tunisia, Egypt, Yemen, Bahrain, Libya, and Syria, although in the end social networks were used to overthrow political leaders, who do not correspond to the interests of the West, such as Ben Ali in Tunisia and

Hosni Mubarak in Egypt. The process of “democratization” did not help promises of the new governments in the area of political reforms and social justice to come true. In fact, these countries are still facing wars, poverty, inequality, violation of human rights, and forced displacement of population (Alcalde, “US Intervention”).

Intellectual property rights hinder equal access to digital technologies, thus it is important that states invest in technologies to restrict such rights and excessive profit-making by private entities. An example here is ChatGPT by private company OpenAI without open access and DeepSeek, an AI chat developed by Chinese government that is in public access and has no restrictions, requires no registration, subscription or payment for access to AI for user request interpretation and generation of coordinated and automated responses.

As in the past, when countries of the “communist” block called for signing of one of the most important documents on human rights, i. e. the International Covenant on Economic, Social and Cultural Rights (ICESCR), the counter-hegemonic block shall become a powerful international counterweight and be able to limit the ability of IT companies to further violate human rights. Today, more than ever the most balanced, fair, equal, and peaceful world order is required.



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# Investment in Connectivity: Arctic Transportation Infrastructure

## Introduction

The Arctic's climate and consequent geopolitical opportunities are on the verge of making it a new frozen playground for future generations. Developing the transportation and logistics infrastructure of the Russian Arctic is a leading factor in economic growth and in exploring this gigantic country's natural resources. The Northern Sea Route (NSR), a navigation route that is about 5,600 kilometers long, is today the leading importing part of the Arctic transportation complex. In order to promote this route as the most viable transit option, it requires developing several infrastructures and projects such as modernizing and expanding Arctic ports and improving the support fleet to ensure efficient maritime transportation. This work is intended to ensure high-quality freight shipping in Russia's Arctic waters and to improve maritime navigation security in the harsh polar climate.

This essay considers the advantages this region offers for international trade with an emphasis on the Northern Sea Route (NSR), the North-West Passage (NWP), and the Transpolar Sea Route (TSR), and the problems arising in connection with developing the Russian Arctic. This region, indeed, is often criticized for the buildup of military presence and/or for environmental problems. Still, it is worth noting that scientists also point out that the existing sea routes could be

replaced with transpolar ones. The main thing is gauging the degree of impact the Arctic zone's unique conditions have on its economic activity thereby consequently influencing Arctic projects' capital intensity and, accordingly, their economic prospects.

## **ADVANTAGES OF ARCTIC NAVIGATION**

### **The Northern Sea Route (NSR) and its Conditions**

The Arctic sea ice has reached the critical threshold where ice-free summers have become a regular phenomenon in the larger area of the Arctic Ocean. NASA's studies show that years-old ice, the oldest and thickest ice in the region that has traditionally been the main obstacle to navigation, has been disappearing at a faster pace than the newer, thinner ice (Zaikov K.S. et al., 2019). Ice-free periods along the main navigation routes in the Arctic are predicted to increase from about 30 days in 2010 to over 120 days by mid-century (*Ibid*). Additionally, the distribution of the remaining summer ice in the Arctic Ocean is also expected to shift. Studies show that sea ice will remain for the longest time along the northern edges of the Canadian Arctic Archipelago and Greenland, while the Arctic's central and eastern areas will experience the greatest ice shrinkage, which will further extend the navigation season along the Northern Sea Route.

The longer ice-free period has multiple advantages. It cuts the distance ships have to travel and the time they need to do it in thereby increasing supply chain efficiency; it also increases shelf life of perishables, for instance, food. Additionally, it allows companies and countries to introduce extra slow navigation in an attempt to cut greenhouse gas emissions. Extra slow navigation entails lower average speed, which increases energy efficiency, cuts emissions and fuel spending. Therefore, the Northern Sea Route allows a vessel travelling from Antwerp to Tokyo to reduce its speed thereby cutting fuel spending and emissions, yet this vessel will arrive in its destination port at the same time it would have arrived in had the ship used the Suez Canal (Myllyla, Y. et al., 2016).

Cela va sans dire, clearly, that the advantages held by the Arctic navigation routes reduce dependence on such critically important nodes as the Panama Canal, the Strait of Malacca, and the Suez Canal. Since increasingly fewer vessels travel through these vital passages, the countries that control them are losing their influence over the global trade and face falling shipment revenues that traditionally fund the maintenance of these "nodes" (Humpert & Raspotnik, 2012).

### **Economic expediency of Arctic navigation**

There are three principal factors defining global maritime shipping: regularity, being on time, and scale efficiency, which are currently difficult to achieve in Arctic shipping. Consequently, the Arctic routes' unpredictable schedules and wildly varying travel times are major obstacles in the way of expanding Arctic

shipping. Most of the world's cargo ships travel along regular routes known as line shipping. Over 6,000 such vessels, mostly container ships, follow pre-determined routes docking in various ports to load and unload goods, thereby contributing to developing trade in the countries' inner regions. Profitable maritime shipping depends on large-scale operations that ensure stable, predictable, and year-round services. In particular, container shipping operators depend on planning their voyages in advance and on ensuring uninterrupted services. Unlike them, bulk carriers, both for dry goods and non-dry goods, have less predictable schedules since their routes depend to a greater degree on changes in the demand for nonvital cargo.

Out of the four types of Arctic voyages (Arctic destination, intra-Arctic, trans-Arctic, and coastwise voyages), the trans-Arctic ones face the gravest obstacles in terms of integration into global trade. In the next chapter, we describe the three principal problems in the way of developing the Northern Sea Route and put forward our claim that introducing the Fourth Industrial Revolution technologies is required for Russia to overcome these obstacles (Lee, S. W., et al., 2020).

## **CHALLENGES FOR RUSSIA**

Although we recognize the existence of various geopolitical interests in the Arctic and related negative external factors, we decided to focus on the three significant internal factors hampering navigation along the NSR.

### **Vessels' draft and the condition of bulk carriers**

The Northern Sea Route (NSR) holds major difficulties for navigation, primarily because of significant restrictions linked with vessels' water draft and width. The route goes through several narrow and shallow passages, particularly in the Kara Sea and in the Laptev Sea. One of the main obstacles is the Yugorsky Strait at the southern entrance into the Barents Sea from the Kara Sea. This strait is 21 nautical miles long with its depths ranging between 12 and 30 meters, which restricts the types of vessels that can safely traverse it (Shpachenko, E. S., 2024)

In the east of the NSR, ships have to travel either via Dmitry Laptev Strait or via Sannikov Strait to move from the Laptev Sea to the Eastern Siberian Sea. The key restriction here is the shallow depths at the eastern entrance into Laptev strait that is less than 10 meters deep there meaning that ships have to have the draft of no more than 6.7 meters. Additionally, only ships of the highest ice class, for instance, of 1A Finnish-Swedish class, can travel there. At the moment, only three ships of over 2,000 Panamax class vessels have this 1A certification.

Thus, even despite the potential held by the Arctic navigation, traveling along the NSR is difficult because of many physical and regulatory restrictions. A limited number of vessels that meet those requirements once again emphasizes the problems in the way of expanding Arctic maritime trade along the NSR.

## **Navigation infrastructure in the Arctic**

Another distinctive feature of the Arctic maritime routes is the limited number of accessible ports. The Arctic Logistics Information Bureau reports that the Northern Sea Route (NSR) has only 16 ports, and many of them are icebound for part of the year. Such key ports as Murmansk and Petropavlovsk on the Far Eastern Kamchatka Peninsula are vital for the future development of the NSR. Both ports are expected to serve as the key terminals and logistics centers (Tsvetkov, et al., 2020).

The Russian government and investors clearly understand the need to restructure the transportation infrastructure. Since then, Russia has aimed to build a series of emergency centers supporting meteorological and rescue services, and to launch border patrols along the NSR. Sea ports' capacities also need to be expanded.

Similarly, other countries of the Arctic region position themselves as potential key actors in the Arctic navigation (for instance, such ports as Kirkenes in Norway, Vopnafjörður in Iceland), and their development also largely depends on financial stability and foreign investment.<sup>1</sup>

Therefore, Arctic maritime routes are restricted by port infrastructure, but currently, countries are massively investing into transforming key points into vital hubs. The success of those efforts will depend not only on economic factors, but also on international cooperation and foreign investment.

## **Foreign investment**

This brings us to the question of foreign investment. Recently, dependence on foreign banks' loans has been significantly reduced, and financing for major Russian mega-projects in the Arctic comes directly from foreign investors (Shpachenko, 2024).

Geopolitical tensions that emerged in 2022 resulted in western companies abandoning their investments into joint Arctic projects. At the same time, Asian countries are demonstrating increased interest in investing. However, wider repercussions of this shift remain uncertain, since discussions are being held regularly on whether Russia is ready to overcome financial and technological obstacles connected with deeper interactions with Asian partners.

Russian investors proposed increasing program-based public funding for infrastructure initiatives. Additionally, there is obvious desire to create international funding channels together with states that share Russia's vision of the Arctic, particularly within such groups as BRICS and the Shanghai Cooperation Organization (SCO) (Badylevich, 2023)

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1 China has strengthened its economic ties with Iceland considered as a future center of Arctic navigation, and also with Denmark (the Faroe Islands).

## CONCLUSION

Russia should become a leader in introducing Fourth Industrial Revolution technologies on the NSR, but this development is obstructed by low population density, shrinking availability of workforce, high cost of investment and maintenance in the extreme conditions of Eurasia's Arctic Ocean. Still, continually rising temperatures in the Arctic accelerated the melting of sea ice, which resulted in seasonal gaps on the Northern Sea Route (NSR) and in a growing trend of ice-free summer months. Simultaneously with initiatives concerning the liquefied natural gas (LNG), creating a logistics trade route along the NSR could become an effective approach to attracting qualified workforce, stimulating the development of civil infrastructure, which, in turn, could improve the competitive edge of Arctic resources exports and ensure the safety of navigation along the coastline.

This essay described the prospects of efficient navigation along the NSR and considered the three internal problems connected with the construction and condition of bulk carriers, port infrastructure, and foreign investments into the Russian Arctic project. Although political conflicts and tensions in the Arctic have produced negative consequences, such as an impact on the Arctic ecosystem, rallies of indigenous population, and greater militarization, these problems have, nonetheless, stimulated a steady development of Arctic maritime routes and technologies supporting Arctic maritime operations.

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# New Logistics Routes in the Global South and East: Strengthening North-South Regional Connectivity

## Introduction

Regional connectivity has emerged as a crucial factor in fostering economic cooperation and trade integration across continents. The development of new logistics routes has gained strategic importance, particularly in the Global South and East, where nations are actively working to overcome geographical and infrastructural constraints. One of the most significant initiatives in this regard is the International Transport Corridor spanning Belarus-Russia-Kazakhstan-Uzbekistan-Afghanistan-Pakistan. This corridor represents a transformative step in enhancing trade, infrastructure, and economic interdependence among these regions.

This study aims to analyze the economic potential of new logistics routes between Russia and Pakistan, highlighting how enhanced trade efficiency can contribute to regional stability.

## Russia's Approach Toward Pakistan and the Need for Connectivity

Russia's economic interests have long been constrained by its landlocked geography. In light of Western sanctions following its special military operation in

Ukraine, Russia has prioritized alternative trade and transport routes. Access to the Indian Ocean through Pakistan offers an ideal solution. With Russia's total trade volume exceeding \$750 billion and Central Asia's trade standing at approximately \$170 billion, integrating these economies with Pakistan's transport infrastructure could significantly enhance regional trade.

Recent years have seen increased Russian interest in economic partnerships with Pakistan, particularly in trade, energy, and connectivity. Bilateral trade has reached \$1.2 billion, signaling a growing relationship. Moscow is exploring alternative logistics routes to reduce its dependence on European-controlled shipping lanes, and Pakistan's ports—Gwadar and Karachi—are emerging as strategic gateways for Russian and Central Asian exports.

### **The International Transport Corridor: A Game Changer**

The International Transport Corridor linking Belarus, Russia, Kazakhstan, Uzbekistan, Afghanistan, and Pakistan is poised to be a robust alternative to existing trade routes. Its key advantages include:

- **Reduced Trade Transit Costs and Time:** A direct overland passage decreases logistical expenses and transit delays.
- **Enhanced Regional Trade Partnerships:** EAEU (Eurasian Economic Union) members and South Asian nations stand to benefit from increased trade.
- **Pakistan's Role as a Regional Transit Hub:** The corridor strengthens Pakistan's strategic importance in regional trade dynamics.

Landlocked Central Asian economies will particularly benefit from seamless access to global markets via Pakistan's ports. Additionally, Russian exports can reach South Asia more efficiently, minimizing reliance on European and Western-dominated maritime routes.

### **Benefits of Transport Infrastructure for Trade Expansion**

#### **Expansion of Rail and Road Networks**

- Upgrading rail links between Kazakhstan, Uzbekistan, and Pakistan.
- Improving road networks to facilitate efficient transportation.
- Strengthening border-crossing facilities to streamline customs clearance.

#### **Utilization of the TIR Carnet System**

- The TIR (Transports Internationaux Routiers) system simplifies the movement of goods across international borders by minimizing customs procedures.
- Pakistan's inclusion in the TIR Convention has already enabled National Logistics Cell (NLC) to successfully transport goods to Russia, Uzbekistan, Kazakhstan, and Kyrgyzstan.
- The system significantly reduces transit costs and enhances trade efficiency.

### **Integration with Free Trade Agreements (FTAs)**

- A potential FTA between Pakistan and the Eurasian Economic Union (EAEU) would establish a tariff-free framework for trade expansion.
- The EAEU, led by Russia, includes Kazakhstan, Belarus, Armenia, and Kyrgyzstan. An FTA would enable greater market access for Pakistani exports.
- If Pakistan secures just 2% of the trade volume between Russia, Central Asia, and China's western provinces, it could emerge as a major transit hub, generating billions in revenue.

### **Overcoming Challenges to Trade Connectivity**

Despite the immense potential, several challenges must be addressed:

#### **Pakistan-Afghanistan Trade Barriers**

- Pakistan's land connectivity with Central Asia and Russia relies on transit through Afghanistan.
- Political instability, border disputes, and security concerns hinder smooth trade operations.
- Establishing a stable transit trade agreement with Afghanistan is crucial for uninterrupted trade flows.

#### **Bureaucratic and Infrastructure Constraints**

- Inconsistent customs procedures and bureaucratic hurdles delay transit trade.
- Inadequate warehousing, cold storage, and logistics services reduce trade efficiency.
- Strengthening public-private partnerships in infrastructure development can address these challenges.

#### **Geopolitical Considerations**

- Western sanctions on Russia may deter global investors from engaging in trade corridors involving Moscow.
- Diplomatic efforts are required to diversify trade partnerships and negotiate favorable agreements with all stakeholders.

### **The Future of Regional Trade and Pakistan's Role**

Pakistan's strategic position at the crossroads of South Asia, Central Asia, and the Middle East makes it a natural trade hub. The successful development of new logistics routes will allow Pakistan to:

- Strengthen economic ties with Russia, Central Asia, and China's western provinces.
- Leverage its ports (Gwadar and Karachi) to facilitate Eurasian trade.

- Create economic opportunities through transit fees, trade partnerships, and foreign investments.

The recent successful shipment of Pakistani goods to Russia, Uzbekistan, Kazakhstan, and Kyrgyzstan by NLC indicates significant progress in trade connectivity. Continued investment in logistics infrastructure, trade facilitation mechanisms, and diplomatic initiatives will enable Pakistan to fully capitalize on its geographic advantage.

## **Emphasis on Economic and Social Effects**

### **Economic Effects:**

- **Trade Expansion:** Increased exports of Pakistani goods (textiles, agricultural products, pharmaceuticals) to Eurasian markets.

- **Infrastructure Development:** Investment in rail, road, and port infrastructure will generate employment and economic growth.

- **Reduced Trade Costs:** Efficient logistics routes will lower transportation expenses, making Pakistani exports more competitive.

- **Diversification of Trade Partners:** Alternative trade routes beyond Western markets will strengthen economic resilience for Russia and Central Asian countries.

### **Social Effects:**

- **Job Creation:** Infrastructure projects and logistics services will generate employment, particularly in underdeveloped regions.

- **Technology and Knowledge Transfer:** Collaboration with Eurasian countries can introduce advanced logistics management practices in Pakistan.

- **Enhanced Regional Stability:** Strengthening economic ties through trade can foster diplomatic engagement and reduce tensions, particularly in Afghanistan and South Asia.

## **General Conclusions and Expected Results**

The International Transport Corridor linking Russia, Central Asia, and Pakistan presents a transformative opportunity for regional trade. Russia's search for alternative trade routes, Pakistan's potential as a transit hub, and the economic incentives for Central Asian states make this initiative highly promising. However, addressing geopolitical tensions, infrastructure limitations, and regulatory barriers will be crucial for long-term success.

### **Expected Outcomes:**

- **Increased trade volume and regional connectivity** between Pakistan and Russia.

- **Higher transit revenue** reinforcing Pakistan's economic position as a trade hub.
- **Strengthened regional cooperation**, leading to improved diplomatic and trade relations.
- **Creation of sustainable economic opportunities** that contribute to long-term regional development.

While challenges such as geopolitical uncertainties and bureaucratic inefficiencies persist, the overall potential of these transport corridors far outweighs the risks. By capitalizing on its geographical advantage and adopting proactive policies, Pakistan can play a pivotal role in shaping the future of regional connectivity and economic integration.

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DEMOCRATIC  
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# Strategic investments for global economic growth

## 1. Introduction

Global economic growth means increased production of goods and services on the planetary scale. In the increasingly interconnected world, this growth requires strategic investments, i. e. target allocation of financial and human resources for projects and technologies that can offer significant competitive advantage.

In this context, development of communications plays a decisive role in economic growth acceleration, strengthening of international cooperation, and opening up of new opportunities around the world. The essay discusses strategic investments in communication that promote fulfillment of these tasks and arising of new platform for global growth.

## 2. Digital infrastructures

In the 21st century, digital infrastructures form the foundation of modern economy. Investment in broadband unlimited Internet access is a reasonable choice to connect the most remote regions and developing countries to global markets.

According to International Telecommunication Union, approximately 3.7 billion people in the world still have no access to the Internet. Fast and reliable Internet promotes development of entrepreneurship, online education, and innovations. For example, research by McKinsey revealed that each increase in Internet penetration in the country by 10% can cause increase in its GDP by 1.38%. To achieve this, it is necessary to expand fiber optic and 5G networks and to develop

such innovative solutions as satellites in order to provide access in the most difficult to reach areas. These investments are decisive for improved economic growth at the global level.

### **3. Improvement of communication technologies**

Investments in advanced communication technologies, such as artificial intelligence (AI), augmented reality (AR), and virtual reality (VR), as well as their integration in communication platforms, promote more efficient interaction and improved customer experience. For example, according to research by PwC, 86% of enterprises believe that AI will help them to improve their competitiveness.

Enterprises can use AI to analyze consumer behaviour, which makes it possible for them to better meet requirements of their clients all over the world. Besides, such technologies as augmented reality are already being used by various enterprises like IKEA that allows customers to see how furniture would look in their home before buying it.

### **4. Joint platform promotion**

Investments in safety and efficiency of joint communication platforms, such as video conferencing tools and professional social networks, are crucial for promotion of cooperation between enterprises, governments, and educational institutions at the global level. For example, the video conferencing tools market witnessed sharp rise during the COVID-19 epidemic; in April 2020, Zoom application was used by 300 million members daily. Use of its software products increased 30 times in April 2020, as coronavirus pandemic forced millions of people to work, study, and meet remotely, which increased the trade turnover of this company by 169%.

It is also possible to add the Telegram messenger here, development of which has an impact on African countries. According to research by Bitget, due to mass usage of Telegram to exchange information and for educational purposes, cryptocurrencies have seen significant growth in Africa. Due to the young population that got the opportunities to communicate with each other, millions of new users choose cryptocurrencies to meet the economic needs and use the environment that is favourable for financial innovations.

Link: <https://www.bitget.com/blog/articles/bitget-research-reveals-telegram-trends-point-to-crypto-boom-in-africa-and-eastern-europe#>

These platforms strengthen interaction between various economic subjects, which facilitates global partnerships and joint innovations. As it is highlighted in Chapter 6 of the book *Towards a common investment area within the African continental free trade area* received from United Nations Economic Commission for Africa (UNECA), in the current global economic situation, decisions concerning international investments are important for the digital economy. Free circulation of international capital is unthinkable without electronic payment platforms and online banking services.

## **5. Investments in cybersecurity**

Cybersecurity became the main priority. According to report by Cybersecurity Ventures, in 2025, global expenses on combating cyber attacks will reach USD 10.5 trillion. To protect confidential data and maintain consumer trust, governments and enterprises shall strategically invest in solid solutions associated with cybersecurity. Secure digital environment is important for proper functioning of international trade and economic relations.

These investments shall include technical solutions, as well as user training in advance practices in the area of digital security. For example, such companies as IBM invest massively in cybersecurity, in 2021, its expenses on strengthening of solutions associated with security reached USD 1.5 billion.

## **6. Digital skills improvement**

To provide people with the opportunity to adapt to the development of technologies and give preference to professions that support the new economy, it is necessary to invest in education and professional training. According to the World Economic Forum, in 2025, 85 million jobs can be automated, but at the same time 97 million new jobs can be created.

It is necessary to develop digital skills of workers as soon as possible in order to fully embrace the connection at the global level. To prepare future economic leaders for global problems in the Internet age, it is necessary to promote improved digital literacy and train experts in the area of information technology (IT). Such initiatives as Digital Skills for Africa by Google are meant to train millions of people in digital skills required to succeed in digital economy.

## **Conclusion**

Countries around the world have an opportunity to create favourable environment for the formation of a new platform for global growth. Strategic investments in communications are required to stimulate this economic growth in the increasingly interconnected world. This demands better digital infrastructures, development of innovative communication technologies, promotion of joint platforms, improved cybersecurity, and investments in digital skills. All this comprises the main goal for political leaders, enterprises, and educational institutions that shall join their efforts to create sustainable, inclusive, and promising economic future.



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# Navigating Complex Security Landscapes: ASEAN's Role in the Age of Digital Diplomacy, Great Power Competition, and the Shifting Global Order

The complexity of security in today's increasingly volatile global landscape is challenging the established New World Order. The rise of China as a political and economic powerhouse through its Belt and Road Initiative (BRI) has made significant inroads in Africa, Europe, and Asia, particularly within ASEAN (Association of Southeast Asian Nations). The gathering of Global South states in the form of BRICS (Brazil, Russia, India, China, and South Africa) presents an alternative to the Washington Consensus that has traditionally positioned the US as the hegemonic leader. This shift has compelled nation-states like Malaysia to reevaluate their traditional foreign policy stances.

In 2025, as Malaysia assumes the chairmanship of ASEAN, the question of promoting peaceful and inclusive societies for sustainable development—aligned with the Sustainable Development Goals—makes human security an increasingly important theme requiring attention from academics, scholars, and policy-makers. As Barry Buzan (2008) articulates in his seminal work, human security is increasingly under threat from both state and non-state actors as a consequence of decisions made by political, bureaucratic, and economic elites that govern nation-

states, placing their constituents at risk. We can observe examples of this in the decisions made by Volodymyr Zelenskyy in Ukraine and, closer to home, by the military junta in Myanmar.

The Myanmar crisis extends beyond regional implications; it has created opportunities for external interventions under the pretext of protecting economic interests, particularly China's strategic access to the Indian Ocean (Graham, E., 2024). These security complexities have also facilitated the proliferation of transnational criminal activities, including scam centers that have victimized many from across the region, including Malaysians, Filipinos, and Thais. Additionally, ASEAN has failed to adopt a decisive stance on sanctioning member states and their companies that continue business dealings that supply weapons and aviation fuel used by the military in aerial attacks against civilians (Editorial, 2024; Editorial, 2025).

The ascendance of finance capitalism in the United States and its intricate connections to the military-industrial complex further complicates foreign policy options for small and middle power states primarily focused on developing their economies (Maher & Aquanno, 2024). The symbiotic relationship between the military-industrial complex and the tech giants Meta (formerly Facebook), Amazon, Apple, Netflix, and Alphabet (formerly Google)—collectively known as FAANGS—has raised two critical questions regarding human security: (i) the protection of individual data privacy, and (ii) control over public discourse.

The new frontier of the MIC is Artificial Intelligence (AI), funded by the Defense Innovation Unit-Experimental (DIUx), established in 2015 and financed by US taxpayers. According to the United Nations General Assembly Resolution on Enhancing International Cooperation on Capacity-Building of AI, China has proposed that in alignment with the UN 2030 Agenda for Sustainable Development, “China proposes the AI Capacity-Building Action Plan for Good and for All, and calls on all parties to step up investments in AI capacity-building” (UN General Assembly, 2024). US sanctions have introduced new paradigms concerning AI literacy and the digital divide, evolving from the concept of the networked society in the information age first theorized by Manuel Castells (2011) (Gonzales, 2024). Collectively, the FAANGS, empowered by AI technologies, can exercise significant influence over political discourse, information dissemination, and the legitimization of domestic politics. Elon Musk, who heads the temporarily formed Department of Government Efficiency (DOGE), has recently demonstrated support for far-right movements globally (Ingram & Horvath, 2025). While the direct impact of these developments may not be immediately apparent in Southeast Asia, their ripple effects are becoming evident, as illustrated by the recent “East Asian Supremacist” arrest in Singapore (Mohamed, 2025). BRICS has already taken steps towards reclaiming the control of AI being dominated by US tech giants through initiatives like the AI Study Group and the Digital Economy Working Group as committed during the 2023 BRICS Summit and the BRICS-led New

Development Bank (NDB) that invests in AI applications with BRICS countries (Goswami, 2024). Similarly, the ASEAN Digital Economy Framework Agreement (DEFA), officially endorsed by the ASEAN Economic Ministers' (AEM) meeting on August 19, 2023, offers a framework for regional cooperation.

Global South states now face additional challenges with the newly elected "America First" President, Donald Trump. The Department of State has announced cuts to all foreign aid, depriving Global South states of funding for essential services such as clinics, landmine clearance, and refugee support, despite the fact that foreign assistance constitutes merely 1% of the federal budget while providing 40% of global humanitarian aid, placing the populations of Global South states at greater risk (The Economist, 2025). This vacuum inevitably creates opportunities for China's soft power diplomacy.

However, Chinese diplomatic efforts will be tested by ongoing tensions surrounding Taiwan's independence and the One China policy, particularly in the contested South China Sea (SCS). China's territorial disputes with the Philippines, Vietnam, and Malaysia will continue to influence perceptions of its diplomatic approach, especially given its rejection of the 2016 International Court of Justice ruling that favored the Philippines regarding SCS claims. ASEAN member states must navigate these complex issues through existing mechanisms such as the ASEAN Regional Forum (ARF), ASEAN-Plus One, and ASEAN-Plus Three frameworks, addressing the intersections of hard diplomacy, soft power, and contemporary digital diplomacy challenges.

## **Conceptual Framework**

As "US disengagement" from Europe continues and its strategic pivot to Asia intensifies, as outlined during the recent Munich security conference, the concepts of "multipolarity" and ASEAN's role as a regional body merit scholarly attention. We seek papers from diverse theoretical perspectives, ranging from Kantian idealism—which analyzes the importance of regional cooperation for the common good—to traditionalist Hobbesian realism, which emphasizes statism, survival, and self-help in understanding why states discretely permit the supply of jet fuel and arms to the Myanmar junta (Schmidt, 2022). Additionally, the Regional Security Complex Theory (RSCT), developed by Barry Buzan (2003), offers a framework for analyzing these complexities through multi-level analysis, examining domestic, regional, and global factors while prioritizing regional interactions (Graham, 2024).

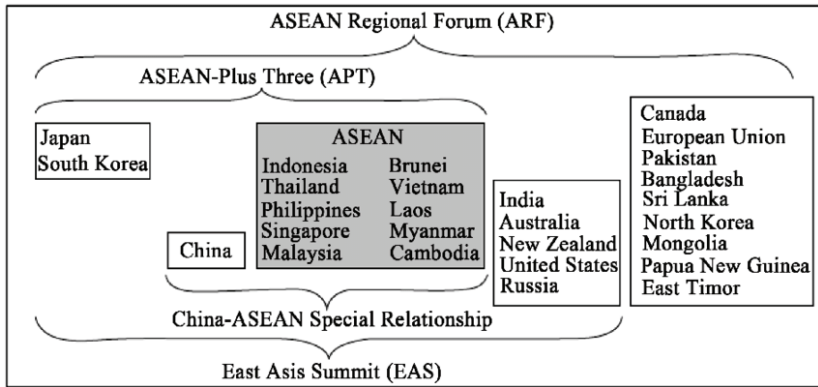


Figure 1: ASEAN Regional Forum (ARF)

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  19. Proposed Hybrid Conference Outline

Keynote Speaker: Distinguished Professor Amitav Archaya, Amitav Acharya is the UNESCO Chair in Transnational Challenges and Governance and Distinguished Professor at the School of International Service, American University, Washington, DC.

Panel Speakers: Chaired by Distinguished Professor Dato' Dr. Rajah Rasiah  
Speakers:

Singaporean Ambassadors-at-Large, H.E Bilahari Kausikan  
Prof. Johan Saravanamuttu, Adjunct Professor at Asia-Europe Institute  
Russian discussant - TBA  
Russian discussant - TBA

Breakout-sessions – Day 2

Russia-ASEAN relations – TBA by Prof. Ekaterina Koldunova  
BRICS and ASEAN relations – TBA by Prof. Ekaterina Koldunova  
Global Economy and ASEAN – Prof. Rajah Rasiah

Gig Economy - Chaired by Prof. Fumitaka & Assoc. Prof. Sammer Kumar (AEI)  
Traditional and non-traditional security threats – Prof Johan, Prof. K.S Nathan and Kevin Fernandez

**Kodji Azia Varlet**

Editor in chief

Freelancer



# Data Mobility as a Key Element of Global Connectivity

## CONTEXT AND JUSTIFICATION

The world in general, and communications as a platform for interaction between two or more entities, is becoming increasingly interconnected along with the global economy driven by the development of international trade, transport, digital infrastructures and growing data/content flows.

Like the NATIONAL CENTER RUSSIA, from which we borrow some of the concepts, we recognize that recent major discoveries and technological innovations mean that today no decision or initiative of any kind – be it political, social, economic or sports-related, large or small – can confine itself to limited communications. Today, no entity can afford to escape the public spotlight if it wants to fully participate in the life of the global village and use its information and communication networks. By the same token, no entity can expect to develop and prosper unless it meets technological, infrastructural and digital standards that set the pace for our world.

This leads to the question of how to designate this set of elements, decisions, initiatives or information contained in the “package” transmitted in the course of interaction between two or more entities. Whether such elements are transferred from point A to point B or whether they serve many people or people use them, they are called DATA. Their ability to be simultaneously in different places in real

time and undergo changes during transmission and reception is called MOBILITY. So DATA MOBILITY can be defined as a rapid unhindered transmission of information across both geographical and digital borders, as well as refer to the growing importance of such mobility in an increasingly interdependent global economy.

Such data mobility, resulting also from the ability to use services on the move, links up our world, consisting of countries that are so far apart and so diverse, into a homogeneous whole, with elements that now are separated by as little as one incredible click that opens for entity A at point A a door to entity B at point B, however distant, and vice versa. This is the reason why data mobility is so important as the link between entities, services and opportunities that affect other entities' lives, and which are (or should be) accessible to them regardless of their location on the planet.

Our discussion topic, DATA MOBILITY AS A KEY ELEMENT IN GLOBAL CONNECTIVITY, is part of a broader field of COMMUNICATIONS. We will try to consider it through the lens of our methodological framework by defining the key issues, reviewing papers and documents on the subject, and finally defining key concepts.

## **PART 1. METHODOLOGY**

### **I-1 – Problem framing**

The analysis of DATA MOBILITY AS A KEY ELEMENT OF GLOBAL CONNECTIVITY in our context should consider the overall importance of infrastructural, technological and digital elements that we exchange, enabling us to be aware of what is going on in the world and, at the same time, to report our performance in real time, wherever we may be. In other words, is data mobility vital for those who want to succeed in today's socio-economic conditions?

On the other hand, it raises another specific question: what happens to an entity that in the course of its life or activities does not consider or resorts to data mobility enough as an element of global connectivity? These are just some of the questions that need to be addressed to understand how the willingness to develop (+) or the lack of it (-) affects every moral, physical or human institution in the face of the great technological, digital and infrastructural transformations of our time.

### **I-2 – Literature review**

The review of relevant literature included reports and publications on data mobility as a key element of global connectivity as well as on the overall state of communications in the world.

According to the Measuring Digital Development: Facts and Figures, a report by the International Telecommunications Union, which is the United Nations specialized agency for information and communication technologies (ICT), fixed

broadband networks carried over 80% of global Internet traffic in 2022, highlighting their significance for professional and domestic needs. A later, about 2.6 billion people, or one third of the world's population, still had no Internet access. Two years before that, ITU's Measuring Digital Development: Facts and Figures 2021 reported that 2.9 billion people, or about 37% of the global population, had been offline and never used the Internet.

In 2022, the global average monthly data usage was 257 GB per fixed-line subscription, compared with 11 GB per mobile subscription. In low-income countries, monthly traffic on the fixed broadband network averaged 161 GB versus just 1 GB on the mobile network.

The share of the population using the Internet is around 90% in Europe, the Commonwealth of Independent States and the Americas, about two-thirds in the Arab States and Asia-Pacific regions use the Internet, in line with the global average, and only 37% in Africa. This gap underscores the disparities in global connectivity and is a clear sign of the digital divide. All this data, of course, provides a wealth of information to be considered in any future initiatives.

### **I-3 – Terms and definitions**

The concepts of Mobility, Data, Key Element and Global Connectivity need to be properly defined to better understand the issue in question. While Mobility implies the fast and unhindered transmission from one point to another, Data refers to the information content (a set of elements).

In terms of digital technology, data can be also defined simply as a set of information. Key Element means an essential element. Global Connectivity refers to the idea of connecting and harmonizing to multiple individual items into an integral whole.

Based on the above, the topic, DATA MOBILITY AS A KEY ELEMENT OF GLOBAL CONNECTIVITY, can be reformulated as “Fast transmission of information is essential to create an integrated global space where all the people can co-exist”.

Having defined the concepts, we are ready to proceed to discuss the topic itself.

## **PART 2. DATA MOBILITY AS A KEY ELEMENT OF GLOBAL CONNECTIVITY**

Today, the development of interactive technology is dominated by four intertwined trends: Social Media, Digitalization, Cloud Computing and Big Data that will apparently continue to define the technological landscape for many years to come. Considered through the lens of Data Mobility as Key Element of Global Connectivity, each of these trends can provide insights into available opportunities

and, therefore, redefine the topic as follows: the rapid transmission of information, essential for connecting five continents in real time, turns the world, despite huge distances, into a closely integrated space inhabited by 8.026 billion people (as of 2023). Thus, the analysis of each trend in the context of this topic helps to illuminate the following aspects:

### **I-1 – Opportunities 1. Data mobility as a key element of global connectivity**

Let's consider some examples to illustrate our point.

Social networks and e-mail are a set of personal data (information and contacts) associated with a personal address, to which thousands of units of information (content) are delivered, after being processed via databases, in real time from all over the world. In this way, two people, one in St. Petersburg and the other in the remotest region of Burkina Faso, can communicate with each other almost instantly, much to everyone's astonishment and to their own perfect satisfaction.

Apart from text communications, social media offer even more advanced modes of interaction: video calls and Web 2.0 technologies that enable users to interact not only with website content, but also with each other in real time. Considering that half of the world's population (about 4 billion people) generate billions of data units (Big Data) which are instantly collected and processed, data mobility plays a huge role in fulfilling the needs of every individual. This enables direct (instant and smooth) communication in a shared environment between people, one of whom, for instance, lives in Greenland and the other in South Africa, thus turning the world into a small living room where Greenlanders and South Africans can have a face-to-face conversation through the magic of social media and big data.

Financial technologies are another powerful example. Fintech solutions, such as Wave, which contributed to the rapid proliferation of digital currencies and fast cross-border payments, demonstrated that money could be stored as data on a small card that one can carry around and use to make payments or withdraw cash whenever and wherever necessary.

### **I-2 – Opportunities 2. Data mobility as a catalyst of international cooperation**

Mobility and the sharing of data on Afghanistan's decade-long conflict, economic collapse, climate disasters and human rights violations were tangible evidence that led UNICEF, in collaboration with its partners, to set up a mechanism to prevent the collapse of the country's healthcare system, pay salaries, distribute essential supplies to thousands of health workers and treat children at risk of malnutrition. UNICEF's Water, Sanitation and Hygiene (WASH) program is also committed to finding local, yet sustainable, solutions to major challenges (according to the organization's website, [www.unicef.org](http://www.unicef.org), in a publication dated 08 January 2024). There many more examples of similar collaborations based on mobile data

systems that promote closer engagement between countries and international organizations.

### **I-3 – Challenges**

Despite the numerous and compelling benefits of data mobility, some concerns still remain. What effective and sustainable solutions can be found to the issues of cybercrime, personal data protection and language barriers on the web? How can we overcome the digital divide, which is a factor of underdevelopment, considering that the technological revolution is based on the idea of providing equitable access to the benefits of data mobility? Given that the same tools that underpin technological progress are used to spread disinformation, is there a way to creating a body capable of making this data fully reliable? All these questions show that along with the amazing advances data mobility, there are quite a few problems that need to be dealt with.

## **CONCLUSIONS**

Without claiming to have settled all the disputes on a subject as long as it is fascinating, we can undoubtedly say that data mobility is more than essential to global connectivity. Thousands of content items are produced every second of our lives, collected, processed, and conveyed to their recipients at high speed. This is a major step forward in the evolution of technological interactivity between people. However, as with all human endeavors, this advancement requires a few adjustments if it is to remain a technological instrument in every respect.

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# BRICS Information and Analytical Exchange Centers and Transport and Logistics Corridors: Enhancing Product Security through Communication

Essay Author:

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This essay is consistent with the thematic vector “Investments in Communication”, responding to the development of new logistics routes in the Global South, defining approaches to infrastructure development in the 21st century and, of course, touching on the general vector of agricultural digitalization.

## PREAMBLE

Today, BRICS countries are facing enormous challenges in development of their infrastructure and economy as a whole. Due to their resources, which are much greater than, for example, those of Europe, BRICS countries still face the

need for sectoral development in order to properly implement the potential of the capital, both resource and intellectual, available to them.

The last several years have shown the importance of food security in the world. Thus, due to geopolitical tensions, the world community had to face changes in the world supply chains, pricing and distribution of resources, primarily food resources, such as grain. Therefore, it was necessary to compose this essay. Due to the access to critical resources and the availability of significant human and other types of capital, BRICS countries face the need to optimize and consolidate their approaches to the development and distribution of food resources. This need is also confirmed by the requirements in the economic development of the countries, as well as the ability to mutually supply the necessary products to each other.

## **HYPOTHESIS EXPLANATION**

Today, in the Russian Federation, farmers have state support and opportunities to develop their business; however, they still need to sell their products, which means certification, conditioning, transportation, and marketing. Thus, it is very difficult to compete with large suppliers, so the experience of French farmers on this issue suggests the possibility of creating cooperatives and associations<sup>2</sup>, in other words, exchanges specializing in the certification, storage, and sale of products. Such approach not only simplifies the work of farmers but also makes it possible to create new jobs, from packers to warehouse directors. The experience of food exchanges can also be applied to Russian realities.

People have the opportunity to sell their “garden” products at fairs, shops, and markets. However, the process from production to sale takes a long time, including certification, processing, packaging, conditioning, transportation, and final delivery to the shelves. In general, the current challenges of farming in Russia can be summarized as follows:

- 1) marketing challenge of farmers;
- 2) need for high-quality customization in processing, certification, and logistics;
- 3) inaccessibility of large markets to small farmers;
- 4) low salability of products as a necessity to improve the welfare of the population.

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1 Operating instructions: How to Start a Farmer’s Business // Small and Medium Business Support Portal. URL: <https://xn-90aifddrld7a.xn-p1ai/knowledge/instruksiya-po-primeniyu-rasskazyvaem-pro-postroenie-fermerskogo-biznesa/> (reference date: 20.05.2024);

2 Qui sommes-nous? // France Filière Pêche. URL: <https://www.francefilierepeche.fr/qui-sommes-nous/organisation/> (reference date: 22.06.2024); Qui sommes-nous? // Pavillon France. URL: <https://www.pavillonfrance.fr/qui-sommes-nous> (reference date: 22.06.2024); 5. Rejoignez Pleine Mer! // Pleine Mer. URL: <https://associationpleinemer.com/rejoignez-nous-adherez-a-pleine-mer/> (reference date: 22.06.2024);

In this regard, there is a necessity to develop information and analytical exchange centers that stimulate and regulate the activity of farms. Establishment of such centers poses the challenge of functioning at different levels of government and their financing. Financial refers to sources of financing and start-up capital for farmers, costs of purchase/lease and maintenance of land plot, costs of purchasing machinery and equipment, personnel costs and etc. This challenge can be resolved through the development of an organization accountable to BRICS and funded either nationally or through the BRICS platform.

However, along with the positive aspects of establishment of information and analytical exchange centers, there are also “pitfalls” that can be resolved in the following way:

It is necessary to ensure transparency and accountability of public authorities that manage the industry by reporting on their activities, conducting independent audits, and establishing mechanisms for feedback from the public and consumers.

Governance should take into account the interests of all BRICS members.

Governance should also support competition in the market, by preventing monopoly or oligopoly and providing a competitive playing field for all participants.

Regulation and governance should be flexible and adaptive to changes in the market and industry, by encouraging innovation and the use of new technologies.

## **ECONOMIC AND SOCIAL IMPACT**

Regarding the proposed solutions, it is important to note that the role of the states themselves should be important, but not to disrupt the ecosystem of farms’ activities, thus permitting new farms to safely enter the market and conduct their activities through information and analytical exchange centers. State assistance may include the provision of information, financial, and other types of support through the establishment of an organization that can ensure that farms are not subjected to severe restrictions on their activities.

The state benefit in this case is to increase the competitiveness of the national economy in the context of digitalization and international pressure. Furthermore, the described centers can contribute to the fulfillment of a whole list of objectives and goals determined by the national interests of the BRICS member states, such as improvement of product quality and safety, preservation of natural resources, improvement of agricultural competitiveness, support for small farms, improvement of agricultural governance, digitalization, improvement of services in the agricultural sector, support for innovation, etc.

Thus, the activities of information and analytical centers can be represented as follows:

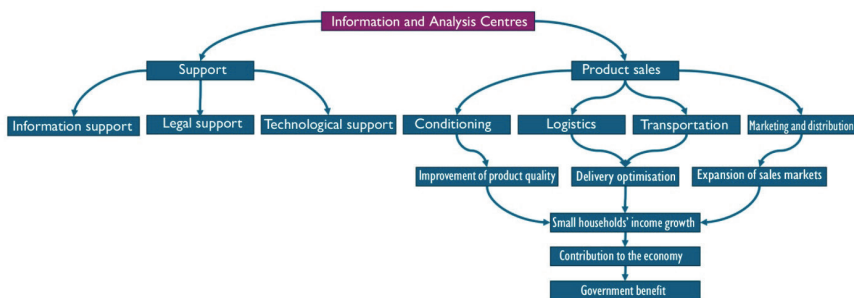


Figure 1. Structure of activities of information and analytical exchange centers<sup>3</sup>

## GENERAL FINDINGS AND EXPECTED OUTCOME

It is important to note that the issue of technological innovation in agricultural activities is urgently needed by some BRICS member countries. Such a system can contribute to significant economic development in the field of agriculture within these countries.

Moreover, the importance of transit potential between BRICS countries should also be recognized. In this respect, Central Asia, in particular the Eurasian Economic Union (EAEU), is becoming the key region. It should be noted that the digital agenda in the EAEU remains one of the key factors<sup>4</sup>. Today, we have already established developments on commodity transit between individual BRICS member countries and Central Asian states. Today, Tajikistan and Iran have already abolished visa conditions between the two countries<sup>5</sup>. Based on existing agreements, Tajikistan expects to carry out cargo transit through the Iranian port of Chabahar<sup>6</sup>.

3 Compiled by the author;

4 Putin: Digitalization Has Become One of the Main Areas of the EAEU Agenda // Vedomosti. URL: <https://www.vedomosti.ru/politics/news/2024/05/08/1036308-putin-tsfirovizatsiya> (reference date: 22.06.2024);

5 Tajikistan and Iran abolished visas // Nezavisimaya Gazeta. URL: [https://www.ng.ru/cis/2025-01-16/5\\_9172\\_visa.html](https://www.ng.ru/cis/2025-01-16/5_9172_visa.html) (reference date: 28.02.2025);

6 "Beginning of a New Stage of Bilateral Relations". Tajikistan and Iran Signed 23 Co-operation Documents // Asia-Plus. URL: <https://asiaplus.tj.info/news/tajikistan/politics/20250116/nachalov-novogo-etapa-dvustoronnih-otnoshenii-tadzhikistan-i-iran-podpisali-23-dokumenta-ot-sotrudnichestve> (reference date: 28.02.2025);

Considering that in the first ten months of 2024 the volume of road freight transport in Tajikistan increased by 14% YoY<sup>7</sup>, this decision could be a good opportunity for the development of the transport and logistics industry both in the country and in the region. The agreements contribute not only to the development of Tajikistan's foreign trade with Iran but also with neighboring countries, including Afghanistan, Kyrgyzstan, and India. It directly demonstrates the positive prospects for the development of countries as transport and logistics hubs facilitating external regional trade, including such an integration association as the EAEU. Furthermore, the possibility to use this port will theoretically allow Tajikistan, as well as other

Central Asian and Eurasian countries in general, to enter the South Asian market where there are about 2 billion potential consumers.

The completion of border delimitation between Tajikistan and Kyrgyzstan is an important step in facilitating foreign trade between the countries in the region. In early January 2025, a meeting between the Prime Ministers of Uzbekistan, Kyrgyzstan, and Tajikistan was already held in the Fergana Valley, where trade, logistics, cultural, and humanitarian co-operation as well as water and energy were the main issues of the meeting. Moreover, the Agreement on Allied Relations between Uzbekistan and Tajikistan was signed in April 2024<sup>8</sup>, which also provides for increased co-operation in various fields. Tajikistan, in its turn, has also concluded an agreement with Turkmenistan, which implies the introduction of new transit privileges for freight transport. Trucks with a volume of 10 to 40 tones will be able to stay in Turkmenistan's ports on the Caspian Sea for up to 60 days free of charge<sup>9</sup>.

Of course, the development of transit opportunities with Turkmenistan directly depends on the policy implemented on the Uzbekistan. It is important to note here that Uzbekistan has simplified freight transport on the basis of the Protocol, which implies mutual traffic of trucks on the territories of both republics without permits, as it was necessary before<sup>10</sup>.

Due to the railway traffic, Russian Railways has extended the discount for the

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- 7 Volume of Road Freight Transportation in Tajikistan Increased by 14% // Logistan. URL: <https://logistan.info/3711-obem-avtomobilnyh-gruzoperevozok-v-tadzhikistane-vyros-na-14/> (reference date: 28.02.2025);
  - 8 Tajikistan and Uzbekistan Become Allies // Asia-Plus. URL: <https://www.asiaplustj.info/ru/news/tajikistan/politics/20240418/tadzhikistan-i-uzbekistan-podpisali-28-dokumentov-o-sotrudnichestve> (reference date: 28.02.2025);
  - 9 Turkmenistan Offers Privileges for Transit of Cargoes from Tajikistan // Sputnik. Tajikistan. URL: <https://tj.sputniknews.ru/20240804/turkmenistan-igoty-tranzit-gruz-tajikistan-1063796204.html> (reference date: 28.02.2025);
  - 10 Uzbekistan Completes Domestic Procedures to Facilitate Freight Transport with Tajikistan // Asia-Plus. URL: <https://asiaplustj.info/ru/news/tajikistan/economic/20240913/uzbekistan-zavershil-vnutrigosudarstvennie-protseduri-po-uprotsheniyu-gruzoperevozok-s-tadzhikistanom> (reference date: 28.02.2025);

transportation of fruit and vegetable products by Tajikistan in 2025<sup>11</sup>. South Korea is launching its first railway investment project in Central Asia, offering Tajikistan assistance in construction of a 51-kilometer-long Jaloliddini Balkhi-Nizhni Pianj railway to the Afghan border<sup>13</sup>. It will also facilitate trade with South Asian countries.

In the context of transport corridors, it is worth mentioning the Asian Development Bank's Central Asia Regional Economic Cooperation (CAREC) Program<sup>14</sup>, which proposes 6 development corridors. Global dimension in the form of a multi-modal North-South route, which through the eastern direction includes also Tajikistan in the development of transport and logistics potential<sup>15</sup> demonstrates the growing interest in the transit role of Tajikistan.

Moreover, the increasing interest of the European Union (EU) in Central Asia as an element in the circulation of goods, namely the promotion of the Trans-Caspian Transport Corridor, also known as the Middle Corridor<sup>16</sup>, confirms the importance of the region in terms of transport and logistics transit potential.

Thus, the example of Tajikistan and other countries of the region demonstrates that Central Asia has key knowledge in the development of transport and logistics routes and trade between BRICS countries in the context of the implementation of information and analytical exchange centers.

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  - 14 Moving Goods Better and Faster // Asian Development Bank. URL: [https://www.adb.org/sites/default/files/publication/29071/carec-transport-trade-brochure-ru-0\\_0.pdf](https://www.adb.org/sites/default/files/publication/29071/carec-transport-trade-brochure-ru-0_0.pdf) (reference date: 28.02.2025);
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# Financial Flows and Sustainability in BRICS Economies

## Specifying a thematic vector

Since Open Dialogue initiated by Russia talks about the future of the world with respect to a new platform of the global growth, one should think why the economic growth has been shifted towards global south and East. In the line of this growth movement, BRICS economies have their own roles. It enforces to rethink over BRICS financial co-operation for resilient, multi-polar economic order to have self reliant economies. The present paper examines the sustainability (i.e. per capita non-declining trend) of financial flows within BRICS economies dealing with Gross Fixed capital formation, institutional transfer, remittance, foreign direct investment, stock traded and portfolio investment.

**Preamble:** Prerequisites for writing the Essays, Relevance of the topic The global economies may be divided into two parts- developed and developing. A term global north is used for developed economies capable of exporting technology and manufactured products. Another term, global south is used for developing economies capable of importing technology and provider of raw materials. Most of the international institutions like IMF, World Bank, WTO have their head-

quarters in global north and having their influences on global south. Some countries like Brazil, Russia, India, China and South Africa have their own importance in the global economy. BRICS economies account one around 37.3 per cent of global GDP, 40.00 per cent of global population, 3.1. per cent of oil consumption, 60.6 per cent of labour force (World Economic Forum, 2024). It shares more than 18.00 per cent in global trade. It has become the future of energy trade of the global economy.

BRICS can shift the world order by following five ways. First, BRICS along with future members namely Iran, Saudi Arabia and UAE account 32.00 per cent of global natural gas 43.00 per cent of Crude oil. They account around 48.00 per cent of global petroleum imports. It has become biggest energy producer and buyer. Second, China has become major market of Brazilian Soyabean and iron ore. China has evolves itself major exporter of electric vehicle, solar panels and heavy machineries. BRICS members have free trade agreements. It has potentialities of becoming manufacturing hub of the global market. Third, New Development Bank (NDB) with capitalised value \$100 billion has been established to finance the developmental projects. China has already initiated Belt and Road initiative (BRI). Asian Infrastructure and investment Bank (AIIB) has been established to improve infrastructure. Fourth, BRICS economies have started Beta version of the payment app-BRICS PAY to facilitate economic transaction in non-dollar currencies. It will reduce reliance on dollar. NDB has started giving loan in China Yuan currency. BRICS has initiated pool of reserve to support in crisis and less dependency on IMF. Fifth, a joint committee has been set up to initiate Space and industrial cooperation.

All these initiatives are able to give a new platform for global economic growth. There is need of sustainable financial flows sustaining the new platform for global economic growth. The present topic has its own relevance for it. However, it has own critical challenges mentioned below:

I. There are structural disparities among the BRICS economies. China and India are most populous economies in the world. India has higher number of youth population but unable to reap the benefits of demographic dividend. China has reaped the benefits of demographic dividend. The varying degree of development creates problems in capital allocation.

II. Unstable global capital movement depends on variation in interest rate. It can trigger the economic crisis in BRICS economies. It has a great fear of global financial instability.

III. Global economic transaction is dominated by Western controlled Dollar currency. USA dominates it. BRICS economies have a big challenge in de-dollarizing the currency.

IV. Global north imposes economic sanction. It has created geopolitical tensions among BRICS economies.

Russia and China are able to give a new platform for global economic growth for BRICS economies through sustainable financial flows.

4. Revealing the Core of hypothesis, supported by analytical insights, statistical data and Predictive models

4(a) Objectives:

- (i) To know the sustainability of Financial Flows in BRICS economies.
- (ii) To know the sustainability of overall BRICS economies.
- (iii) To know the sufficiency of forex to meet the imports in BRICS economies.
- (iv) To know whether the BRICS economies are financially strong or not.

4(b) Hypothesis

- (i) Financial Flows in BRICS economies are sustainable in terms of institutional transfer, portfolio investment but not in capital market and remittances.
- (ii) Overall BRICS economies are sustainable because per capita GDCF is showing non-declining trend over the period.
- (iii) Foreign exchange reserve (FOREX) is not sufficient to meet the import bill.
- (iv) BRICS economies are financially strong to support economy even in the stress situation.

4(c) Literature reviews

Global connectedness Index talks about four types of flows across international borders namely trade, information, people and finance. The movement of finance across international border is initiated by institutions like IMF, IBRD, IDA, RBD and remittances along with foreign direct investment. It facilitates international integration, trade, investment and financial intermediation. It helps in enhancing productivity and efficiency of factors of production. It effects the GDP growth and exchange rate. Financial flow stimulates economic growth, however the degree of impacts depends on the composition of financial flows (Combes, Kinda etc, 2019). They can pose the challenges of currency exchange rate volatility and hence economic instability. Therefore it is said that financial flows instability exacerbates economic growth instability. It also helps smooth economic adjustment in case of price rise and shocks (Manuel, 1999). International financial policy cooperation is required with rise in the globalisation. When financial system becomes global, government loses policy instruments that enforces requirement of international financial policy cooperation (Schmukler, 2004). Financial flows rise in the periods of low volatility of exchange rate and risk aversion and decrease in high volatility (Passari, 2015). Mostly, the variation in the financial flows is not the result of the common shock (Cerutti, 2017). The variation in the financial flows depends both on local and global factors in which former effects are modest and of later is overwhelming (Bruno and Sin, 2015).

## Research Gap

From ongoing literatures it becomes pertinent that sustainability of neither the composition of financial flows nor the BRICS economies has been estimated. Therefore, the present study has been dedicated measuring the sustainability not only of composition of financial flows but also the BRICS economies.

### 4(d) Data Sources and methodology

It is fully based on secondary data taken from World Development Indicators of World Bank for the period of 2001 to 2023 for following variables.

- (i) Per capita Gross Fixed Capital Formation
- (ii) Per capital institutional, remittance, FDI, stock traded and portfolio investment is taken variables to know sustainability of financial flows.
- (iii) Import cover is the ratio of import bill and FOREX
- (iv) Short term debt to Forex ratio
- (v) Capital to Risk weighted asset ratio
- (vi) Linear trend line has been estimated for variables to know its sustainability.

### 4(e) Analytical insights

#### (i) Introduction

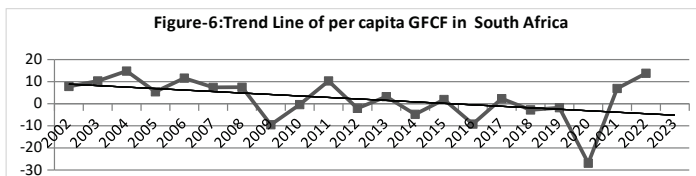
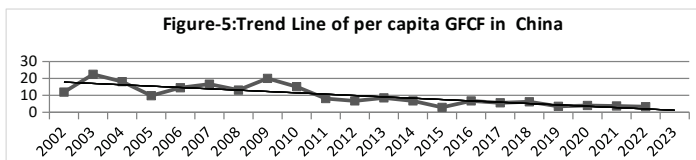
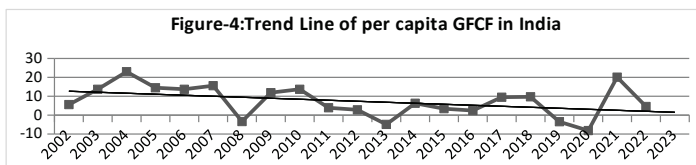
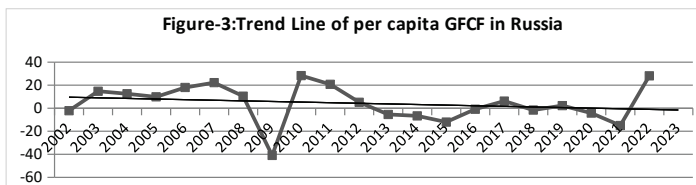
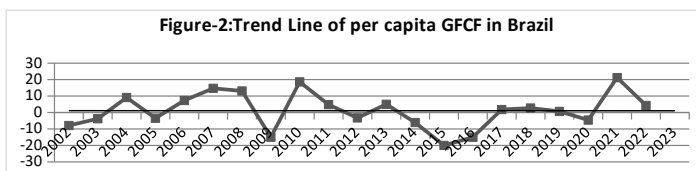
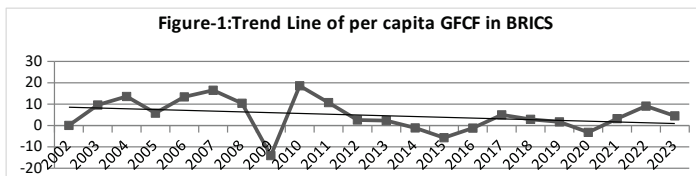
Financial flow includes remittances, foreign direct investment, Financial Aid, trade financing, portfolio investment, stock traded and capital market movements. It is true that they play crucial roles in economic growth but their sustainability depends on various factors of macroeconomic variable, geopolitical risks and financial resilience.

Brundtland report shows that sustainable development is based on three pillars of social, economic and environmental factors (Mondini, 2019). According to Capital Base Theory (CBT), an economy becomes sustainable developed, when per capita capital stock becomes non-declining for which all five capitals namely natural, human, financial, manufactured and social need to be maintained. In the face of declining per capita stock neither the well being nor the sustainable development is possible (Hamilton, Ruta and Tajibaeva, 2006). The present study, deals with sustainability on the basis of linear trend of per capita Gross Fixed Capital Formation of Brazil, Russia, India, China and South Africa (BRICS) economies. It is declining for all economies and hence for BRICS. It is suggested to have more financial flows for improving financial strength.

#### (ii) Sustainability of overall BRICS economies

Per Capita Gross fixed capital formation is declining in nature as it has been shown in the figure-1, 2,3,4,5 and figure-6 by linear trend line. It shows that BRICS economies are suffering from non-sustainability because sustainability requires

non-declining trend in per capita GFCF. There are two situations of sustainability. First, a change in GFCF should be more than a change in population. Second, a change in GFCF should be equal to a change in population. These two situations are not occurring in the BRICS economies. Therefore, overall BRICS economies are not sustainable. Table-1 is dedicated for it.



	<b>Table-1: Percentage Change in per capita Gross Capital Formation in BRICS</b>										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Brazil	-7.9	-3.8	9.08	-3.5	7.3	14.7	13.1	-15	27.7	4.8	-7.9
Russia	-2.1	14.8	12.6	9.9	18	22.2	10.5	-41	28.4	20.8	-2.1
India	5.6	13.7	23	14.5	13.7	15.6	-3.4	11.9	13.7	3.9	5.6
China	11.9	22.4	18.1	9.8	14.5	16.6	13.1	20	15.1	8.1	11.9
South Africa	7.8	10.3	14.8	5.4	11.6	7.4	7.5	-9.5	-0.4	10.3	7.8
BRICS	0.07	9.6	13.6	5.8	13.4	16.5	10.4	-14.1	18.6	10.7	0.07

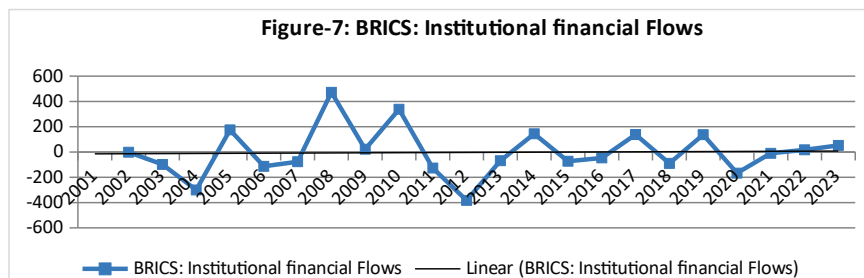
**Source: World Development Indicators, World Bank**

	<b>Table-1 (cont): Percentage Change in per capita Gross Capital Formation in BRICS</b>											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Brazil	-3.3	5	-6.1	-20	-15	1.8	2.7	0.7	-4.6	21.2	4.3	-7.4
Russia	5.2	-5.4	-6.6	-12	-0.8	6.2	-1.6	2.3	-4.2	-15	28.1	16
India	2.8	-4.9	6.3	3.4	2.4	9.5	9.7	-3.5	-8.2	20.1	4.6	8.2
China	6.7	8.5	6.7	2.9	6.5	5.6	6.2	3.5	4	3.7	3.3	3.7
South Africa	-2.1	3.2	-4.8	1.9	-9.2	2.3	-2.8	-1.8	-26.9	6.9	13.8	-1.5
BRICS	2.6	2.3	-1.1	-5.7	-1.2	5	2.9	1.7	-3.2	3.2	9.1	4.5

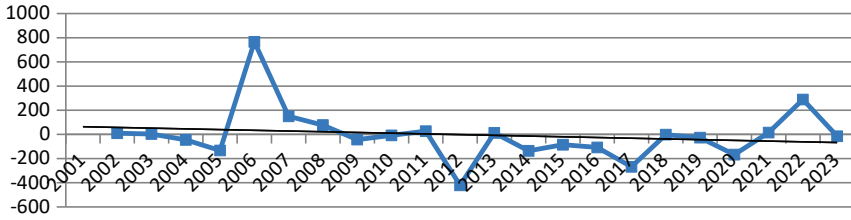
**Source: World Development Indicators, World Bank**

(iii) Sustainability of Financial Flows in BRICS economies

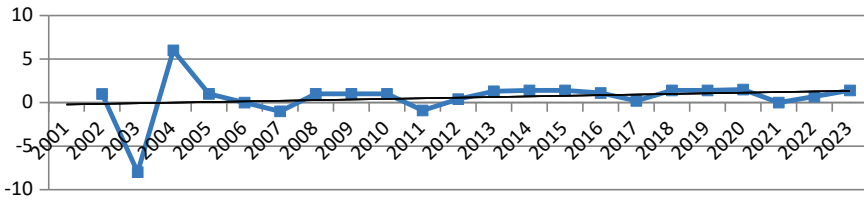
Financial flows includes institutional (Bilateral, IBRD, IDA, IMF, Multilateral, RDB), remittances, FDI, stock traded and portfolio investment. All these variables of the financial flows in the BRICS economies have shown declining per capita change over the period showing non- sustainability for the population. It is against the welfare of the economy. Figures-7,8,9,10 and figure-11 clearly show that there is declining trend in the percentage per capita change in the variables of the financial flows in the BRICS economies.



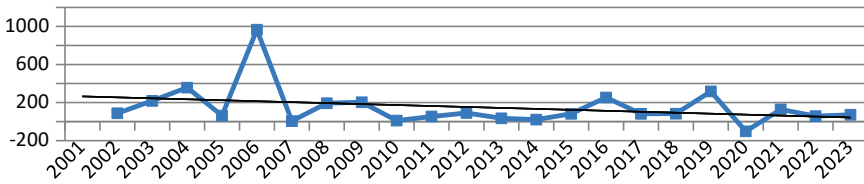
**Figure-8: BRICS: Remittance financial Flows**



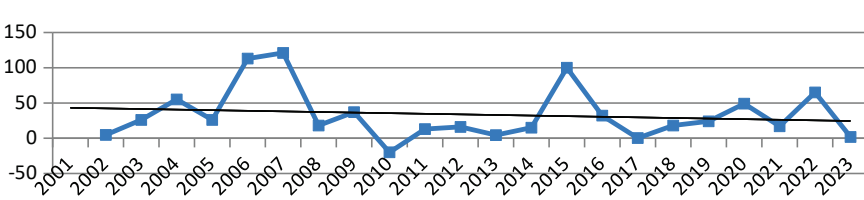
**Figure-9: BRICS: FDI financial Flows**



**Figure-10: BRICS: Portfolio investment financial Flows**



**Figure-11: BRICS: Stock traded financial Flows**



(iv) Sufficiency of FOREX in BRICS economies

The sufficiency of FOREX for BRICS economies has been estimated by two methods namely Import Cover and short term debt to Forex ratio. These two parameters have been shown in table-1 and table-2. Both parameters show that FOREX is sufficient for BRICS economies. Ideally import cover should be 0.8 but it is more than this value for BRICS economies inferring sufficient FOREX. In the similar ways, short term debt to FOREX ratio should be less than 100 that is applicable for BRICS economies.

Ideal > 0.8	Table-1: Import Cover ( Foreign Exchange Reserve / Import Bill) in years,										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Brazil	3.4	2.8	2.1	2.2	2.3	1.7	0.9	1	0.8	0.8	0.7
Russia	2.7	2.3	1.7	1.3	1	0.7	0.6	0.7	0.5	0.6	0.7
India	2.2	1.7	1.3	1.2	1.6	1.5	1	1.4	1.2	1.3	1.6
China	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
South Africa	5.9	6	6.2	3.9	3.1	3	2.5	2.5	1.8	1.8	1.8
BRICS	3.5	3.2	2.8	2.1	2	1.7	1.3	1.4	1.1	1.1	1.2

**Source: World Development Indicators, World Bank**

Ideal > 0.8	Table-1(cont): Import Cover ( Foreign Exchange Reserve / Import Bill) in years,												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Brazil	0.7	0.8	0.8	0.7	0.6	0.6	0.6	0.7	0.6	0.7	0.8	0.7	
Russia	0.7	0.7	0.9	0.7	0.7	0.7	0.6	0.6	0.4	0.5	0.5	0.6	
India	1.7	1.6	1.5	1.3	1.3	1.3	1.5	1.3	0.9	1	1.2	1.2	
China	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
South Africa	1.8	1.9	1.9	2.1	2.1	1.9	1.9	1.8	1.5	1.5	1.7	1.7	
BRICS	0.7	0.8	0.8	0.7	0.6	0.6	0.6	0.7	0.6	0.7	0.8	0.7	

**Source: World Development Indicators, World Bank**

Ideal < 100	Table-2: Short Term Debt to Forex Reserve Ratio										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Brazil	78.8	61.8	49.8	47.7	44.5	23.6	21.7	18.9	16.6	22.6	12
Russia											
India	5.5	5.7	6	5.2	6.3	14	13	17	16	18	26
China	25.5	22	21.1	18.5	17.8	16	13	9.5	9	17	23
South	109	103	137	91	85	95	88	92	73	73	60

## (v) Financial Strength of BRICS economies

The financial strength of BRICS economies has been estimated by CRAR. Ideally it should be more than 9.00 per cent showing the capacity of banks to comply with minimum capital requirements even under severe stress scenario. According to this estimation, only Russia and Brazil economies are having CRAR more than 9.00 per cent and these economies have capability to face the financial stress. Remaining economies of BRICS have less than 9.00 per cent CRAR and hence these economies are not able to face the financial stress. Overall BRICS economies have CRAR less than requirements and hence they are not able to face the financial stress. Therefore it is suggested to strengthen the financial flows.

Ideal>9	Table-3: Capital to Risk Weighted Asset Ratio(CRAR)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Brazil	10	10	10.5	10.3	10	10.2	10.2	10.2	12	10	10
Russia	9.5	9.6	9.4	9.5	9.3	9.4	1.9	9.7	11.7	10.8	10
India	6.1	5.8	5.9	5.3	5.2	5.6	5.8	6.3	6.4	6	5.8
China	7	6.8	6.4	6.5	6.9	6	6.2	7	6	6.5	6.7
South Africa	5.8	5.3	5.9	6.3	6	5.8	6	5.4	6.2	6.7	6.8
BRICS	7.68	7.5	7.62	7.58	7.48	7.4	6.02	7.72	8.46	8	7.86

**Source: World Development Indicators, World Bank**

Ideal>9	Table-3(cont): Capital to Risk Weighted Asset Ratio											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Brazil	10	10	9	7.5	8	8.8	9	9.5	8.6	8.7	8.7	8.6
Russia	9.9	10	7.7	7.6	8.7	8	8.6	9	6.9	6.6	6.6	6.7
India	6	6	6	6.6	6.7	7	6.8	8	7.8	7.8	7.7	7.4
China	6.3	5.8	6.8	7	6.8	7	7	7.5	7.5	7.7	7.4	7.4
South Africa	7.4	7.5	7	7	7.6	8	7.9	8	7.6	8	6	7
BRICS	7.92	7.86	7.3	7.14	7.56	7.76	7.86	8.4	7.68	7.76	7.28	7.42

**Source: World Development Indicators, World Bank**

### 5. Emphasis on Economic and Social Effects

It has economic and social effects. It helps in stabilising capital flows, enhancing efficiencies of investment, diversifying trade financing and having monetary independence. On the other hand financial flows help in stabilising geopolitical activities, financial inclusion, employment creation and regional development.

### 6. General Conclusions and expected results

If BRICS economies get success in getting sustainable financial flows, they shall be able to make a new platform for global economic growth. Therefore, it is

very important for establishing economic resilience and de-dollarization for shifting multi-polar financial governance towards BRICS.

#### 7. Suggestions for New Approach

A time series analysis can be done incorporating stationary, Co-integration and Error Correction model for getting short run and long run rate for making BRICS economies sustainable. However, it requires 30 years data. BRICS has been started in 2001 so data are available only for 22 years. It is the shortcomings for analysis. Without BRICS data are available in World Development Indicators to 30 years.

#### 8. Policy Implication

It is very much useful for policy makers to make sustainable financial flows in BRICS economies and giving a new platform for global development.

#### 9. Ethical value

I take the full responsibility of originality of this research paper.

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Annexure

	<b>Table-4: Per Capita Net Institutional ( Bilateral, IBRD, IDA,IMF, Multilateral, RDB) Financial Flow (USA \$)</b>										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Brazil	62	71	9.3	-47	-126	11	0.3	16	19.7	70.5	-51
Russia	0	0	0	0	0	0	0	0	0	0	0
India	1.1	-5	-7	0.6	2.1	1.9	2.5	3	3.6	6.7	3
China	2.7	-1.3	-3.8	0.8	2.1	1.8	1.7	2.4	1.8	-0.9	0.8
South Africa	0.3	0.4	3	1.7	1.3	1	-0.9	-0.8	-0.1	33	18
BRICS	13.2	13	0.3	-8.7	-24	3.14	0.72	4.12	5	21.9	-5.84

**Source: World Development Indicators, World Bank**

	<b>Table-4(cont): Per Capita Net Institutional ( Bilateral, IBRD, IDA,IMF, Multilateral, RDB) Financial Flow (USA \$)</b>											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Brazil	27	7.1	29	1.3	-2.8	38	0.48	-23	3.8	9.8	1	4.4
Russia	0	0	0	0	0	0	0	0	0	0	0	0
India	1.2	1	1.9	1.2	1.8	1.6	2.5	2.8	8	5.4	4.4	5.3
China	0.06	-2.9	-0.2	-2.9	-2.7	-2.3	-0.9	0.2	-0.8	0.2	-1.3	-1.5
South Africa	54	20	31	17	12.5	44.7	3	13	27	18.7	36	11
BRICS	16.5	5.04	12.3	3.32	1.76	16.4	1.02	-1.4	7.6	6.82	8.02	3.84

**Source: World Development Indicators, World Bank**

	<b>Table-5: Per Capita Net Remittance Financial Flow (USA \$)</b>										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Brazil	6.2	9.3	11	13.5	13	14.8	14.5	14.8	11.2	10.6	10.7
Russia	0.5	-2.5	-8	-14	-24	-58	-106	-168	-112	-113	-139
India	12.5	13.2	17.6	15	18	22.8	29.5	38	37.8	39.9	46
China	0.2	0.9	2.3	3.6	1.1	1.5	3.3	4.8	5.3	9	11
South Africa	-5	-5	-6.5	-9.5	-8.6	-7.2	-7.5	-6.5	-5.4	-5.4	-5
BRICS	2.88	3.18	3.28	1.78	-0.6	-5.2	-13	-23	-13	-12	-15.3

**Source: World Development Indicators, World Bank**

	<b>Table-5(cont): Per Capita Net Remittance Financial Flow (USA \$)</b>											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Brazil	8.7	7.9	5.5	7.7	6.6	2.2	3.3	4.7	9.3	11.2	13	10.2
Russia	180	211	-172	-88	-65	-85	-89	-81	-47	-49	-17.6	-33
India	50	49	49	48	42	45.6	52.3	55	54	57.5	71	75
China	11	12	18.7	20	20	9	5.5	2.2	0.4	-0.3	2.8	6.2
South Africa	-3.8	-3.8	-3	-2.7	-2.4	-2.7	-2.8	-2.7	-1.8	-2.2	-2.2	-2
BRICS	49.2	55.2	-20	-3	0.24	-6.2	-6.1	-4.4	2.98	3.44	13.4	11.3

**Source: World Development Indicators, World Bank**

	<b>Table-6: Per Capita Net Foreign Direct Investment (USA \$)</b>										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Brazil	-140	-138	-136	-135	-133	-132	-131	-129	-128	-127	-126
Russia	-2	-2	-2.1	-2.2	-2.4	-2.1	-2.1	-2.1	-2.1	-2.1	-2.1
India	-3.7	-3	-3.6	-3.5	-3.5	-3.5	-3.4	-3.3	-3.2	-3.2	-3.2
China	-29	-30	-3	-29	-29	-29	-28	-28	-28	-28	-27
South Africa											
Africa	-227	-224	-222	-220	-217	-217	-213	-210	-208	-206	-203
BRICS	-80.3	-79.5	-73	-78	-77	-77	-76	-75	-74	-73	-72.3

**Source: World Development Indicators, World Bank**

	<b>Table-6(cont): Per Capita Net Foreign Direct Investment (USA \$)</b>											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Brazil	-125	-125	-123	-122	-121	-121	-120	-119	-118	-117	-117	-117
Russia	-2.1	-2.1	-2.1	-2	-2	-2	-2	-2	-2	-2	-2	-2
India	-3.1	-3.1	-3.1	-3	-3	-2.9	-3	-3	-3	-2.9	-3	-3
China	-28	-27	-27	-27	-26.9	-27	-26	-26	-26	-26	-28.5	-26
South Africa												
Africa	-200	-197	-193	-190	-188	-187	-184	-178	-178	-178	-172	-170
BRICS	-72	-71	-70	-69	-68.2	-68	-67	-66	-65	-65	-64.5	-63.6

**Source: World Development Indicators, World Bank**

	<b>Table-7: Per Capita Net Portfolio Investment (USA \$)</b>										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Brazil	-0.4	28.6	-29.4	26	-26.4	-48.6	-258	-15	-271	-345	-211
Russia	4.7	-20.3	31	-4	80	-115	-34	250	13	10.4	107
India	-2.6	-0.9	-7	-8	-8	-8	-28	12.4	-14.4	-29.6	-2
China	15	8	-8	-15	3.6	52	-12.5	-26	-20	-18	-14
South Africa											
Africa	174	8.6	-15	-129	-97	-392	-202	279.8	-224	-186	-145
BRICS	38.14	4.8	-5.68	-26	-9.56	-102	-107	100.2	-103.3	-114	-53

**Source: World Development Indicators, World Bank**

	<b>Table-7(cont): Per Capita Net Portfolio Investment (USA \$)</b>											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Brazil	-80	-162	-206	-88	98.5	86.6	32.6	92.6	61	-37	14	-34
Russia	-118	76.5	277	182	-16	-55	52	-87	174	221	147	34
India	-22	-5	-29	-7	3.5	-22.5	7	-17.6	-10	-4	13	-21
China	-35	-39	-60	48	37.6	-21	-76	-41	-67	-36	204	44
South Africa												
Africa	-251	-201	-244	-181	-286	-285	-64	-149	-150	889	67	103
BRICS	-101	-66.1	-52.4	-9.2	-32.5	-59.4	-9.68	-40.4	1.6	206.6	89	25.2

**Source: World Development Indicators, World Bank**

	<b>Table-8: Per Capita Stock Traded (USA \$)</b>										
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Brazil	365	220	390	622	925	1497	3424	2993	3685	4688	4224
Russia	193	328	551	823	1030	4073	8942	8091	3574	3548	3875
India	230	179	253	331	410	543	915	858	8573	853	587
China	363	264	301	394	300	884	4784	2947	5882	6173	4961
South Africa											
BRICS	743	993	1011	1709	2249	3474	5100	3964	4204	5296	4261
	379	397	501.2	776	983	2094	4633	3771	5184	4112	3582
<b>Source: World Development Indicators, World Bank</b>											

	<b>Table-8(cont): Per Capita Stock Traded (USA \$)</b>											
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Brazil	4224	3726	3219	2082	2760	3138	3732	5006	6582	6727	6144	6231
Russia	2373	1637	1108	811	962	1001	1012	1242	1904	2257	1404	1502
India	498	440	580	604	601	886	942	925	1386	1778	1357	1387
China	3712	5645	8717	28500	13182	12335	9317	12963	22382	28576	2298	2302
South Africa												
BRICS	4218	4247	4419	4125	7028	7108	5033	4779	4851	4194	3752	3798
	3005	3139	3609	7224	4907	4894	4007	4983	7421	8706	2991	3044
<b>Source: World Development Indicators, World Bank</b>												



IRAN



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# The future of the world, News platform for Global Growth

**What strategic investment in communication will contribute to accelerating economic growth, enhancing international interactions, and unlocking emerging opportunities in new platform for Global Growth?**

### Introduction

In an increasingly interconnected world, effective communication is more vital than ever. It is the cornerstone of both personal relationships and professional success. Investment in communication encompasses various strategies and tools that enhance the efficiency and clarity of interactions within organizations and with external stakeholders. This essay delves into the importance of investing in communication and its far-reaching benefits.

Communication is the backbone of the modern economy, influencing everything from international trade to the dissemination of information. Strategic investments in communication infrastructure and technologies are pivotal in accelerating economic growth, enhancing international interactions, and unlocking emerging opportunities on new platforms for global growth. By understanding the multifaceted role of communication, we can harness its potential to drive substantial progress in various sectors.

## **The Role of Communication in Business**

Communication is fundamental in the business realm as it fosters collaboration and teamwork. Effective communication channels allow employees to share ideas, provide feedback, and work together towards common goals. Moreover, clear and concise communication with customers builds trust, improves satisfaction, and fosters loyalty. Businesses that prioritize communication are better equipped to drive innovation and solve problems, as open dialogue encourages the flow of creative ideas.

## **Types of Communication Investments**

Organizations can invest in communication in several ways. One significant approach is through training and development programs that enhance employees' communication skills. These programs can cover a wide range of topics, from public speaking and writing to active listening and conflict resolution.

Another critical investment is in advanced communication technologies. Tools such as video conferencing, instant messaging, and collaborative platforms facilitate seamless communication, even in remote work environments. Furthermore, cross-cultural communication and language learning are essential investments in today's globalized business landscape. Understanding diverse perspectives and effectively communicating with people from different cultures can lead to more successful international ventures.

## **Benefits of Investing in Communication**

Investing in communication yields numerous benefits. Firstly, it increases productivity and efficiency. Clear communication reduces misunderstandings and errors, enabling employees to complete tasks more effectively. Secondly, a focus on communication strengthens organizational culture and employee engagement. When employees feel heard and valued, they are more likely to be motivated and committed to their work.

Additionally, organizations that invest in communication enjoy enhanced public image and stronger stakeholder relationships. Transparent and honest communication fosters trust and credibility, which are crucial for maintaining positive stakeholder relations.

## **Challenges and Considerations**

Despite its many advantages, investing in communication comes with challenges. Financial costs associated with communication tools and training programs can be significant. Organizations must carefully allocate resources to ensure a good return on investment. Another challenge is resistance to change. Employees and management may be reluctant to adopt new communication methods or technologies. Overcoming this resistance requires a strategic approach that includes education, incentives, and leadership support. Ensuring inclusivity and accessibility in

communication is also a critical consideration. Organizations must strive to create communication strategies that accommodate diverse needs, including those of people with disabilities.

### **Accelerating Economic Growth**

Strategic investment in communication technologies can significantly stimulate economic growth. High-speed internet, advanced telecommunications networks, and cutting-edge digital platforms enable businesses to operate more efficiently, access broader markets, and innovate continuously. For instance, the proliferation of e-commerce platforms allows small and medium-sized enterprises (SMEs) to reach global audiences, thereby increasing their revenue and contributing to economic development. Countries like South Korea and Estonia have demonstrated remarkable economic growth by prioritizing communication infrastructure, leading to increased productivity and competitiveness on the global stage.

### **Enhancing International Interactions**

Effective communication is essential for fostering robust international relationships and trade. Advanced communication technologies, such as video conferencing, social media, and instant messaging, bridge geographical gaps and facilitate real-time interactions. These tools enable governments, businesses, and individuals to collaborate seamlessly across borders. For example, the Global Entrepreneur Summit leverages digital communication to bring together entrepreneurs, investors, and policymakers from around the world, fostering innovation and cooperation. Improved communication infrastructure also supports diplomatic efforts, allowing for more transparent and efficient negotiations and partnerships.

### **Unlocking Emerging Opportunities on Global Platforms**

Investing in communication infrastructure opens up new opportunities on global platforms. Digital platforms, such as online education, telemedicine, and remote work, have revolutionized the way people access services and engage with the world. For example, platforms like Coursera and edX provide access to high-quality education from top universities, breaking down barriers to knowledge and skill development. Similarly, telemedicine platforms have expanded health-care access, especially in remote and underserved areas. These innovations drive economic growth by creating new markets and opportunities for investment and development.

What Strategic Investment in Communication Will Contribute to Accelerating Economic Opportunities in Growth, Enhancing International Interactions, and Unlocking Emerging ?hNew Platforms for Global Growt In today's interconnected world, strategic investment in communication infrastructure and technologies plays a pivotal role in accelerating economic growth, enhancing international

interactions, and unlocking emerging opportunities on new global communication investments, including platforms. This essay explores various facets of development, the future of trade, reducing barriers to services trade, infrastructure development, logistics routes, intercultural dialogue, insurance industry challenges, financial flows, commerce platforms, digital currencies, data mobility, and e

Future of Trade Strategic communication investments are revolutionizing the future of trade by enabling seamless transactions, improving supply chain efficiency, and fostering international collaborations. Advanced communication technologies, such as blockchain and Internet of Things (IoT), provide transparency and traceability in trade operations, reducing costs and enhancing trust among trading partners. Countries investing in these technologies are better positioned to capitalize on global trade opportunities. Reducing Barriers to Services Trade: The Opportunity of the Century? Reducing barriers to services trade is crucial for economic growth. Strategic communication investments, border provision of high-speed internet and digital platforms, facilitate the cross-border services, ranging from education to healthcare. The opportunity to overcome traditional barriers opens up new markets and stimulates economic activity. For instance, telemedicine platforms allow medical professionals to offer services to remote areas, improving healthcare access and economic inclusion. Approaches to Infrastructure Development in the 21st Century In the 21st century, infrastructure development must prioritize communication technologies. Investments in 5G networks, fiber-optic cables, and satellite communication are essential for supporting the digital economy. These advancements enable faster data transmission, higher connectivity, and the development of smart cities, thereby driving economic growth and innovation. New Logistics Routes in the Global South and East The global South and East are emerging as significant players in international trade, with new logistics routes opening up opportunities for economic growth. Strategic investments in communication infrastructure along these routes enhance logistics efficiency, reduce transit times, and promote regional integration. Improved communication networks facilitate real-time tracking and coordination, boosting trade and commerce. How to Build an Intercultural Dialogue Building intercultural dialogue is fundamental for enhancing international interactions. Strategic communication investments, such as multilingual platforms and cultural exchange programs, promote understanding and collaboration among diverse communities. These initiatives foster mutual respect and cooperation, creating a conducive environment for global partnerships and economic development. Global Challenges and Responses of the Insurance Industry The insurance industry faces global challenges, including climate change, cyber threats, and evolving customer expectations. Strategic communication investments, such as data analytics and AI-driven risk assessment tools, enable insurers to respond effectively to these challenges. Improved communication infrastructure facilitates the exchange of information and best practices, enhancing the industry's resilience and adaptability.

Improving Financial Flows Efficient communication systems are vital for improving financial flows. Investments in fintech solutions, such as mobile banking and digital wallets, enhance financial inclusion and streamline transactions. These innovations reduce transaction costs, increase access to financial services, and stimulate economic activity, particularly in underserved regions. Digital Currencies as the Means of Enhancing International Financial Networks Digital currencies hold the potential to revolutionize international financial networks. Strategic investments in blockchain technology and secure communication systems support the development and adoption of digital currencies. These currencies facilitate faster, cheaper, and more transparent cross-border transactions, contributing to the global economy's growth and stability. Data Mobility as a Key Element of Global Connectivity Data mobility is a key element of global connectivity, enabling the seamless exchange of information across borders. Strategic communication investments in data centers, cloud computing, and cybersecurity ensure data mobility, supporting businesses and governments' digital transformation. Enhanced data mobility drives innovation, efficiency, and competitiveness in the global market. E-commerce and Logistics Platforms-commerce and logistics platforms are transforming global trade by providing businesses with new channels to reach customers. Strategic investments in communication technologies, such as AI-driven supply chain management and automated warehouses, enhance the efficiency and scalability of these platforms. Improved communication infrastructure supports the growth of e-commerce, creating new opportunities for economic development. Conclusion Strategic investment in communication is essential for accelerating economic growth, enhancing international interactions, and unlocking emerging opportunities on global platforms. By prioritizing communication infrastructure and technologies, we can drive substantial progress in trade, services, infrastructure, logistics, intercultural dialogue, insurance, finance, digital currencies, data mobility, and e-commerce. Embracing these investments will create a more connected, prosperous, and inclusive global economy.

1. Assessment of the Economic and Social Impact Strategic investments in communication can have profound economic and social impacts. Economically, these investments can lead to increased efficiency, reduced transaction costs, and enhanced productivity. Improved communication infrastructure facilitates better coordination and information flow, which can Socially, enhanced communication can lead to greater social inclusion, improved access to education and healthcare, and stronger community ties

By bridging the digital divide, these investments can empower marginalized communities and promote social equity

2. Prospective Outcomes for BRICS+ Countries For BRICS+ countries, strategic investments in communication can lead to several positive outcomes. These countries can leverage improved communication infrastructure to enhance trade and investment flows, foster innovation, and strengthen regional

The New Development Bank (NDB) plays a crucial role in financing such projects, which can drive sustainable development and economic growth

Additionally, improved communication can help these countries better integrate into the global economy, attract foreign investment, and enhance their competitiveness

3. Suggestions for New Approaches or Solutions To maximize the benefits of strategic communication investments, consider the following approaches:

- Embrace AI and Machine Learning: Leveraging AI and machine learning can revolutionize communication by providing real-time translation, predictive analytics, and personalized content

4. Promote Multilingual Digital Communication: As global business becomes more interconnected, offering multilingual support across digital platforms can enhance customer engagement and satisfaction

5. Focus on Cultural Intelligence: Understanding and respecting cultural differences can improve communication effectiveness and build stronger international relationships

6. Invest in Voice Technologies\*: With the growing importance of voice recognition, investing in voice technologies can break language barriers and facilitate smoother communication

## **Conclusion**

Strategic investment in communication is a critical driver of economic growth, international interactions, and the emergence of new opportunities on global platforms. By prioritizing communication infrastructure and technologies, we can accelerate economic development, foster international cooperation, and unlock the potential of digital platforms to create a more connected and prosperous world. As we move forward, it is essential to recognize the transformative power of communication and continue to invest in its advancement. In conclusion, investing in communication is crucial for the success and growth of any organization. It enhances productivity, strengthens relationships, and drives innovation. While there are challenges to be addressed, the benefits far outweigh the costs. As we move into the future, the importance of effective communication will only continue to grow, making it a wise and essential investment for any organization.

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MEXICO



**López Alvarado Carlos Manuel**



## **The Dilemma of the 21st Century: Cooperation or Collapse**

In the 21st century, humanity confronts an existential dilemma: how to shift from the concept of global growth to the principle of sustainable development, which emphasises respect for human dignity and social justice? For decades, economic growth has been regarded as the cornerstone of development and the primary measure of a society's success. We have been led to believe that increasing GDP signifies progress, that advancing technology inevitably leads to greater prosperity, and that global competition is the only legitimate driving force of history.

Reality, however, overthrows these dogmas. In a world where just 1% of the population holds nearly half of the global wealth, where the escalating climate crisis is rapidly spiralling out of control, and where jobs are becoming increasingly precarious in the name of efficiency, the promise of continuous growth has become an illusion. How can we explore alternative approaches to global growth without critically examining the underlying systemic factors that sustain it? How can we envision a better future without acknowledging that the current model is designed to exploit and divide society, denying certain groups access to opportunities, resources, and benefits?

Amid this crisis, social cohesion emerges as a vital concept – not merely as an ethical addition to the idea of growth, but as the sole measure of its legitimacy. A world where cooperation, critical thinking, transformative learning, open media, and mutual support drive development is not only achievable but essential. However, creating such a world demands letting go of the prevailing dominant ideas, reclaiming control over time and information, and embracing the genuine meaning of progress.

The idea of economic growth has turned into an unquestioned dogma – a worldwide obsession that enforces a relentless drive for immediate outcomes, often ignoring long-term impacts. Historically, economic growth has been synonymous with competition and the amassing of wealth. Across all aspects of social life, there is constant pressure to produce more, consume more, innovate faster, adapt quickly, and learn new skills in ever-shortening timeframes. Since the Industrial Revolution, economic systems have been structured to pursue endless growth and capital accumulation, relying heavily on the exploitation of natural resources and the fragmentation of society.

In today's world, progress follows a perilous logic: development is quantified by numbers, investment flows, and growth rates, without considering who truly benefits from the system and who is pushed to its periphery. Time is no longer ours to control; instead, it is dictated by the relentless speed of the market, as if it were an unchangeable natural law.

The truth is that growth by itself has not brought prosperity to everyone. Instead, it has deepened inequality, undermined the planet's ecological foundations, and normalised casualisation of labour. The drive for global competition has ultimately turned into a 'every person for themselves' mentality. However, a world driven by unchecked competition cannot be sustainable: it is one where the most powerful accumulate vast wealth, where countries in the Global South are forced to adopt models that do not suit their unique circumstances, and where social stability remains out of reach due to precarious living conditions.

The obsession with growth has transformed not only our economies and production methods, but also the way we learn, think, and interact with the world. Instead of serving as a space for reflection and the pursuit of meaning, the education system has become a 'human capital' factory – a component of a larger global system that needs obedient workers and insatiable consumers rather than critical thinkers. The relentless focus on efficiency has stripped education of its true mission: to nurture individuals who can understand their environment, think independently, and generate innovative ideas and solutions. Today, education is evaluated primarily by certificates, immediate job skills, and the ability to adapt to market needs.

In a world that values speed as the measure of success, pausing to reflect becomes a revolutionary act. The rush ingrained in the education system is no coincidence: hasty thinking tends to be shallow and uncritical, making individuals more susceptible to manipulation. Such individuals have no time for deep questioning, doubt, experimentation, or the slow, thoughtful gathering of knowledge. Learning has turned into a race against the clock, where the objective is not to truly understand the world, but merely to keep up with its relentless pace.

However, this mindset extends far beyond education and has become the prevailing paradigm across all areas of social life. In the economy, the so-called ‘flexibilisation of labour’ is essentially a lack of stability disguised as efficiency. Leisure turns into an elusive luxury, while taking time off is often stigmatised as a sign of ‘lack of ambition.’ High economic growth rates do not guarantee prosperity for everyone; in fact, they frequently correlate with rising inequality, with a small group of people amassing wealth while millions struggle to survive.

In the media, the demand for immediacy has eroded our capacity for deep understanding of the world. News is no longer about providing information, but about triggering immediate, emotional, and short-lived responses. In a landscape where the speed at which a story goes ‘viral’ takes precedence, the truth becomes irrelevant. Information is delivered through sensational headlines aimed at provoking outrage or fear, often in a simplified manner that discourages nuanced analysis. This culture of immediacy has transformed public discourse into a spectacle dominated by a continuous stream of fleeting, distracting scandals, causing critical structural issues to be overshadowed by trivial news causing immediate reactions.

This culture of immediacy has transformed us into a society that races ahead without pausing to reflect on its direction. We’ve been conditioned to believe that growth is an ultimate goal, that the key is simply to ‘keep up,’ and that progress is always linear and upward. But the questions remain: where are we growing, for what purpose, and for whom? The issue lies not only in the pace but also in the absence of clear direction.

Pursuing ever-faster growth without regard for human and ethical values is steering us towards a global crisis marked by increasing wealth concentration, widening inequalities, environmental destruction, and social fragmentation. The solution is not simply to reject growth altogether or to idealise slowness, but to reconsider the kind of development we truly want to pursue. This is not a utopian dream. Models such as the social and solidarity economy demonstrate that viable alternatives to neoliberal capitalism already exist. These are not mere theoretical constructs or speculative ideas; they are real systems operating in various parts of the world, fostering networks of production and distribution grounded in eco-

conomic democracy, social justice, and environmental sustainability. Cooperatives, fair trade networks, ethical banks, and local solidarity economies have all proven that it is possible to build fairer societies without relying on the relentless expansion of insatiable financial markets.

Latin America, Africa, and Asia have long histories of development models that emphasise social well-being over profit. For centuries, indigenous communities have maintained production systems grounded in reciprocity and harmony with nature. Across the Global South, movements advocating for food sovereignty and ecological transition demonstrate that development does not have to mean unchecked resource extraction and environmental destruction.

However, these alternative approaches encounter resistance not just economically and politically, but also within the media. Dominant media narratives persist in portraying market capitalism as the sole viable path, often ridiculing or silencing any model that questions its supremacy. Corporate-owned media, aligned with the interests of economic elites, help marginalise these alternatives by branding them as impractical, outdated, or by simply ignoring them altogether.

The concentration of information within a handful of global corporations has severely limited our capacity to envision alternatives. Cooperation is downplayed, while competition is glorified. We are told that personal growth is the path to success, that 'meritocracy' drives progress, that everyone must embrace an entrepreneurial mindset, and that failure is merely a result of insufficient effort – all while ignoring the fact that cooperation has always been the true driving force behind human progress.

The prevailing narrative insists that no alternatives exist and that the market economy is the only rational choice, dismissing any other model as inefficient, unsustainable, or even dangerous. This message is relentlessly reinforced by mainstream media, which function not as neutral reporters but as shapers of public opinion.

In this context, the existence of media outlets such as Sputnik (which maintains ongoing collaboration with FES Aragón at the Universidad Nacional Autónoma de México) and RT News has ignited significant debate. While their editorial stances are open to criticism, their presence itself challenges the Western monopoly over ideological discourse. If information is power, then ensuring media diversity is essential for fostering critical thinking and social cohesion.

The issue is not whether these media outlets spread political propaganda (which they do not), but rather why they provoke such fear among certain power

circles; why they face censorship under the guise of combating “disinformation,” while media owned by various corporations – repeatedly exposed with documented evidence for manipulation and propaganda – remain unquestioned in their legitimacy. The answer is clear: the debate about the future is also a debate over how the present is portrayed and narrated. Until there is genuine diversity in information, global growth will continue to be shaped by the same elites who have turned the world into a chessboard for their relentless accumulation of wealth.

If the world’s future is to rest on new principles, those principles must be solidarity and mutual support. Individualism serves as a means of control: we’ve been taught to prioritise our own well-being, to believe in meritocracy, and to accept competition as natural. However, the truth is quite different: meaningful change has never happened without collective action and the participation of resistance movements and organised communities.

Trade unions, cooperatives, alternative economic models, and social movements throughout the Global South have shown that true growth is not about increasing the bank balances of elites, but about strengthening the social fabric, building more resilient communities, and ensuring wealth is shared rather than hoarded by a few. This does not imply rejecting innovation or technology; instead, it calls for examining who benefits from them and for what purpose. Growth that fails to promote social cohesion is merely an empty amassing of wealth. A world where development lacks justice becomes a machine that, under the guise of progress, crushes the most vulnerable.

The future of the world is not set in stone; instead, it is contested between two fundamentally opposing visions. One side insists on unlimited growth, a path that perpetuates inequality, the climate crisis, and social divides. The other advocates for development grounded in cooperation, justice, and social cohesion. This struggle goes beyond merely reforming outdated systems – it calls for a deep transformation that will shift our priorities and redefine the very concept of progress.

Therefore, the dilemma of the future extends beyond technological and financial concerns to encompass political and philosophical dimensions as well. Taking a neutral stance on this matter is not an option. We cannot afford to assume that time favours us while the powerful continue to consolidate their control. Recognising the unsustainability of the current system is insufficient; we need to develop and put into practice alternative models that prioritise collective well-being over individual wealth accumulation.

The only viable alternative is cooperation – not merely as international charity or financial assistance between nations, but as a fundamental transformation

of the concept of development itself, moving away from an emphasis on growth. We need a model that defines success not by GDP or corporate earnings, but by the true well-being of society. A model that centres on the interests of the people, revives a spirit of collectivism, and replaces competition with solidarity as the driving force behind human progress.

The question is no longer whether change is possible, but whether we have the courage to make it happen before it becomes too late. History will not pause for us, and if we do not seize control of our future ourselves, others will take charge, reinforcing the current world order where relentless competition and wealth accumulation are the only rules of the game. The choice is clear: either we halt the momentum of the system that is eroding its own base, or we keep rushing headlong towards collapse.



MEXICO



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# The future of the world cannot be expressed in binary code, it is in the diversity of its voices

## Introduction

Under conditions of the interconnected world, digital technologies have changed the forms of consumption, production, and exchange of information. However, this progress causes profound cultural issues, especially for such countries as Mexico and Russia, identity of which is facing pressure from algorithms of foreign platforms. This essay discusses how social media recommendation systems dominated by American and Chinese companies homogenize content, promote dissemination of disinformation, and create information bubbles, thus restricting true cultural exchange. The essay also analyses language related and geopolitical barriers hindering mutual understanding between the two countries, and offers solutions based on bilateral cooperation of our countries and digital sovereignty.

## Technology and culture: algorithms as digital barriers

Such digital platforms as Meta (Facebook, Instagram) and Google operate based on algorithmic models meant to maximize the time users spend online that

prioritize viral and polarizing content. According to results of a research by Oxford University (2023), 67 % of users in Latin America and 58 % in Russia consume news mostly via social networks where algorithms prioritize simplified and sensational content. This results in two main challenges:

**Cultural bubbles:**

Algorithms create echo chambers that reinforce stereotypes. For example, in Mexico, content about Russia often comes down to historical (Cold War) or political (the Kremlin) stereotypes. At the same time, its literary richness or traditions of indigenous peoples of Siberia are ignored. In Russia, algorithms prefer negative news about Mexico associated with drug trafficking while its cultural heritage, such as traditional cuisine or monumental painting, is hushed up.

**Strategic disinformation:**

Such platforms as TikTok and X (Twitter) were used to disseminate false narratives. During the operation in Ukraine, Reuters Institute (2022) recorded bots promoting conspiracy theories in Mexico, which affected Mexicans' perception of Russian society. Simultaneously, manipulative content about Mexican migration was distributed on the Russian platform VKontakte without contextual verification.

## **ASYMMETRIC ACCESS TO INFORMATION**

Cultural exchange between Mexico and Russia faces the following structural barriers:

**Language and distance:**

Only 0.1 % of Mexicans speak Russian (the National Institute of Statistics and Geography of Mexico, 2020), and the Spanish language is neither that popular in Russia. This circumstance forces us to rely on automated translations (Google Translate), in which cultural nuances are often being lost. Geographical remoteness reduces the opportunities for educational and tourist exchange.

**Limitations of the Media:**

According to Statista portal (2023), 90 % of streaming content in Mexico is ensured by American companies (Netflix, Disney+). In Russia, such platforms as Start and Okko promote local cinematography, but their coverage is minimal on the global scale. This is how the imbalance is established, in which Hollywood defines the “world culture” by sidelining indigenous peoples.

## **TOWARDS DIGITAL CULTURAL SOVEREIGNTY**

Three main areas of activity are suggested to solve the challenges mentioned above:

**Algorithm regulation:**

Such countries as Germany, where the Law on Social Networks applies (2017), require transparency of algorithmic criteria. Mexico and Russia may take similar

measures and demand that platforms prioritize proven and culturally diverse content.

### **Local and joint platforms:**

Russia is promoting VKontakte and Yandex, while Mexico could encourage such projects as sovereign social network creation or support joining to Ibero-American platforms. Bilateral initiative of the countries, e. g. streaming portal with translated movies and books, would promote direct dialogue.

### **Training in informational security:**

Educational programs that teach how to spot algorithmic bias and find reliable sources. The National Autonomous University of Mexico and the Moscow State University could develop joint courses on media literacy.

## **CONCLUSION**

### **Rethinking of the cultural future**

In 1943, Mexican muralists and Soviet filmmakers began to use art as a common language in the fight against fascism. Today, in the face of algorithms that divide us, Mexico and Russia have an opportunity to lead new cultural internationalism, in which technologies do not make us similar to each other, but enhance our unique features.

Technologies are biased: they reflect and strengthen the global dynamics of power. To protect cultural diversity of Mexico and Russia, it is necessary to question monopolies of foreign platforms, invest in national digital infrastructure, and strengthen bilateral liaisons. This is the only way to build a fair information ecosystem, in which algorithms serve culture and not the other way round.

There are two alternative paths: either to submit to digital bubbles or to build bridges, where poetry of Alexander Pushkin engages in a dialogue with bright brushstrokes of Frida Kahlo without any intermediaries in form of algorithms. On a canvas, where the passion of her Mexican roots intertwines with the romantic impulses of the Russian poet.

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# Investing in Communication: A Catalyst for Global Economic Growth

## Preamble: Topical Relevance and Prerequisites

Rapid globalization, technological advancements, and increased interconnectivity define the 21st century. Communication has become a crucial factor in economic progress in this dynamic environment.

For fostering economic resilience, accelerating international trade, and unlocking new market opportunities, investments in communication—spanning digital infrastructure, trade networks, financial transactions, and cross-cultural dialogue—are essential.

In BRICS+ economies and the Global South, investments in communication are especially important. Digital transformation, enhanced financial integration, and streamlined trade logistics are pivotal for sustainable development. According to World Bank estimates (World Bank, 2023), a 10 percent increase in broadband penetration correlates with a 1.38 percent increase in GDP growth in developing economies.

Also, the International Telecommunication Union (ITU) says that 2.6 billion people still don't have access to the internet, which shows how important it is to expand digital technology to close the economic gap (ITU, 2023).

Strategic investments in communication must focus on improving digital connectivity, trade facilitation, financial transactions, and global dialogue as nations strive to establish a New Platform for Global Growth.

Nations can foster inclusive economic growth, improve diplomatic ties, and construct robust economies by giving these areas priority.

## **The Crucial Facts of the Hypothesis: How Communication Affects Economic Growth**

### **1. Digital Connectivity as a Driver of Economic Growth**

Modern development is unquestionably influenced by the digital economy. Global trade and commerce have been reimagined as a result of high-speed internet, 5G networks, and cloud computing.

Investments in communication infrastructure have emerged as an essential part of economic strategy as digital transformation accelerates. The BRICS nations, particularly India and China, have demonstrated the transformative potential of digital connectivity.

Digital infrastructure projects in Asia, Africa, and Latin America have received funding of over \$79 billion from China's Digital Silk Road Initiative (DSRI), significantly increasing internet accessibility and e-commerce potential (China Global Investment Tracker, 2024).

In a similar vein, according to McKinsey Global Institute (McKinsey Global Institute, 2024), India's Digital India initiative has increased internet penetration from 19% in 2014 to over 60% in 2024, contributing to an increase in digital entrepreneurship and fintech innovation.

These investments have a significant impact on the economy:

- Improved Access to Markets:

Digital platforms enable small and medium-sized businesses (SMEs) to enter global markets.

- Job Creation:

By 2030, Africa alone is anticipated to see the creation of over 44 million new jobs thanks to the digital economy (African Development Bank, 2024).

- Financial Inclusion:

People who were previously unbanked can get financial services through digital banking and mobile payment options.

### **2. Facilitation of Logistics and Trade Through Communication Networks Communication and logistical frameworks that work effectively are essential to international trade.**

Investments in trade-related communication systems have the potential to unlock substantial economic gains as global supply chains become increasingly complex.

Improving trade logistics could boost global GDP by nearly 5%, according to the World Economic Forum (WEF, 2023).

Several emerging initiatives illustrate the power of communication investments in trade facilitation:

- The International North-South Transport Corridor (INSTC):

A trade route with a 7,200-kilometer length that connects Europe, Russia, Iran, and India and can cut freight costs by up to 30% (BRICS Economic Cooperation Report, 2024).

- China's multitrillion-dollar global infrastructure strategy known as the Belt and Road Initiative (BRI), enhances communication and logistics among participating nations.

- The African Continental Free Trade Area (AfCFTA):

Aims to enhance intra-African trade by 52% through digitalized customs systems and streamlined trade agreements (African Union, 2024).

Blockchain-based trade documentation, AI-driven supply chain management, and digital customs clearance are revolutionizing global commerce, decreasing inefficiencies, and increasing economic productivity.

### **3. Financial Communication and the Rise of Digital Currencies**

The development of communication technologies is causing profound changes in the financial sector. Digital currencies, blockchain networks, and cross-border payment systems are revolutionizing the way financial transactions are conducted, significantly enhancing economic efficiency.

Some notable advancements include:

- The BRICS Digital Currency Initiative: Looking into a common digital currency to make trade between member states easier and cut down on the need for traditional financial intermediaries (BRICS Finance Summit, 2024).

- The technologies of the blockchain and smart contracts are able to cut transaction settlement times from two days to a matter of seconds, enhancing trade efficiency and liquidity (Bank for International Settlements, 2024).

- Central Bank Digital Currencies (CBDCs):

Countries such as China (with the Digital Yuan) and India (with the e-Rupee) have launched CBDCs to modernize payment systems and make it easier to do business across borders. BRICS+ nations have the potential to lessen transaction costs, boost remittance efficiency, and build a global financial system that is more inclusive by investing in financial communication systems.

### **4. Cross-Cultural Dialogue and Economic Cooperation**

Intercultural communication plays a pivotal role in fostering economic collab-

oration and global stability. As geopolitical tensions rise, investments in cross-border dialogue become a strategic necessity. Platforms such as the BRICS Academic Forum and the Russia-Africa Summit facilitate economic partnerships through diplomatic engagement and knowledge exchange.

Key strategies to strengthen cross-cultural communication include:

- AI-powered translation services for multilingual digital platforms to overcome language barriers in trade and diplomacy

- Cultural Exchange Programs:

Projects that help people connect and improve diplomatic relations.

- Policy Dialogues:

Global forums to discuss trade policies, regulatory harmonization, and economic cooperation.

Investing in communication-driven diplomacy enables countries to mitigate conflicts, foster international partnerships, and drive sustainable economic growth.

### **Emphasis on the social and economic effects of investing in communication has profound effects on society and the economy.**

Economic Advantages:

- Increased GDP Growth:

Countries with robust communication infrastructure investments experience GDP growth rates 2-3% higher than those with limited investment (World Bank, 2023).

- Trade Expansion:

Digitalized trade logistics increase export competitiveness, reduce operational costs, and boost supply chain efficiency.

- Acceleration of Innovation:

Having access to digital communication tools encourages entrepreneurship and technological advancements.

Social Advancements:

- Bridging the Digital Divide:

Increasing internet access improves employment opportunities, healthcare, and education in underserved areas.

- Financial Inclusion:

By making it simple to get credit and save money, digital banking solutions give people from underserved communities more power.

- Resilience to Global Shocks:

Strong communication networks enable economies to withstand crises such as pandemics and geopolitical disruptions.

**General Insights and Expected Outcomes Investing in communication is inextricably linked to the growth of the economy in the future.**

Digital connectivity, trade facilitation, financial integration, and cross-cultural cooperation will determine BRICS+ economies' global competitive advantage. Key policy recommendations include:

- **Public-Private Partnerships:**

To expand digital infrastructure and trade communication networks, governments should work with private businesses.

- **Regulatory Frameworks:**

Harmonizing international digital economy regulations to foster seamless cross-border interactions.

- **Technology-Driven Communication Solutions:**

Leveraging AI, blockchain, and IoT to optimize economic efficiency and resilience.

BRICS+ nations can unlock untapped economic potential, drive sustainable development, and establish themselves as global economic leaders in the 21st century by embracing strategic communication investments.



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# Global Trade Future: a Perspective of Indonesia

## INTRODUCTION

Climate change provides economic opportunities because Indonesia, which is located on the equator, is known to be the world's oxygen factory, which is increasingly needed by the world.

The global economy is predicted to experience three important problems that are the opposite of what happened in the previous decade, namely: (1) fragmentation due to geopolitical changes with increasing economic barriers; (2) increasing volatility in all important economic indicators (output, interest rates, prices), and (3) increasing state intervention in the economy.

Recently, the Economist and the Financial Times also highlighted the future of the global economy. Their reviews relate to the International Monetary Fund (IMF)'s semi-annual publication, World Economic Outlook (WEO), October 2023. The IMF highlighted the trend of fragmentation of the world economy and the economic costs of the increasing disintegration of global trade.

Globalization despite many criticisms such as those conveyed by Joe Stiglitz (Nobel Prize winner in Economics from Columbia University) and Dani Rodrik (Harvard University) has provided positive benefits to the world economy. The global economy has grown by 4-5 percent per year for the past three decades after declining to 2-3 percent per year in the early 1980s.

However, the world economy has also become multipolar with the addition of China as a new economic driver. Economic growth gradually has reduced poverty worldwide, especially in China, India, Indonesia. Previously closed countries are growing faster and are able to reduce poverty levels significantly.

In 1990, the percentage of poor people in China with a poverty line based on purchasing power parity (PPP) of 1.9 US dollars/capita was 66 percent. In 2000, with the same poverty line, the figure was only 0.1 percent. The biggest decline occurred after China joined the World Trade Organization (WTO).

A similar picture has occurred in India. The decline occurred after Prime Minister Manmohan Singh abolished the license Raj regime and opened up the economy.

Indonesia and Russia have a growing economic relationship, with potential for trade that can still be increased, especially in the agriculture, energy, and investment sectors. The value of Indonesia-Russia trade in 2022 reached 3.56 billion US dollars, up 29.87% from 2021, but there is still potential to be increased. Indonesia's exports to Russia include palm oil, machine parts, rubber, processed foods, and cocoa butter. Russia is also a supplier of grains, fertilizers, and metals to Indonesia.

The Indonesian and Russian governments have held bilateral meetings to discuss potential trade and investment, including through the Joint Commission on Trade, Economic, and Technical Cooperation.

Indonesia has joined BRICS (Brazil, Russia, India, China, South Africa) in January 2025, which is expected to boost access to trade and investment between Indonesia and member countries.

In addition, Indonesia and Russia are also seeking to further enhance cooperation in the fields of agriculture, energy, and investment, including through technology transfer, increasing employment, and economic diversification.

However, the phenomenon of globalization that has spread throughout the world, despite much criticism, as expressed by Joe Stiglitz (Nobel Prize winner in Economics from Columbia University) and Dani Rodrik of the Harvard University has provided positive benefits to the world economy.

Indonesia experienced three waves of poverty reduction. The first wave occurred in the 1970s, the result of the green revolution that increased agricultural productivity, thus reducing rural poverty, and indirectly urban poverty through stable rice prices.

The second wave occurred through the labour-intensive industrial revolution. The expansion of labour-intensive industries to serve the global market also reduced poverty, both in rural and urban areas, through the labour market (which accommodated elementary and junior high school graduates) and increased women's participation in the labour market. This second wave lasted from the mid-1980s to the late 1990s when the Asian financial crisis occurred.

The third wave occurred due to a combination of increased palm oil production and international trade. Like the cases of India and China, the decline in poverty in Indonesia is also associated with economic openness and free markets.

## INDONESIA, WORLD ECONOMY AND ECONOMIC COSTS

For Indonesia today, there are at least five important points that need to be considered regarding the future of global trade, namely: 1) Geopolitical uncertainty can affect investor and market confidence; 2) Currency fluctuations impact export and import competitiveness; 3) Fluctuating global commodity prices affect the economies of producing countries; 4) Digital economic opportunities are increasingly open in 2024; 5) Indonesia really needs the right fiscal strategy and economic policy.

The current geopolitical uncertainty often creates tensions in international trade relations. Trade conflicts between major countries can result in the imposition of detrimental tariffs, restrictions on imports and exports, and other barriers that disrupt the flow of goods and services. This can trigger a decline in global economic growth by inhibiting free trade.

Changes in political policies in various countries often have significant impacts on the global economy. For example, elections in major countries or regime changes can affect trade and investment policies. This uncertainty often makes market players cautious, delays investment, and reduces the growth of economic activity.

Further, 2024 has brought new challenges and opportunities for the global economy. Although Indonesia's economy is still stable, geopolitical uncertainty and currency fluctuations add to the pressure. The World Bank has warned of the risk of an economic slowdown, although the domestic economy is still considered strong. In the midst of this situation, Indonesia needs to rely on gross domestic product and take advantage of export opportunities to overcome the negative impact of the weakening global economy.

Market players and investors' confidence is greatly influenced by geopolitical stability. When there is tension or conflict, investors tend to withdraw from risky markets, seeking safer places to invest their capital. This can lead to volatility in financial markets and affect currency exchange rates and stock prices.

Facing geopolitical uncertainty, it is seen that more and more countries are trying to strengthen their domestic economies to reduce dependence on unstable international markets. This strategic step aims to maintain sustainable economic growth despite the turmoil on the global and regional stage that is still being watched out for.

Currency fluctuations are also often a source of uncertainty for international business players. When a country's currency exchange rate weakens, exports become cheaper and more competitive in the global market, increasing its competitiveness. However, on the other hand, imports become more expensive, which can trigger domestic inflation. This is a challenge for countries that rely heavily on imported raw materials for production.

Sudden changes in exchange rates can disrupt the stability of trade relations between countries. For example, if the currency of a major trading partner depreciates, the country may reduce imports from other countries, including Indonesia. This can affect the trade balance and affect overall economic growth.

Currency fluctuations not only affect the prices of imported goods, but can also spill over into the prices of domestic goods and services. This can lead to higher inflation, forcing central banks to adjust their monetary policies. Policies such as interest rate hikes can be used to curb inflation, but they can also slow economic growth. Therefore, maintaining exchange rate stability is one of the top priorities in macroeconomic policy.

Currency volatility can be a double-edged sword. On the one hand, it opens up opportunities for more competitive exports, but on the other hand, it threatens domestic economic stability through inflation and policy uncertainty. Managing these risks is key to maintaining sustainable economic growth.

However, one consequence of the fragmentation of the world economy is the duplication of production. Multinational companies are forced to have factories in several countries or regions rather than concentrating in a particular country with the lowest production costs.

This strategy is partly justified in dealing with natural phenomena such as global pandemics massive spread (COVID-19) in the beginning of 2020. However, some of it is a cost that could actually be avoided if fragmentation had not occurred.

The increase of the production costs is not only due to the loss of opportunities to reduce average costs due to economies of scale and allocation inefficiencies due to being forced to build factories in countries with high production costs and increased monitoring costs from the head office.

Volatile global commodity prices are a headache for countries that rely on commodity exports. When prices rise, producing countries can enjoy a surplus, but when prices fall, they can be trapped in an economic crisis. These countries must be smart in managing their income when prices are high to cope with times of low prices.

Although commodity prices are unstable, there are gaps that can be exploited. Developing countries should immediately seek new markets in Africa and Central Asia or strengthen relations with existing trading partners. This is clearly the right time to diversify products so as not to be too dependent on one type of commodity. Thereafter, even if the price of one commodity falls, there is still an opportunity to earn foreign exchange from other export commodities.

Therefore, to face global price uncertainty, countries must have a good strategy. Some steps that can be taken include:

- 1) Building financial reserves when prices are high to be used in times of crisis.
- 2) Developing sectors other than commodities to reduce dependency.
- 3) Strengthening fiscal and monetary policies to be more flexible in dealing with price changes.

Changes in commodity prices are indeed challenging, but with the right strategy, countries can survive and even thrive amidst these fluctuations. It's about how they manage resources and policies to deal with uncertainty.

This fragmentation also inhibits what is known as creative destruction as conveyed by the great economist Joseph Schumpeter. The opportunity for new, more innovative companies to oust inefficient old companies is reduced. Partly because of the reason of too big to fail or the political ties of the old owners with the rulers. Moreover, will this fragmentation of the global economy lead to deglobalization? Some economists, such as Douglas Irwin from Dartmouth College, USA, and former Chief Economist of the World Bank Pinelope Golberg, suspect that this wave of fragmentation will not lead to an extreme point similar to deglobalization.

This wave of fragmentation will be more directed towards regional globalization or known as trade and investment blocs such as the European Union, the ASEAN Free Trade Area (AFTA), and the Regional Comprehensive Economic Partnership (RCEP). These trade blocs are an alternative choice so that the costs of regional globalization will be lower than deglobalization, although still quite large. The IMF in the October 2023 WEO estimated the economic costs to reach 7 percent of gross domestic product (GDP).

Increased volatility will clearly increase costs significantly. World economic growth will decline because empirical studies show that increased volatility is associated with a decline in the rate of economic growth. Volatility will increase insurance costs due to most economic actors generally avoiding the risk of consecutive losses, which ultimately reduces the development of business innovation.

Volatility is also synonymous with increasing global inflation which ultimately increases interest rates and capital flows tend to move back to their home countries (safe haven). This not only strengthens the impact of allocation inefficiencies caused by capital that should flow to countries with higher rates of return on capital, but also causes costs due to increasing countries in the supply chain to be doubled. According to economist Anne Krueger, state involvement in the economy in the form of policies must be paid for (historically costly). However, some economists such as Dani Rodrik or to a certain extent Joseph Stiglitz consider state involvement is needed because of market failure/coordination failure.

The commitment made by European countries in order to deal with climate change, for example. The form can be in the form of policies, such as taxes on fossil fuels, subsidies for environmentally friendly fuels, or a ban on the use of fossil fuel-based vehicles. It can also be in the form of government spending, in the form of incentives for every activity that leads to climate improvement.

The Inflation Reduction Act in the United States is another example of a policy for the purpose of addressing climate change. Handling COVID-19 would also not be as fast as it is now without government intervention, including guarantees of vaccine purchases for pharmaceutical companies that make vaccines. Although not all have succeeded, this policy is quite successful, including returning the world economy to its original direction.

The realization of optimal balance in globalization through geopolitical changes, domestic political transitions, and the experience of the global pandemic seems to be just a theoretical illusion. In order to manage risk, companies will be forced to build factories in various locations and use inputs from various sources, even though these decisions are not globally optimal solutions.

From a domestic political perspective, maintaining domestic manufacturing with certain incentives is also a solution to overcome the emergence of political transition costs. In short, some fragmentation is indeed necessary in order to maintain a larger goal.

## **CONCLUSION**

Indonesia, which is the largest country in Southeast Asia and has stable economic growth, still needs to take advantage of the gap as a necessity, considering two important reasons, namely:

First, the demographic transition gap that Indonesia has is very limited. With the total fertility rate (TFR) and female labour force participation rate (FPR) assumed to be the same as now, the population engine can only contribute fully to economic growth until 2045. This means that when Indonesia celebrates its 100th anniversary, Indonesia must be a rich country with an income of 18,000 US dollars/capita. To achieve this, the economy must grow by around 6 percent over the next 20 years.

Second, Indonesia has almost succeeded in eliminating extreme poverty. However, the near-poor and vulnerable groups still dominate our population structure. Therefore, growth of around 6 percent must be dominated by this population group. The per capita income of this group must grow above 6 percent to lift the growth engine sustainably.

Therefore, with these conditions, what are the requirements for Indonesia to meet it? First, world historical experience and the arguments above show that the Indonesian economy must remain open.

The reasons that make economic openness a necessary condition is: (i) economic growth requires capital. Indonesia's national savings are inadequate to finance investment needs, so it requires foreign savings to finance the expansion of national economic capacity. Then (ii) another important source of growth is productivity. Increased productivity is associated with technology. Indonesia's ability to innovate is still low, so it still has to rely on technology imports. In addition, (iii) relying on the global market and encouraging Indonesian companies to always produce efficiently; and (iv) an open economic system allows Indonesia to choose (specialize) activities that produce the highest rate of return.

The 20-year time for the Indonesian government and related stakeholders in the country to utilize the demographic dividend is very short. There is no room for

mistakes. Gambling and experimenting can be risky and cause us to lose opportunities and time to correct.

Planning at the national level to the company level must be improved. The existence of policy integrators and program integrators during planning is a must. The role of project integrators and implementers in the field is no less important. The existence of integrators at the planning to implementation levels will reduce pet projects (projects that are not or not yet needed) and cost overruns (project costs over run).

Indonesia must actually take advantage of this fragmentation for our benefit. Indonesia's neutral position allows us to be opportunistic to attract foreign investors from various economic blocks. So far, we have indeed attracted many investors from China who have utilized the downstream program. However, investors from Japan, America, and Europe have not been interested, even leaving Indonesia.

These three global investors seem to still see the risk of investing in Indonesia. Changing policies or investment protection are one of the reasons they do not invest in Indonesia. We must simultaneously fix the legal and security system (law and order). Future changes are also related to the threat of global climate change. All countries are entering new territory. Indonesia must be smart in choosing a niche market that is carefully selected and pursued. We must learn from Russia which continues to maintain high economic growth in the world, Nordic countries, such as Finland, which once soared with Nokia, or Denmark with its highly advanced pharmaceutical industry with diabetes drugs that are a global mainstay.



SERBIA



**Marinovic Dalibor**

Founder

Alliance for artificial intelligence



## How the AI Film Festival is Putting Belgrade on the Map for AI Diplomacy

In an age where artificial intelligence is redefining industries, cultures, and international relations, Serbia is stepping into the spotlight with a bold and innovative move: the AI Film Festival. This pioneering event, hosted in Belgrade, isn't just another film festival—it's a strategic leap toward establishing Serbia as a key player in the global AI ecosystem in the film and art fields.

### A NEW ERA OF AI DIPLOMACY

The AI Film Festival, sets to debut this year (15-16 March 2025), is one of the first of its kind, dedicated entirely to the exploration of AI in film. But beyond showcasing cutting-edge cinematic experiences, the festival represents a broader ambition: positioning Serbia at the forefront of AI diplomacy. By fostering collaborations with AI creators and film festivals from Greece and France —nation recognized as leader in AI innovation and AI Action Summit host country —Serbia is building bridges that go beyond the traditional realms of culture and technology.

These global collaborations are not just about sharing knowledge; they're about creating a new dialogue where Serbia can act as a facilitator of AI ethics, creativity, and policy. The partnerships with Greece's AI film community- Lumina Larissa Greece first AI Film festival, and France burgeoning AI scene bring together diverse perspectives that are crucial in shaping the future of AI on a global scale.

## **WHY BELGRADE? A SYMBOL OF SERBIA'S TECHNOLOGICAL RENAISSANCE**

Belgrade, a city synonymous with creativity and technological prowess, contributes its deep-rooted expertise in AI. Serbia, with its rapid technological growth and vibrant film industry, adds a unique blend of storytelling tradition and cutting-edge AI experimentation.

Ethnographic Museum, one of the oldest museums on the Balkans, was established in February 1901 and the first permanent exhibition was opened on September 20, 1904. Echoes of AI Film Festival – chance to watch all the winners plus honorable mentions of our festival, a curated selection with some of the best AI films made in 2024 will be in Ethnographic museum. Ideal for those who liked the films and now want to bring some friends to share the joy, are curious about the future of content creation and creativity. Up to now Ethnographic Museum had 33 International Festival of Ethnological Film with significant result of the previous festival editions - a video-archive including around 1250 ethnographic films from 80 countries.

### **GPAI Belgrade Ministerial Declaration - diplomatic success for Serbia**

On 4 December 2024, the Ministers and representatives of the Global Partnership on Artificial Intelligence, met in Belgrade, for the Summit, under the leadership of Serbia. Following the Summit, 44 countries have now embraced the Declaration proposed by our country, which is a remarkable accomplishment. The adoption of the Belgrade Declaration is a major diplomatic success for Serbia. We must recognize that not all countries are at the same level of technological advancement. The Declaration emphasized the importance of sharing information and results with the global community, enabling all nations to benefit from advancements in AI.

### **Global Collaborations: The Power of Cross-Cultural AI Innovation**

The partnerships driving AI Film Festival are as diverse as they are strategic. France, known for its ethical approach to AI development and strong government backing, brings a perspective that prioritizes human-centered AI. The Artefact AI Film Festival stands out as a space for expression dedicated to creativity leveraging new technologies. This festival, open to all – filmmakers or novices – emphasizes the rise of artificial intelligence in the production and creative process. The theme of this first edition, titled “Reality(s)”, will explore the transformative changes we encounter in the era of technological advances, and the experiences that seeds and prompts offer us. The short films will be tasked with examining how the perception and acceptance of our surroundings are disrupted by the emergence of artificial intelligence in our daily lives.

The Larissa Lumina AI Short Film Festival explores how artificial intelligence serves as a catalyst for augmented imagination, propelling progress along uncharted paths and heralding the advent of an economy where inspiration is the

principal currency. The festival honors the exceptional human talent behind the creation of groundbreaking storytelling forms. International Film Festival of Larissa IFFL, will serve as the main host venue which is already running for 16 years.

Together, these collaborations not only elevate the festival but also create a platform for Serbia to engage in the global conversation on AI. By bringing together these international voices, AI Film Fest becomes more than a festival—it's a diplomatic stage where ideas on AI governance, ethics, and creativity can be exchanged.

## **BOOSTING SERBIA'S SOFT POWER THROUGH AI**

In the world of international relations, soft power—the ability to shape the preferences of others through appeal and attraction—has become as important as traditional forms of diplomacy. AI, as a transformative force, offers a new avenue for countries to project their values and influence. For Serbia, AI Film Festival represents a unique opportunity to enhance its soft power by aligning itself with the forward-thinking world of AI and digital creativity.

Through the festival, Serbia is not only showcasing its commitment to embracing advanced technologies but is also positioning itself as a mediator in the global AI dialogue. This role could lead to Serbia playing a part in future discussions on AI policy, ethical standards, and international AI collaborations.

### **A Vision for the Future**

As AI continues to evolve, so too will the platforms that foster its growth. AI Film Festival is just the beginning for Serbia's foray into AI diplomacy. The festival's success could pave the way for further collaborations, positioning Serbia as a thought leader in AI ethics, storytelling, and innovation. By hosting a global community of creators and technologists, Serbia is not just participating in the AI revolution—it's helping to shape it.

With AI Film Festival, Serbia is lighting the way for a new era of AI-powered diplomacy, where art, technology, and international relations converge. It's a bold vision, one that could redefine Serbia's place on the global stage and set a precedent for how nations can use cultural platforms to drive technological and diplomatic progress.

### **The Road Ahead**

As the AI Film Festival draws closer, all eyes are on Serbia. This pioneering event could be the catalyst that not only transforms Larissa into a global tech hub but also repositions Serbia as a critical player in the AI diplomacy landscape. By connecting with AI innovators from France and Greece, Serbia is taking a significant step toward a future where technology and culture can drive international collaboration and understanding.

Serbia's journey into AI diplomacy is just beginning, but with AI Film Festival, it's already clear: the world is ready to listen.



MEXICO



## Mejia Martinez Rafael Angel

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# Mexico's role in the transition to the multipolar world: cooperation with Russia in the area of artificial intelligence as a space of opportunities

Modern international system is undergoing important and profound changes. It is in the midst of transition to the multipolar world with different centers of power and influence. Historically, Western countries have concentrated political, economic, and technological dominance in their hands, however, the trend has changed: new dynamics of power is being formed with an undeniable increase in the importance of People's Republic of China, Russian Federation, and BRICS as opposed to the systemic problems of Western countries. Transition to the multipolar world became an obvious fact, but the question is how to occupy a privileged place in terms of development.

In 2017, Russian President Vladimir Putin said that “whoever leads in AI will rule the world”<sup>1</sup>. This statement turned out to be true, as artificial intelligence and

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1 Meyer, D. (September 4, 2017) Vladimir Putin says whoever leads in artificial intelligence will rule the world. Fortune. Yahoo Finance. RT News. (September 1, 2017) ‘Whoever leads in AI will rule the world’: Putin to Russian children on Knowledge Day. RT.

other technologies have the potential to change economic and industrial dynamics at the fundamental level. Technologies are crucial for the emergence of so-called great powers. The dominance of the British Empire was largely a result of the Industrial Revolution, that of the Soviet Union mostly resulted from its achievements in the aerospace industry, and that of the People's Republic of China was due to the dominance in 5G technology<sup>2</sup>. Artificial intelligence with its potential to create predictive models and analyze large amounts of information becomes the key element and a competitive advantage over other countries.

How to develop a strategy in the area of AI that would allow one to occupy a privileged position in the transition to the multipolar world, and what are the strategic alliances required for this? The main idea of the essay is that *compatibility and complementarity of the development models of Mexico and Russia in view of their economic and demographic characteristics create a solid basis for strategic cooperation in the area of artificial intelligence*. The essay discusses six critical factors for development of an efficient strategy regarding AI and opportunities for cooperation between Russia and Mexico: 1) regulatory and legal framework and intellectual production, 2) demographics and labor force, 3) access to natural resources and supply chains, 4) availability of digital infrastructure and data architecture, 5) political will and mutual interests.

### **Regulatory and legal framework and intellectual production**

The first step towards development of general AI strategy is availability of a comprehensive regulatory and legal framework that ensures interaction between state and private entities and civil society actors. Proper regulation promotes creation of an ecosystem for discussion that will enable implementation of innovations and extrapolation of technological achievements to all spheres of society, which supports comprehensive development. Regulation at the state level is only possible under conditions of wide academic discussion among experts in the areas of technology, law, business, and politics.

According to the Global AI Index<sup>3</sup> Russian Federation ranks 31st in the world in terms of artificial intelligence development, while Mexico is on the 45th place. In this sense, Russia is a regional leader, as it is implementing projects in various areas, such as research centers in universities (*AI Research Center at the Higher School of Economics and Center for Artificial Intelligence and Data Science in St. Petersburg*),

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2 Kennedy, P. (1987). *The rise and fall of great powers* (Ferrer Aleu, translation.). Plaza & Janés. The main idea of *The Rise and Fall of Great Powers* by Paul Kennedy is focused on the balance between technological and economic factors.

3 Global AI Index considers 122 indices of AI potential based on the 3 principles: researches, implementation, and investments. Tortoise Media. (w/o d). *The Global AI Index: The first index to benchmark nations on their level of investment, innovation and implementation of artificial intelligence*. Tortoise Media. <https://www.tortoisemedia.com/intelligence/global-ai-index>  
<https://www.tortoisemedia.com/intelligence/global-ai-index>

companies (Gazprom and Rostec) and within the framework of state strategies<sup>4</sup>. At the same time, Mexico still has a long way to go in accordance with its national strategy of development in the area of artificial intelligence<sup>5</sup>.

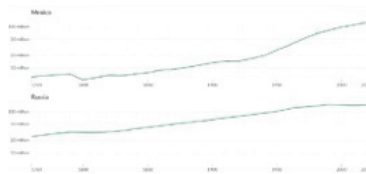


*Diagram 1. According to the Global AI Index, Russia is a leader in the area of state strategy, development, and work environment. Mexico stands out in terms of work environment.*

In this sense, Mexico could use Russia’s experience in regulatory issues, as well as establish international cooperation agreements with the academic focus (exchanges, internships, research programs) to continue the long tradition of friendly and joint relations between the two countries.

**Demographics and labor force**

Demographic realities in Russia and Mexico are very different, however, situations in both countries complement each other. Russian Federation is the largest country in the world regardless of the demographic decline of the recent decades that can be seen on the diagram. This is important for understanding of the production structure.



*Diagram 2: Mexico’s demographic growth and Russia’s stagnation according to Our World in Data.*

- 4 President of the Russian Federation. (February 15, 2024) Decree of the President of the Russian Federation dated 15.02.2024 No. 124 “On amendment of Decree of the President of the Russian Federation dated October 10, 2019, No. 490 ‘On Development of Artificial Intelligence in the Russian Federation’ and National Strategy Approved by This Decree”. Kremlin. <https://publication.pravo.gov.ru/>
- 5 Casados, D., & Cicero, P. (2020). Mexico’s national agenda in the area of artificial intelligence through 2030. Government of Mexico. [https://wp.oecd.ai/app/uploads/2022/01/Mexico\\_Agenda\\_Nacional\\_Mexicana\\_de\\_IA\\_2030.pdf](https://wp.oecd.ai/app/uploads/2022/01/Mexico_Agenda_Nacional_Mexicana_de_IA_2030.pdf)

Upon consideration of the data from Bibliometrix<sup>6</sup>, one may note that Russia is a leader in terms of the number of experts working in the area of programming and data analysis, which is an important index of digitalization. At the same time, Mexico is leading in manufacturing and assembly of technologies, including such industries as transportation and construction.

Responders in countries by years of coding for data analysis  
 Responders in countries by title

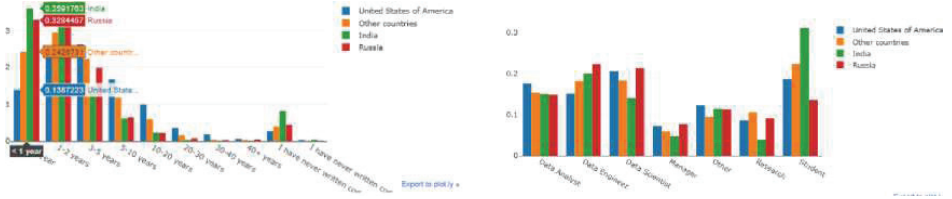


Diagram 3: Digital literacy indices according to Bibliometrix from Web of Science

There is an area of opportunities here: Russia can offer its extensive technical expertise and leadership in the area of technology while Mexico has labor force to produce and assemble electronic components and microchips required for AI implementation. This requires efficient management of natural resources and access to the world’s markets.

**Access to natural resources and supply chains**

The privileged position of both countries plays the decisive role. Russia is a transcontinental country, the largest country in Eurasia, and has ground communications with China and Europe, as well as access to the Middle East and the Arctic Ocean. Mexico being situated in North America is closely connected to the US economy and has access to both the Atlantic and Pacific Oceans.

This makes it possible for both countries to trade with the world’s largest markets: US, China, and Europe. Besides, they have an opportunity to develop bilateral trade across the Pacific Ocean with the use of the ports of Vladivostok and Guadalajara or even via the prospective arctic route connected to the New Silk Way.

Efficient AI strategy also requires access to strategic natural resources, such as large reserves of lithium in the state of Sonora. At the same time, Russia has powerful energy industry that perfectly complements development of technology. In order for resource sharing and supply chain optimization to reach their full potential it is necessary to ensure coordination between state and private entities.

6 Web of Science digital repository collects data on scientific publications, which allows us to detect areas for improvement and opportunities.

The key areas for implementation of this strategy are digital infrastructure and data architecture.

Availability of **digital infrastructure and data architecture**

Digital infrastructure is the most important component for implementation of any technological project. Digital infrastructure means hardware and software, quantity and quality of data, as well as the level of digitalization.



Diagram 4: Indices of cybersecurity in Mexico and Russia. This is a complementary dynamics in which Russia leads in terms of opportunities for cooperation, development, and legal measures while Mexico leads in organizational measures and technical potential.

Cybersecurity level is a suitable index to measure digital infrastructure<sup>7</sup>. The main intersections here pertain to regulation and politics. Russia is clearly a leader, as it leads in terms of many parameters. Mexico, in its turn, is at the development stage and requires strong information infrastructure.

AI implementation requires large amounts of data to create algorithms. Such data can be gathered with the use of social networks, search engines, and special data bases. Russia’s experience in creation of such platforms as Vkontakte and Yandex constitutes an important example that can be supplemented with data from Mexico that is the most densely populated country in Latin America and 11th most populated country in the world. Quality standards of Russian platforms combined with the amount of data from Mexico may create a significant competitive advantage. However, implementation of the strategy presented in this essay requires one critical factor that is the most important of all, i. e. political will.

**Political will** and mutual interests

Today, more than ever, both countries share common interest in the establishment of the multipolar world and are trying to take leading positions in it. Mexico – in Latin America, and the Russian Federation – in Eurasia. Such interest results from the weakening of the economic and political impact of Western countries. It

7 International Telecommunication Union. (2024). Global Cybersecurity Index 2024: 5th edition. ITU Publication. <https://www.itu.int/en/ITU-D/Cybersecurity/Pages/GCI.aspx>

is enough to recall the tariff policy implemented by the Donald Trump administration regarding Mexico<sup>8</sup> that resulted in economic uncertainty and decreased trust in traditional partners. In this context, Mexico is pursuing foreign policy course aimed at diversification of its trade and political liaisons, which will enable its integration in a fairer and more balanced world order.

Russia, in its turn, could increase its impact in one of the largest economies of Latin America through bilateral and multilateral cooperation, for which significant precedents already exist<sup>9</sup>. Interest of the Russian Federation is to strengthen BRICS and to improve representation of various regions of the world. Inclusion of Mexico in this block along with Brazil that is already a member thereto would enable significant increase in the group's influence on the American continent.

Throughout the history, diplomatic relations between Mexico and Russia have traditionally remained warm. Regardless of the geographical remoteness, there has always been significant exchange of ideas, art, and scientific achievements between the countries. Development of a strategy for bilateral and multilateral cooperation could become the next step in development of these relations that are based on mutual respect, common interests, and striving for joint development.

## **Conclusion**

AI plays the key role in the transition to the multipolar and more balanced world order. Mexico and the Russian Federation have significant material, human, and technological potential which makes it possible for them to maintain their influence on the regional and international levels. Strategy for cooperation in the area of AI shall be supported by the factors mentioned in the essay:

- Regulatory and legal framework and intellectual production,
- Demographics and labor force,
- Access to strategic resources and supply chains,
- Availability of digital infrastructure and data architecture,

## **Political will and mutual interests.**

In his work “The Multipolar World Theory”, Alexander Dugin states that global equilibrium is impossible without diversity of values and civilizations. Formation of multipolar world order requires coordination of strategies between countries that may seem distant from each other, but are joined by their common interest, i. e. establishment of a more fair, diverse, and balanced international system.

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## **“Chinese Whispers” of the 21st Century. How to Build an Intercultural Dialogue?**

The multipolar world order that began to take shape approximately 80 years ago has hastened the dissolution of standards and expectations that had dominated since the time of Christopher Columbus. There is no longer any point looking for who is “right” and who is “guilty,” for the “masters” and “slaves,” or to judge cultures and peoples according to universal standards.

The Sapir-Whorf hypothesis proposes that language determines the way of thinking and embodies national culture and consciousness. That is, it defines how a particular nation thinks. According to this view, Japanese politeness is embedded in the structure of the Japanese language itself, just as German industriousness is reflected in the German language. This suggestion remains contentious as it suggests the existence of “worthy” and “unworthy” nations based on economic development, prosperity, or technological progress – any parameter that could rank states and populations in a hierarchical order, creating an imaginary “prize” for which all compete.

While we cannot claim that there are absolutely no differences in mentality between nationalities, we can say that globalization and the internet are bringing each new generation closer together, enabling discussions in a shared “intermedi-

ate” language that facilitates genuine mutual understanding. That said, conflicts of interest will inevitably arise.

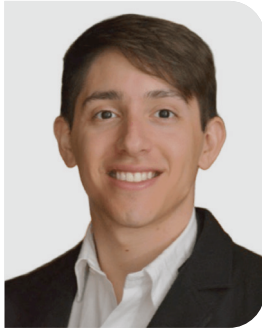
No modern state can survive, much less thrive, in complete isolation, especially if it wants to provide stability for its citizens, protect their rights and freedoms, achieve economic growth, and be independent in its decision-making on the global stage. We have become too interconnected, and thus, we need to learn to cooperate, negotiate, and coexist more than ever before. Numerous challenges require joint solutions and comprehensive approaches that are beyond the capabilities of any single state.

Achieving a new level of intercultural dialogue requires persistent patience towards differences. We must acknowledge this reality while pursuing mutually satisfactory compromises that maintain focus on core objectives. In practical intercultural exchanges, the most effective way to avoid conflicts and misunderstandings is to engage intercultural communication experts and translators who serve as relay agents, who have a deeper understanding of the other party’s way of thinking. Ideas from one culture require more than just verbal translation – they need transformation into similar ideas expressed accessibly, preserving the speaker’s intended emotional impact while accounting for cultural specifics.

The next step is to increase literacy and tolerance towards other cultures, which can only be achieved through constructive efforts from all participating parties.

In the social sphere, these transformations should increase average literacy and education levels, expand cultural, economic, and social ties, and create greater opportunities through enhanced interaction. Labour markets may be impacted significantly, leading to large flows of workforce migration across skill levels over a short period. Although the situation should stabilize as living standards in previously underdeveloped regions improve. At the same time, intensified globalization will gradually erase cultural boundaries, making them somewhat homogenous, which could lead to the disappearance of distinctive features of many ethnic minorities, indigenous languages, and traditional practices and ways of living. It is thus crucial to maintain a fine line between these ideas, to learn to understand and accept others while maintaining a fragile balance and respect for traditions and culture.

Ultimately, significant long-term global changes require the development of all dimensions of relationships between cultures engaged in intercultural dialogue. Mutual assistance, cooperation, the recognition of equality of peoples, and the pursuit of common, shared values must become paramount, despite any conflicts and violent chapters of the past.



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# Digital currencies as a means of enhancing international financial networks

The emergence of the internet has led to significant changes in the evolution of currency. Digital currencies, such as Bitcoin, offer a range of payment options that traditional currencies do not. The recent widespread disruption caused by the pandemic, which necessitated widespread stay-at-home orders, has accelerated the adoption of digital technologies. As we know the fundamental principle of economics states that demand drives the production of supply, thus this surge in demand has been further fueled by the increased value of money, prompting a growing interest in digital currencies.

The increasing prominence of "central bank digital currency" necessitates further exploration of its operational mechanisms and management strategies, as consensus on these aspects remains elusive. The long-term prospects of this area are subject to ongoing uncertainty, as the expansion of opportunities and the development of new technologies and human capabilities present both potential benefits and challenges. Despite potential challenges, the future of this sphere holds considerable promise.

To fully grasp the subject of digital currency, it is essential to establish a clear definition. Digital currencies are electronic forms of currency, lacking a physical embodiment in the form of banknotes or coins. The absence of a physical embodiment facilitates rapid and cost-effective online transactions, eliminating the need for physical currency distribution. The term is also referred to as digital money,

electronic money, or electronic cash. The inherent nature of this digital currency dictates its exclusive online presence, rendering it accessible solely through electronic devices like smartphones and computers.

The financial sector has undergone a substantial transformation in recent years, with the introduction of numerous digital technologies. The prominence of digital currencies, encompassing both cryptocurrencies and central bank digital currencies (CBDCs), has significantly impacted the global financial landscape. The increasing adoption of these technologies within the financial sector is significantly impacting international financial networks, presenting both opportunities and challenges. The

increasing relevance of digital currencies in the contemporary economic environment, fueled by evolving consumer behavior and technological advancements, necessitates greater attention from economists, financial analysts, and government agencies.

The primary objective of this paper is to examine the impact of digital currencies on international financial networks, suggesting that their introduction could lead to substantial improvements in security, transparency, and operational efficiency. The focus should be on examining the economic and social ramifications of digital currencies in an international context. The adoption of that kind of technology can contribute to faster transaction processing and reduced costs for cross-border transfers, thereby promoting financial inclusion by making financial services more readily available to a broader segment of the population.

Let us start from exploring the Positive Economic Impact:

- **Lowering Entry Thresholds.** The traditional banking system can present significant obstacles for low-income individuals, including high fees for account maintenance, stringent minimum balance requirements, and other limitations. The accessibility of digital currencies facilitates financial inclusion by offering lower transaction fees and minimal balance requirements, enabling a wider range of individuals to engage in financial activities such as saving, investing, and transacting.

- **Direct Peer-to-Peer Transactions.** Digital currencies enable direct peer-to-peer transactions, offering a valuable solution for communities lacking traditional financial infrastructure. Direct peer-to-peer money transfers eliminate the need for intermediaries like banks or money transfer services, reducing associated fees. This is particularly beneficial for remittances, where families rely on international transfers.

- **Access to Financial Services.** Digital currencies facilitate microfinance by enabling the issuance and repayment of loans electronically, providing a valuable tool for entrepreneurs in developing economies lacking traditional credit access. Digital currencies facilitate the provision of capital to individuals, enabling them to establish or expand their businesses and drive economic growth within their communities.

• **Elevated Security and Privacy Standards.** The inherent security concerns surrounding traditional banking systems often deter individuals from engaging with them. Digital currencies, leveraging blockchain technology, address these concerns by providing enhanced security features. Decentralized ledger technology ensures both transparency and security, promoting trust and confidence in financial transactions, and encouraging wider adoption.

• **Global Engagement.** Digital currencies facilitate global economic participation by transcending geographical limitations. This enables individuals to engage in international trade, access diverse markets, and invest in previously inaccessible opportunities. The removal of traditional banking barriers, including high fees and slow transaction times, facilitates cross-border commerce, fostering a more interconnected, dynamic global economy and enhanced living standards.

This essay explores the influence of digital currencies on international financial systems, asserting their capacity to significantly improve global financial integration and accessibility. This study analyzes the impact of digital currencies on cross-border transactions, cost reduction, and the elimination of traditional banking system limitations. The growing adoption of digital currencies across diverse populations signifies their potential to facilitate financial inclusion for those previously excluded from traditional banking systems.

The following data offers a comprehensive overview of the growth and impact of digital currencies on financial systems:

**1. Market Expansion.** The cryptocurrency market has reached a capitalization exceeding \$1 trillion as of 2023, demonstrating substantial investment and interest in the industry.

**2. Acceptance rate.** The adoption of cryptocurrencies has reached a significant milestone, with over 80 million individuals worldwide using these digital assets, representing approximately 4% of the global population. This trend is particularly pronounced in developing countries.

**3. Volume of Transaction.** Bitcoin's transaction volume reached an unprecedented level of \$15 trillion in 2022, signifying its effectiveness as a medium of exchange and a store of value.

**4. Financial Accessibility.** The World Bank's data reveals that over 1.7 billion people lack access to traditional banking services. Digital currencies, through their mobile-based accessibility, can empower individuals who are currently unbanked by providing them with access to financial services.

**5. Transfer fees reduction.** Digital currencies offer a cost-effective alternative to traditional bank transfers for international remittances, potentially saving up to 90% in fees.

The increasing adoption of digital currencies is leading to significant changes in global financial systems and economic policies. These changes, however, are accompanied by a range of benefits that can enhance both domestic and international financial landscapes. Modern payment systems offer faster and more cost-effective

transaction processing, thereby mitigating the need for traditional banking infrastructure. This can be particularly advantageous in regions with limited banking access, fostering financial inclusion and facilitating greater economic participation.

Digital currencies offer central banks enhanced capabilities for monetary policy implementation. Real-time transaction tracking enables policymakers to gain a more understanding of money supply and inflation, leading to more effective policy decisions and more responsive economic response. Digital currencies can enhance cross-border trade by streamlining currency conversions and lowering transaction fees, thereby promoting international commerce.

The increasing prevalence of digital currencies has raised significant concerns for regulators, particularly regarding volatility, cybersecurity, and the potential for illicit activities. The decentralized nature of cryptocurrencies poses a challenge to the application of existing financial regulations, potentially creating a regulatory void that could destabilize the financial system.

For digital currencies to gain widespread acceptance and become a significant part of the global financial system, well-defined regulatory frameworks are essential. These frameworks must ensure a balance between fostering innovation and protecting consumers and ensuring the stability of the financial system. The adoption of common standards and practices for digital currencies necessitates international cooperation. Intergovernmental collaboration, regulatory oversight, and international cooperation are essential for developing a comprehensive strategy to address the risks and opportunities presented by digital currencies. The collaborative engagement between public and private sectors is crucial for navigating the dynamic realm of digital finance.

The potential of digital currencies to enhance global financial systems and economic policies is undeniable, but a thorough understanding of their associated risks and challenges is essential for their successful implementation. Strengthening regulatory frameworks and promoting international cooperation are essential for realizing the full potential of digital currencies, leading to a more robust, equitable, and adaptable financial landscape.

Examining the Future Impact of Digital Currencies on the Global Financial System, let us examine the following suggestions:

- **Optimizing International Transfers:** The advent of digital currencies holds the potential to significantly expedite and reduce the cost of international transfers, thereby facilitating seamless financial transactions and expanding access to financial services on a global scale.

- **Development of new financial ecosystems:** Digital currencies facilitate the emergence of novel financial ecosystems where traditional financial institutions and fintech companies collaborate to develop innovative offerings.

- **Financial accessibility:** Digital currencies offer a means to bridge the gap in financial inclusion by enabling individuals in developing countries who are excluded from traditional banking to participate in the financial system.

- **The Evolution of Central Bank Functions:** Central banks are exploring the potential of issuing central bank digital currencies (CBDCs) to enhance their ability to control the money supply and navigate economic fluctuations.

- **Persistent Cyber Security Challenges:** The increasing prevalence of digital currencies presents a growing challenge for financial institutions, demanding robust security measures and data protection strategies to counter the escalating cyber threats.

- **Resilience to economic crises:** Digital currencies may offer a valuable alternative for individuals and institutions seeking to maintain financial stability during periods of economic turbulence.

The impact of digital currencies on the global financial system is multifaceted and requires a comprehensive response from both regulators and market participants, acknowledging the need for adaptation to the evolving landscape.



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# Enhancing Global Trade and Digital Connectivity for Inclusive Economic Development

## Abstract

This paper explores Russia's role in moulding global trade and digital connectivity as a force for inclusive economic development in Africa – and Zambia in particular. This study employs a mixed methods approach, using quantitative trade statistics combined with qualitative policy and investment analysis, to understand Russia's investments in trade facilitation, digital infrastructure and financial inclusion. Another main conclusion is that Russia is expanding its trade relations with Africa through bilateral negotiations that boost the exports of financial technology and encourage technology transfer via, inter alia, mobile money services, inclusivity and broadband expansion. The study finds that increased trade policy, digital transformation and financial inclusion can lead to sustainable development and continued economic gains for all.

Keywords: Global Trade, Digital Connectivity, Financial Inclusion, Russia-Africa Trade, Technology Transfer, Economic Development, FinTech, Zambia, Bilateral Agreements, Digital Infrastructure

## Introduction

Trade and digital connectivity are key enablers of economic development in our connected world. Countries that channel large investments on trade enablers systems, e.g. digital and financial (FinTech) systems, enjoy better growth, less poverty, and participate more in global trade. As a key stakeholder in the global economy and a partner in various initiatives for bolstering trade, digital transformation, and sustainable economic growth, Russia has been working to establish such partnerships with African states. Through a mixed-methods approach that combines quantitative trade statistics with qualitative analysis of policy reports and expert interviews, this paper examines these issues.

## Methodology

This mixed-methods research study uses quantitative and qualitative analysis to evaluate the effects of Russia's trade and digital investments in Africa.

Russia's Role in Global Trade Expansion: Focusing on strategic partnerships and economic accords, Russia has aggressively followed a multifarious approach to increase its worldwide trade presence. Important projects include membership in the BRICS group, the Eurasian Economic Union (EAEU), and the termination of bilateral trade deals with several African nations to improve ties to rising nations.

**Union of Eurasian Economics (EAEU):** Comprising Russia, Armenia, Belarus, Kazakhstan, and Kyrgyzstan, the EAEU is a regional economic group founded in 2015. Between the member states, the union seeks to enable the free flow of goods, services, capital, and labour as well as to build an integrated single market with roughly 183 million people. Russia's GDP based on purchasing power parity (PPP) in 2023 came out to be roughly 6.45 trillion dollars, ranking first among the EAEU's economies. Apart from its direct membership, the EAEU has also actively finalised trade agreements. It has especially inked trade cooperation agreements with Vietnam, Iran, Singapore, and Serbia. The EAEU inked a trade cooperation deal with China in 2018 and is presently negotiating with India, Israel, and Egypt to increase its trading network even more.

**BRICS Consortium:** Russia is a founding member of BRICS, a group of five big rising economies: Brazil, Russia, India, China, and South Africa. These countries taken together make for a noteworthy share of world economic production. The chiefs of state and government of the BRICS Summit 2024 in Kazan, Russia, debated several projects to increase economic cooperation, including the creation of a BRICS Grain Exchange and a cross-border payment system to lower reliance on the US dollar. Underlining the group's increasing impact on the world economy, Russian President Vladimir Putin underlined that economic growth in the BRICS

countries is predicted to reach 3.8% in 2024/25, surpassing the worldwide growth rate of 3.2 to 3.3%.

**Bilateral Trade Agreements with African Nations:** Through a series of bilateral trade agreements and summits aimed at increasing cooperation, Russia has gradually been solidifying its economic relationship with African countries. The 2023 Russia–Africa Summit allowed Russia to approach African states in multiple aspects: in trade, security, and the development of infrastructure. During the meeting, Russia presented initiatives to deliver grain to African countries to improve food security, and discussed potential investments in the energy and mining industries.

**Case Study: Russia–Kenya Trade Relations:** Kenya and Russia have had diplomatic relations since 1963 and their trade ranges across multiple sectors. Bilateral trade stood at about \$340 million in 2018, with Kenya exporting goods worth \$124 million to Russia and importing items worth \$216 million. Kenya's exports to Russia include cut flowers, coffee, tea, fruits and vegetables, whereas Russia supplies grains, iron and steel, fertilisers and papers to Kenya.

**Case Study: Russia–Uganda Trade Relations:** Trade Relations Between Russia and Uganda Russia has also developed a bilateral trade relation to Uganda for years. Ugandan exports to Russia peaked in 2021 at \$18.1 million and Russian exports to Uganda at \$90.2 million. The major traded commodities are grains from Russia and produce from Uganda. As such, Russia has greatly enlarged its participation in international trade via greater engagement within regional groupings such as the Eurasian Economic Union (EAEU) and checking into BRICS, in addition to the signing of bilateral commercial agreements with its partners in Africa.

**Russia–Zambia Trade Relations:** A Case Study: Russia and Zambia have maintained diplomatic and commercial relationships since Zambia gained independence from the British in 1964. Their bilateral trade has extended onto several domains, such as agriculture, mining and technology.

**Trade Dynamics:** Russia exported an estimated value of \$4.55 million to Zambia in 2021, with fertilisers being the main category of export at around \$4.11 million. Other Russian exports to Zambia included organic chemicals (\$164.93K), sugars and sugar confectionery (\$83.16K), and electrical equipment (\$47.12K) (Trading Economics, 2025). On the other hand, Zambia's exports to Russia have been fairly modest. Tobacco products accounted for most of Zambia's exports to Russia in 2018 showing the close financial links between the two countries from an agricultural standpoint (World Bank 2018).

**Investment and Cooperation:** Besides trade, Russia and Zambia have also talked about investment opportunities and the possibilities of technical cooperation. To further deepen economic cooperation, the Moscow Chamber of Commerce and Industry signed a Memorandum of Understanding with the Zambian Chamber of Commerce and Industry in 2019. This marked renewed interest among Russian businesses in the Zambian market. However, in mid-2019, the

regional director for Africa and the Middle East at LUKOIL held talks with Zambian officials about a possible oil refinery in the Copperbelt province and the supply of petroleum products to Zambia (Embassy of Russia in Zambia, 2025). This Saint Petersburg-based enterprise that produces microbiological preparations for agriculture has been developing a strategy for establishing a facility for the production of "Extrasol", a microbiological fertiliser, as well as five demonstration farms, in Zambia (Embassy of Russia in Zambia, 2025)." Bisolbi-Inter LLC. These efforts mirror a mutual interest in expanding economic cooperation beyond traditional trade, into areas like energy and agriculture.

**Recent Developments:** According to the Embassy of Russia in Zambia, the bilateral trade turnover in 2019 amounted to \$98.2 million, with a steady growth trend over subsequent years. This rise highlights the strengthening economic connection between the two countries (embassy of Russia in Zambia, 2025). Over the last decades, Russia's and Zambia's economic rapprochement has developed in line with the two countries' economic priorities to diversify their trading and investment partners. While traditional sectors such as mining and agriculture remain key, emerging partnerships in energy and technology investments highlight a broader scope of cooperation, aimed at supporting sustainable economic development in both countries.

**Digital Connectivity as a Catalyst for Inclusive Growth:** Globalization, especially economic inclusiveness driven by digital connection, offers the opportunity of access to markets, financial services and general knowledge. Thus, Russia's expertise in developing digital infrastructure has facilitated the improving connection in numerous countries across Africa including Zambia.

**Contributions of Russia in Digital Infrastructure of the Africa:** Russia continues to play an active role in projects designed to boost digital infrastructure across Africa. An illustration of this is the deployment of the AngoSat-2, a geostationary communications satellite developed through a partnership between Angola and Russia. AngoSat-2, which was launched on 12th October 2022, is intended to provide broadcasting and telecommunications services in Angola and around those regions, thus sharing digital connectivity and access to information (AngoSat-2, 2022). In addition to satellite communications, Russia has previously expressed its interest in scaling up assistance towards broader infrastructure projects across Africa. Roughly at the same time, at events such as the International IT Forum held in Moscow, discussions focusing on how Russian technology would assist in solving infrastructure challenges –96 including those associated with digitalisation (Digitalisation of Africa on agenda held in Moscow, 2023)

**Enhancing Zambia's Digital Landscape:** While specific Russian-Zambian efforts at large-scale digital infrastructure are poorly documented, there have been some joint moves to develop Zambia's digital capacity. The embassy of the Russian Federation in Lusaka facilitated an interaction between the Zambia Chamber of Commerce and Industry and the Chamber of Commerce and Industry of

the Russian Federation. Through these exchanges, Zambian digital infrastructure will flourish and Zambia will seek to enhance its cooperative economic endeavors, investment, and also technology transfer, which can unleash the 2023 Zambian international relations. Zambia - the country - has also been very aggressive in building DPI. Digital Public Infrastructure (DPI). Highlighting multiple angles of these digital efforts, the nation is presented as a case study on attitudes towards DPI in the Global South (Approaches to Digital Public Infrastructure in the Global South, 2023).

**Implications for Inclusive Growth:** The development of digital infrastructure in Zambia and other African countries has far-reaching consequences in what it can do to augment inclusive economic growth. Improved digital connectivity leads to increased access to financial services, e-commerce platforms and educational resources, empowering those at the margins of society. Innovative partnerships that aim at the development of digital infrastructure can significantly mitigate digital divide, stimulate economic inclusion and accelerate the sustainable development in the continent.

**Russia's Investments in African Digital Infrastructure:** Russia is participating in what can be regarded as Africa's digital transformation through partnerships with state-owned enterprises and private companies alike. Cooperation also allowed for telecommunication projects like satellite internet and fiber-optic networks to be executed, which ultimately increased connectivity for remote areas.

Enhancing Digital Connectivity in Africa: In the field of digital technology, the Russian companies are very active, providing IT services, which is an important contribution to the development of African digital infrastructure. This includes data centres and fiber-optic networks, which are critical to supporting Africa's fast-growing technology market. Moreover, discussions on platforms such as the International IT Forum in Moscow have highlighted the potential of Russian technology to solve Africa's infrastructure-related challenges, especially digitalisation.

**Zambia's Digital Transformation:** Zambia has made some notable strides on the road to digital transformation. The 2023 National Payment Systems Annual Report for the Bank of Zambia reveals a significant growth of the National Payment System, with a 17.2% increase in value to K3. 02 trillion and 31.1% to 3.7 billion transactions, respectively, for 2023. This growth has been driven by an increasing adoption and reliance on Digital Financial Services (DFS), marked by high volumes of mobile payments, point of sale (PoS) terminals and remittances. Mobile money accounts in Zambia have seen significant growth. In 2022 there were 11,246,686 active mobile money accounts compared to 8,609,265 in 2020. Recently developments have allowed SMEs too of enhanced digital financial inclusion now with potentially impactful access to online banking and e-commerce platforms, With Russia's involvement in developing Africa's digital landscape and Zambia's innovative ideas from a digital standpoint, there is improved connectivity and increased financial inclusion.

**Economic Expansion, Current Insights:** Existing data from international trade organisations, economic reports, and financial institutions have been analysed to determine the range of trade and digital connectivity impact on economic development.

**Economic Growth Trends in the Face of Russia-Africa Trade:** According to UNCTAD (2023), the BRICS states (with Russia) accounted for over 40% of developing countries' goods and services exports in 2022 (UNCTAD, 2023). Russia's foray into the African market is largely predicated on the prospect of natural resources, reinforcing a supplier-consumer relationship (Stronski, 2023); its total trade income with Africa in 2023 totaled \$24.6 billion; Egypt, South Africa, and Algeria were its most important trading partners (Statista (2024).

**Facilitating Digital Financial Inclusion in Zambia:** The country has made significant strides in financial inclusion, particularly with the rollout of digital financial services. This progress has been driven by comprehensive national strategies and policies aimed at improving access to and the use of financial services by the population.

## Policy Recommendations

**1. Strengthening Bilateral Trade Agreements:** The following will contribute to strengthening Bilateral trade agreements: a) Facilitating Trade Policy Advancement; b) Deepening Engagement in Regional Trade Institutions; and c) Investment in Export-Oriented Sectors.

**2. Improving Digital Infrastructure:** This will include the following: a) Internet Access and Connectivity; b) Public-Private Partnerships (PPPs); and c) Enhancing FinTech and Digital Payments

**3. Enhancing the Technology Transfer:** This will include: a) Fostering Research and Development Collaborative Alliances; b) Fostering Skills Development and Training; and c) Supporting Russian-African startups.

**4. Enhancing Financial Inclusion:** The following will enhance financial inclusion: a) Integrating Russian Digital Finance Solutions; b) Strengthening Regulatory Frameworks; and c) Expanding Access to Credit and Microfinance

**Conclusion:** Global trade and digital connectivity – both are interdependent and contribute to inclusive economic development. Overall, Russia's investments, particularly in Africa and Zambia, in trade expansion, digital infrastructure, financial technology, and skills development demonstrate a critical piece of how strategic partnerships create opportunities for sustainable growth. In fact, by enhancing bilateral trade agreements, advancing digital transformation initiatives, facilitating technology transfer, and implementing financial inclusion programs, Russia and Africa have ample opportunity to develop a mutually beneficial relationship.

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# Enhancing Links Between Global Trade, Transport Infrastructure and Digital Development

## I. INTRODUCTION

Economic activity and jobs are not only a function of domestic demand, but are also driven by the movement of goods, services and capital between a national economy and its trade partners.

International trade plays an essential role in the global economy. It is known from economic history that global trade has, to a large extent, fuelled economic development, on par with international relations that, throughout human history, were a decisive factor in establishing the economic, social and human links between individual states.

In the recent quarter of a century alone, global trade has nearly quadrupled, growing at a much faster pace than the global production over the same period.

International trade enables crossborder exchanges of products, services, capital and know-how, creating countless opportunities for local companies and economies. The principal benefit of global trade is its capacity to stimulate economic growth. It contributes to economic development as long as it contributes to a consistent development of the industrial base and national production structures. This

excludes, from the very start, the influence of a pre-existing internal consumption model on global trade transactions and organizations. International trade should be organized in line with the methods used for developing the industrial base and the associated consumption model, which, in turn, should be compatible with the development policy.

For several years now, the trade facilitation process appears to have been fully underway, as evidenced by the Trade Facilitation Agreement (TFA) of the World Trade Organization (WTO) that entered into force in 2017 and the inclusion of facilitation provisions in multiple regional trade agreements, such as the agreement to establish the African Continental Free Trade Area (AfCFTA). In practice, though, it is not without difficulties, judging by the implementation of the latter agreement. TFA aims to address these issues by harmonizing trade procedures at the global level.

The debate over Enhancing Links Between International Trade, Transport Infrastructure and Digital Development raises the following key questions:

- What is the foremost advantage of global trade?
- What is the role of transport infrastructure in global trade?
- What is the impact of digital technology on global trade?

We are going to answer these questions by focusing on how global trade impacts the economy and development in Africa.

## **II. THE IMPORTANCE OF GLOBAL TRADE**

Africa is an emerging continent that is progressively increasing its role in global trade. While African countries have a history of relations with foreign countries that left a deep mark, they are also engaged in business partnerships with considerable potential for their economic and social development. Here, we will explore how international business and trade influence the economic development in Africa in terms of the benefits, challenges and opportunities that they bring to these countries.

Just in a few decades, Africa has transformed from a marginal player into a key trade partner on the global market. According to the World Bank, the trade volume between Africa and the rest of the world has soared by almost 200% over the last 20 years. The key drivers behind this trend have been population and GDP growth, and diversification of exports. Africa's major trade partners include the European Union, United States, China, India and Russia, which has joined the list as a result of the Africa–Russia Summit where multiple initiatives were proposed to expand trade relations between Russia and African states.

International trade has helped to reduce poverty in Africa. According to a study conducted by the World Bank Group, each billion dollars-worth of additional exports creates 500,000 direct and indirect jobs. Besides, African households benefit from access to a broader range of goods and services, often at lower prices

than local merchandise. Also, the increasing availability of fintech platforms like ATL Money has largely facilitated crossborder payments that have become fast and secure. These developments further stimulate international trade as well as economic growth, helping to improve living standards for many Africans.

#### **A. Challenges of Africa's integration into global trade**

In spite of these achievements, African countries still encounter numerous obstacles as they are looking to develop and diversify their involvement in global trade. The biggest challenges are as follows:

1. Inadequate transport and communication infrastructure that hinders the competitiveness of the African business on the global market.
2. Heavy dependence on commodity exports that exposes African economies to global price fluctuations.
3. Tariff and non-tariff barriers imposed by trade partners, limiting access to foreign markets for African products.

To promote a more diversified participation in global trade, African governments could implement the following policies and measures:

1. Invest in the development of transport, energy and IT infrastructure.
2. Encourage local processing of raw materials to increase the value added of African exports.
3. Support training and education to advance the skills of the African workforce and create incentives for innovation business.
4. Negotiate regional and international trade agreements to provide better access to external markets for African products.

#### **B. Globalization risks for Africa**

Deeper involvement in global trade also carries some potential risks for African countries, such as:

1. Strong dependence on commodity exports that exposes African economies to global price fluctuations.
2. Food security risks due to liberalization of agricultural trade and tighter competition between local and foreign producers.
3. Widening of social and economic inequalities unless the benefits of global trade are equitably distributed within African societies.

### **III. THE ROLE OF TRANSPORT INFRASTRUCTURE AND TECHNOLOGY IN GLOBAL TRADE**

#### **A. The role of transport infrastructure in global trade**

Transport is unquestionably an indispensable component of trade operations that enables product distribution as well as the necessary personal mobility, and provides direct links between production sites and global markets.

As key infrastructure and infrastructural services support trade, their quality and cost have an impact on trade too. They include transport infrastructure (roads, railways,

airports, seaports, etc.) and the services provided by the transport and logistics sector, and telecommunications networks and the services provided over such networks.

These are the sectors involved in physical infrastructure that are crucial for moving goods and services from exporting to importing countries. Payments for goods and services flow in the opposite direction, from importers to exporters. Financial services are therefore also part of the infrastructural services that support trade.

Finally, a number of business services play an important role in intermediating or matching exporters and importers. They provide logistics services that reduce the transaction costs of international trade and are, therefore, also trade-supporting infrastructural services.

Today, 90% of all merchandise traded around the world is transported by sea. The use of containers saves a lot of time required for loading, unloading and transporting of goods.

These infrastructural services support trade whether or not they themselves are traded. Increasingly, however, they are tradable and traded, and opening up to trade in these services is one way through which quality can be improved and costs reduced.

### **B. The impact of technology on global trade**

Innovations in the digital economy can reduce the costs of engaging in trade and facilitate the physical delivery of traded goods, making trade potentially more inclusive. But to make sure it contributes to development, digital trade needs to address, in addition to digital connectivity, new and old constraints to market integration and physical connectivity. It is also critical to develop efficient trade logistics services and co-ordinate investments within regions and across hard and soft infrastructure. It then examines progress in cross-border connectivity and gives an update on the implementation of the WTO Trade Facilitation Agreement. Finally, while creating many opportunities to reduce trade costs, digitalization also enhances the ability to adapt to the requirements and characteristics of digital trade flows, which can influence the ability to realise the full potential for development.

## **IV. CONCLUSION**

In conclusion, international trade offers considerable opportunities for economic and social development in Africa. However, to take full advantage of these potential benefits, African countries need to overcome the challenges of integration into global trade and adapt their strategies. Having done that, Africa could hope for a more prosperous and inclusive future on the international scene.

Efficient transport systems enable the specialization of industry and trade, cut the cost of raw materials and finished products, and increase competition between different regions that translates into lower prices and a wider choice for consumers.

Technology plays a key role in reducing trade barriers. Digital document management systems based on blockchain simplify compliance with international regulations, saving time and costs associated with formal procedures.

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## **The Global Paradigm of Finance and International Financial Communication**

Among the social sciences, finance is perhaps the most ambiguous in terms of conceptual framework and the gap between theory and practice. In the context of accelerating dynamics of societal development, this presents real obstacles to effective communication among professionals, a deeper understanding of the essence and role of finance in the global world, and the development of future financial technologies. At the same time, there is a genuine opportunity to establish a global paradigm of finance aimed at resolving this situation by forming a global semantic core of financial science. It opens new opportunities for international financial communication, advancement of theory, and practical applications in finance. It also enables a clearer understanding of the human role in financial systems and the development of AI-based financial tools, etc.

It is no secret that foreign experts define finance as money and all procedures associated with financial management. Russian specialists, however, view finance as a set of economic relationships, asserting that finance is not money. Moreover, in the post-Soviet space, there are two competing schools of finance: the Leningrad and the Moscow schools. According to V.V. Kovalev, a well-known researcher in finance, even within different Russian universities, varying definitions of finance are taught. Clearly, such inconsistency hinders not only international financial

communication but even regional cohesion. To this day, neither Russian nor foreign academic circles have succeeded in clearly and irrefutably defining where finance ends and money begins, what separates them in practice, and how they differ as categories; researchers such as S.V. Barulin and T.M. Kovaleva support this opinion. However, in practice, financial instruments are used in a globally standardized manner, demonstrating nearly full financial communication across countries. This practical unity suggests the potential for a unified theory and conceptual framework in finance. It is also notable that since the late 20th century, several new directions in economics and finance have emerged – behavioral economics and behavioral finance (D. Kahneman, R. Thaler), systems economics (B. Kleiner), the knowledge economy, and more. Economics is fragmenting into separate fields instead of consolidating around deeper study of its core subjects. Prominent philosophers of science such as V.S. Stepin and A.F. Zotov see this as a sign of a crisis in scientific rationality, a theme also present in the works of T. Kuhn and K. Popper who described mismatches between form and content in the said scientific field. It raises an important question: Why has the model of economics as a scientific tool remained largely unchanged for so long and why is a man placed outside the model as an external observer? It is only the description of a man and his perception of the economy that changes. As V.S. Avtonomov defines, a man in economic science is represented as economic, rational, semi-rational, while outcomes are still based on external preferences. There are compelling reasons to rethink the model of economic activity. First, E. Toffler's concept of the "future shock" finds support in A. Maddison's identification of the non-linear nature of economic growth, which became especially evident in the 1970s. During that decade the world began to change much faster and global GDP grew as much as it had in all prior history combined. Second, technological advancement enables more sophisticated tools of analysis, pushing the boundaries of scientific knowledge. As M. Allais noted, science can now reach far beyond everyday experience. This also shifts the methodological approach of scientific research. A move from mono- to poly-disciplinary studies is increasingly seen as essential for comprehensive and systemic analysis, revealing interdisciplinary connections. The cognitive aspect of human activity such as conscious behavior and decision-making cannot be overlooked. This emphasis is shared by Russian researcher I.P. Merkulov and foreign scholars such as M. Gelfond and Y. Kahl.

Reevaluating the traditional activity model as the transaction process, one can see that it contradicts the scientific principle of continuity. Traditional models focus solely on the tangible part of a transaction – from contract signing to performance – ignoring the cognitive phase such as planning and fulfillment of obligations. Every activity, as a form of conscious behavior, begins with cognition. Thus, we arrive at the conclusion that any type of activity, including economic activity, has a systemic structure. This means that a model of economic activity should include both a cognitive component – planning the process to achieve a specific

result – and a practical component – executing that plan. It reflects an objective regularity. In this context, the activity plan is seen as a new virtual reality, a virtual construct of the future. The outcome of practical activity is then the materialization of this virtual construct – an empirical reality. Such a systemic model of activity possesses the property of objective continuity of existence, meaning it does not violate the principle of continuity and can be used as a tool for economic research. Moreover, in this model, a man, endowed with cognitive abilities, is placed within the model itself rather than remaining an external observer.

The idea of highlighting intellectual activity and its role in societal development is not new. Emphasis on the distinction between physical and mental labor and the high significance of the latter can be found in the works of prominent economists such as A. Marshall, K. Marx, J.M. Keynes, and others. However, the systemic representation of activity as a unity of the virtual and the material is being introduced for the first time.

From a detailed examination of this new model of activity, several assumptions can be made about the nature of finance and financial activity, as well as the role and place of money within the economic system. It also allows us to define the boundary between the areas in which finance and money operate:

- finance is a virtual category that represents the monetary valuation of resources involved in a specific activity;
- finance cannot be defined solely by the economic relationships that arise from obligations in the second phase of the model, as that would violate the principle of continuity;
- money serves as the carrier of finance, implementing the functions of distribution and redistribution of financial value in practice;
- the boundary between the domains of finance and money lies between the virtual and the real.

The proposed concept of finance and financial activity is universal and empirically verifiable. It not only aligns with current financial market practices but also enables a broader and more global understanding of the essence of finance. This may become a central element in the development of international financial communication. The concept creates objective conditions for both domestic and foreign researchers to form a shared semantic core for financial science laying the groundwork for a global paradigm in this field. This, it enables joint research aimed at deepening theoretical knowledge of finance and developing new practical applications. In the context of growing information and communication technologies and widespread use of artificial intelligence systems, the systemic model of financial activity allows for a clear definition of the human role in intelligent financial systems. Furthermore, this model clearly illustrates the professional requirements placed on financial specialists, particularly in terms of developing their cognitive abilities to maintain control over and effectively manage AI systems.

The importance of developing cognitive skills for the future of the economy is also emphasized in reports by the World Economic Forum (Future of Jobs 2023) and in the U.S. National Intelligence Council's forecasts (Global Trends 2040: A More Contested World).

In conclusion, several key points can be made regarding the future application of the proposed concept of finance and financial activity. First, it creates objective conditions for global financial communication by setting a direction for the convergence of domestic and international research in financial theory. Second, it positions Russia at the forefront as a global leader in developing financial theory. Third, it offers an opportunity for initial implementation within the BRICS+ economic bloc, serving as a unified educational platform in countries with minimal cognitive bias toward financial theory. As the renowned physicist L. Boltzmann once said: "There is nothing more practical than a good theory".

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GIE PROVELLIANCE



# Combating Insurance Fraud in the Context of Data Digitization

The rise of digitalization in the insurance sector has led to an increase in sophisticated fraud, calling for a strategic response based on communication and technological innovation. This essay is part of a global discussion of the new challenges facing the insurance industry and its response to overcome them.

## Introduction

In an increasingly digitized world, the insurance industry faces major challenges, including insurance fraud. As an AFNOR-certified insurance investigator, drawing on my 10 years' experience in fighting insurance fraud, I've been able to observe the evolution of fraudulent strategies and the challenges they pose for insurers as well as anti-fraud agents. This expertise enables me to analyze current issues and assess the industry's responses to these new threats. The digitization of data has certainly improved services and optimized costs, but it has also opened the door to new, more technically advanced forms of fraud. Faced with this reality, insurance companies have no options but to invest in tools and adopt strategies for preventing and detecting such fraud. This essay explores the challenges posed by insurance fraud in the digital age and highlights the importance of effective com-

munications in responding to them. This discussion is linked to the broader context of global challenges, particularly across BRICS+, and the response mounted by the insurance industry.

### **Types of insurance fraud**

Insurance fraud usually takes the following forms:

**Opportunistic fraud:** exaggeration of claimed damages.

**Organized fraud:** criminal networks setting up false insurance claims.

**Identity theft:** exploitation of digital data to obtain fraudulent compensation.

While the definition varies from one jurisdiction to another, insurance fraud could be defined as any deliberate action intended to obtain illegitimate benefits from an insurance contract, either by concealing information or by making false statements ([Insurance Europe, 2023](#)).

### **Historical background**

Over time, fraud techniques have been progressively diversified and perfected in lockstep with technological and economic developments. In the recent period, digitalization has opened up new opportunities for fraudsters, notably through the forgery of electronic documents, identity theft and creation of false claims online with the inside help of automotive professionals, such as auto mechanics and adjusters.

In car insurance, fictitious accidents and set-up collisions orchestrated by criminal rings have become commonplace. In health insurance, fraudsters exploit loopholes in digital systems to submit inflated invoices or claim reimbursements for non-existent care. Network fraud, involving several players in complex schemes, is a major challenge for insurers today.

### **Risks and opportunities of digitalization**

Data digitization exposes insurers to higher risks of cyber fraud. Underwriters or policyholders can exploit vulnerabilities in digital systems to manipulate data, create fake profiles and file false claims ([ENISA, 2023](#)). Ransomware attacks and the hacking of sensitive databases are also on the rise, posing a major cybersecurity challenge ([GDPR.eu, 2023](#)). To counter these threats, companies should continue to invest in advanced security protocols, real-time monitoring systems and awareness campaigns for their customers and employees ([CNIL, 2023](#)).

For example, insurance providers can use artificial intelligence (AI), big data and blockchain to better identify suspicious behavior, improve risk assessment and automate fraud detection ([EIOPA, 2022](#); [Insurance Europe, 2023](#)).

These technologies could increase the speed and accuracy of data analysis, allowing insurers to detect anomalies and fraudulent behavior more efficiently and to send insurance investigators out into the field to resolve doubts and collect evidence (proof of financing, proof of identity, etc.).

## **Anti-Fraud Regulations: the EU and BRICS+**

### **EU regulations**

The European Union has adopted the following regulations to combat insurance fraud:

**Solvency II Directive** requires insurers to rigorously manage risks, including those linked to fraud.

**General Data Protection Regulation (GDPR)** ([GDPR.eu](https://gdpr.eu), 2023) governs the use of personal data to prevent abuse.

**Anti-Money Laundering Directive (AML5)** provides a framework to counter money laundering and financial fraud.

### **Anti-fraud measures in BRICS+:**

**China:** Application of AI and big data has reduced health insurance fraud by 30% ([China Insurance Regulatory Commission, 2023](#)).

**India:** The government has introduced the Aadhaar biometric identification system to verify insurance beneficiaries and limit fraud.

**Brazil and South Africa:** The use of blockchain in agricultural and vehicle insurance has reduced fraudulent claims by 40% ([InsurTech Brazil Report, 2023](#)).

**Russia:** Introduction of the national claims database has helped to detect recurring fraud and reduce insurance company losses by 25% ([Russian Association of Motor Insurers, 2023](#)).

## **Economic and social implications**

### **Economic impact**

Fraud leads to considerable financial losses for insurance companies running to millions of euros each year across Europe ([Insurance Europe, 2023](#)). These losses are passed on to insurance premiums paid by policyholders, raising insurance costs for everyone. Better communications regarding fraud risks could help to cut costs and improve insurers' profit margins.

### **Social Impact**

Fraud undermines clients' trust in insurance companies, reinforcing a negative perception of the industry. Transparency and consumer education about fraud can help to strengthen trust, while effective regulation and appropriate communication policies can reduce litigation risks and improve customer satisfaction. Importantly, the fight against fraud helps to protect resources intended for legit-

imate policyholders, guaranteeing better access to compensation for those who really need it. Also, one of the benefits of bringing in insurance investigators is that people they are dealing with realize that the company is actually taking some real action to resolve the case.

## Conclusions

Combating insurance fraud in a digitized environment requires an approach that combines technology and communication. By investing in communication strategies, technical tools and human resources such as investigators, insurance companies can protect their customers and assets, while reinforcing the confidence and stability of the sector. The future of the fight against fraud lies in technological innovation and investment addressing specific fraud risks.

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# Reducing Barriers to Services Trade – The Opportunity of the Century

The global services sector is on a growing trajectory, offering substantial economic opportunities. However, obstacles inclined on regulations, infrastructure and skills gap continue to impede its full potential.

This essay looks into the challenges and opportunities of reducing barriers to services trade, with focus on BRICS nations and African economies.

Kenya, the economic powerhouse of East Africa with its emerging services sector, can be used as a practical example to show the key points of this essay.

### **Preamble:**

The global economy is increasingly spearheaded by services trade, which covers a wide range of sectors, cutting across Information Technology (IT), finance, education, healthcare and tourism. According to the World Trade Organization (WTO), services account for over 67% of global Gross Domestic Product (GDP) and provide employment to more than 54% of workers in developing countries. Despite the great importance it holds, services trade faces significant barriers, including regulatory restrictions, infrastructural gaps and skills gaps. The untapped potentials could contribute to economic growth and social development.

The importance of this topic therefore is anchored on its alignment with the broader goals of global economic integration and sustainable development. This

essay argues that, if these barriers could be addressed, countries can create numerous jobs, accelerate innovation and significantly reduce inequality.

## **The Hypothesis**

The central hypothesis of this essay is that reducing barriers to services trade have a potential to unlock significant economic and social benefits for BRICS nations and African economies. Services trade is considered the cornerstone of modern economies, with growing importance on the global arena. According to the WTO, global services trade grew by 12% in 2022, surpassing goods trade. In Africa, services are estimated to contribute approximately 55% of GDP, with sectors like IT-enabled services and tourism driving the growth. Taking Kenya as an example, its IT sector generates over \$1 billion annually, while tourism contributes 10% of GDP.

Predictive models further support the importance of reducing barriers to services trade. Economic models give a suggestion that eliminating such barriers could increase Africa's GDP by \$150 billion annually by 2030 (AfDB, 2021). Consequently, BRICS nations could see a 20% increase in services exports through harmonizing regulations and infrastructure investments (World Economic Forum, 2022).

## **Barriers to Services Trade**

### **1. Regulatory Restrictions:**

Regulatory barriers continue to hinder services trade, particularly in cross-border mobile transactions. For example, Kenya's mobile banking services, such as M-Pesa, have greatly revolutionized financial inclusion within the country. However, these services face challenges whenever attempt are made to expand across borders, particularly due to the inability to make cross-border payments in local currencies without first converting them into foreign currency.

A practical solution could be the creation of a more harmonized regulation across regional and continental trade agreements, such as the African Continental Free Trade Area (AfCFTA), which would enable mobile money services such as M-Pesa to operate more seamlessly across borders.

### **Infrastructure Gaps:**

Infrastructure, both digital and physical, is a significant barrier to services trade, more so in rural areas. High-speed internet access is important for modern services such as mobile banking, e-commerce and online jobs. Without reliable internet access, citizens in the remote regions are not able to participate in the digital economy, therefore missing out on critical services such as telemedicine, e-learning and digital finance.

Governments and private stakeholders should therefore prioritize infrastructural development, with a deep focus on the rollout of 5G networks. Expanding 5G networks into rural areas and incentivizing private companies to invest in these regions would in turn enhance the region's competitiveness in services trade.

## **2. Skills Mismatches:**

The lack of skilled workers in emerging economies is considered a challenge to expanding services trade, especially in technology sectors. While Kenya has witnessed expansive growth in IT and mobile services, there are still gaps in the availability of qualified workers. Emerging technologies such as artificial intelligence (AI), Internet of Things (IoT), blockchain and Machine Learning (ML) require specialized education and training.

Moreover, information about available training opportunities is often not accessible to those who need it most. Many underserved communities are not even aware of programs such as Andela, Moringa School or ALX, which provide world-class training.

A solution to this challenge would therefore be to ensure more transparent and accessible educational opportunities.

## **High Trade Costs:**

High trade costs remain a persistent issue in many developing countries, especially within the services sector. In mobile banking and digital finance, these costs are exacerbated by inefficient cross-border payment systems, regulatory delays and high transaction fees.

For instance, although Kenya's mobile money sector is highly successful within the country, it faces significant challenges when attempting to expand across borders due to regulatory inefficiencies and high transaction costs.

A more harmonized approach to trade policies across countries would significantly reduce barriers. Encouraging collaboration between governments to eliminate unnecessary trade restrictions and taxes would significantly lower the cost of conducting business across borders.

## **Economic and Social Effects**

### **Economic Effects**

Reducing barriers to services trade can have immediate and long-lasting economic effects. Services such as healthcare, IT, finance and education are central to economic growth and can generate millions of jobs while increasing productivity. According to the WTO (2020), services account for over 60% of global GDP and 25% of global trade. However, the full potential of services trade remains fully untapped due to continuous trade barriers.

### **1. Job Creation:**

Services trade has the potential to generate millions of new jobs, especially in technology, finance and education sectors. Improving access to services such as mobile banking, telemedicine and e-learning can boost employment in both urban and rural areas.

### **2. Economic Diversification:**

Reducing barriers to services trade also promotes economic diversification. Countries that are heavily reliant on natural resources such as Nigeria, can diversify their economies by tapping into the growing fintech sectors, thereby reducing dependency on fossil fuels.

### **3. Increased Foreign Direct Investment (FDI):**

Creating liberty in services trade could attract foreign investment, particularly in sectors such as telecommunications, education and healthcare. UNCTAD (2020) reports that countries liberalizing services trade witness a 15-20% increase in FDI inflows.

## **Social Effects**

The social benefits of reducing barriers to services trade are equally of great significance. Increased access to services such as healthcare, education and finance can promote social mobility and reduce poverty.

### **Improved Access to Services:**

Reducing trade barriers would enhance access to essential services in disadvantaged regions. For example, telemedicine can deliver healthcare to remote areas, while online education can provide quality education to individuals in rural communities.

#### **1. Poverty Reduction:**

Services trade plays a key role in poverty reduction. In Kenya, mobile banking has greatly improved financial inclusion, allowing individuals in rural areas to access banking services.

#### **2. Gender Equality:**

Services trade has the potential to promote gender equality by creating more opportunities for women in the workforce. The rise of remote work, particularly in IT and customer service, offers greater flexibility for women, especially those in rural areas or with caregiving responsibilities.

## **General Conclusions and Expected Results**

Reducing barriers to services trade presents a special opportunity for economic and social growth, particularly for BRICS nations and African economies.

The expected results of the hypothesis of this essay include:

**1. Increased Economic Growth:**

Reducing barriers could lead to a 3-4% increase in GDP for countries like Kenya by 2030.

**2. Greater Global Integration:**

BRICS and African nations could become more integrated into the global economy, fostering collaboration and cross-border partnerships.

**3. Improved Social Mobility:**

With greater access to services, poverty could be greatly reduced and social mobility enhanced.

In conclusion, the removal of barriers to services trade is not just an economic necessity but a critical step in fostering a more inclusive, innovative and equitable global economy. Addressing the regulatory, infrastructural and skills-related challenges will definitely allow emerging economies to fully harness the benefits of services trade.

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# The Future of the World. A New Platform for Global Growth

Russia has been strategically investing in infrastructure, transport and digital technologies as part of its policy to strengthen its economic and geopolitical influence on the international stage. These investments have been focused mainly on the countries of the former USSR, Central Asia, the Middle East, Africa and some regions of Europe and Latin America. Here are some key aspects:

### **Investments in Transport Infrastructure**

Russia has built and financed major infrastructure projects to increase trade ties with strategic partners: Eurasian Railway Network: Through Russian Railways (RZD), Moscow has invested in projects such as the Trans-Eurasian Belt railway corridor and the expansion of railway routes in Central Asia and China. International North-South Transport Corridor (INSTC): An ambitious project to connect Russia with Iran, India and the Persian Gulf countries via railways and ports.

Partnerships with China and Iran: Russia has strengthened cooperation with China under the Belt and Road Initiative (BRI) and has helped build transportation infrastructure for energy and industrial trade with Iran.

## Timeline of railway implementation

- 1837 – The Tsarskoye Selo Railway (27 km);  
1843 – Inkerman Railway (about one km);  
1848 – the Warsaw-Vienna Railway (800 km);  
1851 – Nikolaevskaya railway (645 km);  
1854 – Connecting Line (4,73 km), first trans-line connector to form the future network;  
1855 – The Balaklava Railway (about 23 km);  
1861 – the Riga-Dinaburg railway (218 km);  
1862 – the Petersburg-Warsaw Railway (1116 km);  
1862 – the Moscow-Nizhny Novgorod railway (437 km);  
1868 – Moscow-Kursk railway (543 km);  
1870 – Yaroslavl Railway;  
1878 – the Ural Mining and Railroads (by 1880–715 km);  
1884 – Catherine (Krivorog (g)) railway (by 1884–523 km);  
1890 – Samara-Zlatoust railway (1888 – Samara-Ufa, by 1893 about 1500 km);  
1898 – the Perm-Kotlas railway;  
1900 – The Ussuri railway (964 km);  
1900 – the Moscow-Savyolovo line;  
1903 – the Sino-Eastern Railway (Manchurian, Chinese Changchun, Harbin);  
1905 – Trans-Baikal Railway; The Circum-Baikal Railway; Petersburg-Vologda railway;  
1906 – Theological Railway; The Tashkent railway;  
1908 – Little Ring of the Moscow Railway;  
1915 – the Altai Railway;  
1916 – the Amur Railway; The Volga-Bugulma Railway; West-Ural railway; The Moscow-Kazan railway; North-Eastern Ural Railway; The Trans-Siberian Railway (historical part);  
1926 – the Achinsk-Minusinsk railway;  
1930 – the Turkestan-Siberian Railway;  
1936 – 1937 – Norilsk Railway;  
1940 – Kanash-Cheboksary;  
1944 – The Big Ring of the Moscow Railway;  
1969 – the line of Verbilki-Dubna;  
1978 – Rostov-Krasnodar-Tuapse; Yurovsky-Anapa;

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- 2003 – the Baikal–Amur Mainline;
- 2013 – Adler–Rosa Farm;
- 2016 – Moscow Central Circle (based on Little Ring of the Moscow Railway);
- 2017 – The railway line bypassing Ukraine;
- 2017 – the Amur–Yakutsk railway;
- 2019 – Railway bridge to the Crimea;

The CMREC Programme also lists priority projects, including the following of special importance to Sino-Russian relations: (1) modernisation of the central railway corridor connecting Ulan-Ude and Naushki in Russia with Sükhbaatar, Ulaanbaatar and Zamyn-Üüd in Mongolia and Erenhot, Zhangjiakou, Beijing and Tianjin in China; (2) preparations for construction of the Western railway corridor linking the Russian city of Kuragino with Ürümqi, the capital of Xinjiang Uigur Autonomous Region, via Mongolian territory; (3) preparations for the construction of the Eastern railway corridor between Borzya in Russia, Choibalsan in Mongolia and Chifeng and Jinzhou in China; (4) preparations for the modernisation of the Zaru-bino-Choibalsan-Ulanhot motorway corridor; and (5) preparations for establishing an economic zone in the Chinese province of Heilongjiang and the adjacent Russian regions. All the projects will be financed by the state, private companies or through public-private partnerships (PPP) with assistance from the AIIB, New Development Bank (BRICS), SCO Interbank Consortium.

It follows that the BRI is not just an economic initiative motivated by strictly economic stimuli but a complex, multi-layered project that can be interpreted in terms of emancipation, recognition and reformism. Taking into consideration the fact that China and Russia represent the leading actors in non-Western Eurasia, their cooperation and relations are pivotal to the successful integration of Eurasia and implementation of the values of the New Eurasian Paradigm, embodied in the BRI, the EAEU and the SCO (Diesen, 2017, p. 8; Vinokurov, 2017, p. 66).

### **Investments in Digital Technology and Telecommunications**

Russia is trying to develop and export digital technologies independently of the West: Payment systems and digital finance: Following Western sanctions, Russia has invested in developing its own Mir payment system as an alternative to Visa and MasterCard, and is promoting its use in BRICS and Eurasian countries.

Telecommunications and satellites: Russia has expanded its GLONASS satellite network (an alternative to GPS) and has provided telecommunications services to countries such as Venezuela, Africa, and the Middle East.

Cybersecurity and sovereign internet: Russia is investing in digital autonomy through RuNet, a state-controlled internet that aims to reduce dependence on the West.

## **Energy Infrastructure and New Supply Routes**

Strategic Gas Pipelines: Projects such as the Power of Siberia for China, Turk-Stream for Turkey, and Nord Stream for Europe (until its sabotage) have been part of Russia's strategy to dominate energy markets. Investments in Africa and the Middle East: Gazprom and Rosneft have expanded investments in North African countries (Algeria, Egypt) and the Middle East (Iraq, Syria) to secure dominance in the oil and gas market.

## **Innovation and Artificial Intelligence Projects**

Russia has invested in supercomputers and AI for cyber defense and the digital economy. Innovative programs related to quantum technologies, blockchain, and digital security are being developed as part of efforts to create a technological economy independent of the West.

Through these investments, Russia is trying to create an alternative economic and technological architecture, strengthening ties with non-Western countries and reducing the impact of sanctions. Its strategy is to build new trade routes, develop digital networks, and dominate the energy sector.

An additional important aspect of Russia's digital infrastructure and technology strategy is the development of alternative economic corridors to circumvent Western sanctions. This includes the use of new currencies, increasing influence through non-Western alliances, and creating secure transportation routes in areas that have traditionally been overseen by the US and the EU.

## **Creating an Economic System Independent of the West**

In addition to transportation and telecommunications networks, Russia is working to build an economic system less dependent on the West:

Developing an alternative financial system to bypass SWIFT: Russia has created SPFS (System for Transfer of Financial Messages), a banking system that is increasingly used by the BRICS countries and its Asian partners. Using the ruble and partner countries' currencies: In trade with China, Iran, India and Turkey, Russia has reduced the use of the dollar and euro, switching to payments in rubles, yuan and rupees.

## **Transporting Goods through New Corridors**

In addition to the North-South Corridor (INSTC), Russia is investing in:

New routes for transporting goods across the Arctic, due to the melting ice in the north. This makes possible a shorter route between Asia and Europe, reducing dependence on traditional canals such as Suez and Malacca. Strengthening connections with India and the Middle East through ports in Iran and Central Asia, creating a secure route that does not pass through the Western-controlled canal.

## **Digital Infrastructure as a Tool for Global Control**

Another such thing is the development of an independent digital platform and

artificial intelligence: “RuNet” and the sovereign internet: Russia aims to create an ecosystem independent of Google, Facebook, and Microsoft, by creating domestic search engines (Yandex), messaging apps (Telegram, VKontakte), and cloud services.

Investments in Cyber Defense: Russia has created to defend against cyber and technology attacks teams that can compete with Western ones.

AI and digital technology: The use of artificial intelligence for data mining and integrated camera analysis with advanced algorithms has become a priority for the Russian government.

### **Impact on the Infrastructure of Partner Countries**

To increase its global influence, Russia has begun to build up operations in countries that have ties to it: Africa: Russia has invested in mines, hydroelectric power plants, and telecommunications systems in countries such as Sudan, Mali, and the Central African Republic.

Latin America: Through cooperation with Cuba, Venezuela and Nicaragua, Russia is creating new financial and energy networks, including oil and the creation of refineries. Russia is focusing not only on the economy of new technology networks and technology, but also on a global parallel, where countries that are dissatisfied with the US and the EU can use alternative technology and technology. This strategy is not only about protection from sanctions, but also about a multipolar world, where Russia and its allies can operate without the protection of the West. The Interconnection in the Development of Infrastructure, Transport and Digital Technology. In the era, the development of modern technology are inseparable. Transport and digital technology are increasingly integrated, creating an interconnected ecosystem that will have security in the economy, in the nature of life of life.

### **The Role of Infrastructure in Economic Development**

Infrastructure is the backbone of the development of any society. Roads, railways, ports and airports facilitate trade and their movement, contributing to economic relief. Investments in modern transport reduce costs, improve logistics and price competitiveness.

### **Integrating Digital Technology in Transport**

The use of digital technology in transport produces high efficiency and security. Artificial intelligence (AI), data analysis and the Internet of Things (I T) are revolutionising how public and private transport is managed. Some applications of digital technology include:

1. Intelligent traffic systems, which optimise traffic flow and reduce pollution.
2. Autonomous vehicles, which reduce accidents and increase transport efficiency.

3. Integrated digital platforms, which provide advanced connectivity for passengers and transport operators.

#### 4. Transforming Cities through Connectivity

Modern cities are adopting “smart city” models, where technology is connected to their lives to use the technology of life. This includes real-time data to manage energy, transport and public services. The initiative can create a high level of air quality, reduce traffic congestion and more efficient services for.

#### Advancing International Cooperation

In a more globalized world, the development of transport activities and technology requires cooperation between different countries and actors. Initiatives such as International Transport Corridors and investments in transnational digital technology can create a more sustainable and integrated global system.

## INTERNATIONAL RELATIONS AND THE BALKANS

### Restoration of international relations Albania-Russia

Article by the Ambassador of Russia to Albania, A.Zaytsev on the occasion of the 100th anniversary of the establishment of diplomatic relations between Russia and Albania

#### *Russia and Albania: history, present, prospect*

In 2024, 100 years will pass since the establishment of Russian-Albanian diplomatic relations. During this time, bilateral relations between our states have experienced more than once ups and downs, including the period of active comprehensive cooperation in politics, economics and culture in the years 1945-1961, as well as the phases of their “freezing” in 1924-1934, 1939-1944, 1961-1991 and in recent years.

Although diplomatic relations between the Soviet Union and the new Albanian state were first established in 1924, various Russian-Albanian contacts had already taken place before. Thus, in October 1759, the Himariots, inhabitants of the southern regions of Albania, immediately after other Balkan peoples who fought under the Russian flag against the Ottoman Turks, expressed in a letter to Empress Ekaterina Petrovna their desire to accept the protectorate of the Russian Empire in the hope that “the victorious Russian weapon would be able to liberate the oppressed Orthodox peoples of the Balkans from the Ottoman yoke”.

When the next Russo-Turkish war began in 1768, the commander-in-chief of the Russian squadron in the Mediterranean Sea, A.G. Orlov, called on the Himariots to enter Russian service. Many of them responded to this call and fought bravely as part of the Russian squadron. Some of the Himariots after the end of the war moved with their families to Russia.

At the end of the 18th and beginning of the 19th centuries, Russian-Albanian ties continued to expand. During the expedition of admirals F.F. Ushakov and D.N. Senyavin in the Mediterranean Sea and the stay of Russian troops on the Ionian

Islands, a large number of Albanians fought under the Russian flags. Thus, during the siege of Corfu in 1789-1799, up to 4,500 Albanians participated. Hundreds of Albanians served in the "light infantry legions", created in 1805 by the Russian command on the Ionian Islands.

Russian-Albanian contacts significantly intensified at the beginning of the 20th century, when the issue of the creation of the Principality of Albania as a sovereign state, independent of the Ottoman Empire, was being decided. During the proceedings of the Conference of Ambassadors of the Great Powers, including Russia, held in London (1912-1913), as a result of which the borders of the Albanian state were determined, the Russian diplomat A.M. Petryaev visited Albania several times, where he met with representatives of the Provisional Government of I. Qemal, and informed the tsarist government about the state of affairs in this country.

After the First World War, Soviet Russia supported the struggle of the Albanian people for independence and their right to determine their own destiny on their own land. In particular, after the October Revolution of 1917, the Soviet government published, among other secret agreements, the Treaty of London of April 26, 1915, which provided for the division of Albania and the establishment of the Protectorate of Rome in exchange for Italy's entry into the First World War on the side of the Entente countries.

Specifically, the issue of establishing diplomatic relations between the two countries began to be worked out in 1924, when the Albanian government of F. Noli turned to Soviet Russia in search of international support. The relevant agreement was recorded in the exchange of notes between the foreign ministries of the two countries in September 1924. On December 16, 1924, after receiving entry visas in Vienna, a group of diplomats, led by the Soviet Plenipotentiary Representative, A.A. Krakowecki, arrived in Tirana. However, in the conditions of a rather complicated internal political situation in Albania and strong political pressure on the government of F. Noli from the Western powers, which opposed the establishment of ties between Albania and Soviet Russia and the presence of the Soviet diplomatic mission in Tirana, the government of F. Noli expressed its support for a short delay in establishing the Soviet diplomatic representation in the Albanian capital. Three days after arriving in Tirana, the Soviet Plenipotentiary Representative, A.A. Krakovecki was forced to leave the country. Diplomatic relations between the USSR and Albania were frozen for 10 years.

The actual restoration of bilateral relations occurred only in September 1934, when the Albanian government led by King A.Zog agreed to the USSR's proposal to "melt" diplomatic contacts. However, they did not last long. Already in April 1939, when Albania was occupied by fascist Italy, Soviet-Albanian diplomatic relations were "broken off" again. In 1944-1945, only Soviet military missions were located in the country, led by Red Army Major K.P.Ivanov, then by Colonel S.V.Sokolov.

The issue of restoring bilateral relations arose immediately after the end of

World War II. On January 11, 1946, the first envoy of Soviet, D.S.Chuvahin presented his credentials to the Chairman of the Presidium of the People's Parliament (Assembly), O.Nishani, and in December 1946 diplomatic relations between the USSR and the People's Republic of Albania (PRA) were fully resumed.

It was in the post-war years (1946-1961) that political, trade, economic, cultural and humanitarian ties between Albania and the USSR flourished. The Soviet Union helped the new socialist republic create an industrial base, supplying it with more than 90% of all equipment for the oil, mining, and road freight transport industries, more than 80% of tractors and 65% of other agricultural machinery.

During the first five-year plan (1951-1955), with the direct support of the USSR, a number of large enterprises were established: the textile combine in Tirana, the wood combine in Elbasan, the cement factory in Vlora. The average annual growth in industrial production volumes was 28%. During the second five-year plan (1956-1960), more than 50 industrial facilities were built, including a hydroelectric power plant in Ulza, a mine in Kurbnesh, and oil refining complexes in the cities of Cerrik and Stalin (present-day Kuçova).

The Soviet Union supplied Albania with machinery and equipment, consumer goods, imported breeding livestock, seeds of cereals and industrial crops, fertilizers, and provided preferential loans. Soviet specialists were sent in large numbers. Young Albanians (about 10 thousand people) completed higher education and increased their qualifications in the USSR, while the knowledge and experience gained served as the basis for the development of the country.

Cooperation in the field of security was actively developed. The agreement "On the naval military base in Vlora", signed in August 1957, determined the conditions for the presence of the Soviet fleet on the Adriatic coast of Albania. On the basis of this agreement, military ships and submarines of the USSR had the right to free deployment in Albanian ports. The main obligation of the Soviet side was the delivery of new ships and submarines to Albania, as well as the training of sailors to work with the new equipment.

An air base of the Warsaw Pact countries operated in present-day Kuçova. Dozens of fighter aircraft, modern for the 1950s-1960s, including the MiG-19, were stationed there. Albania had a full-fledged military air force, fighter pilots who were trained, among other things, in the flight schools of the USSR.

Close political contacts were maintained between the two states. Delegations of the Albanian party and government headed by the head of the country, E.Hoxha, visited the USSR more than once, while in May 1959, the head of the Soviet state, N.S.Khrushchev, visited Albania on an official visit that lasted almost two weeks. However, due to ideological disagreements between the RSPSH and the USSR, in November 1961 the USSR government was forced to withdraw the entire staff of the Soviet embassy from Tirana, which led to the "freezing" of diplomatic relations

for 30 years, until 1991, when the activities of the embassies in the capitals of both countries resumed again.

After the restoration of contacts in the 1990s, Russia made efforts to establish normal interaction with Albania. The legal basis and agreements between the two countries in the fields of culture, education, tourism, health, trade and economy, investment and scientific and technical cooperation, environmental protection, etc. were formed and improved in a very active manner. In the 1990s, bilateral visits were held by members of governments, as well as parliamentarians of both countries. In April 1995, the Chairman of the Council of Ministers of the Republic of Albania paid an official visit to Russia. On the occasion of the celebration of the 50th anniversary of the Victory of the USSR over fascism, the President of the Republic of Albania was present at the ceremonial events in Moscow (May 1995). Contacts were maintained between the foreign ministries of Russia and Albania. In December 2004, the Minister of Foreign Affairs of Russia, S.V.Lavrov, arrived in Tirana for a working visit, during which the Treaty of Friendship and Cooperation between the two countries was initiated. The Russian-Albanian Intergovernmental Commission for Trade, Economic, Scientific and Technical Cooperation, established in 1992, operated successfully for many years. Mutual trade turnover increased.

The USSR helped create scientific, educational and cultural centers throughout the country. Thus, in 1957, with the support of the Soviet Union, the first university was opened in Tirana, in 1952 the film studio "New Albania" began its work. One of the first feature films in the country was the Soviet-Albanian co-production "The Great Albanian Warrior Skanderbeg" directed by S. Yutkevich. Famous Soviet artists came to the country. In November 1953, the performing collective of the National Opera and Ballet Theater, with the help of Soviet colleagues, staged the opera "Rusalka" by the Russian composer A.S. Dargomizhsky. This became the cornerstone for the development of the theater, on whose stage other Russian and Albanian operas would soon be staged.

Russia today is a high-tech country that builds machinery and automobiles, airplanes and space rockets, ships and submarines, discovers new possibilities for treating diseases and develops advanced atomic energy technologies. Russia is one of the first countries in the world to have proposed its "Sputnik-V" vaccine to international partners during the coronavirus pandemic. By the way, it has been successfully used in Albania. Our country has a global IT industry, has the highest level of digitalization: the field of commercial and state services has largely moved to the electronic plane. This allows increasing the profitability of business and greatly facilitates the lives of ordinary citizens.

A great opportunity has been missed that can reconnected based in international relations of past. It seems that the development by Tirana of a balanced foreign policy, taking into account true national interests, would at least help restore pragmatic and mutually beneficial cooperation. And there are serious premises for

this. An important factor that inspires hope is the commitment of the Russian and Albanian peoples to traditional values: family, in the classical sense of the word, appreciation for history, respect and peaceful coexistence of traditional beliefs, love for the homeland.

### **Conclusion**

The interconnection of products, transport and digital technology is a key factor for customers and developing economies. To achieve this goal, it is necessary to invest in new technologies, foster innovation and develop their partnerships for a more interconnected and broader future.



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# **Innovative Pathways for Sustainable Tourism Driving Urban Environmental Governance in the Global South**

## **A Multi-dimensional Collaborative Model Based on Circular Economy and Ecological Restoration**

### **Abstract:**

This paper examines the coordinated development of urban environmental governance and tourism in BRICS countries, exploring how sustainable tourism can systematically improve the quality of the urban environment and foster new economic growth drivers through technological innovation, institutional restructuring, and industrial integration, offering a paradigm for the countries of the Global South to resolve the “growth-pollution” paradox.

### **Preface:**

Environmental Governance Challenges and Transformation Opportunities in the New Economic Landscape

Since the beginning of the 21st century, the BRICS countries’ share of the global economy has jumped from 8.4% (in 2000) to 37% (in 2024), yet the environmental costs of rapid industrialization are increasingly evident.

World Bank data shows that economic losses from urban air pollution in developing countries account for 3--5% of GDP. For instance, economic losses due to air pollution in South Asian countries such as India and Bangladesh represent 3% and 4.4% of their respective GDPs, primarily resulting from rapid industrialization and population growth.

Let us turn our attention to my hometown of Qingdao, China, which has suffered from green tide invasions for 17 consecutive years. In 2023, the maximum coverage area reached 998 square kilometres, second only to the historical high reached in 2021. This directly threatens tourism revenues, which exceed 5 billion yuan (approximately \$690 million) per year. Similarly, plastic pollution along Mumbai's coastline has caused a consistent decrease in tourist numbers, while eutrophication in Rio de Janeiro's bay has negatively impacted the local ecosystem in numerous ways and stunted economic development.

Facing the "environmental deficit" that is prevalent across cities in the Global South, sustainable tourism can reshape development logic through three major transformation opportunities:

1. Ecological restoration creating a spatial premium:

Clean water bodies and green coverage rates are directly proportional to tourism consumption.

2. Circular economy activating resource value:

The global seaweed biomass energy market is growing at an annual rate of 17%, with the market size projected to exceed \$30 billion by 2030.

3. Digital technology enabling precise governance:

Monitoring systems that integrate satellites, drones, and blockchain significantly reduce environmental governance costs.

## **Theoretical Framework**

Verification of the Symbiotic Model between Environmental Quality and Tourism Economy

Based on panel data from multiple coastal cities worldwide (2005–2025), research reveals a significant positive correlation between investment in urban environmental governance and the economic impact of tourism, which is realized through three pathways:

### **Pathway One: Technology-Driven Ecological Restoration Added Value**

Intelligent Monitoring Systems:

Qingdao's satellite-drone-vessel collaborative monitoring network has improved green tide early warning accuracy to 92% and boosted collection efficiency by 28.5%.

Similar technology applied to Cape Town's coastal zone management has

reduced the frequency of red tide outbreak by 40%.

Resource Recycling Technology:

Green tide biomass conversion technology has yielded seven categories of products, including organic fertilizers and bio-based plastics, creating an industrial chain with annual output value of 1.5 billion yuan (approximately \$205 million) and a product premium rate of 35%.

Kerala, India has transformed coconut shell waste into eco-friendly building materials, driving a 21% increase in rural tourism revenue.

### **Pathway Two: Institutional Innovation Releasing Governance Efficiency**

Cross-regional Joint Prevention and Control:

The joint command headquarters established by Shandong and Jiangsu provinces for green tide management has delayed green tide landfall in Qingdao by 15 days through advance collection, cutting governance costs by 430 million yuan (approximately \$260 million).

This model has been replicated in cross-border water pollution control in the Mekong River Basin, reducing suspended solids concentration by 29%.

Ecological Compensation Mechanism:

Tianheng Island's "green tide acquisition + community dividend" model has helped 2800 fishermen transition to new roles, increasing per capita income by 25,000 yuan (approximately \$3500) while achieving an 89% resource utilization rate for green tide biomass.

Rio de Janeiro has raised coastal restoration funds through carbon credit trading, with subsidies reaching \$18 per ton of CO<sub>2</sub> equivalent.

### **Pathway Three: Industrial Integration Restructuring Value Chains**

Environmental Education Tourism:

VR technology simulating marine ecological evolution has extended tourist stays in Qingdao by 30%, with educational tourism product revenue growing from 5% to 18% of total tourism income.

Low-Carbon Transportation System:

Shenzhen, China has replaced all 16,000 public buses and 22,000 taxis with electric vehicles, establishing the world's largest pure electric public transit and taxi network.

This reduces carbon dioxide emissions by approximately 2 million tonnes annually, significantly improving urban air quality.

## **Systemic Transformation of Economic and Social Impacts**

### **1. The Economic Growth Dimension**

### Employment Multiplier Effect:

Every \$1 million invested in environmental governance creates 8.2 green jobs, which is significantly higher than the 3.5 jobs created by traditional infrastructure.

Ecological renovation of Qingdao's cruise terminal has driven 3.2-fold growth in employment.

### Asset Value Reassessment:

Pollution control along Mumbai's Marine Drive has increased surrounding property values by 17%, thus confirming the role that environmental quality plays in activating spatial capital.

## 2. The Social Equity Dimension

### Community Co-governance Model:

Cape Town's "Environmental Bank" system, where residents earn points that are redeemable for public services by participating in beach cleaning, has reduced environmental complaints by 46%.

### Health Benefit Conversion:

Qingdao's PM2.5 concentration decreased from 66 $\mu\text{g}/\text{m}^3$  in 2013 to 23 $\mu\text{g}/\text{m}^3$  in 2025, with continuous air quality improvement significantly reducing doctor appointments related to respiratory diseases.

## 3. The Institutional Innovation Dimension

### Breakthrough in Securitization Financing:

The world's first "blue bond" issued in Qingdao securitizes green tide carbon sink benefits, with financing costs 1.8 percentage points lower than traditional loans.

### International Standard Leadership:

ISO 11778 "Brand Evaluation - Tourism City" led by China incorporates ecological restoration investment ratio as a core indicator.

## Strategic Pathways and Expected Outcomes

Stage	Core Tasks	Key Indicators	Typical Cases	Foundation Period
(2025-2030)	Establish intelligent monitoring and resource recycling systems	Solid waste resource utilization rate $\geq 65\%$	Qingdao green tide monitoring and early warning system	Efficiency Enhancement Period
(2031-2040)	Cultivate environmental service industry clusters	Green added value in tourism industry $\geq 40\%$	Kerala's coconut shell building material industry chain	Output Period
(2041-2050)	Construct transnational environmental governance alliances	Cross-border ecological compensation trans-action volume $\geq \$80$ billion	Mekong River Basin water pollution control agreement	

Based on common characteristics of Global South cities, a three-stage development framework is proposed:

### **Innovative Solutions:**

Blockchain Environmental Ledger:

Real-time tracking of tourism activity carbon footprints, with Mumbai's pilot programme demonstrating a 67% reduction in carbon emission disclosure costs.

Ecological Insurance Derivatives:

Linking environmental quality with financial instruments, Rio de Janeiro has raised \$2.3 billion in restoration funds through climate bonds.

Gene Editing Technology:

Cultivating mangrove varieties with three times the pollution absorption capacity, Da Nang, Vietnam has doubled coastal zone restoration efficiency.

### **Conclusion and Outlook**

Sustainable tourism is reshaping development paradigms across Global South cities:

The “monitoring-collection-conversion-experience” closed loop formed in Qingdao's green tide management, together with Cape Town's coastal restoration and Kerala's circular economy, jointly demonstrate that environmental governance can create value through three major transitions:

1. From cost centre to profit centre:

Every tonne of green tide costs 180 yuan (approximately \$25) to process but generates 520 yuan (approximately \$70) in resource-based products.

2. From government-led to market-driven:

The issuance of ecological restoration bonds is growing 37% annually, far outpacing traditional municipal bonds.

3. From local governance to global collaboration:

As BRICS cooperation deepens, environmental technology trading platforms will continue to play a crucial role in facilitating advanced environmental technology transfer and transformation among member countries.

By 2040, this model is expected to drive Global South cities to achieve:

1. A projected decrease in tourism carbon intensity to 0.1 tonnes per 10,000 yuan (approximately \$1400) of GDP.

2. A projected increase in coastal wetland ecosystem service value by over \$200 billion.

3. A projected increase in the number of jobs in environment-related emerging industries of over 15%.

The practice of sustainable tourism as a driver of urban environmental governance represents a profound transformation in the development paradigm of human civilization.

Qingdao's green tide management, Cape Town's coastal restoration, and Kerala's circular economy collectively demonstrate that:

When technological innovation breaks through resource constraints, institutional restructuring unleashes governance efficiency, and industrial integration activates ecological value. Economic growth and the improvement of environmental quality can transcend traditional opposition and achieve collaborative evolution at a higher level.

This new development philosophy, centred on "ecological capital appreciation," not only provides a scientific solution for BRICS countries to resolve the "growth-pollution" paradox but also reshapes the underlying logic of the global economic order - environmental governance is no longer a passive defensive cost, but a strategic investment in cultivating new quality productive forces.

Against the backdrop of the collective rise of the countries of the Global South, sustainable tourism is becoming a key lever for green transformation.

By establishing carbon sink securitization mechanisms, transnational environmental technology alliances, and inclusive ecological service networks, we expect to achieve by 2040:

Tourism driving 30% of urban ecological restoration projects, creating 50 million green jobs, and increasing the number of days with excellent air quality by 50% for 800 million urban residents.

The achievement of these goals will mark humanity's formal entry into the era of "environmental quality dividends" - where blue skies and clear waters constitute the most valuable business environment, ecological well-being represents the most inclusive public good, and economic growth and planetary health ultimately converge into a single forward-flowing river.

This is not merely self-innovation by developing countries, but a vivid interpretation of the community with a shared future for humankind:

When every patch of green tide is converted into clean energy, when every river supports ecological tourism, when every city can heal nature through development, we will have found the true code to a sustainable future - a symphony of technological rationality and ecological ethics, a symbiosis of economic growth and planetary health, and a contemporary answer to humanity's eternal quest for "harmony between humans and nature."



MEXICO



## Peña Paredes Juan Manuel

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# Human Development with Integrity, Technology and Traditional values

In our current World (actually, since ever existed), it has been, is and will be Multipolar.

In the past, the Western media and “proclaiming” to Anglo-Saxonism-Transactional-Zionist-“pseudo-Humanist”, certainly with a dark agenda, in the last ca. 200 years and more precisely since the Post-World War II. 200 years and more precisely since the Post-WWII and after the Post “перестройка и гласность”, to the current US-NATO provoked Conflict in Ukraine, the Balkans, and other regions of the World, have falsely promoted that there is only one All Powerful Pole mastering wills, lives and destinies, aka “USA & UK” and disdaining everything that does not represent their Anglo-Saxonism, from language, their “culture”, their “race”, and interests. E.g. Commonwealth creating Wars like the Opium War, infiltrating over 89 free government-countries destabilizing for Anglo-Saxon self-interests.

The individual and collective historical subconscious of us Hispanics and Latinos carries sometimes with forgetfulness, sometimes with contempt of our reality and our identity and culture and technological, creative, commercial, educational capacity that in the late Middle Ages the English and Saxons began systematically to attack and destroy all identity of Hispanic-Latinidad, in the Americas, in Asia, in Africa, in Europe.

Attacking language, culture, freedom, the mixing of our races, and the destruction of autonomies.

The pro-Anglo interventions of the “libertarian” Garibaldi in South America to the perverse Ambassador (read “spy”) Joel Roberts Poinsett destabilizing governments and countries, creating conflicts in México preparing the theft of territories from México (as Monrists and precursors of Wolfowitz) and the despicable Ambassador W. Wilson.

Attacking Hispanic-Latin and Orthodox Christianity, as it does today in Ukraine and Central Asia, proposing “libertinism” (read “disordered, anarchistic, subjugated mind, to mediate without consequences”) towards agendas similar to the late Middle Ages, and causally aligned to Zionism.

(see how the US decided to destroy with atomic bombs, “coincidentally” the two Japanese cities that had the highest concentration of Japanese Catholic Christians).

Taking by force: like Panama, and 55% of Mexican Territory, cheating the Russian Empire with Alaska and the Crimean War by England: both Anglo-Saxon interests and without honoring trade agreements to weaken Imperial Russia (and American Spain and Imperial México), destroying the Hispanic Philippines among others, creating ideological chaos in Brazil and Gran Colombia, exterminating the Natives and despising the Hispanic/Latin-Native American mix, of Anglo-Saxon European exploitation (incl. German-Teutonic) in Africa, and thus enriching “Western” Europe, similar to WWII that Hitler despised all things Slavic and secretly making pacts with Zionists allowing Zionists to enrich “Western” Europe, allowing the terrible massacres that followed.

(it should be said that the real Holocaust, was not Jewish, but the Holocaust is of Slavs, between 20 million to 27 million Christian Slavs, and other almost 20 million in Christian Europe, it is evident

the historical and foolish bias to call Holocaust to the lamentable massacre of 6 million Jews, mainly poor, abandoned and given to Hitler by the rich Jews themselves Zionists).

Few will recall that the US theft of Mexican territory was orchestrated by the then US Democratic Party and the York Freemasons in secret collusion with the Scottish Freemasons of México and England, coincidentally, Zionist interests.

The Republicans would later say “they would never again attack a weak nation”. 200 years later they are still doing so or creating destabilization for their interests.

We could fill petabytes of history and cases.

On the other hand, today, we can create collectively and with purpose-aimed leadership:

Technology accessible to the population, and generate sustainability and sustainability viably with Energies from the traditional petrochemicals to the hackneyed green, hydrogen (green, blue, pink, others) and mini-nuclear. Development of technology with civil applications in agriculture, production of healthy food, regeneration and conservation of rivers, waters, fields and natural environments, for present and future generations.

The development of Software, Middleware and Hardware for vehicles (mobility), residential-commercial-hospital, terrestrial infrastructure, naval, railway, air, commercial, industrial, research-development-innovation, medical, air-space, electric-energy.

Hardware should be understood as not only linked to SW and MW, but also to tangibles such as steel structures, aluminum, graphene, and tangible industry in general.

Is it true that part of SpaceX carries Russian technology, or is actually all of SpaceX based on Russian technology but now “Americanized” (from the USA)?

If so, at least the initial base of electronics and AI in SpaceX, shows the Russian nobility of sharing technology as it did with China during the Post Revolution with Никита Сергеевич Хрущёв bringing technology and resources to China... or the cultural scientific talent in created in Cuba.

Hydrogen that can yield to speed up agricultural production of healthy food and energy production, combining Green, Blue, Grey, Pink, Yellow variants in traditional and innovative chains, e.g. CO<sub>2</sub> recovery in industry and chains, or exhausted heat in Nuclear and/or Refineries, Methane-Agricultural-Food-Hospitality etc.

Leaving oil for tertiary and quaternary processes for future generations, maximizing reserves and economy, without reaching the academic extreme that Western Europe is experiencing with the abuse of the “green” ideology.

Then, Technology is directly linked to the environment and the human being.

Being responsible, and congruent, these two elements must be monitored and controlled with ethics and reference of Government and Citizenship, avoiding e.g. unwanted biological manipulations in human beings and/or genetics, or technologies manipulative of society or restrictive of the human being, his creative mind, but always respectful of the positive traditional values, and not the degenerative ones as the Soros-USA (Democrat)-DeepState-British agenda.

Educating and cultivating the human mind and the spirit and essence of being with traditional values and in technological progress, the Global Human Integrity is cemented, quasi-holistic: moral conduct, ethical spirit, cultivated and educated mind, society of propositive traditional values, and not degenerative.

Taking these 3 elements mentioned to the citizens, to the society, it must be understood as “Investments in human capital”, yes but beyond “Investment” it is a right and an obligation, in both senses of the one who regulates-proposes-promotes-finances it and of the one who receives it-powers and shares it, formerly giving it the dimension of “investment” could limitingly consider it in a utilitarian equation rather than a tool in service of humanity and the human being per se. It is a noble act of humanity.

More than “Human Capital” is “The Human BEING per se”, without entering into a semantic-dialectic game: “The Development of the Human Being” with “Global Integrity” using “Technology” responsibly and with values with sustainable legacy “of the Environment”.

Technology at the service and disposal of the Human Being, with Traditional Values Integrally responsible for its Environment (our Earth) assuring the fullness of potential: Poet, Legislator, Scientist, Technician, Engineer, Artistic Creator, Family.

Create companies with the Western ESG ESR concept whose real focus is to maximize margins for investors (speculation) and/or owners and/or management bonuses with higher operational productivity?

Or,

To create responsible companies whose social impact via sustainable and balanced production permeates to a greater number of people and community but at the cost of redistributed margins and with the result of diminished “productivity”?

Without going into the dialectic of Capital in its variants, read then, create companies for society or create companies for monetary profitability?

The first maximizes particular interests, consumerism and creating “dissatisfiers” to produce “satisfiers” (*vanitas vanitatum et Omnia vanitas est*), the second ensures a social balance of opportunities, even in the difference of individual capabilities.

The first continues to create a greater gap with a heartbreaking impact on human beings and their collective and community... or is it an incentive to form more entrepreneurship?

How to do it?

What ensures better social stability and individual and collective growth?

Is technology replacing the human being by maximizing margins and productivity or is it the reading of freeing the mind and potential of the human being to other activities?

Should it be regulated, controlled, legislated?

Thereof, the thesis to invest and create Technology and focus on The Development of Human Being with Global Integrity.

It is true that the differentiation of human potentials and their capacities would be a *tabula rasa* assuming the same capacities and potentialities, being in reality that it would lead to the frustration of some individuals or collectivities, if not even to the same degenerative involution.

Consequently, the technical-scientific-artistic-social educational system, should potentiate both: capacities of the human being, and the collective communities with traditional values towards a sustainable progress with integrity.

How would the State and Society give certainty for the collectivity to the human being and the community?

Is the capital-industrial thesis of “without growth” (increasing profits) companies die” valid?

This thesis is based on exploitation and maximization in short term, be it consumerist, speculative or other variants, but not on sustainability.

Aligning business growth to world population growth and life expectancy and from the equation creating productive models?

This in no way aligned to the perverse US-Soros-DeepState-Gates-Clinton DEI plan, but to the true human being with traditional approach.

How then under the multipolarity of the World and the multiculturalism of Humanity?

BRICSX is a model of Multicultural and Multipolar Association, even in the diverse differences of these members with the Leadership and intelligence of Russia.

How to potentiate BRICSX to an order of multipolar respect with technology, values and opportunities to the human being and the social community?

Organic evolution with values and sustainability based on technology, order, discipline, respect, and humanity, even in the differences find the beauty of the communion of the essence between humans and the State with integrating and regulating Leadership.

organic or planned evolution?

Either proposal appeals more to the intellect and more questions with opportunities.

In the human collective, the individual talent, the community and society, is enriched from the mind, its connection with the community, common and social good, with traditional values and respect for the difference of our cultures and integration, creating technology and basic science for the community and nations, nurturing the human intellect, empowering their capabilities, and generating equal opportunities, in community respect, e.g. those with different abilities and conditions.

**Potvin Joseph**

Economist



## Earth Reserve Assurance (ERA): A Framework for Sound Money

### **Preamble:**

Earth Reserve Assurance (ERA) offers a decentralized path to sound money. It can be incrementally adopted as an auxiliary function to any currency in a multi-currency system, without requiring a central reference unit or legislative reform.

### **Core, Part 1: Money Communicates Entitlements and Obligations**

The term 'money' in many languages derives from the Proto-Indo-European term \*moneyo-, a causative form of the root \*men-, 'to think') meaning "to cause to think" or "to remind". As societies became more complex, money emerged as a quantitative mnemonic device for keeping track of social entitlements and obligations. J. M. Keynes explained on the first page of his *Treatise on Money* (1930) that 'currency' (Money-in-Trade) must communicate 'worth' (Money-of-Account). "Money Proper", in its full sense, should fulfill the four axiomatic functions defined by W. Stanley Jevons (1876): a medium of exchange (trade), a store of value (accumulation), a measure of value (quantification), and a stable standard through time

(stability). To the extent a currency fails any of Jevons' four axioms, it loses some of its utility in keeping track of social entitlements and obligations.

Among monetary economists and central bankers there is a conundrum known as the "Mundell-Fleming Trilemma" (1960s), which laments that they must always sacrifice one of their three goals: fixed exchange rates, free capital flows, or monetary independence. Paradoxically, the loss of any one of these also erodes Jevons' four axiomatic functions. To cope, central bankers sacrifice stability, or they give up their independence through a currency union or board, or they speak of Jevons' axioms as mere guidelines.

Alternatively, the Earth Reserve Assurance (ERA) framework resolves this Jevons-Mundell-Fleming Paradox by restoring a dynamic Money-of-Account to Money-in-Trade. For any currency it enables the practical communication of monetary worth within and among regions, at any given time and through time.

This is accomplished by generalizing the functional logic of the world's first monetary system, that of ancient Sumer (circa 4500-1900 BCE), where the value of silver was anchored to recent barley yields. This was the first embodiment of the sound money principles described 6,000 years later in Jevons' four monetary axioms, and Keynes' Money-of-Account principle.

## **Core, Part 2: The Ancient Sumerian Reference Model**

The Sumerian monetary system offers a functional template for sound money. Silver served as Money-in-Trade, while a flexible but bounded amount of barley—the region's foundational agricultural commodity—was the Money-of-Account. The value of silver was annually recalibrated to reflect the previous season's barley yields, ensuring stability while adjusting to fluctuations in production. To calibrate the tangible worth of a standard barley-sized grain of silver, temple authorities would increase or decrease the size of a 'handful' of barley. Decentralized redeemability allowed debts denominated in the silver currency to be settled in barley when the debtor lacked currency, preventing deflationary crises during shortages. This method demonstrated all four of Jevons' axioms: a fixed amount of silver for (1) trade and (2) accumulation; related to a bounded quantity of barley for (3) measuring comparative value in the market and (4) stabilizing market value through time.

Today Hungary's Arany Koroná (AK) system demonstrates a Money-of-Account tied directly to land productivity. This special-purpose valuation metric for agricultural and forestry lands uses rolling yield averages: 10 years for general agriculture, 15 for vineyards, and 25 for timber lands. Market transactions occur in the Hungarian Forint (HUF) currency, but agricultural land prices are indexed to the AK, insulating farmland from HUF devaluation relative to foreign currencies. In a limited way, the AK shows how a 21st Century Money-of-Account anchored to the productive capacity of Land can coexist with a floating Money-in-Trade currency.

### Core, Part 3: Listening to Ecosystems

The Earth Reserve Index of an Ecosystem (ERiE) measures productive capacity changes for each of the 108 IUCN-classified Ecosystem Functional Groups (EFGs). ERiE relies only upon data that is independently verifiable and methodologically consistent across ecosystems and through decades.

- Satellite imagery is used to monitor terrestrial and shallow water ecosystems for factors like biomass density, vegetation vigor, topsoil moisture, and metabolic activity. For each ecosystem type, data for ten 1 km<sup>2</sup> sites (separated by ≥100 km) are taken six times yearly, pulling 50 years of same-month historical data—yielding 3,000 total observations per ecosystem. Deepwater and subterranean ecosystems require proxy data (surface nutrient fluxes).

- Market data for various types of metal, mineral, and energy reserves in the Earth, which humans depend upon, is obtained from declarations in regulated markets. This is sufficiently reliable when there are multiple sources, and legal penalties for false or misleading data.

Figure 1 illustrates how each indicator measures change from base year to present on two scales: degradation (0% to -100% 'worst') and enhancement (0% to +100% 'best'). These are defined contextually for each indicator through scientific understanding and stakeholder negotiation, updated every seven years. The 10-year rolling average for each

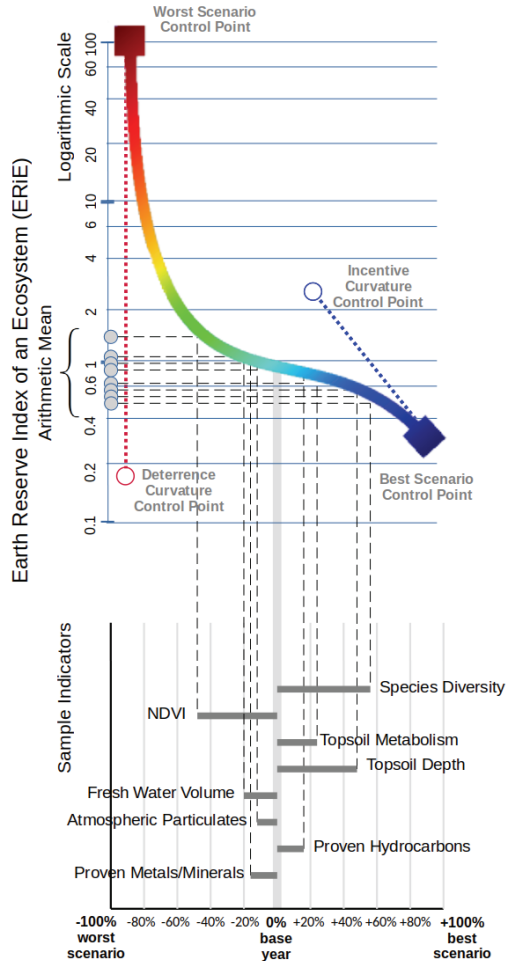


Figure 1: The ERiE algorithm's curve rises steeply on the left, approaching high y-axis values asymptotically as the x-axis nears -80%, creating strong disincentives for degradation. In the middle range, the curve slopes moderately. On the right, it falls gradually, ending at a 45° angle (slope of -1) at +100%, to gently encourage further ecosystem enhancement.

indicator is converted to an index with a function that tailors the multivariate ERiE for use in the ERA framework, in a manner that dissuades ecosystem degradation and encourages restoration.

The Earth Reserve Index of a Currency (ERiC) links each currency's unit worth to changes in the ecosystem integrity of its currency zone based on (1) the ERiE of each Ecosystem Functional Group; (2) the proportion of transactions using the currency in each country, and (3) the spatial extent of various ecosystems within those countries.

### **Core, Part 4: In Dialogue with Ecosystems**

The ERA Framework introduces two regulated financial instruments:

- GenERiC-dr (Generalized Earth Reserve Indexed Currency deposit receipts) provide a way to calibrate the worth ("Money-of-Account") of their designated currency. Through a notary, an individual or entity deposits physical cash or digital tokens into a certified vault. The notary records the ownership in a distributed registry, and issues the deposit receipt. The initial deposit amount for one GenERiC-dr unit is calibrated using the Protein-Equivalent Grain (PEG) method: For each currency's country, it uses FAO data to determine the cheapest mix of three grains (most-traded domestic; most-traded imported; and most protein-efficient) to produce 100 kg of bioavailable protein. Protein efficiency = (% protein content) × (bioavailability score). After this initial calibration, GenERiC-dr worth tracks the ERiC for that currency.

- Earth Reserve Assurance deposit receipts (ERA-dr) support new money creation upon completion of projects that enhance long-term ecosystem capacity to produce primary commodities. Individuals or entities undertake projects that improve ecosystem productive capacity. Once the outcomes are demonstrated and the improvements are assured for 200 years (through resilient design, legal covenants, maintenance agreements, etc.) they offer ERA-dr stainless steel vouchers to the market. These are priced through a so-called 'Dutch Auction': the first 10% is sold via descending bids, and the final price sets the value for the remaining 90%. The aggregated value reflects the market's perception of the project's contribution to national income over the next 75 years, based upon the durability of the contribution. This aligns new money creation with tangible value-generation. Once they are issued, the ERA-dr are indexed to the ERiC for that currency.

The tradable deposit receipts are made of 304 stainless steel to endure against fire, flood, hurricanes, informatic obsolescence/failure, war, cyber-attacks, or solar flares. Rectangular with rounded corners, the 30, 35, 40, 45 and 50 mm lengths span five orders of magnitude in worth: 0.01[¤], 0.10[¤], 1.00[¤], 10.0[¤], and 100.[¤]. Each is laser-engraved with two 59-character hash IPFS CIDs: one for documentation that backs the issuance of the deposit receipt, and one for receipt validation, including its exact alloy composition variable with LIBS or XRF devices. The elec-

tronic registry accommodates anonymity where this is legal for securities ownership, and also enables user-printable partial backups. Administrative costs include notary fees, voucher production, and vault operations.

Central banks are invited to redeem GenERiC-dr and ERA-dr during their normal open market operations to inject new currency into circulation. The ERA specification suggests that they purchase them with commemorative ‘sound money’ banknotes or electronic tokens that are similarly indexed to the ERiC of their currency zone. By this means, each central bank can incrementally transform its floating-value currency into stable money in the full sense of the term. These GenERiC-dr and ERA-dr would be stable reserve assets.

### **Expected Results: Monetary Reform Without Upheaval**

A global shift towards Frederick Hayek’s vision of “Choice in Currency” (1976) is evident in initiatives like mBridge and BRICS Bridge. As yet, they lack a Money-of-Account framework. Veteran IMF economist John Williamson observed in 1977 that central banks had made: “in effect, a decision to learn to live with the non-system that had evolved out of a mixture of custom and crisis over the preceding years.” (*The Failure of World Monetary Reform, 1971-74*. p. 73) Fifty years later, the international monetary non-system remains a technical, socio-economic, geo-political and philosophical challenge.

The ERA framework offers a practical approach to grounding a “Money-of-Account” to changes to ecosystem productive capacity. Through market activity, its two instruments—GenERiC and ERA deposit receipts—offer a decentralized approach to aligning the value of currency with the underlying ecosystem changes in each geographical currency zone.

The conventional floating-value variant of a currency should continue to operate alongside the stable ERA “sound money” variant of the same currency. Entities and individuals could then choose which they prefer to use for pricing, invoicing, and contracts. If deemed useful at the small and medium scale, GenERiC and ERA deposit receipts would proliferate through voluntary market adoption, which central banks can choose to redeem at their own pace, in their own way.

This requires normal regulatory oversight, but it sidesteps unattainable global agreements, legislative complications, and coercive mandates. It can scale organically yet with the appropriate institutional reviews, including scrutiny of its potential economic, social and political effects. Market demand would drive the requisite technical refinement and standardization of the essential data sources. Collaborative experimentation in diverse regions can adapt elements of the ERA framework to local legal, cultural, economic and ecological contexts.

ERA strengthens monetary sovereignty by offering a decentralized anchor and a practical pathway for the incremental conversion of any currency to sound money.



ITALY



## Quaglia Roberto

Science fiction writer



# Strategies for preserving monetary value in an increasingly dedollarised world: the role of cryptocurrencies in the struggle to control the projection of digital power

As we reflect on the emergence of a multipolar world and consider, in particular, its multi-nodal and multimodal multipolarity, we do not yet fully realise how widely and diversely these characteristics will manifest themselves in the future.

The emergence of a multipolar world, most vividly expressed in the development of the BRICS as an alternative to the unipolar model, marks the end of centuries of Anglo-Saxon hegemony and represents the victory of the paradigm of decentralisation over the paradigm of centralisation. Humanity has rejected the model of a world centralised around a single pole of power, which inevitably breeds tyranny – as the colonial and neo-colonial experience has empirically proven – opting instead for a model of power decentralised between different poles.

However, the transition period is by no means easy and the challenges facing the world are enormous. One of the key challenges is the preservation of monetary value in an environment of increasing dedollarisation and militarisation of residual financial infrastructures, which destroys all previous equilibria and requires

the creation of new structures and balances. Losing the privilege of the petrodollar and the prospect of owning the world's reserve currency, the US has – and will have – no choice but to continue eroding the dollar's value through inflation. In March 2020, the M2 monetary aggregate was about USD 15.5 trillion. By March 2025, it is projected to rise to approximately USD 22.5 trillion. This is an increase of USD 7 trillion over five years, which is about 31% of the total M2 money supply by March 2025. Over the same period, the US national debt grew even more dramatically, from USD 23.3 trillion in January 2020 to USD 36.2 trillion in January 2025. The increase was USD 12.9 trillion over five years. These are almost unimaginable figures, debt of this magnitude cannot be repaid without catastrophic inflation. In other words, the dollar already has one foot in the grave, while the euro, deprived of even the residual privileges that the dollar has, is already nearly dead, although it is still clinging to life by inertia. These currencies may last a few more years, but not indefinitely. Alternatives are needed.

The BRICS countries in 2022 announced and in 2023 confirmed their intention to create their own common currency, but the project was shelved in 2024. Apparently, the challenge of creating a new currency that could win the consent of all member countries and possibly the rest of the non-aligned world has proved insurmountable for the time being. To circumvent the old financial structures militarised by the collective West, the BRICS came up with an idea of BRICS Clear, a cross-border payment system aimed at reducing dependence on the dollar, and generally set out to reduce the use of the dollar in intra-group transactions and increase the use of national currencies. But this does not address the need for a new monetary instrument capable of providing guarantees for the preservation of monetary value in the medium and long term, which the dollar can no longer ensure. The main problem of any currency that claims to be universally recognised is to reach a consensus, which has always arisen spontaneously throughout the history of money.

The 2008 financial crisis caused by the collapse of sub-prime mortgages in the United States served as the catalyst for the creation of bitcoin by an anonymous developer (or some entity hiding behind the pseudonym Satoshi Nakamoto). This new technology, often compared to the invention of the wheel or the discovery of fire, is something once invented that cannot be undone. Bitcoin is also referred to as the 'Internet of Value' because, just as the internet revolutionised the transfer of information, bitcoin has created a decentralised way of transferring value without intermediaries. No central authority can block or control transactions, making it similar to the freedom of publishing on the internet. In December 2024, President Putin remarked that no one in the world has the power to stop bitcoin.<sup>1</sup> This was a milestone in the official recognition of this tool.

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1 "For example, let's take bitcoin, who can ban it? No one. And the use of other electronic means of payment, who can ban it? No one! Because they are new technologies. No matter what happens, no matter what happens to the dollar, these tools will develop one way or another. Because everyone will strive to reduce costs and increase reliability.

The reliability, decentralisation and resilience of the bitcoin network are the main reasons for the growing global consensus on this new instrument. Game theory reinforces this consensus within a virtuous circle, as every actor starting to use bitcoin has a strong interest in protecting its network to preserve the functions it uses and the investments made. The more serious and powerful the entities that begin to utilise bitcoin's functions, the stronger and more important the corresponding network grows, and the stronger the 'gravitational' pull of bitcoin becomes, absorbing additional monetary value from the global economy. American billionaire Michael Saylor, drawing on his MIT education, uses metaphors from the world of physics to argue that bitcoin represents the only form of conservation of 'monetary energy' according to the second law of thermodynamics<sup>2</sup> and that its force of attraction to the world's monetary value grows in proportion to the value already attracted – analogous to the law of gravity applied to matter, according to which ideally sooner or later it should attract all value, like a black hole eventually absorbing all matter. Putting aside theoretical extremes, there is no doubt that the more significant the actors accepting bitcoin as a tool, the broader the consensus will be, as mentioned above, within the virtuous circle. Even the internet met with widespread distrust in its early years, and then the consensus expanded rapidly. In fact, the acceptance of bitcoin is happening faster than the acceptance of the internet once did. A study by Blackrock found that bitcoin is spreading 20% faster than the internet once did, and 43% faster than mobile telephony.<sup>3</sup> Other studies have yielded similar results<sup>4</sup>

While in 2011 the total capitalisation of bitcoin was only USD 6.5 million, two years later, in 2013, it reached USD 12 billion. In 2017, this figure rose to USD 335 billion, in 2021 – to USD 1.3 trillion, and by 2025, even the most conservative forecasts suggest growth to almost USD 3 trillion. Over the past 13 years, bitcoin has seen a compound annual growth rate (CAGR) of 102.36%.

In parallel, an ecosystem of other cryptocurrencies has emerged, the number of which has grown exponentially in recent years. In 2013, the cryptocurrency market was just a handful of tokens, by 2015 the number was in the hundreds, and by 2020 – in the thousands. Then there came a real 'big bang' of new cryptocurrencies, and by 2025 their number is already hard to calculate, although some estimates put it at 11 million. However, most of these currencies have little or no value. All this means, above all, two things:

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- 2 <https://www.youtube.com/watch?v=OC7Qfgl3zVg;>  
<https://www.youtube.com/watch?v=q1lRY1XKfX0;>  
[https://www.audible.com/es\\_US/podcast/Michael-Saylor-The-Thermodynamics-of-Bitcoin-EXPLAINED-2021-393/B0CTXKJ1B7.](https://www.audible.com/es_US/podcast/Michael-Saylor-The-Thermodynamics-of-Bitcoin-EXPLAINED-2021-393/B0CTXKJ1B7)
  - 3 [https://crypto.news/crypto-adoption-beats-mobile-phones-by-43-and-internet-by-20-reports-blackrock/.](https://crypto.news/crypto-adoption-beats-mobile-phones-by-43-and-internet-by-20-reports-blackrock/)
  - 4 [https://medium.com/coinmonks/chart-of-the-day-crypto-vs-internet-adoption-19b05d57440a.](https://medium.com/coinmonks/chart-of-the-day-crypto-vs-internet-adoption-19b05d57440a)

We are witnessing a genuine paradigm shift in the perception of the nature of money. Although the process started back in 2009 and impressive results have been achieved, we are only at the beginning of a new era. The institutions, agencies and States that act first and act decisively within this new paradigm will benefit the most.

The standard is the bitcoin protocol, just as the TCP/IP protocol is the standard for the internet. Any alternative can only fulfil auxiliary functions, but cannot replace an already established standard. Any alternative cryptocurrency could easily lose all of its value (and most of them will), but bitcoin has already established itself as an indispensable standard, and dismantling it is not feasible — at least not in the short to medium term. Therefore, a strategic approach to digital currencies should be built around bitcoin, while any approach to other cryptocurrencies can only have tactical value.

As we mentioned above, once invented, bitcoin, like the internet, cannot be ‘uninvented’. So the choice for any significant actor, be it an individual country or a group of countries (e.g., BRICS), is whether to start using it immediately, ahead of other countries, or later, lagging behind them. Obviously, an early start gives a competitive advantage. The ability of this instrument to ‘absorb’ monetary value thanks to the limited number of possible bitcoins, as reflected in the constant and progressive growth of its purchasing power against other commodities, offers an interesting solution to the problem of value preservation in a monetary world undergoing a restructuring crisis due to the advancing and irreversible crisis of the dollar. US President Trump announced with great pomp the creation of a strategic bitcoin reserve for the United States, but his subsequent statements have raised serious doubts as to whether this is a strategic move or rather a tactical concession to the vast cryptocurrency industry that supported him on the campaign trail. It seems that his team understands this issue much more deeply than he does. Nevertheless, the path for the US seems to be mapped out, especially since some states, such as Texas, have already spoken in favour of creating their own strategic bitcoin reserve and are one step away from practical implementation.<sup>5</sup> It is highly likely that other nations will follow suit - in the medium to long term, it is plausible to assume that all nations will choose to create a strategic bitcoin reserve, so nations that do so first will have a clear advantage (first-mover advantage) as they will be able to buy assets at lower prices. However, publicly announcing the intention to create such a reserve is by no means the best way to do so - or perhaps even the worst, serving mainly demagogic purposes, since it usually drives up the price of the asset before it is acquired, rather than afterwards, which is clearly inefficient. Therefore, the greatest benefit will be gained by those countries that build up their bitcoin reserve gradually and discreetly, without loud public announcements. Just like in

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5 <https://www.chron.com/business/technology/article/bitcoin-texas-law-crypto-trump-20197722.php>.

chess, in this sphere, it is probably wise not to announce to the whole world about your future moves in the game. It is better to act first and talk later than to talk first and act later.

In the face of the accelerating collapse – partly a structural collapse already, but mainly a collapse of reliability – of the monetary, financial and economic infrastructures left over from Anglo-Saxon unipolar hegemony, the need to be proactive in embracing new technologies and instruments like bitcoin is something fundamental for any country or group of countries, such as the BRICS, seeking a leading role in the emerging new world. As the idea of a common currency was being mullied over by the BRICS group, the need was mentioned to peg it to a basket of reliable assets such as gold and other underlying commodities. Given the growing acceptance of bitcoin, its fungibility, practicality of use and delivery, sooner or later it will inevitably be considered in the context of including strategic reserves in such baskets, so it is logical to act sooner rather than later. A thorough study is needed on the optimal development avenues in this field, assessing at a national or cross-national level the prospects for a bitcoin mining industry as part of a strategic energy plan to promote the development of energy infrastructure in regions where it is insufficient but essential. There are studies that show how the development of the mining industry using renewable energy in underdeveloped regions can further boost their development.<sup>6</sup> Case studies of such synergies achieved in China, Bhutan and Iceland already exist, but there are also other examples. We should not underestimate the economic and hence social impact on a country depending on how well it is keeping up with the times in this regard – or, better still, being at the forefront.

It is important to emphasise that mining activities are not only economically profitable through the ‘production’ of bitcoin, but are also strategically important for exercising control over the bitcoin network itself, ensuring that transactions cannot be censored. After Russia was excluded from the financial, banking and credit chains controlled by the collective West in 2022, there is an urgent need to provide effective alternatives. Russia’s MIR and the Financial Messaging System are examples – but they do not operate globally, whereas bitcoin operates on a global level. A national strategic bitcoin mining industry is a prerequisite for any state willing to ensure that it is not also excluded from the bitcoin chain in the future, as mining is the process of approving transactions on the network, and it is critical for a sovereign state to participate in this process to the greatest extent possible. As the BRICS countries hold the majority of the world’s territories and resources, they are well placed to secure a dominant position in the bitcoin ecosystem, in the competition for the right to validate transactions, and accordingly gain a strategic advantage in the most rapidly evolving technological field of our time. In the era

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6 <https://k33.com/research/archive/articles/bitcoin-mining-improves-the-economics-of-renewable-energy>.

of the Fourth Industrial Revolution, superior control over advanced digital infrastructures and tools is paramount. We live in an era where software is transforming into a 'softwar', becoming a weapon of war for those who have superior control and can use it as a weapon against those with less or no control. The Fourth Industrial Revolution has ushered in an era of dematerialisation of war, and if von Clausewitz were alive today, he would probably call it a continuation of war by other means. Today, technology dematerialises physical processes into software structures, and the projection of power is shifting – or at least diversifying – from the kinetic realm (traditional physical warfare) to the electronic and digital realm. Holding a share of control over the bitcoin network in the future will provide the ability to project digital power, probably in proportion to the amount of control available. What has been said about control over the bitcoin network is largely applicable to control over artificial intelligence systems, which also fit into the software warfare paradigm, but this topic requires a separate analysis.

Beyond the purely monetary aspect, bitcoin is emerging as a politically neutral technology used to project power locally and globally. This process is still in its early stages and has become visible mainly due to the rising value of bitcoin as a unit of account, but is likely to spread to areas beyond purely monetary relations. Bitcoin is not actually a 'currency' but a software that forms a global network which is becoming more robust, invulnerable and resilient by the day. This infrastructure will in the long run not only be able to help preserve value in a world plagued by inflation, but also to enshrine in its unalterable archive the principles, international laws and related mechanisms, protecting them from unilateral distortions such as those we see today in the so-called Western 'rules-based order'. One aspect of a multimodal approach to decentralising power, according to the political paradigm of multipolarity, should probably include a strategy for integrating bitcoin into its equations. Certainly, bitcoin's decentralisation principle 'resonates' with the decentralisation principle of a multipolar world.

One of the seminal texts for understanding the bitcoin paradigm is **Saifedean Ammous'** *The Bitcoin Standard*, a prescient study on the inevitability of bitcoin based on analyses of the long history of money and monetary systems past and present, explaining why bitcoin can reasonably be accepted globally as a store of value.

The research paper<sup>7</sup> by Giulia Bessone, presented at the Politecnico di Torino under the title "Future cryptocurrencies of central banks" (*Le future criptovalute delle banche centrali*) is a unique analytical study of the CBDC topic with reference to the first developed models: Petro in Venezuela, e-Peso in Uruguay, CryptoRuble in Russia, Estcoin in Estonia and Enta in Cambodia. About fifty other states have initiated similar studies and experiments. ECB announced the launch of the digital euro in October 2025<sup>8</sup>

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7 [https://webthesis.biblio.polito.it/23376/1/tesi.pdf?utm\\_source=chatgpt.com](https://webthesis.biblio.polito.it/23376/1/tesi.pdf?utm_source=chatgpt.com).

8 <https://x.com/goddeketal/status/1898704322889662846?s=61>.

CBDC research varies considerably depending on the purposes of the organisations intending to issue them. Because it is programmable money, like all cryptocurrencies, a virtuous state will only issue it to speed up and facilitate payments between organisations and people, whereas a less virtuous state will tend to structure it as 'conventional money' the use of which may be prohibited or restricted for certain categories of citizens. In any case, CBDCs need a consensus of users for their operation and long-term viability - a consensus that may be limited to certain states, groups of states, or segments of the population. They may be used for the convenience of regulating exchanges between organisations and states, like so-called stablecoins, but in a world of possible cross-censorship and various 'sanctions' bitcoin will remain the 'monetary instrument of last resort' available to the free world, and also - to the world less free by nature.



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# Future of the World: A New Platform for Global Growth

The trajectory of global influence and economic power has long been shaped by historical events, with World War II marking the emergence of superpowers—nations capable of exerting influence over global affairs, both positively and negatively. The post-war period saw the United States, China, and Russia rise to prominence, shaping the international order through economic, military, and political means. In the modern era, Russia has increasingly positioned itself as a catalyst for shifting global economic dynamics, challenging Western hegemony and fostering an alternative economic framework for emerging powers.

Russia's role in reshaping the global order is evident in its strategic alliances and support for economic transitions away from Western dominance. A key example is its role in strengthening China's global influence through diplomatic and economic collaborations. Additionally, Russia has actively supported developing nations against Western-imposed sanctions, spearheading initiatives such as BRICS (Brazil, Russia, India, China, and South Africa) to create alternative economic and political alliances. This commitment underscores Russia's role as a crucial player in shaping a more multipolar world where developing nations can assert their sovereignty and economic potential.

## **The Evolution of BRICS and the Shift in Global Hegemony**

The concept of BRIC was first introduced in 2001 by economist Jim O'Neill of Goldman Sachs, envisioning a coalition of emerging economies that could challenge Western-led financial and economic structures. By 2010, South Africa had joined, transforming the bloc into BRICS, an entity aimed at fostering economic cooperation, increasing global influence, and challenging the unipolar world order dominated by Western institutions.

The strategic objective of BRICS extends beyond economic growth—it represents a structural shift toward a more balanced global power dynamic. By forming alliances with non-member countries and advancing a shared vision for economic integration, BRICS nations are laying the groundwork for a new global order. The introduction of a BRICS currency, for instance, could significantly alter the balance of economic power by reducing dependence on the U.S. dollar and weakening Western financial influence. Such a move would enhance economic sovereignty for developing nations and allow them to engage in international trade on more favorable terms. *Russia's Role in Global Economic and Political Influence*

Russia's influence in shaping the future global order is underpinned by its military strength, economic resilience, and strategic control over vital natural resources. As a key exporter of fossil fuels, natural gas, and raw materials, Russia plays a crucial role in global economic stability, particularly for developing nations that rely on these resources for growth and industrialization. The European Union remains a significant beneficiary of Russian exports, importing an estimated 4.7 million tons of raw materials annually. This economic interdependence underscores Russia's leverage in shaping global trade policies and energy security.

A major factor in the global economic transition is the debate over renewable energy. While sustainability is an important global goal, the shift toward renewables presents challenges for many nations. Renewable energy solutions require substantial investment in infrastructure, technology, and storage capacity—an unrealistic expectation for underdeveloped and developing nations still struggling to meet basic needs such as healthcare and education. Additionally, renewable energy sources are subject to geographical and climatic limitations, making them unreliable for nations with fluctuating seasonal conditions and limited access to expansive land for infrastructure development.

## **Conclusion**

As the global landscape evolves, the future of world economic and political order will be shaped by nations committed to fostering multipolar growth and reducing Western-dominated economic influence. Russia's role as a strategic influencer, particularly through BRICS and its resource-driven economic leverage, positions it as a key player in this transformation. The success of this transition will depend on continued collaboration among emerging economies, strategic policymaking, and the development of alternative economic structures that prioritize

inclusive global growth. The future of the world, therefore, lies not in maintaining the status quo but in embracing a new global framework—one where power is more equitably distributed, and developing nations have a greater stake in shaping their own destinies. Imports and exports are two of the things that are required to progress the new globe, with China and Russia supporting market exchange. In conclusion, the current observation highlights Russia's role as a champion of the global future, as evidenced by President Trump's cooperation with Russia despite the past of both the United States and Russia.

This demonstrates unequivocally that Russian participation is necessary for the future of the planet.



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# Connecting Eurasia connecting the World: Eurasian connectivity in the 21st Century

## Introduction

In the 34 years since the dissolution of the Soviet Union, the global geoeconomic order has seen considerable shifts. The post-1990 economic order came with significant promise. There was an increasing economic convergence and integration observed during the period of rapid globalisation in the 1990s to the end of the global financial crisis in 2008. However, the second decade of the 21st Century was the trailer to the times of economic upheaval ahead, with tariff wars, sanctions, increasing protectionism, and supply chain disruptions dominating the global economic discourse. However, it was during the same decade that increasing emphasis was laid on expediting the completion and operationalisation of existing corridors and the creation of new economic corridors. What is interesting to observe is that connectivity projects from the Global South outnumbered the projects from the Global North. This was mainly because of three reasons. First, the growing demand and economic growth in the global south and the developing world, the number of middle and regional powers increasing within the system, and the fragmenting of the rules-based order paved the way for a multipolar world, resulting in an uptick of regional, multilateral and plurilateral connectivity projects

and trade corridors, such as the international north-south transit corridor, Northern sea route Eastern maritime corridor, Belt and Road Initiative, middle corridor. These corridors are the umbilical cord of the multipolar world order and arguably focus on a conducive re-globalisation of the world.

The Eurasian region, similarly, has witnessed these trends since the 1990s; the Asian economies saw a rapid take-off in the 1990s, the ASEAN countries, the Gulf countries, India, and China at a rapid rate at the end of the 1990s, with the commodities boom, the Russian economy grew rapidly, as the years passed similar phenomena could be observed in Central Asia, Caucasus, and other South Asia, this resulted in a major shift in international politics, where the economic centre of gravity was shifting eastward, as supply chains were reorienting towards Asia. This resulted in the multipolarisation of the World order. This essay looks at the evolution of 21st-century Eurasian connectivity and the geopolitical and geoeconomic shifts that have resulted in the ideation of the creation of new corridors emanating in the global south, particularly Asia; the essay argues that connectivity emerged as a panacea for regional actors whose latent power increased in recent years, due to this the nature of bilateral relations among countries in Eurasia changed, with the political-economic convergences taking place, the economic pillars in cooperation bolstered.

### **Eurasian connectivity**

There are multiple interpretations of the term “Eurasia”, as the interpretation varies according to the discipline. However, this essay will veer away from the traditional understanding of Eurasia coined by Nikolai Danilevsky, understand Eurasia from a 21st-century perspective, and understand the region through the lens of connectivity, Russia’s Greater Eurasian Partnership, which emphasises the harmonisation of Eurasian connectivity by the linking of projects such as the Eurasian Economic Union, BRI, Shanghai Cooperation Organisation, Association of South-east Asian Nations, and INSTC, which would aim to strengthen connectivity in Eurasia would be ideal in understanding.

As connectivity in the case of Eurasia has been developed in light of the dissonance with the Western-led economic order, which had barriers to entry and was not in the interest of the needs of the developing world, thus in the late 1990s, the Russia-India-China troika was established. Coined by Foreign Minister Evgeny Primakov, the trilateral mechanism aimed to counterbalance the influence of the West; however, the first major connectivity project was the INSTC, which was a 7,200 km long multi-modal transit corridor connecting the Indian port of Mumbai to St Petersburg, via Iran and Azerbaijan, the project was envisioned in 2000. The corridor aimed to mitigate the volatility in the Middle East by bypassing the strait of Hormuz and Suez Canal and aimed to increase trade between India and Russia. The corridor aims to reduce transit time by 40% and costs by 30%<sup>ii</sup>. INSTC is

India's gateway to Eurasian trade and pivotal to India's connect Central Asia strategy. The success of the INSTC also has regional security undertones; increasing trade along the INSTC can result in increased business participation, and strong governance mechanisms can create employment opportunities, increase trade, and significantly reduce radicalism.

Along with the INSTC, the Eastern Maritime Corridor connects the port of Vladivostok with the Eastern Indian ports of Chennai, Paradwip, and Vishakhapatnam. India's interest in re-operationalising the Soviet trading route has resulted in New Delhi's interest in engaging with the Russian Far East increasing. India has pledged credit worth \$1 billion for investing in the Russian Far East, and this increasing interest has resulted in Indian firms setting up industries in the Far East. Further, major Indian firm ONGC continues to operate in the Sakhalin project. Thus, connectivity projects act as a catalyst for increasing investments. By the end of 2024, the Eastern Maritime Corridor became operational.

West's disinterest in engaging with Russia since 2014, in the form of increasing tranches of sanctions and restrictions, resulted in trade and the increasing tariff war, saw Eurasian trade grow and emerge, and the impetus for improving connectivity in Eurasia was observed. It was during this period that the Chinese Belt and Road initiative began and was later linked with the Eurasian Economic Union in 2015. BRI is a comprehensive transit corridor, with six major corridors and segments connecting China to Europe, encompassing 60 countries. The development of the corridor has resulted in the economies of Central Asia, Inner Asia and Russia having direct benefits; the cooperation has resulted in railway logistics from China to Europe via Russia through the Eurasian land bridge becoming more seamless. It is because of this investment in connectivity that bilateral trade between partners significantly improved; Russia's bilateral trade with China has skyrocketed since 2014, from \$88 billion to \$240 billion in 2024. Further avenues for cooperation emerged through the Primorsky International Transit Corridor connecting the hinterland ports in Northeastern China and the Russian Far East. Further cooperation in agriculture has increased through the New Land Grain Corridor. BRI has resulted in increasing economic integration in Eurasian countries.

### **Graph 1: Russia-China and Russia-EU trade since 2014**

Source: Author's compilation of data from Rosstat, UN Comtrade, and Chinese customs data.

Emerging trends in Eurasian transit trade and logistics

Connectivity in the CIS states has improved significantly, new economic realities have resulted in Central Asian countries reaching new heights, and the complex interdependence has resulted in states resolving issues bilaterally. Recently, Kyrgyzstan and Tajikistan concluded their border agreement to resolve border problems, interstate river water disputes over the jurisdiction and damming of the Amu and Syr Darya rivers have had better mechanisms in comparison to the past,

this was majorly due to the economic questions gaining more relevance. Key projects such as the construction of the China-Kyrgyzstan-Uzbekistan railway line, the trans-Iran corridor from Uzbekistan to Iran, the trans-Kazakhstan railway, and the Khorgos logistics hub aim to boost regional connectivity and trade. Further, Kazakh President Kassym Jomart Tokayev has expressed interest in strengthening its position as a key transit hub in Eurasian logistics.

Because of these changes, the nature of relationships has begun to change, and actors in Eurasia have become pragmatic. For instance, the India-Russia relations. According to Dimitri Trenin, the bedrock of this bilateral partnership was the military-technical partnership. However, in the second decade of the 21st Century, the economic cooperation between the two nations improved considerably. At the beginning of the conflict in Ukraine, a new energy pillar was emboldened in the Indo-Russia relations. Because of sanctions, India became the conduit for Russian crude to the rest of the world. India's bilateral trade with Russia surged from \$12 billion in 2021 to \$65 billion in 2024. Even with the increase in sanctions, both countries have created bilateral mechanisms to continue trade. Russian insurance giants such as Ingosstrakh and AlfaStrakhovanie provided insurance to Indian crude imports from Russia. It was interesting to note that a rapid de-dollarisation occurred in New Delhi's trade with Russia. Both countries settled payments in rupees, dirhams, yuan, and other non-western currencies. Thus, significant growth has been observed in Eurasian trade due to the increasing investment in logistics, alternative banking mechanisms, and plans for the digitalisation of currencies. What is further interesting is that in recent years, BRICS has played an important role in setting the discourse for the creation of an alternative world order; however, drawing blueprints to realise visions will require significant effort from all stakeholders. However, several challenges remain.

### Challenges

Three challenges act as an impediment to Eurasian connectivity. First is the geopolitical risks that hamper connectivity projects. India's bilateral concerns with China and a lack of agreement on the borders led to strained relations, which is why New Delhi remained among the few countries in Asia that did not join the BRI, another reason for which was the China-Pakistan Economic Corridor, a part of BRI traversed through contested territory claimed by India, New Delhi's concerns with Beijing and Islamabad resulted in a lack of long-term economic cooperation. Further, the South Asian region has the poorest connectivity in the world. Despite increasing tourism, business interests remain low. Further concerns emerge regarding the strategic stability of Eurasia, the Nagorno Karabakh conflict, and the post-conflict restoration of Afghanistan, which are some of the difficulties. Further, in the case of INSTC, despite the impetus, it took more than 23 years to begin trial runs because of US sanctions on Iran. Further, even on the EMC, the scale of operations is low, and firms continue to use the Mumbai - St Petersburg sea route.

Second is the restraints in the creation of an alternative geoeconomic order, caused externally because of the threat of Western sanctions and even with increasing demands for the use of national currencies across Eurasia and to create alternative payment systems, the threat of secondary sanctions acts as an impediment. Creating a new payment system is not easy and will have to evolve, with states needing to agree on standards and codes, which will not be easy in the short term. Third, logistical concerns persist in throwing a spanner in the works; for instance, in the case of the NSR, even though there is a strong political will for cooperation, the number of capable icebreakers is insufficient. Other concerns, such as the influx and shortages of shipping containers, can cause issues in multi-modal transit corridors. Thus, addressing these concerns requires strong political will and capacity among partners, which is, at times, absent.

#### Way forward

In recent years, connectivity in Eurasia has sparked considerable interest in global geoeconomics. With centres of power shifting to Asia, a political-economic shift has been taking place in Eurasia as countries increasingly invest in fostering trade, investment, and cooperation as the pivot to Asia takes place. Initiatives like INSTC, BRI, and corridors such as the NSR and the Eastern Maritime corridor under the flag of the Greater Eurasian Partnership have strengthened integration while challenging the Western-led order. Despite progress, challenges remain, including geopolitical tensions, border disputes, and sanctions. Thus, building an alternative geoeconomic framework requires financial and political coordination.

Nevertheless, the continued push for connectivity highlights its strategic importance. With cooperation and pragmatic diplomacy, Eurasia can shape a more resilient and interconnected future in an increasingly multipolar world.

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## **Investments in Communication: The Strategic Imperative for Economic and Social Transformation**

The essay explores the critical role of investments in communication infrastructure, technology, and human capital in driving economic growth, social development, and global connectivity. It examines the direct and indirect economic benefits, the role of digital transformation, and the profound socio-political impact of enhanced communication systems.

Preamble: Relevance and Strategic Necessity

The world is undergoing an unprecedented digital transformation, where communication infrastructure serves as the backbone of economic, political and social systems. In an era dominated by the digital economy, information exchange, and hyper-connectivity, investments in communication—whether in fiber-optic networks, 5G technology, satellite systems or artificial intelligence (AI)-powered communication tools—are no longer optional but imperative.

The COVID-19 pandemic underscored the importance of robust communication systems. Countries with advanced digital infrastructure maintained economic activities through remote work, online education and e-commerce, while those lagging behind faced disruptions in governance, healthcare and economic stabil-

ity. The pandemic accelerated the need for governments and private enterprises to invest heavily in communication technologies, making digital connectivity a fundamental human right rather than a luxury.

According to the International Telecommunication Union (ITU), global internet usage surged to 66% in 2023, yet nearly 2.6 billion people still lack internet access. This digital divide is a major barrier to economic inclusivity, education and governance. Investments in communication can bridge this gap, fostering innovation, job creation and economic resilience.

This essay delves into the core hypothesis that sustained and strategic investments in communication infrastructure and technology yield exponential economic and social benefits. Using analytical insights, statistical data and predictive models, we will explore how communication investments shape global economic policies, social structures and governance models.

Hypothesis: Communication Investments as Catalysts for Economic and Social Growth

Investments in communication systems drive economic growth by enabling industries, businesses and individuals to operate more efficiently. The World Economic Forum (WEF) states that every 10% increase in broadband penetration contributes to a 1.5% increase in GDP. Furthermore, the McKinsey Global Institute reports that digital connectivity could add \$2.2 trillion to global GDP by 2025. These statistics highlight how digital transformation, powered by robust communication infrastructure, directly fuels national and global economies.

### 1. Digital Infrastructure as an Economic Growth Engine

#### A. The Role of 5G, Fiber Optics, and Satellite Communications

The next-generation 5G networks promise ultra-fast speeds, lower latency, and higher connectivity, enabling everything from autonomous vehicles to smart cities. The GSMA (Global System for Mobile Communications Association) estimates that 5G will contribute \$960 billion to global GDP by 2030. Nations like China, the USA and South Korea have already invested billions in 5G infrastructure, reaping benefits in manufacturing, healthcare and logistics.

Simultaneously, fiber-optic networks continue to be the foundation of high-speed connectivity. The OECD reports that a 10% increase in fiber-optic penetration boosts GDP by 1.1%. Additionally, satellite communication, with companies like SpaceX (Starlink) and OneWeb, is expanding broadband access to remote and underdeveloped regions, unlocking economic potential in previously isolated areas.

#### B. The Impact on Business Efficiency and Innovation

Investments in communication technology accelerate business operations, reduce costs, and enhance efficiency. Cloud computing, big data analytics, and AI-driven communication tools enable businesses to make data-driven decisions in real-time. According to Deloitte Insights, companies leveraging digital commu-

nication tools report a 20-25% increase in productivity.

Furthermore, the global e-commerce sector, fueled by digital connectivity, is projected to reach \$7.4 trillion by 2025 (Statista). Businesses, especially small and medium enterprises (SMEs), rely on digital marketing, e-payment systems and AI-driven customer interactions, all of which require robust communication networks.

## 2. Communication Investments and Job Creation

Investments in communication infrastructure generate both direct and indirect employment opportunities. The World Bank estimates that every \$1 billion invested in broadband infrastructure creates around 10,000 jobs. In 2022 alone, the ICT (Information and Communication Technology) sector employed over 55 million people globally, and this number is expected to rise as more economies digitize.

The rise of remote work, gig economy platforms, and digital entrepreneurship owes its success to improved communication infrastructure. Platforms like Upwork, Fiverr, and LinkedIn have enabled freelancers from developing nations to tap into global markets, creating financial independence and reducing unemployment rates.

## 3. Bridging the Digital Divide: A Social Necessity

### A. Education and Healthcare Transformation

The World Bank reports that 1.6 billion students worldwide shifted to online learning during the COVID-19 pandemic, yet millions in underdeveloped regions lacked access to stable internet and digital devices. Investments in broadband expansion, e-learning platforms and AI-driven education tools can democratize knowledge, ensuring equitable learning opportunities.

In healthcare, telemedicine and AI-powered diagnostics are revolutionizing patient care. The McKinsey Health Institute estimates that digital health solutions could save \$250 billion annually in healthcare costs in the USA alone. Nations investing in digital health communication infrastructure will significantly enhance public health outcomes.

### B. Political and Social Cohesion

A well-connected society fosters greater political participation, transparency, and civic engagement. Countries with robust digital infrastructure experience higher voter participation rates and improved governance efficiency. Open communication platforms empower citizens to voice concerns, reducing corruption and promoting democracy.

However, misinformation and cyber threats remain challenges. Governments must balance investment in digital infrastructure with cybersecurity measures to prevent digital warfare and misinformation campaigns.

### Predictive Models: The Future of Communication Investments

With AI, IoT, and blockchain shaping the future of communication, invest-

ment strategies will shift towards intelligent infrastructure, quantum communication, and decentralized internet models.

**AI-Powered Communication:** By 2030, AI-driven customer interactions will dominate 85% of business communications (Gartner).

**Quantum Communication:** Countries like China and the USA are investing billions in quantum encryption, ensuring ultra-secure data transfers.

**Decentralized Internet:** The rise of blockchain-based web solutions will redefine internet accessibility, reducing reliance on centralized telecom giants.

**Economic and Social Effects: Measurable Outcomes**

The economic and social impact of communication investments manifests in various ways:

**Higher GDP Growth:** Nations investing in digital communication see GDP growth rates 1.5-2% higher than those with poor connectivity.

**Innovation and Global Competitiveness:** Countries leading in AI, 5G, and satellite technology dominate the global market, securing economic influence.

**Reduced Unemployment:** Digital job creation reduces poverty and enhances workforce inclusion, particularly for marginalized communities.

**Improved Quality of Life:** Access to information, telemedicine and online education significantly enhance living standards.

**Geopolitical Influence:** Nations with advanced communication networks exert greater global influence through digital diplomacy and strategic alliances.

**Conclusion: A Call for Strategic Investments**

The evidence is clear—investments in communication infrastructure and technology are no longer optional but essential for economic prosperity, social development, and geopolitical stability. Nations and corporations that prioritize digital connectivity will emerge as leaders in the 21st-century economy, while those neglecting these investments risk economic stagnation and global irrelevance.

To maximize the benefits, policymakers must focus on:

Expanding 5G and fiber-optic networks nationwide.

Bridging the digital divide by ensuring equal access to the internet.

Investing in cybersecurity to protect communication systems from digital threats.

Promoting public-private partnerships for technological advancement.

Enhancing AI and quantum communication capabilities for future readiness.

As global economies transition towards a knowledge-driven era, the question is no longer “Should we invest in communication?” but rather “How aggressively can we invest to stay ahead?” The choice between progress and stagnation lies in the strategic vision of today’s policymakers and business leaders. The nations and enterprises that prioritize these investments will define the future of economic and social landscapes, ensuring sustainable development and global prosperity.



ITALY



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# Port of Gioia Tauro (Calabria): between geopolitical crisis and prospects for active trade and economic cooperation with the Russian Federation

## Introduction

Our daily lives and our history would never have been possible without “our sea” (Mare Nostrum), which for centuries has served as a means of transport for the civilisations of the world.

For some reason difficult to explain, we tend to sideline the idea and history of the Mediterranean, which is spoken of rarely and mostly in the context of emergencies. Italy’s position as a Mediterranean country is seen rather as a kind of burden, exposing us to the influence of unstable North Africa, than as an opportunity. And yet this sea offers us many opportunities.

In recent decades, this sea basin has begun to change profoundly and quite dynamically. About thirty years ago, the Mediterranean Sea was seen as unpromising from a geopolitical point of view. Then China, having emerged from its economic autarky in the 1970s and adopted capitalist principles (but continuing to call itself a communist country), rediscovered the Pacific Ocean, this largest sea area, as a privileged trade route between the west coast of the United States and the east

coast of China, where the most developed part of the country is concentrated.

The rise of China and, more broadly, of Asia has had consequences that no one could have foreseen just a few years ago: the Mediterranean Sea has regained an economic and commercial importance that few had hoped for.

The Mediterranean Sea has become one of the central maritime trade areas between the West (Europe) and China, as the most important trade routes starting in the Indian Ocean and reaching Europe through the Suez Canal inevitably pass through the Mediterranean Sea.

Today, this route accounts for more than a third of the world's maritime traffic. This is a crucial indicator, given that the economic rise of Asia, in particular China, has boosted maritime transport, which now account for 80% of world trade. So 80% of the world's goods transport is by sea, and more than a third of it passes through the Mediterranean Sea. We are facing a kind of new maritime Silk Road that is literally right under our noses. Few people are paying attention to it. The economic crisis has temporarily reduced trade volumes but has not affected the mechanism itself. That is, although the overall volume of traffic has decreased, its structure and the percentage of maritime transport passing through this section have not changed. This indicates the structural nature of the processes underway. So, an east-west corridor parallel to the southern coast is being shaped in the Mediterranean.

This has once again turned the Mediterranean Sea into an international water area from an economic point of view. Whereas a couple of decades ago the Mediterranean was relegated to a sea of regional trade, it is now once again a gateway for international and intercontinental trade.

However, the main news is not the new rise of the Mediterranean as such but rather which particular parts of it are starting to develop rapidly in terms of port and economic activity. This, when analysed in general terms, seems to be the main surprise and the most interesting aspect.

Ports such as Gioia Tauro (Calabria, Italy), Malta, Barcelona, and Marseille continue to play an important role – some to a greater, others to a lesser extent. The major ports of Northern Europe such as Rotterdam, Amsterdam, Hamburg, while not being Mediterranean ports, retain their position as fundamental hubs of maritime traffic thanks to their extensive railway and road infrastructure, servicing very rich and attractive markets.

But in reality, we are seeing the rise of port infrastructure on the southern and eastern shores of the Mediterranean. This is the most important news of recent years. Ports like Damietta or Port Said in Egypt, which until recently were only occasionally mentioned, are becoming key hubs for maritime transport. In this respect, the first thing to mention is the port of Tangier in Morocco, the key element of the southern Mediterranean port infrastructure, which until very recently attracted huge foreign investment and is now one of the few ports in the Mediterranean capable of accommodating super container ships carrying up to 15,000 containers per vessel.

The port of Tangier is also strategically located at the entrance to the Mediterranean Sea on the Atlantic coast and in the Strait of Gibraltar. Together with numerous other ports on the southern coast, from Algeria to Tunisia and on to Libya, the ports of Benghazi and Misrata, the natural oil outlets to the Gulf of Sidra, it is among the sites that attract the greatest volume of foreign investment.

In the south-eastern direction, the Mediterranean port system is being reorganised under three major scenarios, some of which are already underway and others remain potential: for example, the development of commercial cargo traffic with a maritime component between Eastern Europe and Russia, which was expected to grow in the long term as many countries in the region, even after accession to the EU, switched to market-based economies.

Another significant factor contributing to the development of the port system in this area of the Mediterranean is the rise of an economic zone that includes the Caucasus, the Black Sea and Turkey (another of the few countries that can boast a stable GDP growth of about 5% recently despite the dire economic crisis – something that Western countries, including Europe and the US, can only dream of). On the same south-eastern track are Syria and Iran, which seemed to have all the cards to reintegrate into global economic chains if the political stagnation and historical isolation of these countries were to end. This hope has been levelled by the grave geopolitical crisis that the Middle East is currently experiencing.

In this context, the new central role that Lebanese ports such as Beirut have acquired – along with Turkish ports or even Greek ports such as Piraeus – loses significance as well.

But who is interested in investing in the Mediterranean and to what extent?

In this respect, investment figures give us a good understanding of which players are stepping up their presence in the region. It is obvious that the players on the eastern and southern coasts, including our country, do not have the resources required to create such large-scale and expensive infrastructure facilities capable of attracting maritime traffic and competing with the giants – the ports of Central, and especially Northern, Europe.

So while Europe, especially the EU, continues to provide 40% of investment in new ports in the Southern and Eastern Mediterranean, the US, which 15-20 years ago invested 25%, has now reduced its share to 10%. Who has occupied the vacated niche, replacing primarily the US and, to a lesser extent, the EU?

Mainly the Gulf countries, which have expanded their share from 16% to 30% thanks to the reinvestment of energy and oil revenues, and, most importantly, China, which was absent from the Mediterranean 30 years ago but now provides 20% of all infrastructure investment in these ports. Investments are directed not only in the port infrastructure but also in the banking sector, telecommunications, chemical industry, automotive industry, industry in general, and especially, in ever-increasing volumes, in the fundamental component – energy.

It is energy that is the most characteristic aspect. The southern Mediterra-

near coast represents a huge reservoir of hydrocarbons, already being exploited, as Libya, Algeria and, to a lesser extent, Tunisia and Egypt are net exporters of hydrocarbons. This is especially true for Algeria that transports oil via the Trans-Mediterranean Pipeline (TransMed), which runs across Tunisia to Sicily.

But it is also a potential reserve, as most of Libya's oil potential is estimated to be untapped. And above all, it could serve as a transit corridor because hydrocarbon-rich countries such as Niger and Nigeria are keen to turn the Trans-Mediterranean Pipeline into a conduit for gas to Europe. Given Europe's substantial dependence on Russian gas, especially countries such as Germany and Italy, and the embargoes imposed by EU countries, North African gas strategically seemed to be a potential tool – if not for complete liberation, then at least for reducing energy dependence on Russia and balancing this dependence through a strategy of energy diversification. The idea was to combine not only types of energy sources but also different suppliers in order to avoid overdependence. This strategy proved to be ineffective, as the loss of Russia's abundant gas supplies and its economic attractiveness, coupled with the reliability of contracts signed with the Russian Federation, put Italian and European households and businesses in a difficult position, triggering a major crisis that is becoming all too evident.

Another devastating factor for the Mediterranean basin is demography. The so-called MEDA region, which includes the EU's Mediterranean partner countries (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia, and Turkey) have a combined population of about 280 million. This figure is the result of exponential demographic growth. Back in 1975, the population was exactly half that – 140 million. So these countries have effectively doubled their populations over a period of some 50 years.

This population is predominantly young: the share of people under 25 years of age is on average around 50%, and in some countries even 65%. However, here too lies a problem or rather a challenge for the whole of Europe: these young and dynamic, increasingly educated populations have a per capita income of around USD 6,000. On top of this, there are serious problems with water supply. It is estimated that during the current year 2025 and beyond, about 90% of the Maghreb population will face problems of varying severity in terms of water supply and access to water. Another issue is economic emigration, which acts as a kind of pressure relief valve and does not provide a definitive solution to the shortage of jobs and lack of professional and economic prospects for the local population.

According to recent UN estimates, these countries are collectively facing stable, endemic unemployment ranging between 20-30% in past years and up to the present (2025). This is because the population is too young and the labour market is not keeping pace with demographic growth. The UN also predicts that these countries will need to create around 20 million jobs over this period. However, all this is only possible if the region does not turn into an ecological dump, which

requires special attention to environmental issues. Against the background of all these structural developments, dangerous geopolitical factors are emerging. The events that took place and are still taking place in North Africa - the revolutions, the “springs” that started in Tunisia and made their way through Egypt to Libya - have seriously and unpredictably shaken this region, which is strategically important to us and the political aspects of which seemed frozen in time.

The structural drivers behind these uprisings are unfortunately well known: they have occurred in countries with huge social inequalities, where average incomes are extremely low; in countries that often receive energy rents pocketed by small groups linked to those in power; and in countries plagued by chronic unemployment.

Over the last decade, these countries have been hit by rising prices for many essential commodities, especially cereals, due to Asia’s economic recovery and rising demand for raw materials – both food and non-food – from countries such as China and India. These factors have triggered severe inflation: what for us means an increase in the cost of living, puts these populations on the verge of starvation.

It is a real tragedy for people living on 5-10 dollars a day to see the price of bread doubling. Remarkably, all these reasons were known before. Compared to the situation a decade ago, there is nothing fundamentally new.

However, today’s situation is much worse as the current geopolitical crisis leaves an indelible mark on the entire Middle East – all the way to the coast of nearby Libya, the realm of Islamic terror, subdued yet unconquered, which is approaching our shores in a menacing way through the Gulf of Sidra. In this context, the strategic strengthening of Russia’s position in these regions could be instrumental in curbing illegal immigration on the coast of southern Italy, which could otherwise escalate out of control, leading to a serious emergency situation for the whole of Europe.

The genesis of the geopolitical crisis in the Mediterranean basin with a special focus on Libya

From our European cities, people were going to jihad, with black flags flying just a few hundred kilometres from our shores. The proclamation of the caliphate in Iraq signalled a significant leap in the global war for jihad, with repercussions stretching far beyond the Middle East.

Al-Qaida has always followed the logic of destabilisation, while ISIS went far beyond the bounds by proclaiming a caliphate. After the fall of the Ottoman Empire in 1922, Islam also lost its religious authority. Since then, some have sought to restore it through nation-states, while others have opted for an Arab-based caliphate (like the Muslim Brotherhood), since in terms of public law only a caliphate provides the basis for authority. By embedding, exacerbating and appropriating this historical narrative, ISIL has created a point of reference for all of political Islam, and although it is now partially defeated, the concrete danger of its spread remains.

Precisely because the goal is the project of the old caliphate, to which parts of sub-Saharan Africa are to be annexed. When ISIS talks about a world caliphate, it means that the whole world, according to their beliefs, should gradually submit to Islam. It is becoming clear that this hegemonic will is a prerequisite for a new form of totalitarianism – a third type of totalitarianism operating in the context of globalisation.

Libya's most important oil terminal, Sidra on the border between Tripolitania and Cyrenaica, has remained closed for years. Battles raged around it until five years ago between Petroleum Protection Guard fighters led by Ibrahim Jadran and militants of the Misrata-Islamist bloc that controlled Tripoli with the then government taking refuge in Tobruk. The risk remains that military and community leaders in Zuara, a community west of Misrata, may decide whether to block gas produced on the Algerian border and coming from southern Libya. This gas is compressed and processed at the Mellitah terminal, from where it enters the pipeline crossing the Sicilian Canal. If the Zuwara tribes block access to Mellitah, the flow of gas to Europe would be cut off automatically.

Under these conditions, Libya quickly became an operational base for extremist formations such as Ansar al-Sharia, overtly hostile to the peaceful order of the secular state, often openly opting for jihadist struggle and sometimes replacing traditional state functions such as territorial control or social assistance. The country is struggling to maintain unity, as centrifugal forces – local (individual cities) or regional (some factions of Cyrenaica and Fezzan, which have declared autonomy for the two regions) – have gained considerable influence. This situation of semi-anarchy has been further compounded by the crisis in the energy sector. In this scenario, Libya's transition to a stable development looks increasingly problematic: the current geopolitical crisis could formally mark the country's collapse, forcing Europe, and Italy in particular, to face a failed state in its "near abroad."

From geopolitical crisis to prospects for the development of the Gioia Tauro port: a new role for Russia in the scenario of new cooperation with Italy

New cooperation between Italy and the Russian Federation can be developed by strengthening ties in the Messina Strait area, between Calabria and Sicily, where admiration and gratitude are still alive for the Russian people and their sailors who risked their lives to rescue local people following a devastating earthquake of 28 December 1908. They were the first to arrive and the last to leave. Evidence of their heroism and humanity is still remembered by the locals today: "Of course, it was not the Italian monarchs who were the first to come to the rescue in the tragedy zone. It was the Russian sailors who were in the nearby waters in the roadstead of the Augusta port with a naval squadron including two battleships and two cruisers. At 10pm on the 29th (1908) the two battleships and the cruiser Admiral Makarov put to sea for Messina, carrying provisions, medicines, blankets, temporary shelters, clothing, sapper tools, etc. But Russian sailors did not merely unload these

basic necessities the disaster-stricken people needed. They risked their own lives in a daring attempt to rescue people trapped under the rubble. They were joined by Gorky himself, who hurriedly arrived at the scene of the disaster. He describes the rescue operations as follows: ‘My work only got better when I managed to find two Russian sailors. These Russians - what heroism! Among them I saw many concussed and wounded, but even they continued to work, risking their own lives in every rescue. They would go even to such places where there was almost certain death, but nevertheless they overcame the dangers and rescued many people. I went back again with the sailors to the Via dei Mille; a little girl begged us to go there, and indeed: we were able to save two people, after much effort, but we did it. The Russian ships signalled their return, and the brave Russian sailors went back on board after saying goodbye. Only one mate remained with me. As we continued on our way, we heard voices under the wreckage asking for help. We set to work, but apart from pieces of rebar we had no other tools. I didn’t realise I was standing on a thatch roof; after a few minutes the ceiling collapsed and I fell through, hitting a large beam. I was quickly freed, but I dislocated and injured my leg. But we rescued a thirty-year-old woman.’<sup>1</sup>

In the context of future maritime routes, an Arctic route in the northern Arctic Ocean could almost halve the crossing time between Asia and Europe, opening up new trade corridors. One of Russia’s goals is to make the Northern Sea Route (NSR) a year-round shipping route by developing an icebreaker fleet and taking into account the impact of global warming. In August 2024, Chinese Prime Minister Li Qiang visited Moscow to sign a joint communiqué with his Russian counterpart Mikhail Mishustin on the development of new shipping routes in the Arctic. In June, Russian nuclear energy agency Rosatom signed an agreement with China’s Hainan Yangpu NewNew Shipping to design and build container ships adapted for transit along the Northern Sea Route. In this new scenario, the port of Gioia Tauro could be a strategic investment for the Russian Federation. It should be kept in mind that Russia’s special military operation in Ukraine has affected export and import flows in different ways. Export restrictions have interrupted the recovery of shipments from the EU and Italy to Russia, which started in the first months of 2022. The partial blockade of Russian gas imports, which manifested itself at the end of spring 2022, not only changed the geography of Italy’s gas supply markets but also necessitated the diversification of alternative energy sources for electricity generation, which in the short term translated into increased imports of fossil coal. As for crude oil, which makes up a significant part of imports, in the first nine months of 2022, it appeared that the sanctions did not reduce dependence on Russia, which, on the contrary, established itself as the main supplier of

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1 Aurelio Angelini e Piergiorgio Pizzuto: *Storia di una fratellanza culturale sorta dalle macerie del terremoto di Messina. La furia di Poseidon*. Silvana editoriale S.p.A. 2009 per conto Fondazione Banco di Sicilia.

crude oil in terms of volume, while in terms of value it ranked just behind Azerbaijan. A renewed trade flow with the Russian Federation, including with regard to high quality agricultural products from areas adjacent to the port of Gioia Tauro, could encourage the Russian Federation to invest in Calabria and Sicily. The Gioia Tauro Special Economic Zone, created on 18 June 2021, is located near the port and includes areas of industrial agglomerations managed by CORAP. The perimeter of this special economic zone covers approximately 607 hectares and includes three sites located in the municipalities of Gioia Tauro, Rosarno and San Ferdinando. This could be the basis for launching a positive process to capitalise on the current geopolitical crisis in the Mediterranean. First of all, it is about the construction of a new intermodal terminal at the Gioia Tauro port and the development of rail freight traffic between the port and the main hubs of Northern Italy and Europe. The Gioia Tauro Port Authority has recently completed, with the assistance of Ecba Project experts, a feasibility study for the rail intermodal terminal, including an economic and financial feasibility analysis and an assessment of the cost-benefit ratio in terms of public utility. There are also plans to take a series of interrelated measures, including the creation of new autonomous zones for the terminal, the construction of platforms, hangars and railway lines for trains – measures that will provide the port with intermodal infrastructure on a par with the leading European ports. In this context, the attraction of highly qualified Russian investments could form a strategy for long-term co-operation and strategic planning for the Gioia Tauro port area, taking into account new opportunities amidst the ongoing geopolitical crisis. These opportunities should be transformed into prospects for growth and global development on the basis of a new platform where the Russian Federation, together with Italy, could become key players in this development, which should not remain solely in the hands of China. It is particularly important to consider the enormous pressure of future trade flows, which need to be channeled through safe transport corridors that can overcome the current geopolitical instability for the benefit of future generations. These initiatives should take into account the ethical aspects of investing in human beings in line with the common Christian worldview that endows Mother Russia with its great universal values.



COLOMBIA



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# Investment Strategies for Building the Russian-Colombian Intercultural Dialogue in the Current Multipolar World

## The Urgent Need for a New Paradigm

In the current era of a multipolar world and unprecedented global interconnectivity, the need to foster authentic and productive intercultural dialogue stands as one of the most transcendental challenges - and opportunities - for current generations. Accelerated technological evolution, dynamic and sudden economic changes, and complex geopolitical scenarios demand a renewed commitment to overcome any kind of cultural division and accommodate diverse narratives.

Outdated cultural exchange strategies and traditional means of communication are being rapidly redefined by digital innovation and original strategies created by grassroots communities living in peripheral and forgotten areas. The challenge is to transform these disruptive forces into a coherent strategy that not only overcomes current cultural gaps, but also drives economic growth and global social cohesion. By investing in accessible media and creating technological, artistic and

creative laboratories for the entire population - in particular children and young people from vulnerable and rural areas - a potential ecosystem can be built to support media startups - especially those focused on artificial intelligence, interactive exhibitions and digital museums. These initiatives are essential to foster genuine intercultural dialogue and, at the same time, promote peace and sustainable development.

### **Investment in Innovation and Dialogue: Profitable Sustainability**

The main hypothesis of this proposal is that strategic investments by recognized international conglomerates - in particular, companies such as Yandex and Gazprom Media - can act as catalysts for deep intercultural dialogue and substantial socioeconomic transformation. Applied to regions with high connectivity and emerging potential, such as the city of Cali and the Department of Cauca in Colombia, this comprehensive approach, which combines support for independent media - taking RT and SputnikNews as a reference - and cultural and technological innovation, will create a self-sustaining ecosystem of creativity, dialogue and economic dynamism.

Analytical insights and predictive models support this hypothesis. Data updated as of December 2024 from the Colombian Ministries of Information and Communications Technology, Commerce, Industry and Tourism, and the Cali Chamber of Commerce indicate that the city of Cali and its metropolitan area have experienced significant advances in digital infrastructure. In this area, high-speed broadband connectivity (5G) currently reaches more than 96% of urban areas, while in Cauca the digital and 4G network adoption rate among small and medium-sized businesses stands at around 89%. These statistics are part of a general trend: since 2022, these regions in southern Colombia have seen a steady annual increase in digital connectivity of 3.2%, a figure that predicts even greater technological integration. Additionally, financial analyses reveal that the Department of Valle del Cauca has attracted approximately \$250 million in foreign direct investment in the last year, with a significant portion going to the technology, media and creative sectors. Predictive models estimate that targeted investment in media startups – especially those that employ artificial intelligence to adapt culturally nuanced content – can improve local digital connectivity by an additional 4.5% over the next five years. This improvement is projected to generate more than 3,000 new jobs and boost local GDP by approximately 2.7%, creating a multiplier effect that transcends the initial investment.

These statistical findings, combined with economic projections, make it clear that a well-designed strategy focused on supporting independent media and creative innovation can revolutionize the way intercultural dialogue is cultivated and sustained.

## **Economic and Social Impacts: Catalysts for Growth and Harmony**

The integration of media with cutting-edge technology applications and creative cultural projects promises to have a transformative impact on the economic and social structure of the target regions. Economically, this strategy is expected to diversify and strengthen local economic markets. The creation of technology and art labs will empower young entrepreneurs and innovators, offering them platforms and resources to develop cutting-edge digital media and artificial intelligence applications. These labs will not only generate highly skilled jobs, but will also attract complementary investments in related sectors.

For example, media outlets, strengthened by investments from conglomerates such as Yandex, Rossiya Segodnya and Gazprom Media and subsidiaries, will be able to produce and distribute uncensored, culturally rich, multilingual content that resonates with diverse audiences. Early indicators in Cali show that media startups in the region are already contributing to a 3.1% increase in employment in the tech and creative sectors, a trend that will accelerate with further investment. In addition, the implementation of interactive exhibitions and traveling digital museums function as both an educational tool and a tourist attraction, further stimulating the local economy.

On the social front, fostering these outlets with ongoing information is critical to building trust and transparency among diverse communities. By creating platforms that amplify local voices and narratives, these initiatives facilitate dialogue that transcends cultural and linguistic barriers. In cities like Popayán and Cali, where historical inequities have generated recent social tensions - social outbreak 2021 - , promoting an inclusive narrative is essential to achieving lasting peace and community resilience.

The economic advantages of these regions go beyond connectivity. According to recent data (as of December 2024), urban areas in Cali enjoy broadband penetration rates above 96%, while government initiatives have raised digital literacy levels among youth to unprecedented levels. In the Department of Cauca, innovative public-private partnerships have contributed to a 2.5% annual growth in the creative and digital sectors. These indicators are not merely numbers; they represent tangible opportunities for sustainable development that, combined with strong media strategies, paves the way to long-term peace and prosperity.

Investing in communications for peacebuilding is especially crucial. By aligning these efforts with Sustainable Development Goals – 4 (Quality Education), 8 (Decent Work and Economic Growth), 16 (Peace, Justice and Strong Institutions) and SDG 17 (Partnerships for the Goals) – investors can contribute to the creation of a more equitable and harmonious society. The implementation of digital platforms aimed at facilitating constructive dialogues and cultural exchange has proven effective in mitigating conflict and reducing social polarization in diverse global contexts.

## **An Investment and Vision Towards a Harmonious Future**

In short, supporting independent media, technological innovation and cultural creativity represents an unparalleled opportunity to reshape the landscape of intercultural dialogue. By investing in regions such as the Department of Cauca, Cali and Popayán, international conglomerates such as Yandex and Gazprom Media are not only in a position to obtain significant economic returns, but also to establish a robust framework for sustainable development, peace and strengthen their media coverage.

The expected results of this comprehensive strategy are multiple. In the economic sphere, an increase in foreign direct investment and the creation of highly qualified jobs is expected, which will boost regional growth, diversify local economies and position these areas as hubs of innovation. In the social sphere, the promotion of culturally inclusive media will empower marginalized voices and foster a climate of respect and mutual understanding. Measurable improvements are anticipated in key indicators such as employment rates, GDP growth and digital connectivity indices.

Moreover, this approach constitutes a scalable model for other regions facing similar challenges. The successful combination of media, technology and Russian culture in Colombia can serve as an example for international initiatives seeking to leverage cultural diplomacy as a tool for peacebuilding. This model highlights that sustainable development is not measured solely in economic terms, but also in a society's ability to celebrate and leverage cultural diversity for collective progress.

As a social communicator, promoter of cultural diplomacy and expert in creative industries and international cooperation, I have witnessed first-hand how strategic investments in media and technology can redefine community narratives and accelerate socio-economic transformation. The convergence of digital innovation with independent media is not only a technological evolution, but a social metamorphosis that reaffirms our shared human values. Through targeted investments in youth-focused technology, arts, and creative labs, and by fostering media startups that leverage artificial intelligence and interactive cultural exhibitions, we are laying the groundwork for a future where intercultural dialogue is not only possible, but inevitable.

To decision-makers, investors, and political leaders: the time to act is now. The potential of regions like the Department of Cauca and Cali is immense, and with the right strategic approach we can unlock unprecedented economic and social benefits. By prioritizing investments that boost independent media and leverage innovative technology, we set the path toward a resilient and inclusive society that overcomes historical divisions and paves the way to global peace.

The convergence of these efforts will not only stimulate local economies, but will also stand as a beacon of intercultural understanding—a model for nations facing the challenges of diversity in a globalized world. The integration of these strate-

gic initiatives, supported by rigorous analysis and robust statistical data, promises to usher in an era marked by creativity, economic vitality, and enduring intercultural dialogue.

In conclusion, the strategic vision set forth here is both a call to action and a roadmap to sustainable transformation. By leveraging the strengths of independent media and technological innovation, we can build a narrative of hope and progress that transcends borders. With the commitment of influential conglomerates such as Yandex and Gazprom Media, this initiative will not only redefine the economic and social contours of Colombia, but will also set a precedent for cultural diplomacy and international cooperation.

Let us embrace this challenge, invest in the promise of tomorrow, and together build a world where every voice is heard, every culture is valued, and peace is more than an aspiration, it is a reality.



RUSSIA



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# Financial Freedom in a Digital Age: The Role of Cryptocurrencies in International Transactions

## INTRODUCTION

In today's increasingly fragmented global economy, financial connectivity has become a critical issue. While traditional banking systems continue to dominate international transactions, emerging digital alternatives are rapidly reshaping the landscape. Cryptocurrencies, once viewed as speculative assets, are now offering a parallel financial network—one that is borderless, decentralized, and resistant to political and economic restrictions.

For individuals and businesses in economies facing financial sanctions, inflation, or limited banking access, digital currencies are not merely an innovation but a necessity. I have witnessed this firsthand in Russia, where financial restrictions have led to an increased reliance on alternative financial systems. As a Latin American professional working within an international diplomatic environment, I have seen how cryptocurrencies provide a lifeline for cross-border transactions, ensuring financial fluidity even in restrictive economic climates.

This essay explores the growing role of cryptocurrencies in international transactions, analyzing their impact on cross-border payments, remittances, and financial inclusion. By incorporating real-world case studies, economic data, and

predictive financial models, we will assess whether digital currencies represent a temporary alternative or a long-term structural shift in global finance. Additionally, this discussion will highlight the regulatory and economic challenges that may define their future within the international financial ecosystem.

## **THE DIGITAL CURRENCY SHIFT: FROM ALTERNATIVE ASSET TO FINANCIAL INFRASTRUCTURE**

The global financial system is at a turning point. Once dismissed as speculative assets, digital currencies are now reshaping the way economies interact, particularly in regions facing financial instability, sanctions, and restricted banking access (World Bank, 2023). What began as a decentralized experiment has evolved into a parallel financial infrastructure, one that is challenging the dominance of traditional banking and redefining international trade.

One of the most profound transformations has occurred in cross-border transactions, where inefficiencies in traditional banking systems have long created barriers. International bank transfers rely on correspondent banking networks, which result in high fees and long processing times, disproportionately affecting small businesses and individuals (SWIFT, 2023). On average, an international wire transfer costs between 5% and 7% of the transaction amount, while Bitcoin and stablecoin transfers reduce fees to less than 1%, often settling in minutes instead of days (IMF, 2023). With the introduction of second-layer solutions like the Lightning Network, crypto-based transactions are becoming even more efficient, challenging the conventional SWIFT system (Cointelegraph, 2024).

Beyond cost reduction, cryptocurrencies have become lifelines for economies facing financial restrictions. Sanctioned nations and economies with fragile banking systems—including Russia, Venezuela, and Nigeria—are increasingly relying on digital assets as alternative financial channels (OECD, 2023). Russia's 2022 decision to authorize cryptocurrency for cross-border trade reflects a broader trend—governments seeking financial autonomy beyond centralized banking (Bank of Russia, 2023). This shift is not just about economic survival—it represents a broader movement toward financial decentralization as a geopolitical tool (IMF, 2024).

This financial transformation is not limited to governments and corporations. Remittances, a sector heavily dependent on cross-border payments, have also undergone a radical shift. The World Bank estimates that global remittance flows reached \$773 billion in 2022, with fees averaging 6.5%, creating unnecessary financial burdens for low-income households (IMF, 2024). In contrast, cryptocurrencies have cut transaction costs by over 50%, enabling migrants to send money across borders faster and more affordably than ever before (Chainalysis, 2024). El Salvador's Bitcoin adoption positioned it as a pioneer in crypto remittances, while Nigeria and the Philippines continue to experience exponential growth in crypto-based cross-border transactions (United Nations, 2023).

However, as cryptocurrencies integrate further into global trade, regulatory uncertainty remains the primary roadblock to mass adoption. Governments worldwide struggle with how to classify, regulate, and tax digital assets while balancing innovation with concerns over financial stability, illicit transactions, and monetary sovereignty (BIS, 2024). Some regions, such as the European Union, have proactively established regulations through the Markets in Crypto-Assets Regulation (MiCA), establishing one of the world's first structured regulatory frameworks (European Parliament, 2024). Meanwhile, China's push for a centralized digital yuan (e-CNY) raises broader questions about whether decentralized and state-backed digital currencies can coexist—or whether one will ultimately dominate of global finance (World Economic Forum, 2024).

As the digital economy evolves, cryptocurrencies will no longer be a theoretical debate but a defining force in financial transformation. The real question is not whether digital currencies will reshape trade but how quickly traditional institutions must adapt before becoming obsolete.

## **ECONOMIC AND SOCIAL IMPACT OF CRYPTOCURRENCIES ON GLOBAL TRADE**

The emergence of digital currencies has not only challenged traditional financial systems but has also begun to reshape global trade dynamics, particularly in economies with financial restrictions, inflationary instability, or limited banking infrastructure (World Economic Forum, 2024).

While much of the world still relies on the traditional FIAT-based financial system, cryptocurrencies have started to fill critical gaps. In regions where banking access is unreliable or expensive, digital currencies allow businesses and individuals to transact without intermediaries (World Bank, 2023). This is particularly beneficial for small and medium-sized enterprises (SMEs), which often struggle with high cross-border payment fees and delays (OECD, 2024).

Stablecoins, in particular, are revolutionizing international trade. Unlike volatile cryptocurrencies, dollar-pegged stablecoins provide predictability, allowing businesses to settle payments with minimal currency fluctuation risk (European Central Bank, 2023). For example, an Argentine exporter working with a Turkish partner can now complete transactions in USDT or USDC, reducing costs and avoiding currency devaluation. Stablecoins maintain a 1:1 peg with the U.S. dollar, ensuring price stability and making them highly practical for international trade and payments.

Another critical aspect of this financial transformation is economic resilience. Countries such as Russia, Venezuela, and Nigeria have increasingly turned to digital assets to bypass financial barriers and reduce dependence on the traditional banking system (OECD, 2023). This marks a deeper shift—financial decentralization is no longer just an innovation—it is becoming a geopolitical tool. As financial restrictions tighten, governments and businesses in sanctioned economies

are increasingly exploring blockchain-based alternatives to sustain cross-border transactions and trade (IMF, 2024).

Cryptocurrencies have also disrupted remittances, a sector long dominated by financial intermediaries charging excessive fees (United Nations, 2023). In high-adoption countries like El Salvador, the Philippines, and Nigeria, migrant workers turn to digital assets for faster, cheaper transactions—reducing fees by over 50% compared to traditional money transfers (IMF, 2024). This shift enhances financial inclusion, particularly for low-income families, but also raises regulatory concerns regarding money laundering and fraud (OECD, 2024).

Despite their advantages, cryptocurrencies still face regulatory and adoption challenges. The primary obstacle remains legal uncertainty, as governments struggle to define consistent policies (BIS, 2024). Some nations embrace digital assets as modernization tools, while others impose strict regulations due to concerns over volatility and illicit activities (Financial Times, 2024).

However, blockchain technology ensures an unprecedented level of transparency and security. Every transaction is permanently recorded on a public ledger, making fraud and manipulation nearly impossible. Unlike traditional banking systems, where transactions can be opaque and subject to central authority control, blockchain enables a decentralized and verifiable financial network (World Economic Forum, 2024).

## **CONCLUSION: THE FUTURE OF FINANCIAL CONNECTIVITY IN A DECENTRALIZED ERA**

The financial world stands at a defining crossroads. Cryptocurrencies, once dismissed as a speculative anomaly, are now carving a permanent place in the global economy. The question is no longer whether digital assets will reshape international transactions but how quickly financial institutions, governments, and businesses will adapt to this transformation.

In economies constrained by inflation, sanctions, or financial exclusion, digital currencies are not a luxury but a necessity. From Russia's adaptation of crypto for cross-border trade to Venezuela's reliance on Bitcoin for economic survival, and Nigeria's booming crypto adoption despite regulatory resistance, decentralized finance is more than an alternative—it is the foundation of an emerging financial order.

For businesses and policymakers, inaction is no longer an option. Those who fail to integrate digital currencies into their financial strategies will find themselves at a disadvantage. The institutions that embrace this shift will lead the next era of financial connectivity, where speed, efficiency, and accessibility redefine global commerce.

This is not just an evolution—it is a financial revolution. Cryptocurrencies are no longer the future. They are the present. The only question that remains is: Who will adapt—and who will be left behind?

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## New logistical routes in the Global South and East

### North–South/East–West Cooperation Nexus

#### **Turkmenistan offers new transcontinental transport corridors**

Turkmenistan has a massive untapped potential for developing its transport and logistics sector. With its unique geostrategic position, the country lends itself naturally as a perfect hub that could crosslink the economies in the west, east, north and south of the Eurasian continent. Building ties with multiple partners around the globe can help any country to broaden its options for increasing freight traffic as well as upgrade the existing and take advantage of new international multimodal routes, which eventually contribute to its higher revenues and economic potential. The current year 2025, declared as the International Year of Peace and Trust by the UN General Assembly, also marks the 30th anniversary of Turkmenistan's permanent neutrality, a testimony of its commitment to the highest humanistic principles of peace, mutual understanding, and friendship. This initiative is fully consistent with the new philosophy of interstate relations put forward by the National Leader of the Turkmen People, Chairman of the People's Council of Turkmenistan, Hero-Arkadag Gurbanguly Berdimuhamedow. Today, the whole world knows and accepts this political and philosophical doctrine, Dialogue as a Guarantee of Peace. Over a relatively short time, in historical terms, Turkmenistan, positioned between Europe and Asia, at the heart of the Great Silk Road, has built

valuable expertise in how to coordinate engagement with leading international organizations and develop fundamentally new constructive formats for international cooperation. Our country's proactive cooperation with the United Nations in such high-potential sectors as transport and logistics is dictated by the nature of economic globalization. Nationwide reforms in Turkmenistan have been driving the modernization of its transport and communications infrastructure. All these efforts have transformed Turkmenistan into a major internationally significant transport hub. Our independent country puts special emphasis on logistical development and diversification. By implementing its transport and communications strategy Turkmenistan has consistently strengthened its regional and global position as a critical transport and logistics center. In 2023, at the 70th plenary session of the 77th UN General Assembly, Turkmenistan proposed to designate November 26 of every year as the World Sustainable Transport Day. The idea was unanimously supported by UN member states, showing again the worldwide recognition of our country's initiatives that have global relevance.

Countries are increasingly looking to leverage the benefits of Turkmenistan's position at the center of international transport network. This became evident at the second international conference, The International Transport-Transit Corridors: Interconnectivity and Development 2023 (ITTTC 2023) held in Ashgabat on 3-4 May 2023. It was organized by the Transport and Communications Agency under the Cabinet of Ministers of Turkmenistan in partnership with Turkmen Forum, a private provider. The conference agenda focused on ways of exploring the transport infrastructure capability, including highways, sea ports, airports and railways that are already or can be used to facilitate east-west and north-south cargo flows in Eurasia. In 2023, the Ashgabat Transport Forum attracted over 800 participants, representing about 300 businesses and organizations in 45 countries, or twice as many as at the first transport conference hosted by Turkmenistan's capital in 2022. The international attendees of previous forums sought to continue the dialogue and it was their persistence that led to the new meeting in Ashgabat. This shows that there is a real need to develop international transport-transit corridors in the post-Covid period with growing national economies in most countries, including Southeast Asia. Such forums are virtually global in terms of participants' geography that includes Russia, Belarus, Azerbaijan, the United Kingdom, the United States, the European Union, Armenia, Kazakhstan, Georgia, Kyrgyzstan, India, China, South Korea, Nigeria, Afghanistan, Uzbekistan, Pakistan, Tajikistan, Türkiye, Ukraine, Japan, Israel, Canada, the United Arab Emirates, Saudi Arabia, Thailand and other countries. The discussions cover such issues as Turkmenistan's multimodal transit hub, transformation of the transport and logistical services market in the context of the digitalization of the economy, interlinks between Central Asia and global supply chains, and the role of public private partnerships. The North-South International Transport Corridor (INSTC) has seen massive growth in cargo traffic, as evidenced by soaring freight statistics. For example, in the first

quarter of 2023, Russian Railways increased their shipments to Turkmenistan by 73%, while their transit volumes through Turkmenistan became 3.5 times bigger. Over recent years, the role of transport corridors, such as the INSTC running from Russia via Turkmenistan and Iran to India, has become immensely important. According to international experts, the INSTC, which combines rail, road and sea freight capabilities, has a total potential of 20 million containers a year. According to Sergey Pavlov, Deputy CEO of Russian Railways, Russia's international freight along the INSTC grew by 62% in 2022 and by as much as 70% in Q1 2023. Speaking about the areas of bilateral cooperation, Mr. Pavlov cited a pilot project to upgrade a railcar repair facility in Turkmenistan that would increase its capacity severalfold. Also, Russian Railways has other projects to offer, such as track electrification and development of a regional passenger railway express, and is working on proposals for a comprehensive business process automation and digitalization of Turkmenistan's railway system. These projects could add substantial value, considering the sharp rise in both bilateral and transit freight flows through Turkmenistan on the INSTC to Iran and on to South Asia and the Gulf states. Apart from Russia, this transport corridor will also help Turkmenistan increase mutual trade with Belarus, Kazakhstan, Tajikistan, Kyrgyzstan, China, Iran, Pakistan, India, Bangladesh and other countries.

The rising international freight traffic highlights the significance of the Turkmenbashi International Seaport as the "sea gates" connecting Central Asia to Europe through sea, road and rail links and the largest transit hub in the region. With its huge loading and unloading terminals and powerful machinery, the port offers top-quality loading/unloading and warehousing services. The Turkmenbashi International Seaport has been granted the OSCE's EcoPorts certificate in a process which involves implementation of a digital platform to facilitate information exchanges between the sea ports of Turkmenistan, Azerbaijan, and Kazakhstan. This system, in turn, will be connected with major European ports. When completed, the EcoPorts certification will confer the status of a green port integrated into the European transport system. This will open new horizons for the Turkmenbashi International Seaport, boosting efficiency and accelerating freight traffic through Turkmenistan. In March 2023, representatives of Turkmenistan's Maritime and River Transport Agency and KPMG Tax and Advisory LLC (part of the KPMG global organization) discussed the possible transfer of Turkmenbashi port terminals in trust. There is also the OAE-based AD Ports Group that signaled its interest in a long-term trusteeship over the container terminal of the Turkmenbashi port. Moreover, Turkmenistan was invited by the Organization of Turkic States (OST) to join its Sister Ports program, which was established to enhance coordination between maritime operators and which includes Azerbaijan, Kazakhstan, Kyrgyzstan, Türkiye, and Uzbekistan, plus Hungary as an observer. Once it joins the network, Turkmenistan will be able to access the expertise and resources of other sea ports as well as contribute its own knowledge and capability. Construction of

the China–Kyrgyzstan–Uzbekistan railway corridor will unlock further opportunities for Turkmenistan as a transit hub between Europe and Asia. Underscoring the importance of international engagement in the transport sector was a statement by Igor Runov, Executive Secretary of the UN International Center for Transport Diplomacy (ICTD), who commended Turkmenistan’s vigorous efforts to develop critical North–South and East–West transport and logistical routes, notably Lapis–Lazuli (a transit project between Türkiye, Georgia, Azerbaijan, Turkmenistan, and Afghanistan), Kazakhstan–Iran–Turkmenistan, Uzbekistan–Turkmenistan–Iran–Oman, the Caspian Sea–Black Sea, and other inter-regional transport arteries. He also pointed to the big role played by the Transport Corridor Europe–Caucasus–Asia (TRACECA) that bolstered Turkmenistan’s maritime freight capability and made its shipping services more attractive.

Furthermore, under its 2012–2030 National Program for Civil Aviation Development, Turkmenistan has been progressively renewing its aircraft fleet. Turkmenistan Airlines has signed a contract with Boeing to purchase new passenger airplanes and has also bought Airbus A330-200P2F freighters designed to carry over 60 tonnes of cargo in different configurations as far as 7700 km. Today, Airbus freighters operated by Turkmenistan Airlines fly cargos from Vietnam and South Korea to Europe via Turkmenistan. Apart from being the first user of A330-200P2F among Central Asian airlines, Turkmenistan Airlines boasts an overall fleet of three dozen passenger aircraft supplied by the world’s leading manufacturers.

The Eurasian Development Bank (EDB) has defined ten system elements of its Eurasian Transport Framework Concept, aiming to establish and develop sustainable, accessible and efficient links across Eurasia. This concept was presented in a report along with a review of the current status of the transport network, development projections for the five principal Eurasian transport corridors, as well as key projects and initiatives for further development of the Eurasian Transport Framework. The latter is a network of interconnected east–west and north–south transport corridors and routes that provide internal and transcontinental connectivity between Eurasian countries. The backbone of the Eurasian Transport Framework consists of international transport corridors that run east to west and north to south for over 50,000 km linking Asia, Europe, and the Middle East. Coupling points between these corridors enable strong synergy effects that boost freight flows by up to 40%. The primary objective of the study is to come up with a new conceptual outlook for the potential evolution of the Eurasian Transport Framework and provide an overview of major projects and initiatives to improve transport connectivity across Eurasia. The Eurasian Transport Framework includes five key international transport corridors: Northern, Central and Southern Eurasian Corridors, TRACECA and INSTC, complete with branches and regional routes. The Eurasian Transport Framework is particularly important for Central Asian economies. Better intraregional economic links drive down the cost of transporting cargos between countries along the corridors, as well as to sea ports. Studies confirm that the Eur-

Asian Transport Framework will help to reduce the imbalances in terms of trade geography in Eurasia. For example, the gravity model of the International Trade Center shows that the unrealized trade potential between India and Central Asia is twice the trade volume between them averaged over 5 years due to inadequate transport accessibility and inconvenient and expensive freight services. Improved connectivity is also a powerful driver for unlocking the agro-industrial potential. The Eurasian region is one of the world's breadbaskets capable of supplying food to 600 million people through agricultural exports.<sup>1</sup> But not until the countries of the region have adequate transport and logistical infrastructure in place. Soft infrastructure is another critical requirement for building the Eurasian Transport Framework. Specifically, this involves development of integrated logistical services that enable transport modes and corridors to engage instead of competing. Integrated multimodal logistical solutions can save up to 15% of transportation costs. The value impact of soft infrastructure improvements is comparable with the benefits of bettering hard infrastructure. The improvement of soft infrastructure rests on three pillars: harmonization, coordination, and digitalization. For instance, Central Asian countries can raise their exports by 18% through halving the border-crossing wait time for cargos and vehicles. Notably, transition to digital technology and shipping documents could save up to 4 days of border-crossing time for international freight traffic. The Eurasian Transport Framework also has an important role on the international scale, as Eurasian land routes provide a business-saving backup option for global trade and supply chains in case of maritime shipping disruptions, such as the troubled period from May 2021 to August 2022; while the Asia-Europe container shipping market became highly volatile on the back of the Covid-19 pandemic, Eurasian corridors carried the cargos at a third of the shipping cost and in a third of the delivery time. EDB analysts emphasize the need to focus on the "nerve centers," i.e. junctions between corridors and routes, border crossings and key sea ports. Therefore, it is critical, as an absolute prerequisite for Eurasian Transport Framework's current operation and future successful development, to develop access links to transport hubs and sea ports, as well as build and upgrade border crossings and the necessary auxiliary infrastructure, primarily dry ports and logistical centers.

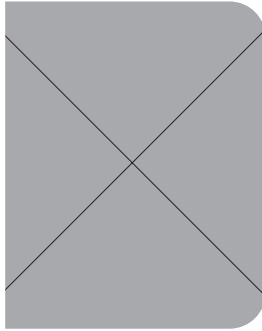
As for the practical benefits of the above-mentioned transport and other conferences, networks and dialogues, it is worth noting that, on their sidelines, these events host about a 100 meetings and negotiations between heads of Turkmenistan's transport and other agencies and representatives of foreign companies and organizations. These are followed up by signing of bilateral and multilateral documents that underpin deeper cooperation in the transport sector.

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1 Food Security and Agro-Industrial Potential of the Eurasian Region (EDB Report)



BELARUS



**Rudit Victoria**



## **Reducing barriers to international trade in services – the opportunity of the century?**

In the context of globalization and integration of national economies, international trade in services plays an increasingly important role. Reducing barriers in this area may become a key factor determining the economic development of the BRICS+ countries. In this regard, careful analysis and new regulatory approaches are needed, as lowering barriers can be a catalyst for economic growth and social progress in these countries. International trade in services such as tourism, information technology, training and finance plays an important role in shaping the global economy. As a consequence, reducing barriers to free import and export assistance between countries is required.

Within the framework of analyzing barriers to international trade in services, we can distinguish three main categories: tariff, non-tariff and regulatory. Tariff barriers include import, export and anti-dumping duties, which are used to regulate trade turnover and protect national interests. Non-tariff barriers, in turn, include import quotas, licensing and certification, which limit the access of foreign goods to the domestic market. Regulatory barriers encompass differences in legislation and normalization mechanisms, such as safety standards and labor regulations, which complicate international trade.

International normalization in import and export activities includes a number of agreements such as the General Agreement on Trade in Services (GATS) and the World Trade Organization (WTO). These organizations aim to reduce barriers to trade in services and create more favorable conditions for access to world markets. Thus, Articles I, II, III, XVI and XVII of the General Agreement on Trade in Services (GATS) establish fundamental principles and rules for international trade in services aimed at ensuring non-discriminatory and transparent treatment for service suppliers from all member countries, as well as the obligation of member countries to accord services from other countries treatment no less favorable than that which they accord to services from any other countries.

The specificity of regulation in the BRICS countries and international trade is due to differences in national legislation and support mechanisms, which, however, does not prevent member countries from striving to reduce trade barriers and create favorable conditions for imports and exports, thus contributing to the development of the economy and trade both within and outside the bloc. Within the BRICS framework, there is multilateral cooperation based on the principles of an open, transparent, non-discriminatory and inclusive trading system, as enshrined in documents such as the Declaration of the 2016 BRICS Summit in Goa. One of the key areas of cooperation is the regulation of digital platforms, which plays an important role in the development of digital trade. In addition, BRICS has a Customs Cooperation Committee, which aims to coordinate customs procedures and standards to facilitate trade between member countries, which in turn requires taking into account the specifics of each country's national customs legislation. For example, Brazil's Customs Law regulates the importation of goods by providing for import customs duties, industrial products tax and tax on the circulation of goods and services, Russia has a Customs Code regulating customs procedures and duties, and India, in addition to national customs laws, participates in regional trade agreements such as the agreement with MERCOSUR.

An important aspect of BRICS cooperation is the harmonization of investment law, as each member country has a unique legal framework governing the attraction and protection of foreign investment, which creates both opportunities and challenges for investors. All BRICS countries are parties to key international agreements such as the 1965 Washington Convention on the Settlement of Investment Disputes between States and Foreign Persons (ICSID) and the Agreement on Trade-Related Investment Measures (TRIMs) under the WTO. However, differences in national legislation and practice of its application remain significant. For example, in Russia, the main investment law norms are enshrined in Federal Law No. 160-FZ "On Foreign Investments in the Russian Federation", which provides for national treatment of foreign investors, except for restrictions in strategic industries such as energy and defense. In India, foreign investment is regulated under the Foreign Exchange Management Act (FEMA) of 1999, which sets limits on foreign capital stakes in various sectors, such as retail (up to 51%) and insurance

(up to 74%). In Brazil, the main regulation is Law No. 13.097/2015, which allows foreign investment in most sectors of the economy, but maintains restrictions in areas such as aviation and telecommunications.

China regulates foreign investment through the 2020 Foreign Investment Law, which introduced a “negative list” system that lists industries closed or restricted to foreign capital, such as education and health care. These differences in approaches to regulating foreign investment create challenges for investors seeking to operate in BRICS markets. For example, Russian companies investing in India’s energy sector face restrictions on the share of foreign capital, while Chinese investors in Brazil may face difficulties due to bureaucratic barriers in obtaining permits. Nevertheless, reducing investment law barriers and harmonizing legislation within the BRICS framework could be the “opportunity of the century” for member countries. The creation of common standards for investment protection, simplification of project approval procedures and unification of approaches to dispute resolution, for example, through the establishment of a BRICS arbitration center, could significantly increase the bloc’s attractiveness to foreign investors. This, in turn, will contribute to the growth of mutual investments, infrastructure development and technological exchange, which will strengthen the BRICS position as one of the key centers of the global economy. Thus, overcoming differences in the area of investment law could be an important step towards deeper economic integration and turning the BRICS into a global driver of investment growth.

The modern world economy is increasingly oriented towards trade in services, which is confirmed by statistical data. Over the past five years, the share of services in world trade has grown to 25%, according to WTO and UNCTAD reports. The contribution of the BRICS+ countries is particularly notable, accounting for 15% of global services exports in 2023. However, despite this progress, barriers to trade in services remain significant. For example, the average level of restrictions in the services sector in BRICS+ countries is around 30%, significantly higher than in advanced economies. This creates barriers to further growth, especially in promising sectors such as IT, education and health care. For example, in India and China, IT services are growing at 10-15% annually, but persistent constraints such as complex licensing procedures and restrictions on foreign investment are holding back their full potential.

China and India, as key BRICS+ members, have shown significant progress in services sector development, but still maintain a number of barriers that limit their full potential. In China, despite the rapid development of IT services and the digital economy, restrictions on foreign investment in sectors such as telecommunications and financial services remain. For example, under the PRC’s 2020 Foreign Investment Law, foreign companies face joint venture requirements and foreign equity restrictions, making it difficult for them to enter the market. In addition, China has strict data transfer rules enshrined in the 2017 PRC Cybersecurity Law,

which requires companies to store user data within the country, creating additional challenges for international IT companies.

India, on the other hand, is actively developing its IT sector, which already accounts for a significant part of its services exports. However, barriers in the form of complex licensing procedures and bureaucratic hurdles are holding back further growth. For example, in the education sector, foreign universities face restrictions imposed by the Foreign Educational Institutions Act 2010, which requires multiple permits to open branches. At the same time, India is actively working to reduce barriers in sectors such as healthcare, where simplified certification procedures for medical devices, enshrined in the Medical Devices Amendment Act 2020, have already led to increased foreign investment.

Comparing the two countries, China places more emphasis on protecting the domestic market, while India is gradually moving towards liberalization, especially in IT and education. However, both countries face common challenges such as the need to harmonize regulatory frameworks and remove discriminatory measures. Reducing these barriers, as envisioned in the WTO Agreement on Trade in Services (GATS), will not only strengthen their position in the global services market, but will also be an important step towards a more open and competitive global economy.

The World Bank and the International Monetary Fund (IMF) have projected that lowering barriers to trade in services could lead to a significant increase in trade in BRICS+ countries. For example, it is expected that by 2030, liberalization of the IT, education and health sectors could increase trade in services in these countries by 20-25%. This will be possible due to increased foreign investment, improved market access and increased competitiveness of domestic firms. In particular, it is predicted that China and India could increase their share of global services exports to 10% and 7% respectively, emphasizing their key role in the global economy.

A number of innovative solutions are proposed to further reduce barriers and stimulate the growth of trade in services in BRICS+ countries. First, the digitalization of services trade processes can significantly simplify interactions between countries. For example, the introduction of e-visas, digital contracts and online learning platforms will reduce bureaucratic costs and speed up market access. Second, harmonization of standards in key sectors such as education and health care will be an important step to ensure mutual recognition of qualifications and certificates. This is particularly relevant for health services, where harmonization of standards can promote medical tourism and the exchange of specialists. Finally, to strengthen cooperation within the BRICS+ framework, an initiative to establish a free trade area for services is proposed. This approach would allow member countries to eliminate discriminatory measures, harmonize legal and regulatory frameworks and create an enabling environment for the development of key sectors. For example, a common services market within BRICS+

could become a platform for joint projects in IT, education and health care, which would strengthen their position in the global market and ensure sustainable economic growth.

The reduction of barriers to trade in services in the BRICS+ countries will lead to a significant economic effect. According to experts' estimates, an increase in services exports could contribute to GDP growth in these countries by 1.5-2% annually. This will be possible due to increased access to international markets and attraction of foreign investment in such promising sectors as IT, education and healthcare. In addition, the development of these sectors will create new jobs, which is especially important for countries with growing populations, such as India and South Africa. For example, the IT sector is expected to create up to 5 million new jobs by 2030, which will significantly reduce unemployment and improve living standards.

The social impact of liberalizing trade in services will also be significant. Improved access to quality educational and health services will be a key factor in raising the level of human capital. For example, simplification of procedures for foreign universities and medical institutions will allow citizens of BRICS+ countries to receive world-class education and treatment. In addition, the development of small and medium-sized businesses in the service sector, such as tourism, consulting and digital services, will contribute to poverty reduction, especially in rural and remote regions.

The implementation of the proposed measures will lead to an increase in the share of BRICS+ countries in global trade in services from the current 15% to 20-22% by 2035. This will strengthen their position in the international arena and promote economic integration among the member countries. For example, the establishment of a BRICS+ free trade area for services will remove existing barriers and harmonize standards, which will facilitate interaction between countries.

The proposed measures can be implemented within the framework of existing BRICS+ agreements and adapted to the specifics of each country. For example, China and India could focus on IT and educational services, while Brazil and South Africa could focus on medical tourism and environmental services. Such an approach would provide flexibility and take into account the unique needs of each economy, making the liberalization process more effective and sustainable.

Thus, reducing barriers to international trade in services is a strategically important task for the BRICS+ countries, which requires a comprehensive approach and harmonization of regulatory frameworks. The analysis has shown that existing restrictions, such as complex licensing procedures, restrictions on foreign investment and heterogeneity of standards, significantly hinder the development of key sectors, including IT, education and health care. However, as the examples of China and India demonstrate, gradual liberalization and introduction of modern solutions, such as digitalization of processes and unification of standards, can become a powerful catalyst for economic growth.



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# Future Geopolitical Prospects for Collective Growth

## Part I. Introduction and analysis

In the light of the current geopolitical situation, this study will examine contemporary realities, their historical and diplomatic context, and future prospects in the face of the collapse of U.S. unilateralism, the emergence of a multipolar world with its risks and benefits, and the changing socio-economic environment.

The study will focus on the strengthening of regional institutions, the relationship between them as 'communicating vessels', examples of socio-economic modernisation, and the evolution of markets.

### General context

From 1947 up to the present day (2025), the world has witnessed the collapse of numerous colonial empires and the rise of hundreds of post-colonial states, many of which have found themselves in internecine conflicts due to their failure to establish internal socio-economic systems.

The Americas gained their independence from Great Britain, France, and Spain within pre-existing institutional frameworks. In Spain's case, the process was rooted in its established viceroalties, whose authorities maintained effective administrative control over their entire territories. Moreover, Spanish imperial policies largely avoided the chronic ethnic tensions seen in the United States, Canada, and Haiti.

The eastward expansion of the United States involved the extermination of Native Americans and their forced relocation to reservations, as well as the expansion of U.S. administrative power through the establishment of new states within the Union. Contrary to common perception, the primary cause of the American Civil War was not solely the problem of slavery. Instead, it was largely driven by the issue that both Americans at the time and many Europeans today grapple with, namely the balance of power between the Union's federal government and individual states. This ideological divide defined the opposing sides: the Unionists (winners), characterised by a large middle class, large industrial and economic capital and a thalassocratic mentality, which allowed them to benefit more from trade through the Union; and the Confederates (losers), who also had a large middle class, developed agriculture and animal husbandry (but underdeveloped industry and financial sectors), tellurocratic tradition and strong attachment to their land, which fuelled their local patriotism.

Despite wars of independence and, in the case of the United States, territorial expansion across the continent and into the Caribbean, the Americas have avoided large-scale conflicts comparable to those witnessed in Europe or Africa.

During the decolonisation of Africa, the British and French left behind vast, resource-rich nations with small populations, lacking industrial infrastructure and, more critically, extremely weak administrative governance systems. This legacy continues to hinder many African states today, as they struggle with poor governance, often falling under the control of local militias, whether separatist or revolutionary, or even groups tied to international terrorism.

The period from 1945 to 1949 marked the dawn of a new world order. The end of World War II left Europe devastated and stripped of its international dominance, concentrating global power in the hands of the United States and the Soviet Union. The shift became evident in 1956 when France, Britain, and Israel were forced to withdraw from Egypt under pressure from U.S. President Eisenhower and Soviet leader Khrushchev, who supported Gamal Abdel Nasser through UN mechanisms. The crisis had significant political repercussions: British Prime Minister Anthony Eden resigned and French Prime Minister Charles de Gaulle, despite his strong anti-communist stance, lost confidence in NATO, leading to France's partial withdrawal from the alliance. In addition, the end of the French mandate for Syria and the Lebanon and their eventual independence from France in 1946, as well as the British withdrawal from Palestine, Transjordan and Iraq, left a legacy of chronic instability in the region.

The British withdrawal from the British Raj resulted in its division into three nations: India, Pakistan, and East Pakistan (now Bangladesh), leading to rising tensions and numerous conflicts in the region. Meanwhile, Mao Zedong's victory in China in 1949 marked the conclusion of a transformative period in global politics, signalling the establishment of a new world order. During this time, the Bretton Woods system, created in 1944, emerged amidst intensifying rivalry between

Soviet Marxism-Leninism and Chinese Maoism, as the world became divided into competing blocs and spheres of influence.

Within this context, a complex bipolar world started to take shape. On one side, capitalist states were fragmented: the United States advocated for free trade capitalism, while Europe was developing a capitalist system with significant state intervention. On the other side, within the communist bloc, deep divisions arose between Soviet Marxism-Leninism and Chinese Maoism. This fragmentation led to the use of various definitions within the ‘three worlds’ concept.

Western theory categorises the world into three spheres: the “First World,” consisting of capitalist Western nations; the “Second World,” made up of socialist countries; and the “Third World,” comprising newly decolonised states. In contrast, Mao’s theory redefines these categories: the United States and the Soviet Union as the “First World”; developed nations like Australia, France, Britain, and Germany, which lack global dominance, as the “Second World”; and developing countries in Asia, Africa, and Latin America as the “Third World.”

These differing perspectives highlight that geopolitical nuances are influenced by cultural and anthropological perceptions within societies, extending beyond ideological differences. Culture plays a crucial role in shaping the future world. For instance, in Europe, a cultural rivalry can be anticipated between Germanic and Mediterranean states, reflecting historical, linguistic, and economic tensions between Protestantism/Anglicanism and Catholicism/Orthodoxy. Notably, Catholic and Orthodox countries often embrace more socially oriented economic theories, contrasting with the liberal economic concepts prevalent in Protestant and Anglican societies.

This results in tensions between major powers, particularly in continental Europe, where Berlin and Paris have been competing for influence since the 19th century. These tensions intensify when Britain becomes involved. In *World Order*, Henry Kissinger argues that Britain’s role has historically been to monitor power dynamics in Europe. While Britain sought opportunities for trade without political interference, it viewed any dominant continental power as a serious threat. Such dominance within continental Europe could challenge Britain’s naval supremacy, which was the foundation of its global influence. Two key principles emerged from this strategy: first, no single power should dominate the continent – a view shaped by Britain’s expulsion from France after the Hundred Years’ War; second, Britain should actively oppose such powers. The strategy was employed against the Spanish Empire during the Eighty Years’ War, against France in conflicts such as the Thirty Years’ War (1627-1629), the Anglo-Dutch War (1666-1667), and the Second Hundred Years’ War (1688-1815), culminating in the Napoleonic Wars, which solidified France’s perception of Britain as its natural adversary and a persistent obstacle to achieving European dominance.

The unification of Germany in the 19th century intensified tensions across Europe, particularly following German victories over France and Austria-Hungary.

In response, France and Great Britain, concerned about the rise of a German state, allied with Russia. Germany countered by forging alliances with Austria-Hungary, Bulgaria, and the Ottoman Empire. These rivalries ultimately culminated in the outbreak of World Wars I and II.

The dominance of a single country in Europe was historically seen as a threat, but everything changed after World War II. The concept of European continental power was inherited by the United States and the Soviet Union, which then divided Europe into spheres of influence, with the USSR becoming the primary existential threat to the United States and its allies.

For the United States, Europe was both a promising market and a potential threat that needed to be neutralised through indirect influence. The strategy was straightforward: rebuilding Europe under the Marshall Plan, alongside initiatives such as NATO, the Council of Europe, the European Coal and Steel Community (the foundation of the future EU), and the United Nations.

This strategy incorporated several concepts, starting with Mahan's theory of controlling the seas and straits, which remains relevant today. The theory emphasises the importance of a powerful navy for deterring adversaries, securing trade routes, and maintaining control over crucial sea passages, such as the Persian Gulf, Suez Canal, Atlantic route, Panama Canal, Mediterranean route, etc. It also highlights the significance of naval bases and logistical support. To support this dual offensive/defensive strategy, the United States has established naval bases globally. This ensures the effective use of sea power to assert dominance while protecting U.S. interests and trade routes. Additionally, the approach includes leveraging political and diplomatic influence built upon the above fundamental elements.

Gentlemen, we live in a world where ideals may be commendable, but the realm of diplomacy and international relations offers only a limited number of ways for a state to assert its dominance. This can only be achieved by either being a cultural power capable of mobilising and destabilising an entire region (e.g., Iran), having a population exceeding 100 million, serving as a critical financial hub for global financial flows, or possessing a formidable military. A strong military capable of confronting similarly powerful states remains essential for earning respect on the global stage. Diplomatic strength depends not only on the skills of diplomats but also on the military capability of the state. Historical figures like Talleyrand, Metternich, Viscount Castlereagh, and Tsar Alexander achieved diplomatic success because their nations wielded significant military power, whether it was France's army, Austria-Hungary's might, Britain's navy, or Russia's formidable armed forces. It is extremely difficult to win without trump cards.

The United States and, to a lesser extent, the USSR played their military trump cards alongside their allies by establishing a network of alliances grounded in institutional frameworks (as we shall see later). This marked a shift away from the 'face-to-face' diplomacy that was common before 1945, and the experience of the League of Nations proved the validity of this approach.

Alongside Mahan's theory, which forms the foundation of current U.S. geopolitics and which, curiously enough, is tacitly applied by Türkiye which adapts it, through its Mavi Vatan doctrine, to its maritime realities, the Western view of Russia is influenced by Mackinder's theory.

Mackinder identified the "World Island," encompassing Eurasia and Africa, which he described as regions containing the majority of global resources and serving as the arena for competition for geopolitical supremacy, with America positioned on the periphery. Within this "World Island" lies the "Heartland," extending from the Kola Peninsula to the Urals and southward through the Caucasus, the Black and Caspian Seas, Iran, and the Middle East.

Russia controls over 50% of the Heartland, which means it controls human resources, trade routes and major natural resources. Russia, whether it desires this or not, is destined (like any other power that controls the sea) to be a superpower. Situated at the 'centre of the world,' Russia is a pivotal force whose role is indispensable in global affairs. Its diplomatic relations with Central Asia and Iran are crucial, while its assertive policies in the Transcaucasus further solidify its regional dominance. Despite Türkiye's cultural diplomacy efforts rooted in Turanism — an ideology that has greatly benefited Ankara — Russia has successfully maintained these countries within its sphere of influence.

Where is this evident? Firstly, in Russia's capacity to transport large cargoes between its European borders and the Bering Strait, as well as in its strategic role as a key hub on China's Silk Road. Additionally, Russia has established its own West-East trade route, which it largely controls, with over 80% of the route between China and Europe passing through sovereign Russian territory. Furthermore, Russia's strategic focus on southern regions via the North-South corridor strengthens its comprehensive alliance with Iran. The corridor connects Russia's warm-water ports on the Black Sea to the Indian Ocean through access to Iran's Chabahar port. At the same time, it enables Russia to tap into southern resources, positioning itself as a dynamic force in global trade.

### **China and India**

China, which faced humiliation during the 19th century and the first half of the 20th century under the declining and ineffective Qing dynasty, underwent a profound transformation following the nationalist uprising led by Sun Yat-sen, continued by Chiang Kai-shek, and culminating in Mao Zedong's Communist victory. This transition marked the rise of a new geopolitical and economic model for China. The leadership of the Communist Party of China (CPC) in many ways resembles the traditional administrative and imperial system of China, evolving over time to become more Confucian than Marxist. China's consolidation of control over territories such as Xinjiang (East Turkestan) and Tibet, along with ongoing border disputes with India over regions such as Aksai Chin (currently administered by China but claimed by India) and areas south of the McMahon Line (Arunachal

Pradesh, currently administered by India but claimed by China), has contributed to strained relations between Beijing and New Delhi. The Dalai Lama's presence in Ladakh intensifies tensions. These developments demonstrate China's resurgence as an expanding power following the tumultuous decades that led to the fall of its last imperial dynasty and the years of warfare preceding Mao Zedong's rise to power. Despite ideological divisions within global communism (such as the split between Marxist-Leninists and Maoists), the Sino-Soviet split and differing stances during the armed conflict between Vietnam (supported by the USSR) and Cambodia (backed by China) highlighted China's ambition to assert itself as a global power. This ambition is rooted in China's identity as a civilization state rather than adherence to Marxist-Leninist ideology, from which the CPC has distanced itself to carve an independent path in the 20th and 21st centuries.

The Heihe-Tengchong line, which divides China into the eastern region (where 94% of the population resides) and the western region (which is home to only 6%), also highlights the ethnic divide. The eastern region is predominantly inhabited by Han Chinese, who form the cultural backbone of the Chinese state, while the western region is home to Chinese belonging to diverse ethnic groups such as Mongols, Turkic peoples, Tibetans, and many others. Consolidating control over its western territories is a priority for China, as it cannot leave half of its land unutilised. However, China's strategic focus has shifted toward maritime ambitions, presenting challenges for the United States. Examples include the retrocession of Macau and Hong Kong to Chinese sovereignty, alongside tensions in Hong Kong, where, however, Xi Jinping effectively quelled protests by delegating responsibility to Chief Executive Carrie Lam. Broader issues include Taiwan, the dispute over the Senkaku Islands, tensions in the South China Sea, North Korea's nuclear weapon capabilities, conflicts with Japan and South Korea, and the presence of U.S. military bases in Japan, South Korea, Thailand, and the Philippines. Additionally, the Five Eyes intelligence alliance, comprising Australia, New Zealand, Canada, the United States, and the United Kingdom, plays a significant role in this complex geopolitical landscape.

At the same time, China poses an economic threat due to several key factors. During Deng Xiaoping's leadership, the country underwent a major transition towards a more open economy. The shift enabled greater access to financial assets and provided Chinese citizens with more opportunities for economic growth. The reforms also involved industrialisation and the modernisation of transport infrastructure, including roads, ports, and railways. Notably, China's railway network grew from approximately 60,000 kilometres in 2000 to 80,000 kilometres by 2023, a 33.33% increase.

China's industrial growth was fuelled by a combination of central planning by the Communist Party and the relocation of factories from Europe and the United States, attracted by China's lower labour costs, abundant raw materials, developed infrastructure, and favourable conditions. This process accelerated China's indus-

trialisation, resulting in some 2.6 million factories and plants across the country in 2000, which increased to 4.2 million by 2023, a growth of 61.54% over 23 years.

China's role as the world's factory has enabled it to extend its influence to other continents through a diplomatic approach centred on trade, infrastructure development, and financial investment. This strategy has offset China's relatively limited military power compared to the United States and is characterised by lesser emphasis on ideology and reduced interference in the internal affairs of other nations. However, China lacks the cultural dominance possessed by some other world powers. As a result, it relies on its growing economic and naval capabilities to safeguard its maritime ambitions, reminiscent of the legendary voyages of Zheng He, the famed navigator of the Ming Empire. Zheng He's expeditions reached Africa's eastern shores, established trade routes across the Indian Ocean, and collected tribute from various regions. Interestingly, these missions were often symbolic rather than economically driven, as China, the "Middle Kingdom", had abundant resources within its own borders at the time.

Indeed, the level of production during the Ming dynasty, driven by domestic demand, a vast network of workshops, and innovations such as papermaking, brought China to the brink of an industrial revolution.

China is actively working to expand its maritime influence in the South China Sea and the Strait of Malacca while strengthening its trade routes across the Asia-Pacific, including fostering ties with the United States and Hispanic America. Additionally, China is focusing on Africa's east coast, leveraging Kenya and Djibouti as strategic hubs to access the natural resources of central Africa. Meanwhile, the United States has imposed significant tariffs on Chinese goods to protect its domestic industries. While these measures may help the U.S. meet domestic market demands and revitalise its industrial base, they are expected to cause short- to medium-term economic challenges for the U.S. itself. This situation mirrors European sanctions against Russia, which ultimately harmed Europe more than Russia, as both Russian customers and Russian suppliers of goods and services quickly redirected their trade to emerging markets that share scepticism towards the West. Especially, to countries with anti-Western leanings, such as Venezuela, along with nations like India, China itself, Ethiopia, and Sudan. These countries have become both new buyers of Russian goods and suppliers of products and foodstuffs previously banned from being exported from Europe to Russia. Additionally, Russia has utilised these countries as intermediaries to resell its goods to Europe at higher prices, with the intermediary countries earning commissions in the process. This has contributed to inflation in Europe and created challenges for European industries in accessing new markets. Furthermore, much of Europe's industrial base, spanning food, industrial, and technological sectors, remains located outside the region, exacerbating these difficulties.

In response to U.S. tariffs, China can employ several strategies to mitigate their impact. These include diverting some of its products to alternative markets, using

intermediaries to circumvent tariffs (which could affect domestic consumption in the United States), and expanding into new markets. By doing so, China not only reduces the economic impact of tariffs but also enhances its geopolitical influence.

India's situation bears similarities to China's, but it has yet to address its significant social inequalities. While China's middle class expanded by 900% between 2000 and 2024, India's middle class grew by only 300% during the same period, remaining relatively small and unstable. In addition, India faces a challenging geopolitical environment. It has strained relations with China due to border disputes and serves as a sanctuary for the Dalai Lama, a vocal critic of Beijing. India also contends with serious border conflicts with Pakistan and ongoing separatist tensions in Kashmir, which have consumed substantial military and financial resources. Further complicating matters are tensions in the country's eastern region stemming from the conflict between Bangladesh and Myanmar over the Rohingya issue. India also seeks to establish itself geopolitically as both a subcontinent and a state civilization rooted in Hindu identity, akin to China's civilizational model. However, internally, India faces deep divisions among various sects, with the two primary branches of Hinduism, Vaishnavism in the north and Shaivism in the south, not always coexisting harmoniously. Additionally, India grapples with tensions involving Sikh separatist movements and, obviously, challenges in fostering coexistence with its Muslim population. These dynamics are reflected in the process of 'saffronisation' based on Hindutva, an identity-driven ideology aimed at unifying India by portraying Muslims and Christians as inheritors of two 'dark ages' in Indian historiography, the Mughal Empire and the British Raj.

Interestingly, India has historically been a mosaic of empires, kingdoms, and principalities rather than a unified entity, with the idea of a united India largely stemming from British colonial rule. India's geopolitical orientation towards Central Asia was shaped significantly by British Raj's strategic focus, particularly its obsession with the Khyber Pass. The partition of British India into India and Pakistan resulted in the creation of an Islamic republic hostile to India, which has obstructed India's ambitions in Central Asia. To counter this, India has strengthened its ties with Iran, leveraging the strategic importance of Chabahar Port, the only Iranian port not under U.S. sanctions, as a key hub for trade with Afghanistan. This strategy allows India to bypass Pakistan and exert pressure on it. In fact, India's relationship with Afghanistan remains highly favourable, especially for the latter:

2000-2005: Bilateral trade remained low but began to rise in 2003, primarily driven by agricultural products and consumer goods.

2006-2010: Bilateral agreements facilitated a significant expansion of trade, reaching \$1-2 billion annually.

2011-2015: Trade grew to \$5 billion, supported by Indian aid and growth in commodity sectors.

2016-2019: Trade volume peaked at \$1.6 billion in 2019 but remained modest compared to the GDPs of both nations.

2020-2023: Trade was negatively impacted by Afghanistan's political instability, declining to \$1-1.5 billion in recent years.

Trade with Afghanistan constitutes less than 1% of India's GDP, but for Afghanistan, it accounts for approximately 20-30% of its total trade. This relationship has enabled India to access resources, establish trade routes, expand its regional influence, and strengthen its presence in Central Asia. Consequently, trade between India and Central Asian nations, including Tajikistan, Kazakhstan, Turkmenistan, Kyrgyzstan, and Uzbekistan, has steadily grown from 2000 to 2023:

**1. 2000-2010:** Initially, trade between India and Central Asian countries was limited but began to rise around 2006. During this period, the annual trade fluctuated between \$500 million and \$1.5 billion.

**2. 2011-2015:** Trade experienced a significant surge, exceeding \$5 billion. This growth was primarily driven by sectors such as energy, agriculture, and infrastructure.

**3. 2016-2020:** The upward trend in trade continued, reaching \$6-8 billion in a few years. This increase was fuelled by new ties and agreements.

**4. 2021-2023:** Despite geopolitical challenges affecting regional trade dynamics, trade between India and Central Asia remained relatively stable.

In percentage terms, trade with Central Asia represents a minor portion of India's GDP, accounting for less than 1%. However, it constitutes a significantly larger share of the GDP of Central Asian countries, playing a crucial role in their economic development.

India is also bolstering its presence along the Arab coasts, utilizing the Port of Salalah in Oman to transport goods across the Middle East via land routes, thereby establishing its own trade corridor. Additionally, India has developed a network of naval and trade bases. Strategically located at the centre of the Indian Ocean, India acts as a pivotal axis dividing the ocean into eastern and western regions. The Indian Ocean's relatively small size, combined with the proximity of Africa, Madagascar, Indonesia, and Australia, provides India with a logistical advantage. This geography enables shorter naval operations and reduces logistical efforts compared to those required by China, the United States, Russia, or Europe for similar purposes.

In fact, ports such as the aforementioned Chabahar Port in Iran, Sittwe Port in Myanmar, and facilities in India's island territories, including Lakshadweep, Port Blair, and Car Nicobar, are managed by India. India is increasingly asserting its presence in global industry and banking services by adopting a development model inspired by China. This strategy integrates economic liberalisation, industrialisation, technological advancement, and social modernisation (with moderate success), alongside the promotion of a unifying ideology focused on progress.

In China, the dominant ethnic group, the Han, constituting 91% of the population, is unified by a shared language and culture. In contrast, India's largest ethnic group, the Indo-Aryans (72%), is highly fragmented both linguistically and reli-

giously. Despite these internal divisions, India's economic power and enhanced diplomatic capabilities enable it to play a strategic role in global relations involving Russia, China, and the United States. As a key member of BRICS, as clearly demonstrated at the recent BRICS summit in Kazan, and through initiatives such as the Shanghai Cooperation Organisation (SCO) military exercises with China and Russia and the Treaty of Friendship and Cooperation (2001), India has solidified its position as an influential geopolitical actor.

Clearly, India's cultural and public diplomacy efforts in the West have significantly deepened its global partnerships. For instance, under the Comprehensive Global Strategic Partnership with the United States, India signed key agreements such as the Logistics Exchange Memorandum of Agreement (LEMOA) in 2016, the Communications Compatibility and Security Agreement (COMCASA) in 2018, and the Basic Exchange and Cooperation Agreement (BECA) in 2020. All these efforts enable India to operate effectively within both Western and Russian-Chinese systems, positioning it as a bridge between the two. While navigating these complex geopolitical dynamics presents risks, it also offers opportunities for India as an emerging global power. Despite internal divisions that potential adversaries could exploit, India's strategy of establishing trade routes strengthens its defence against Pakistan while maintaining its role as a reliable ally for all during a period marked by the ongoing shift of global economic centres.

## **Part II. International institutionalism between Western stagnation and emerging multipolar alternatives (BRICS, Mercosur)**

The bipolar division of the world has disappeared as Soviet-era organisations have either dissolved or been restructured to align with Russian interests. These redefined organisations now focus on regional objectives, prioritising the preservation of Russian influence in the post-Soviet space, a region marked by growing instability.

Meanwhile, in the West, the neoconservative and unilateralist model gained traction through the expansion of regional institutions. Examples include the transformation of the European Economic Community (EEC) into the European Union (EU) via the Maastricht Treaty, NATO enlargement, OSCE reforms, and the creation of new frameworks such as Mercosur in 2001. Similarly, the Organisation of African Unity (OAU) was restructured into the African Union (AU) in 2001, which later faced tensions with Western nations while strengthening ties with China, Russia, and India. Although these regional organisations were rooted in local initiatives, they enabled the West to foster relationships, promote free trade, and advance institutional democracy under the oversight of dominant global institutions such as the IMF, the UN, and the World Bank.

After the collapse of the USSR and the disappearance of a counterbalance to Western dominance, the United States capitalised on its position to take over the

leadership of global organisations and consolidate its power. This was accompanied by the establishment of unified combatant commands, including the SOUTHCOM, AFRICOM, USEUCOM, and USINDOPACOM. Initially rooted in strategies from World War II and the Cold War, these commands were later adapted to address contemporary challenges such as terrorism and populist movements. Supported by its vast commercial, industrial, financial, and military capabilities, U.S. interventionism has enabled the country to define strategic goals, coordinate logistics, and project force globally. Examples include direct U.S. operations in Somalia and Yugoslavia, airstrikes in Sudan and Afghanistan authorised by Bill Clinton, the wars in Afghanistan and Iraq, and proxy interventions across the Middle East. These efforts primarily aimed to reinforce U.S. global dominance, counter opposing blocs, and expand political influence through the promotion of democracy and economic influence via free trade, particularly in regions with socialist systems.

The report *Rebuilding America's Defenses*, issued in September 2000 by the Project for the New American Century (PNAC), outlined a strategy for American intervention in the Middle East, targeting nations such as Iraq, Syria, Lebanon, Yemen, Somalia, Libya, Sudan, and Iran. The plan aimed to end the Sykes-Picot agreement and introduce an American model in the region for controlling hydrocarbon resources critical to the global oil economy. However, the costly and unpopular wars in Iraq and Afghanistan, which became a disaster for the United States, exposed significant flaws in U.S. strategy, particularly due to a lack of understanding of the local “human terrain system”. These failures prompted a shift in approach: rather than relying on direct intervention, the U.S. began employing proxies to destabilise adversarial states through diplomatic pressure and sanctions, often in collaboration with its allies. Moreover, Washington shifted away from promoting institutional democracy, instead supporting any political system that could provide minimum stability and access to markets, rejecting socialist statism. This strategy focused on securing resources, consolidating power and influence, and preventing rivals from gaining access to strategic assets. Recent examples illustrate this approach: in January, Syria's new president adopted a free trade policy to maintain U.S. influence, while Ukrainian President Zelensky is facing demands to repay U.S. aid allocated under former U.S. President Biden and grant access to Ukraine's rare earth metals.

However, the severe economic crisis of 2009, coupled with the mismanagement of the U.S. economy between 2000 and 2016 under the Bush and Obama administrations, and the uneven recovery of EU member states amidst the beginning of its institutional decline, created an opportunity for emerging powers like Russia and China. These nations capitalised on this situation to establish their own international frameworks, including the Shanghai Cooperation Organisation (SCO), BRICS, and the BRICS Development Bank, laying the groundwork for a multipolar world order. Their strategy had two primary goals: first, to secure strategic positions and, thus, enhance their influence within global organisations such

as the United Nations and its specialised agencies. Second, they sought to forge connections with regional institutions such as Mercosur and the European Union, with China focusing on economic and infrastructure projects and Russia on security cooperation. In Latin America, alongside Mercosur, the Bolivarian Alliance for the Peoples of Our America - Peoples' Trade Treaty (ALBA-TCP) emerged as a parallel organisation with a leftist and confrontational stance.

In the current multipolar system, the diplomatic structures established after World War II, which transitioned into a unipolar framework in the 1990s, have failed to adapt to the complexities of the modern international landscape. Brazilian President Luiz Inácio Lula da Silva emphasised this issue during his speech at the UN General Assembly, noting that current global organisations no longer reflect contemporary political, economic, and demographic realities. This disconnect has led to competition for influence and leadership within these institutions, resulting in two key challenges: first, hostility among second-tier powers who view each other's rise as a potential future threat; and second, resistance to integrating new members into the global elite. Historical parallels can be drawn with the ascension of Prussia in the 18th century and the emergence of the Russian and German empires in the 19th century, which were not accepted as equals by dominant powers, sparking significant tensions, particularly in Germany's case.

Diplomacy has transitioned from traditional practices, such as cabinet negotiations and face-to-face meetings between leaders or representatives of major empires, often supported by colonial military forces, to a sophisticated network of mediating organisations and mechanisms designed to de-escalate conflicts. In the modern era, tensions within institutions such as the United Nations have become evident, with the United States withdrawing from organisations such as the WHO and the UN Human Rights Council, citing the growing influence of rival states or concerns over sovereignty. Meanwhile, countries like Russia and China have established alternative platforms, most notably BRICS. Representing 46% of the global population (including Argentina) and 37% of global GDP, BRICS also includes rapidly growing economies like Ethiopia, which has achieved an average annual growth rate of 9% despite facing challenges such as conflicts, political crises, and the COVID-19 pandemic.

To delve deeper into this topic, it's worth examining Austrian philosopher and economist Ludwig von Mises' perspective on foreign investment as a crucial driver of economic growth. Both Russia and China prefer a controlled market opening, prioritising economic sovereignty through state oversight under the concept of 'full sovereignty'. This approach involves regulating foreign investment to align with legal standards and strategic national interests, rather than completely closing markets to foreign investors. The Russian model, in particular, warrants closer examination. While not contradicting von Mises' principles, Russia has utilised bilateral agreements and its international institutional framework, supported by geopolitical allies, to insulate its economy from the Western system. Western

sanctions imposed over Ukraine have compelled Russia to strengthen its ties with new and more lucrative markets. This has created a paradoxical situation where the sanctioned country, Russia, has benefited by engaging with emerging markets that align with its diplomatic approach rooted in Soviet-era principles of friendship of peoples and non-interference in internal affairs. Unlike the West, which often pairs aid and trade with ideological demands that may conflict with the interests of its partners, Russia offers partnerships free from socio-political conditions. This approach has enabled countries to choose alliances that better reflect their own interests and values. Meanwhile, the European market has faced challenges, including the loss of direct access to the Russian market and rising costs for Russian goods purchased through intermediaries.

This trade system, grounded in the principle of non-interference, creates a regulated yet open and healthy environment that facilitates capital flows and trade, driving development and modernisation. China's post-1978 reforms, characterised by fiscal incentives, economic diversification, and foreign investment, have reshaped the global economic landscape. These reforms enabled the establishment of parallel institutions operating outside traditional Western-dominated systems, altering the balance of global economic dynamics.

One advantage of these institutions is that they encompass a significant portion of the international community, enabling the dynamic pursuit of shared objectives and mutually beneficial solutions. Unlike ideologically rigid organisations, these institutions encourage cooperation, even when geographically oriented, such as the EU, ASEAN, or Mercosur, which permit dual membership. For instance, Türkiye is simultaneously a member of NATO and BRICS, still aspires to join the European Union, and controls organisations like Türk Keneşi and TÜRKSÖY. Similarly, the United Arab Emirates is a member of BRICS, the Gulf Cooperation Council, and the Arab League while being a close ally of the United States. These organisations prioritise practical objectives, such as legal, humanitarian (e.g., promoting human rights), economic, or security-related goals, over ideological divisions reminiscent of the Cold War's bipolar bloc system. However, despite their theoretical potential to surpass the unipolar model that emerged after the Soviet era, they are often seen as highly biased entities. Instead of functioning as purely supranational bodies, they are perceived as being heavily influenced by dominant powers, such as the United States in the UN, Russia in BRICS, and China in the Belt and Road Forum for International Cooperation.

The multipolar system enables other non-global powers outside the spheres of influence of Russia, China, or the United States to form diverse alliances that offer strategic advantages. Many of these alliances are specifically designed to support the regional geopolitical ambitions of their member states. Empires remain fundamental to civilisations, and the imperial approach continues to shape the strategies of certain nations that are direct heirs of historical imperial systems. This often results in tensions with neighbouring countries, as seen in the Middle

East among Iran, Türkiye, Israel, and Saudi Arabia. Similar dynamics are evident in Latin America, where socialist states (such as Cuba, Venezuela, and Nicaragua) clash with capitalist systems (such as Colombia, Mexico, and Chile), all operating amidst U.S. dominance in the region. Other global conflicts persist, including disputes between Morocco and Algeria, Ethiopia and Egypt/Somalia, Bangladesh and Myanmar, and South Korea and North Korea. These tensions form the focus of the third and final part of this essay, on the concept of Rimland. Part III. The Rimland, a conflict zone

The Monroe Doctrine outlines America's role through three core principles: preventing foreign powers from interfering in the affairs of the Western Hemisphere, securing U.S. influence to advance its interests in the region, and ensuring continental stability as a cornerstone of U.S. strategy. The doctrine places the hemisphere under U.S. influence, facilitating the application of the Mahan Doctrine, which emphasises naval power and maritime dominance.

According to Mahan's theory, the United States derives its strength from several critical elements: a merchant marine, a navy, control of the seas for the movement of troops and goods, the establishment of ports, and expanded control over coastal territories to enhance global influence. Naval bases are not merely ports or transit hubs but strategically positioned coastal territories or states that enable the U.S. to project power deep into continents, particularly in regions like Europe and the Middle East.

According to Mackinder's theory, the central region of Eurasia, known as the Heartland, is considered the "pivot area" of global power, with control over this area ensuring dominance across the entire Eurasian continent. The Heartland, defined as a telluric (land-based) power, corresponds to Russia. Interestingly, Mackinder argued that these vast territories would be more stable if governed by multiple states rather than a single dominant power. Historically, American strategy has sought to influence or challenge the Heartland, which possesses the land-based strength enabling Russia to project influence throughout Eurasia. Land power offers distinct advantages at this stage, but it is countered by the United States, which, according to the Monroe Doctrine, dominates the sea and controls coastal states and ports. Consequently, the strategic interests of these two powers clash in the Rimland.

The concept of Rimland is straightforward: it encompasses all states situated between the coastal regions and the Heartland, forming the geopolitical "battlefield." This area includes Europe and the Middle East. The regions bordering Russia and China possess distinct characteristics, which fall outside the scope of this essay for analysis.

The wars in the Middle East between Western-backed monarchies and Russian-supported Arab socialist republics exemplify the struggle for control over the Rimland. Dominance in this strategic area offers critical advantages, particularly for the United States, whose ultimate objective appears to be the fragmentation of Russia into smaller ethnic states, a so-called Balkanisation concept openly dis-

cussed since the Cold War. These ongoing conflicts in the Middle East see both major powers engaging indirectly through proxy forces: the United States relies on Israel, while Russia backs Iran. The numerous states involved in the fighting, such as Iraq, Syria and Yemen, along with mediator states like Jordan, Saudi Arabia, Qatar, etc., also play an important role in the confrontation. In contrast, Europe presents a different set of geopolitical dynamics.

The eastward expansion of NATO and the EU, along with tensions over Russia's efforts to extend its influence into the Transcaucasus, the NATOisation of Baltic states, and the ongoing crisis in Ukraine, highlight Eastern Europe as a zone of confrontation. These conflicts stem from competing attempts to assert control over regions critical to Russia's security. Strategic areas such as Kaliningrad, the Suwalki Gap, Belarus, Transnistria, and now the conflict in Ukraine emphasise Rimland's importance as a battleground for dominance. However, the U.S. and EU have consistently sought to undermine Russia's efforts to engage with Europe on equal terms. Historically, Europe has aimed to integrate Russia only under conditions favourable to itself, often incompatible with Russia's political and social structures. This drive to influence Moscow has fuelled growing tensions, disinformation campaigns, and a deepening divide between the region's major powers.

The idea of Europe as the world's centre, with concentric circles of influence radiating outward, is outdated, as is the division between Western and Eastern Europe. Europe's retreat from the geopolitical elite has marked the end of the Eurocentric world order, reducing it to a regional supranational entity that no longer holds decisive global influence. Europe now finds itself caught between diminishing historical significance and an oppressive present, serving primarily as an arena for power struggles between major players like the United States and Russia. These powers compete for dominance, realising that their stability and leadership in the coming decades, or even throughout the 21st century, depend on maintaining or expanding their influence on the continent. Meanwhile, Europe faces challenges from rising economic and technological powers such as China, the U.S., and Japan, alongside internal issues like the decline of the Western ideological system, unprecedented migration waves, and economic pressures driven by increasingly hostile U.S. policies towards European interests.

On the other hand, Russia retains control over Kaliningrad, a strategically vital exclave, maintains Belarus within its sphere of influence, and has secured dominance over the Black Sea and the Sea of Azov through territories captured from Ukraine. The incorporation of Crimea has provided Russia with access to strategic maritime routes connecting the Black Sea to the Eastern Mediterranean, linking Sevastopol to Tartus. This advantage is further bolstered by control over significant portions of Ukrainian territory and serves as a deterrent against potential moves by Moldova's pro-European leadership under Maia Sandu to seize Transnistria. Overall, Russia has achieved substantial geopolitical gains against the West, stabilising its position in the Caucasus and asserting control over South Ossetia and

Abkhazia, thereby exerting influence over Georgia regardless of its government's stance, whether hostile or friendly. Although losing influence in Armenia has been a setback, this has been offset by rapidly strengthening ties with Iran.

At the same time, Russia has faced the challenge of maintaining its presence in Syria but managed to redirect troops and resources to Ukraine, leaving the West, Türkiye, and Israel to handle instability in this strategically important region. Despite this shift, Russia's primary objective remains securing agreements for the continued use of its military bases in Khmeimim and Tartus, which can be more effectively defended both militarily and diplomatically in the event of chaos within Syria. Additionally, Russia benefits from support provided by its diaspora in Israel and the strategic role of Cyprus, both of which help sustain its influence in the region.

These developments provide grounds to view the situation positively. Despite the ongoing war in Ukraine, Russia has managed to gain control over approximately 20% of Ukrainian territory and to bring about shifts in the international community's perception of the conflict, including changes in U.S. policy. The United States now seeks to end the conflict under terms unfavourable to President Zelensky, a departure from the Biden administration's earlier stance. Accordingly, while Russia's position in the Rimland is not comparable to the Soviet Union's dominance over a substantial part of Eastern Europe from 1945 to 1991, it has improved significantly. Vladimir Putin has adopted a strategy blending diplomatic practices from the 1990s with military intervention capabilities. Although anti-Russian sentiment is strong among Western European elites, this hostility has not escalated into direct military confrontation but remains confined to rhetoric and unrealistic promises of aid to Ukraine, which continues to await EU and NATO membership that remains unfulfilled.

Russia's diplomatic ties with Türkiye, Serbia, Greece, Hungary, Cyprus, and Slovakia, particularly during the ongoing war in Ukraine, demonstrate Russia's successful defence of its historical and cultural influence in Slavic Europe. This approach has effectively disrupted the unity of groups such as the Visegrád Four, which is now unofficially referred to as the '2+2' group due to internal divisions: Poland and the Czech Republic maintain strong anti-Russian stances, while Hungary and Slovakia have adopted pro-Russian positions.

In short, Russia's role will be shaped not in the Middle East, despite its direct diplomatic ties with Türkiye and Iran and indirect ties with Saudi Arabia (a BRICS candidate) and the United Arab Emirates (a BRICS member), but rather in the European Rimland, where current conditions favour Russia. The gradual U.S. withdrawal from the Biden-initiated conflict in Ukraine, along with the refusal to support Ukraine's EU and NATO membership, represents a significant victory for Russia. Meanwhile, European states play a largely symbolic and insignificant role. Russia's advances in Ukraine, reports from Kyiv about potential ceasefire agreements on Russian terms, possibly amounting to capitulation, indicate progress

toward Moscow's objectives: establishing control over the liberated territories, ensuring Ukraine's neutrality, and maintaining Russia's influence in Transnistria.

Once these goals are achieved, Russia will be positioned to dictate the pace of negotiations with a fragmented, impoverished, deindustrialised and weakened EU to restore diplomatic relations and normalise trade ties, which have continued to benefit Russia while disadvantaging Europe.

The author of this essay concludes that the Eurocentric world order, established in the 18th century, is definitively dead. While remnants of this order persisted as a legacy of the Cold War, the current global landscape, shaped by China and India comprising nearly half of the world's population, the United States capitalising on its interventions since the 1990s, and Russia blending elements of its Soviet and imperial heritage in its foreign policy, offers a glimpse into the future.

The global landscape is undergoing transformation as numerous countries transition out of poverty and embark on paths of social and economic progress. This shift necessitates a re-evaluation of diplomatic approaches and the structure of international organisations. In an era defined by agility, evolving trade routes, and financial systems enhanced by artificial intelligence, a growing disconnect is evident between real-world dynamics and the geopolitical strategies formulated by academic circles and think tanks. As Samuel Huntington observed, future conflicts will centre not on ideology or economics but on civilisational identity. Consequently, excluding states like Russia from the international community can only lead to problems.

In fact, the tense relations between Washington and the USSR created significant challenges for Europe. The United States, determined to prevent the rise of strong states in the region, pursued a strategy aimed at weakening Europe through various measures. These tensions fostered a bipolar mindset in the Western world, reducing Europe to a dependent region lacking both sovereignty and power. This approach, initially applied to Europe, was later directed at Russia during the 1990s under Clinton and Yeltsin but was reversed under President Putin. Today, Russia has established its identity and priorities, similar to nations such as China, India, Brazil, and Ethiopia. Meanwhile, the United States, tormented by its demons, remains caught between isolationism and interventionism, with Trump's presidency marking a turning point in this era. Post-Trump, the US will no longer be the same. As Russian diplomats have observed, "America is not a serious country; every four years there is a change of administration, and everything changes." This lack of continuity undermines Washington's reliability as a partner and erodes trust. As for Europe, it struggles with the absence of a coherent strategy or geopolitical vision, and even individual member states fail to demonstrate effective leadership (France's foreign policy under Macron has been disastrous, and Germany, like Britain, lacks a clear geopolitical strategy).

The intricate dynamics of international relations require strategic composure and diplomatic engagement, prioritising de-escalation while advancing trade,

economic, financial, and scientific interests. In a volatile multipolar world marked by shifting alliances, influence must be cultivated through measured actions. As Thucydides noted, Sparta's victory over Athens was achieved not primarily through military might but through their skill in forging alliances and undermining those of Athens.

Today, Russia must prepare for geopolitical confrontation with Europe while simultaneously addressing Europe's needs amidst global geopolitical instability.



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# Investments in human capital and technologies: the future balance

Once upon a time man invented the wheel. Trivial? Of course. But this was the first step towards technology development. At present, we stand on the edge, where the very concept of the possible and the impossible is erased. What recently seemed like science fiction becomes a part of reality: artificial intelligence, genetic engineering, brain-machine interfaces. Our era is the era that makes come true the dreams that are similar to the fairy tales we were told in childhood: flying carpets turned into drones, shoes of swiftness turned into exoskeletons, and apples of youth turned into anti-aging therapy.

However, there are two contradictory prospects in this technological breakthrough. On one hand, technologies captivate with their potential: they help us learn faster, run better, work more efficiently. On the other hand, they cause anxiety: what, if they start to rule us, limit the freedom of choice or turn men into slaves of the big brother? Where is the line between assistant and master? The answer is simple: everything needs balance. The balance between technologies and human development becomes the key task of modern times.

### **Society's readiness for technologies**

There is an opinion that technologies do not appear on their own, but when society is ready to accept them. This is confirmed by the history: even Democritus

assumed that the world consists of tiny particles, i.e. atoms. At that time, it seemed to be a mere philosophical guess, but centuries later science proved him right. Today we not only know about the existence of atoms, but also study subatomic particles.

A modern example is artificial intelligence. Although the first neural networks appeared in the 1950s, it is only now that AI entered our everyday lives: from voice assistants to disease prediction systems. Why? Because society has adapted: people learned to use algorithms, companies saw the value in them, and governments began to develop legislative norms.

Thus, perception of new technologies depends not only on their existence, but also on how ready people are to understand and accept them.

### **Why investments in human capital are important?**

Human brain does not like changes, it gravitates towards the familiar. Often-times new technologies cause fear, mistrust, and sometimes even aggression. Let's remember how people once feared railways, electricity, radio, and the Internet. This is now everyday life, but each new invention goes from rejection to acceptance.

This is why it is important not only to develop technologies, but also to invest in development of human capital – knowledge, worldview, and critical thinking. Investments in human capital are not about education alone, but also about establishment of a culture, where people understand the value of changes and know how to interact with them.

An example here are digital literacy programs. In 2010s, governments of many countries began to actively educate people in basics of cybersecurity, as well as work with data and algorithms. Without this, the digital revolution could have led to enormous generation gap.

Another example is retraining programs for workers, whose jobs are disappearing due to automation. Scandinavian countries are actively investing in education of adults in order for them to be able to master new professions instead of facing the unemployment. This is the true meaning of investments in human capital.

### **Man and technologies: the path to symbiosis**

Can one consider technologies as an independent force? Are they a mere tool in man's hands? The answer is probably somewhere in the middle. We don't just create technologies - they change us in response.

Artificial intelligence is already capable of adapting to men and helping them solve complex problems. In medicine, neural networks analyze medical images faster and more accurately than doctors, thus, helping in early diagnosis of cancer. In education, customized programs adapt to each student, which makes education more efficient.

However, here again the question of balance arises: if we invest only in technology and ignore human development, won't we lose our humanity? And vice

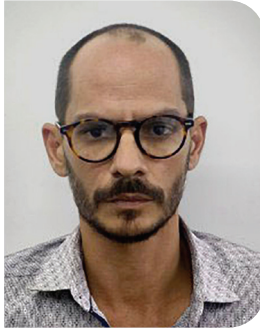
versa, if we develop only men without investments in technologies, will we be able to move forward and compete with those, who will be ready for such symbiosis?

Brain-machine interfaces are one of the most striking examples of symbiosis. Technologies that can connect human brain to computer are already being developed by such companies as Neuralink. This could potentially allow people with disabilities to move and communicate, but also raises questions: where is the line between human enhancement and transformation into a cyborg?

### **Conclusion**

Investments in technologies without investments in human capital will cause stagnation. Investments in human capital without technological development will slow down the progress. The future is balance. Man and technologies shall develop together and strengthen each other.

People create technologies, but technologies also create us. It is our choice that determines this future.



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# (Slightly pessimistic) approach to the intercultural dialogue

The four clauses presented below are meant to define deeply thoughtful and effective foundation that would allow us to begin the search for an answer to the question of how to build intercultural dialogue.

### 1. Consequences of cancellation

The sense of permanence of the order established in the 1990s began to gradually collapse in the 21st century, as the defenders of this order gradually reduced and excluded the possibility to form guidelines that could become the basis for intercultural dialogue.

A rift between trust and legitimacy commenced, which was intendedly ignored by participants of the consensus. Privileged Europe – the “garden” as Josep Borrell called it, felt safe within its imaginary border and with its division of the world. Nobody paid attention to the fact that over the past four decades its own abandoned inhabitants have begun to appear on its territory as deprived of the voice or recognition as full-fledged subjects, as well as those who were in the world surrounding Europe that Borrell called the “jungle”.

Today, the division into “the West and the rest” has become completely undeniable and conscious. Ratification against polyphony. Forced diversification against plurality of worldviews.

This latent storm that reached our days is bringing to life the very long-acquired pseudo-conceptual idea of the end of history. As opposed to the transition to a post-national and, above all, neoliberal order (deregulated capitalism, formally “open” but at the same time strictly controlled trade, the world as an indisputable entity conforming to the principles of political liberalism), the rift started to aggravate.

While, on one hand, scars and experience received as a result of nationalistic policy promoted recovery of rights and dignity of the people having suffered from aggression, on the other hand, denial of existing problems led to blocking of these initiatives, which allowed strengthening of that opportunities for military or economic coercion that technological progress, in a broad sense, brought with it for forced expulsion or destruction.

At the same time, the central role as the basis for the above-mentioned actions was played by the front of subjective perception. A pretext for extraterritorial actions that represent an increasingly bizarre and incomprehensible construct was “diversification” in its discursive manifestations projected onto real events aimed at the preservation of the accepted order. At the same time, they use the psychological fragmentation of individuals to their advantage, which leads to risk for those who ask questions (nations or individuals), to be declared outlaws and persecuted for actions contradicting the established dogma.

In the transatlantic West (to which my region, Latin America, is also subordinate) this concept gets more and more simplified to the point that this narrative now dominates over various complex motives and interests that existed in the world, which is now increasingly absorbed by the new orthodoxy. And, of course, with detrimental and decisive consequences for relations between people.

This is privatization of meanings in commercial, diplomatic, and even cultural relations.

## **2. Hypernormalization and its limits**

2016 became a decisive year for the West. Brexit and arrival of a figure like Donald Trump to the White House – the milestones that cannot be ignored – caused short circuit in the sense of stability in Europe and the US.

The apparent strength of the basic ideas, on which was based their self-vision as the center of the world, started to face phenomena and forces that acted, and not in the most sophisticated way, against what they perceived as the true spirit of the times.

Probably, a good summarizing example of such shock is the movie demonstrated by BBC iPlayer on October 16 of the same year. Adam Curtis, an iconic author in the English-speaking world, issued *Hypernormalization* – a documentary feature exploring the origins of time of “great uncertainty and confusion”!

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1 Curtis, Adam. “Hypernormalization”. BBC. October 11, 2016, available via link: <https://www.bbc.co.uk/webarchive/https%3A%2F%2Fwww.bbc.co.uk%2Fblogs%2Fadamcurtis%2Fentries%2F02d9ed3c-d71b-4232-ae17-67da423b5df5>

During almost three hours Curtis weaves together a series of stories that, according to him, describe the origins of the West's "retreat" to a "simplified and sometimes completely false version of the world".

He combined multiple interconnected stories with the concept of hypernormalization that Alexey Yurchak used in his memoirs to define phenomenon of the last decades of the stagnant Soviet Union: instructions in the official language that "were not explained and were not understood as having any meaning"<sup>2</sup> but had an impact outside of the closed universe from which they were declared. This paralysis was supposed to be eternal and permanent, until one day it merely ceased to be such and gave the way to a collapse. As well as to betrayal and plunder.

Curtis describes how habitually ignored forces started to puncture the "simplification bubble" that included not only "politicians, financial figures, and technological utopians," but also "ourselves," including leftists, artists, and radicals lacking the vision of the future and unable to imagine or formulate alternatives. The fact that the documentary recognizes this as a point of contact between the oblivious ruling classes should be an alarm. However, this alarm was perceived not to improve or change anything, but to concentrate on the attempt to perpetuate the existing configuration.

In such a clear disconnect from reality we enter 2022 and 2023 demonstrating even more dramatic picture. Petrification of thinking, leave alone preconceived moralistic assumptions, did not let one to understand the reasons, for example, behind the special military operation in Ukraine.

Similarly, but in a crueler way, there were no moral grounds to prevent the ruling elites not only from not condemning, but also from taking a position of complicity, connivance, and justification regarding the genocide in Gaza being broadcasted in real time. The most notorious thing in the world is manifestation of zero value of life: systematic disregard for the sacredness of a man in all its manifestations and, in a broad sense, a rude statement that other cultures containing life of the entire people have no value. A bargaining chip.

The time between Trump's first and second terms is a clear indication of this period of denial, arising of heterogeneous and incomparable forces, as well as those who used the opportunity to seize power. Resistance to change became a destructive factor for the West.

The end of liberal omerta, now replaced by a policy of negotiations and compromise, as opposed to no less dangerous zombie inertia; the slogan "peace through strength" does not reduce the weight of the Orwellian burden.

### **3. What USAID's intervention has brought with it**

The new US administration's interference in USAID activities earlier this year created a sharp vacuum that revealed the gigantic scale of this megastructure and

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2 Yurchak, Alexei. *Everything was Forever Until it Wasn't. The Last Soviet Generation*. Princeton University Press, 2005, p.50

its efforts to “promote democracy” and first of all the efforts to create narratives affecting interpretation of events by the society on the periphery and political decision-making in the center. Lives and cultures have been destroyed.

In essence, they demonstrated us the enormous price of this imposition of legalized normality and “objective” need to discipline and regulate the world based on long-standing and permanent strategic interests of the United States, which is not only a country, but an entity that unites forces of corporate deterritorialization.

In other words, it is a schematically designated and continuously operating program being implemented through local agents and actors that is aimed at changing of thinking of the “raw material” to create a certain reality that will finally get legal political form: color-coded violence meant to change the regime that, in case of failure, is declared an outcast in commercial and diplomatic matters, which creates a destructive vicious circle that, in its turn, reinforces the narrative of the target state and leads to pre-calculated enormous suffering.

From this, along with what was discussed above, follows the metaphysics of nihilism via which the West imagined that it has the right to shape the world according to its ideological whims (France, the UK, and Germany among others have their own similar “cooperation and development” agencies).

However, the intervention of the federal government into USAID activity was preceded by failure of several measures and geopolitical adventures, thus, in addition to condemnation of wastefulness, it is necessary to mention ineffective attempts to change regime or arrange reconstruction, which is their actual final goal. Recent examples are Venezuela and Georgia.

Trump administration’s thoughtless celebration of USAID paralysis can bring superficial pleasure in the short run, but at least in the realm of declared and obvious actions (apart from the probable existence of hidden and “public” activities that may take new forms), mechanisms for obstructing and interfering with the sovereignty of other countries in the area of trade and interaction between states still remain efficient.

This combination of all forms of struggle (public, public-private, and multi-lateral) for the establishment of a one-dimensional and uniform version of human diversity gradually faces increasing creative resistance.

The stubbornness and self-isolation of the part of the world that marked unequal robbery-based civilizational order and is currently unable of reconstruction is bringing benefits for new connections arising in response to its actions: opportunities are opening up for consolidation of dialogue channels around the tragic Atlantic Wall.

#### **4. “Everything that lives is unique”**

The quote in the heading belongs to the unnamed train driver entering a German concentration camp in the beginning of Vasily Grossman’s novel “Life and Fate” (1959). This thought comes to him as he sees the monotony of the concen-

tration camp that is so much contrary to the inimitable coloring of all the Russian huts that he remembers. “It is unthinkable”, he says to himself, “the identity of two people, two briar bushes... Life gets extinguished where violence seeks to erase its specifics and peculiarity”<sup>3</sup>.

This destructive combination of images seems to resolve the main question, at the root of which one can distinguish a paralyzed worldview and a worldview based on resistance that generates the sense of non-territorial solidarity and unity of destiny strengthened by aggression and abuses of one geographic pole to the detriment of all others.

In fact, it can be detected at any scale and dimension, from macro-vision of the interaction between states in terms of global integration beyond the established (and crisis) version of globalization to manifestations of this worldview in people communicating simultaneously in different geographical locations while retaining the heritage of their land and general life order (is not this the meaning of the concept of *tianxia*?). An ancient innovation, if such an oxymoron is appropriate here? The positive aspect of recognition of such worldview is the essence of intercultural dialogue capable of making any growth concept viable.

Instead of looking for answers in a constantly changing process, perhaps it is better to ask the following questions:

If culture is a continuous process of decanting, and consolidated archipelago of places around the globe tends towards multipolarity, will the next step towards consolidation of these places be an attempt to create areas of contact that expand their range?

How to harmonize the dual definition of geography promoting both restriction and cooperation as the only mechanism to safe life?

While consensus, the most successful embodiment of which is BRICS, is still emerging irregularly and somewhat fragmentarily, is the belief, (pro)positive propaganda of unification, means to strengthen intercultural dialogue that in the end is the basis and the core from which follow the ways of understanding of everything else?

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3 Vasily Grossman. *Life and Fate*. Galaxia Gutenberg. Translated by Marta Rebón, edition 2007, p.5



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# Key Solutions to the Problems of Sanctions Policy and the Russian Federation's Further Geopolitical Role in Modern International Relations and Global Trade

Key Solutions to the Problems of Sanctions Policy and the Russian Federation's Further Geopolitical Role in Modern International Relations and Global Trade

There are numerous different approaches to assessing this policy. One such approach is the concept put forward in Halford Mackinder's *Heartland*<sup>1</sup>. According to this concept, "who rules the Heartland commands the World Island (i.e., Eurasia and Africa); who rules the World Island commands the world". The Russian Federation can be understood as the 'Heartland' in this context, since the greater part of Russia is located in Asia, thus making it a huge part of the collective Eurasia. For its part, the collective Eurasia can be understood as the Eurasian Economic Union (EAEU), a regional integration association in which Russia plays the leading role, which is above all manifested by its active geopolitical position, socioeconomic

1 Mackinder, H.J. The Geographical Pivot of History / H.J. Mackinder // The Geographical Journal, 23(4) – 1904 – p. 421-437.

development, and vast export potential. In turn, another U.S. scholar, Nicholas John Spykman, in contrast to Mackinder, proposed a more expanded concept of the Heartland – ‘Rimland’<sup>2</sup>, which assumes there is a rim surrounding the Heartland from the west and south. According to this theory, the lands of the Rimland fully control the Heartland, thus, Spykman’s theory subsequently served as the basis for the concept of U.S. foreign policy towards the USSR and the socialist camp during the Cold War. The U.S. deployed military bases from the Mediterranean to Indochina, with the aim of exerting significant geopolitical pressure on the USSR and its allies.

Based on the approaches described above, in particular Spykman’s approach, we can outline the ongoing foreign policy of the countries of the collective West towards the Russian Federation. As a form of geopolitical tension, the current geopolitical tension and sanctions pressure against Russia is a direct manifestation of this foreign policy.

As such, if we rely on the above, we can describe the Russian Federation’s key role in modern international relations.

Once diplomatic means had been exhausted to stop the U.S.-led expansion of the countries of the collective West through NATO expansion to the east, the Russian Federation launched a special military operation in Ukraine, which was essential to protecting the former’s national interests and ensuring its state security. The main goal of the West is to weaken Russia and reach a military solution instead of the peaceful settlement that Moscow has repeatedly proposed by continuing the bloody proxy war against the Russian Federation at the hands of Ukraine. Russian Minister of Foreign Affairs Sergey Lavrov recently stated: “Washington’s desire to weaken the Russian Federation through the war in Ukraine is dictated by the struggle for its elusive monopoly on global control.” The position of the collective West is unambiguous and clear, which only serves to confirm the theory that the United States and its satellites are relying on the Spykman’s concept about the dominance of the Rimland over the Heartland in order to exert full-scale pressure, including direct sanctions, on the Russian Federation. On this basis, the proxy war that Ukraine has unleashed against Russia is solely a tool for creating global geopolitical tension and a pretext for exerting political and economic pressure on the Russian Federation.

However, contrary to the expectations of the U.S.-led collective West, the global geopolitical tension that they created, coupled with the sanctions pressure, resulted in a sanctions paradox with respect to Russia. Not only did it pro-

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2 Lobova L.A. Theoretical and Practical Foundations for Studying the Modern Geopolitical Space and Its Transformation // *A-Factor: Research and Development (Humanities)* 2020. No. 2. URL: <https://cyberleninka.ru/article/n/teoretiko-prakticheskie-osnovaniya-issledovaniya-sovremennogo-geopoliticheskogo-prostranstva-i-ego-transformatsii> (accessed on 20 June 2024).

vide all the conditions the Russian economy needed to overcome the economic crisis, on the contrary, it subsequently took the national economy to a new global level through the diversification of exports and imports, including the emergence of parallel imports, the creation of favourable conditions for the development of national production, the pivot to new sales markets, as well as stronger integration processes in Eurasia, both within the framework of the EAEU and the Greater Eurasian Partnership due to Russia's global reorientation to the south and east.

The concept of the Greater Eurasian Partnership assumes it will be comprised of major regional and global economies, including CIS countries, East Asia, the Middle East, and the Persian Gulf, thereby creating the opportunity for trade, logistics, and economic cooperation on mutually beneficial terms to ensure collective sustainable economic growth. Today, the EAEU, including both member countries and observers, is the one that is already serving as a kind of nucleus for cooperation within the Greater Eurasian Partnership, which helps to achieve the goals that have been set for cooperation together with partner organizations and also ensures collective sustainable economic growth.

As part of EAEU cooperation to counter the sanctions pressure from the countries of the collective West, Russia had already achieved significant economic growth by 2024, and it should reach annual GDP growth of 3% by 2030, while maintaining growth trends and fulfilling the goals that have been set for the sustainable development of the national economy.

Moreover, as part of cooperation with the EAEU, unemployment in the integration association has now decreased by more than 28%, while the national currencies of EAEU member countries are already used for more than 75% of settlement payments.

In addition, one of the most important components of cooperation with EAEU member countries is the CIS, since the prospect of developing and strengthening cooperation extends to a market with more than 240 million consumers, which provides favourable conditions for deeper integration and economic development due to stable socioeconomic, cultural, and historical ties with Russia and EAEU member countries.

It is also crucial to emphasize the trend of Russia's rapidly expanding cooperation with other international integration associations such as the SCO, ASEAN, and BRICS, in which Russia plays a key role. In addition, Russia is notably deepening integration with China and their One Belt One Road project, and also continues to establish a close dialogue with other Asian and European countries and their multilateral associations.

As part of cooperation with the EAEU, free trade agreements are also currently in effect with Vietnam, Serbia, and Singapore, as well as a temporary agreement with Iran, which contributes to the formation of a free trade zone and an agreement on trade and economic cooperation with China.

## Conclusion

In the context of international political and economic relations, the sanctions policy is not only of significant interest today, but also provides an opportunity for discussion. Initially, the system of deterrence that was created was meant to be a humane alternative to military measures, but today it reveals the shortcomings and problematic areas that were considered herein.

The issue of imposing sanctions already raises numerous questions by itself, above all, how justified they are. This discussion features numerous views with fundamentally different positions. This work determined that the best solution to this problem is to fully assign this issue to the UN Security Council, since a collective discourse is what seems to be the most objective.

It is also should not be forgotten that oftentimes sanctions are not so much a system of deterrence for the sake of maintaining international security and stability, but a method of infringing on other subjects of international law in various sectors. This show of force in particular reveals the problematic nature of sanctions policies at the current stages. In this regard, international law should devote special attention to this problem.

Another major problem is the possibility of lobbying becoming part of key decision-making. To summarize in simple terms, it turns out that controversial subjects of international law, such as big business, have a direct influence on the international agenda.

Looking at the consequences caused by sanctions, we can see that the Russian economy may have vulnerabilities in some areas. However, in the current conditions, measures are actively being developed to strengthen it, including:

- State support for business
- Development of banking and national payment systems
- Incentivizing the development of national production
- Search for new markets, in particular the pivot to the East
- Expansion of international cooperation within BRICS
- Strengthening the Russian Federation's role in the context of cooperation with EAEU member countries, as the main actor in the integration association
- Providing social support for citizens, in particular socially vulnerable groups
- Improving the quality of national products, with their subsequent entry into the international market

Nevertheless, in recent years there has been an increase in the scale and frequency of sanctions in the context of rising geopolitical tensions. This suggests there may be a possible further increase in government interventions that restrict international business activity. Sanctions have economic consequences for both the countries they are imposed on and the countries that initiate them. These consequences are difficult to predict and often come with unintended side effects.

In summary, it is important to note that even though sanctions have negative

consequences and significantly limit the international integration of the country that is being sanctioned, in particular the Russian Federation, there are ways to ensure further economic development under sanctions. One key step is the development and implementation of import substitution policies, since sanctions often entail restrictions on the import and export of some or most goods. At the same time, however, it is important to take into account the real costs and not abandon the benefits derived from maximizing the international division of labour system.

Instead, countries that are sanctioned could consider alternative paths of economic development, such as diversifying exports, finding new markets, improving the business climate, and developing human capital. Such measures can contribute to sustainable economic growth and reduce import dependence in the long term.

As such, this study achieved its goals and fully confirmed its working hypothesis by identifying the main consequences of the sanctions policy, as well as the main problems and their solutions.

The study describes the sanctions paradox that has taken shape with respect to the Russian Federation, which confirmed the point that the restrictive measures targeted against the Russian Federation had an impact not only on the economy of this country, but also on the countries that initiated the sanctions, including the United States and Europe. This phenomenon can be attributed to several factors, such as a decrease in revenue from the export of goods to the Russian Federation, an increase in energy prices, since Russia is one of the key suppliers of oil and gas<sup>3</sup>, as well as the emergence of problems on foreign agricultural markets.

In conclusion, not only is this issue particularly interesting for consideration, it also opens up a layer of problematic areas that the international community definitely needs to regulate in order to prevent crises. A particularly striking example in this regard, again, is the current situation in the European Union, since its sanctions-based rejection of Russian energy resources is precisely what has put Europe at a dead end, which directly undermines the concept of sustainable development and also has a direct negative impact on the local population's quality of life.

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3 Konov, M.D., Sharybin, Y.A. The Role of Eurasian Economic Union Countries in the Export of Fossil Energy Resources and Electricity: Risks and Prospects / Konov, M.D., Sharybin, Y.A. // Social Phenomena and Processes – 2024 - No. 1(6) - pp.114-126.



ZAMBIA



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# Connecting the Dots: The Crucial Role of Communication in Global Trade, E-Commerce, Digital Currencies, and Logistics

In today's interconnected world, effective communication serves as the linchpin that seamlessly weaves together the intricate tapestry of global trade, e-commerce, digital currencies, and logistics. As businesses navigate the dynamic landscape of international markets, the ability to connect the dots through clear and efficient communication channels has never been more critical.

In this article, we delve into the pivotal role that communication plays in driving success across diverse sectors. From facilitating smooth transactions in e-commerce to enabling real-time tracking in logistics, every aspect of the supply chain is underpinned by effective communication strategies.

Join us on a journey as we explore how the synergy between communication and technology propels the wheels of global trade forward, shaping the future of commerce and finance. Discover how harnessing the power of communication can unlock new opportunities, streamline operations, and enhance customer experiences in an ever-evolving digital landscape.

In the realm of global trade, effective communication is the cornerstone upon which successful transactions are built. It transcends mere language proficiency

and delves into the nuances of cultural understanding, negotiation strategies, and the ability to convey complex ideas clearly. When businesses engage in international trade, they encounter various stakeholders, including suppliers, customers, regulatory bodies, and logistics providers. Each interaction requires a tailored communication approach that respects cultural differences and fosters trust, which is essential for long-term partnerships.

Moreover, communication facilitates the sharing of information, ensuring that all parties are aligned regarding terms of trade, delivery schedules, and payment processes. Miscommunication can lead to costly errors, delays, and misunderstandings that may jeopardize business relationships. Therefore, companies investing in robust communication strategies are better positioned to navigate the complexities of global markets. By prioritizing effective communication, businesses can enhance their operational efficiency, reduce risks, and cultivate a competitive edge.

Additionally, in a world where technology plays a pivotal role in trade, the importance of communication cannot be overstated. Digital platforms have revolutionized how businesses interact, enabling real-time exchanges and fostering collaboration across borders. From virtual meetings to instant messaging, technology empowers companies to respond swiftly to market changes and customer demands. Consequently, organizations that leverage advanced communication tools can adapt more readily to the fast-paced dynamics of global trade, ensuring their relevance in an ever-evolving landscape.

E-commerce has reshaped the way consumers and businesses interact, making effective communication even more vital in the digital marketplace. Clear and concise communication is essential for establishing trust between buyers and sellers, particularly when transactions occur without face-to-face interaction. Online shoppers rely heavily on product descriptions, customer reviews, and seller responsiveness. A lack of effective communication can result in cart abandonment, negative reviews, and diminished brand loyalty.

Furthermore, communication plays a critical role in customer service within the e-commerce space. Prompt and informative responses to inquiries can significantly enhance the shopping experience, leading to increased sales and repeat business. Businesses that utilize multiple communication channels—such as email, chatbots, social media, and phone support—can cater to diverse customer preferences, making it easier for consumers to find answers. This multi-channel approach not only improves customer satisfaction but also streamlines operations, allowing companies to handle inquiries more efficiently.

The integration of personalized communication strategies also enhances e-commerce success. By employing data analytics, businesses can tailor messages and promotional offers to individual customer preferences. Such targeted communication fosters a sense of connection and engagement, encouraging consumers

to return. As e-commerce continues to grow, the ability to communicate effectively will remain a crucial factor in driving sales, building brand loyalty, and maintaining a competitive advantage in the digital marketplace.

The emergence of digital currencies, including cryptocurrencies, has transformed the financial landscape, and communication has been integral to this revolution. As decentralized currencies gain traction, clear and effective communication is essential to educate users about their benefits, risks, and functionality. Misunderstandings or misinformation about how digital currencies operate can deter potential users and investors, stifling adoption. Therefore, stakeholders in this space must prioritize transparent communication to build trust and confidence among consumers.

Moreover, communication strategies in the realm of digital currencies must address regulatory compliance, security concerns, and technological advancements. As governments and financial institutions grapple with the implications of digital currencies, ongoing dialogue is necessary to ensure that all parties are informed and engaged. Effective communication helps bridge the gap between traditional finance and the innovative world of cryptocurrencies, fostering collaboration and creating a more supportive environment for growth.

Additionally, community engagement plays a significant role in the success of digital currencies. Many cryptocurrencies rely on decentralized networks and communities for development and support. Communication platforms such as forums, social media, and messaging apps are crucial for facilitating discussions, sharing updates, and gathering feedback. By fostering open communication channels, digital currency projects can cultivate a loyal user base that actively participates in the ecosystem, driving further innovation and adoption in the financial sector.

Logistics is a vital component of global trade, and its success hinges on seamless communication among various stakeholders. The complexity of supply chains necessitates constant coordination between suppliers, manufacturers, distributors, and retailers. Effective communication ensures that everyone involved is aware of their roles, responsibilities, and timelines. This clarity is essential for minimizing delays and optimizing resource allocation, ultimately leading to cost savings and improved service delivery.

Real-time communication is particularly beneficial in logistics, where timely updates can make a significant difference in operations. Technologies such as tracking systems and mobile applications enable stakeholders to share information regarding shipment statuses, inventory levels, and potential disruptions. This transparency empowers businesses to make informed decisions and respond proactively to challenges that may arise during the transportation process. Consequently, companies that embrace effective communication tools can enhance their logistical efficiency and customer satisfaction.

Furthermore, successful communication in logistics fosters collaboration

among diverse teams, breaking down silos and promoting a unified approach to problem-solving. By cultivating a culture of open communication, organizations can leverage the expertise of their workforce, leading to innovative solutions and improved processes. In an industry where precision and responsiveness are paramount, effective communication serves as the backbone of successful logistics operations, ensuring that goods are delivered on time and in optimal condition.

Despite its critical importance, communication in global trade is fraught with challenges that can hinder effective collaboration and decision-making. One of the most significant obstacles is the diversity of languages and cultural norms. Misinterpretations can arise from language barriers, leading to confusion and potential conflicts. Additionally, cultural differences can impact negotiation styles, decision-making processes, and relationship-building efforts. Businesses must navigate these complexities to ensure clear communication and foster successful international partnerships.

Another challenge is the varying levels of technological infrastructure across countries. While some regions are equipped with advanced communication tools, others may struggle with limited access to reliable internet and digital platforms. This disparity can create gaps in information sharing and hinder collaboration between global partners. Companies must be adaptable and consider the communication capabilities of their international counterparts to ensure effective exchanges and minimize disruptions.

Furthermore, regulatory and compliance requirements can complicate communication in global trade. Different countries have distinct laws and regulations governing trade practices, data privacy, and consumer protection. Navigating these regulations requires careful communication to ensure compliance and mitigate legal risks. Organizations must invest in understanding the regulatory landscape in their target markets to communicate effectively and avoid potential pitfalls that could jeopardize their operations.

The advent of technology has revolutionized communication in global trade, offering innovative solutions that enhance collaboration and streamline operations. One of the most significant advancements is the rise of digital communication platforms that facilitate real-time interactions across borders. Tools such as video conferencing, instant messaging, and collaborative software enable stakeholders to connect seamlessly, regardless of their geographical location. These technologies have made it easier for businesses to engage with partners and customers, fostering stronger relationships and improving overall efficiency.

Artificial intelligence (AI) and machine learning are also transforming communication in trade by enabling businesses to analyze vast amounts of data and derive actionable insights. AI-powered chatbots, for instance, can provide instant support to customers, answering inquiries and resolving issues without human

intervention. This not only enhances customer experience but also frees up human resources for more complex tasks. By integrating AI into communication strategies, organizations can improve responsiveness and maintain a competitive edge in the fast-paced global market.

Moreover, the use of blockchain technology is reshaping communication in supply chain management. Blockchain's decentralized and transparent nature allows for secure information sharing among stakeholders, reducing the risk of fraud and enhancing traceability. With real-time access to information, businesses can communicate more effectively about inventory levels, shipment statuses, and compliance requirements. As organizations adopt blockchain solutions, the potential for streamlined communication and improved trust among partners in global trade becomes increasingly evident.

To overcome the challenges of communication in global trade, businesses must adopt effective strategies that enhance clarity and collaboration. One key approach is to invest in language training and cultural competence for employees involved in international dealings. By equipping team members with the skills to communicate effectively across language barriers, organizations can foster better relationships with partners and customers. Understanding cultural nuances also helps in tailoring messages that resonate with diverse audiences, contributing to more successful interactions.

Utilizing technology to facilitate communication is another essential strategy. Businesses should leverage digital tools that enable real-time collaboration and information sharing. Implementing project management software, video conferencing platforms, and communication apps can help streamline interactions and ensure that all stakeholders are aligned. By creating a centralized communication hub, organizations can enhance transparency and accountability, making it easier to track progress and resolve issues as they arise.

Establishing clear protocols for communication is equally important. Organizations should define communication channels and set expectations for response times and information sharing. By creating a structured approach to communication, businesses can minimize misunderstandings and ensure that all team members are on the same page. Regular training sessions and updates on communication best practices can reinforce these protocols, promoting a culture of effective communication that supports global trade initiatives.

As global trade continues to evolve, the future of communication will be shaped by emerging technologies and changing market dynamics. The increasing reliance on digital platforms for interactions will likely lead to further advancements in communication tools, making it easier for businesses to connect with partners and customers around the world. Innovations such as augmented reality (AR) and virtual reality (VR) may also play a role in enhancing communication, allowing for immersive experiences that bridge geographical gaps.

Additionally, the growing importance of sustainability and ethical practices in global trade will necessitate transparent communication about supply chains and sourcing practices. Consumers are increasingly demanding information about the origins of products, as well as the environmental and social impacts of their purchases. Businesses that prioritize open communication about these issues will not only build trust with customers but also position themselves as responsible players in the global marketplace.

Furthermore, as geopolitical tensions and economic fluctuations continue to impact global trade, effective communication will be crucial for navigating uncertainties. Organizations must remain agile and adaptable, using communication as a tool to respond to changes in regulations, market conditions, and consumer preferences. By fostering a proactive communication strategy, businesses can better manage risks and seize opportunities in the ever-changing landscape of global trade.

Several key players are instrumental in shaping the trends and practices of communication in global trade. Governments and regulatory bodies play a crucial role by establishing frameworks and standards that govern trade practices, including communication protocols. Their policies can influence how businesses interact across borders, impacting everything from documentation requirements to data privacy regulations. By staying informed about these developments, organizations can adapt their communication strategies to remain compliant and effective.

Industry associations and trade organizations are also vital in promoting best practices and fostering collaboration among businesses. These entities often provide resources, training, and networking opportunities that help companies enhance their communication capabilities. By participating in industry forums and engaging with peers, organizations can share insights and experiences that contribute to a more robust communication landscape in global trade.

Finally, technology companies are at the forefront of driving communication innovation. As they develop new tools and platforms, these companies enable businesses to communicate more effectively and efficiently. From cloud-based collaboration software to advanced analytics for customer engagement, technology firms are continually pushing the boundaries of what is possible in trade communication. By embracing these innovations, organizations can enhance their operations and stay competitive in the global marketplace.

In conclusion, the intricate relationship between communication and global trade is undeniable. Effective communication serves as the backbone of successful international transactions, enabling businesses to navigate complexities, build trust, and foster collaboration across borders. As e-commerce, digital currencies, and logistics continue to evolve, the importance of communication will only grow, shaping the future of commerce and finance.

By addressing the challenges of communication and leveraging emerging technologies, organizations can enhance their operations and unlock new oppor-

tunities in the global marketplace. The key players—governments, industry associations, and technology firms—will continue to influence communication trends, paving the way for a more interconnected and efficient trade landscape.

Ultimately, businesses that prioritize communication will be better equipped to adapt to the dynamic nature of global trade, ensuring their success in an increasingly competitive and interconnected world. As we move forward, fostering effective communication will be essential for unlocking the full potential of global trade and shaping the future of commerce for generations to come.

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## The Russian Industrial Zone in Egypt: An Integrated Vision for a Future Partnership

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The world is awash with numerous challenges, multiple crises, and diverse repercussions on various countries, which calls for different visions and new approaches that explore the paths of change and the directions of transformation in the interactions of international relations in their economic aspect, as the global economy has become increasingly interconnected, through the development of international trade, transportation, and communication, which in turn contributed to the increase in information flows, transportation, digital infrastructure, and the growth of information flows.

In this context, Egyptian-Russian relations stand out in various fields and at all levels, especially in light of the strategic partnership that brings the two countries together, as diplomatic relations between the two countries date back 81 years since 1943 AD, when the first Egyptian embassy in Moscow and a Soviet embassy in Cairo and a consulate in Alexandria were established. Since that date, they have become partners at the bilateral and international levels. This partnership has been reflected in the convergence of the two countries' positions on many regional and

international files and issues of common interest on the one hand, and in the agreements and memoranda of understanding signed between them on the other.

Among the most prominent of these agreements is the agreement related to the establishment of the Russian industrial zone east of Port Said, known as the City of the Sun, which embodies the strong and growing relations between them in various aspects, as this project gained importance as it is the unique project of its kind that Russia is undertaking for the first time in an Arab country since the dissolution of the Soviet Union. It is hoped that this region will become an ideal model for establishing similar regions in the Arab region and the African continent, with the possibility of cooperating with Egypt in establishing such specialized centers.

Needless to say, the project faced some challenges and obstacles to implementation with the start of the Russian military operation in Ukraine, as a result of the imposition of Western sanctions on Russia, which led to some complications in financing the project on the one hand, and the transfer of technology and materials necessary for the project on the other. However, the matter did not stop with the new breakthrough that took place with the issuance of the Egyptian presidential decree amending some provisions of this agreement in 2024, to revive hope once again in the launch of the Russian industrial zone, whether through amending the implementing party or allowing companies operating in the zone to sell their manufactured products in the Egyptian markets.

From this standpoint, the report sheds light on the importance of the Russian industrial zone in the course of Russian-Egyptian relations, in terms of its legal status, economic importance, logistical objectives, and its implications for the partnership between the two countries, through the following aspects:

### **First – The Russian Industrial Zone... The Regulatory Framework:**

The idea of establishing the Russian industrial zone in Egypt goes back to the vision of the political leaderships in the two countries, as the talk about this joint project began after the meeting of the Egyptian President Abdel Fattah El-Sisi and the Russian President Vladimir Putin, in the Russian city of Sochi on the Black Sea in 2014. The first sessions of actual negotiations began in August 2017 on the establishment of the zone.

Thus, the serious steps in implementing this project began in 2018, when Cairo and Moscow signed an agreement to establish a "Russian industrial zone in Egypt," the Suez Canal axis, and the project was set to be a major industrial center, allowing Russian companies to establish factories and facilitate the export of their products to neighboring markets, which was confirmed by President Abdel Fattah El-Sisi in his speech before the Russian Federal Council in October 2018, in clear and explicit words, as he mentioned the following: "I look at the Russian industrial zone project in the East of the Suez Canal, as another example of the depth of our partnership, and a new starting point, in order to enhance Russian investments in Egypt, we are always looking forward to your experiences and investments, within the framework of integration between us, in order to contribute to the completion

of what is being launched, of giant projects on the land of Egypt, and I would like to assure you, that the door will remain open to the Russian investor, to take advantage of the great advantages, offered by the Egyptian market, as a huge commercial and investment gateway, to many African, Arab, and Asian countries".

Today, the Russian industrial zone enters a new phase of development with the issuance of Egyptian Presidential Decree No. 184 of 2024, approving the agreement to amend some provisions of the agreement for the establishment and operation of the Russian industrial zone in the Suez Canal Economic Zone. The amendment aims to create the appropriate conditions for the operation of the zone. The original agreement and its recent amendments include a number of provisions governing the work of the zone, the most important of which are:

**1-Project Name and Its Structure:** The zone is named "Sun City". This project takes on a Russian spirit, as the design of the industrial city is in the form of a semicircle, consisting of two sections: The first, eastern, is called "Moscow". And the second, western, is called "St. Petersburg", The land between the two regions will be called "The Urals", because it is located in the central region of Russia, and there will be a recreational area and a triangular park for the residents of this city to spend their free time.



The Sun City Outline

1 In Arabic Language - President El-Sisi's speech before the Russian Federation Council, State Information Service, 16/10/2018 <https://nz.sa/ETjSG>

**2-Project Area:** The project started, according to the first agreement signed in 2018, by allocating an area of 5.25 million square meters under the usufruct system, of which 2.8 square kilometers are industrial buildings and projects established on this area, to exploit the rest of the area in establishing residential, commercial and recreational complexes for workers in the region. An amendment was made to this allocated area in accordance with the amendment that took place on the agreement in 2024, which included an increase in the area of the zone by 50 hectares, in addition to another 500 hectares that will be added to the main site later<sup>2</sup>.



**3-Project Implementation Period:** It was agreed that the project would be implemented in three phases within 13 years since the signing, with the first production coming out in 2022<sup>3</sup>, where work begins in the first phase during 2018 to develop and develop 1 square kilometer by the Russian industrial developer, during which 7,300 jobs will be provided in the fields of construction, provided that the Russian industrial developer works in parallel to attract Russian companies and investors during the two years 2018 and 2019. With the end of the implementation of the first phase, the development of an area of 1.60 square kilometers begins as a second phase of the total area of the zone and the provision of 10,000 jobs, which ends during 2022, then the development of an area of 2.65 square kilometers and the provision of 17,000 jobs in infrastructure projects, so that the implementation of the zone ends during 2031, i.e. after 13 years as agreed upon<sup>4</sup>. The term of the agreement extends to 50 years, and is automatically renewed for 5 consecutive years if both parties agree<sup>5</sup>.

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- 2 In Arabic Language - Hager Attia, In Detail. In Arabic Language - Everything You Want to Know About the Russian Industrial Zone in Egypt, Al-Fagr Newspaper, March 21, 2023. <https://nz.sa/dVoMb>
  - 3 In Arabic Language - Marwa Saad, The Russian Industrial Zone in Suez: A Launching Point for Development, The General Authority for Cultural Palaces, Ministry of Culture, December 11, 20200 <https://nz.sa/FVCuV>
  - 4 In Arabic Language - Maryam Adly, The Dream of Launching the Russian Industrial City East of Port Said Is Within Reach, Watani Newspaper, August 7, 2023 <https://nz.sa/Bowss>
  - 5 In Arabic Language - Signing of an Agreement to Establish the Russian Industrial Zone in the Suez Canal Axis, Al-Sharq Al-Awsat Newspaper, May 23, 2018 <https://nz.sa/MYzsf>

**4-Project Goal :** The project aims to localize Russian industries in Egypt, and enhance the ability of Russian companies to access African and Middle Eastern markets through the vital Suez Canal location, while also benefiting from the customs exemptions enjoyed by Egyptian products in African countries within the framework of the COMESA agreement and the Continental Free Trade Area. The idea of the project is based on strengthening the export orientation of the projects established in this region through the manufacture of joint Egyptian-Russian products in Egypt, which was clearly indicated by "Denis Manturov", the First Deputy Prime Minister of Russia, when he was Minister of Industry and Trade, that: "The Russian industrial zone project in Egypt represents an important pillar for strengthening industrial cooperation between the two countries, as this zone contributes to the localization of advanced Russian industries in Egypt and attracts more investments from Eurasian countries to work in the zone, in addition to enhancing the access of Russian products to global markets through preferential free trade agreements signed between Egypt and many countries and regional and global economic blocs"<sup>6</sup>.

**5-Joint Obligations of the Two Parties<sup>7</sup>:** The agreement stipulates that there are three types of obligations, as follows:

A- Joint Obligations of the Two Parties, and the most prominent of which are:

- Creating and ensuring the availability of the necessary conditions for the effective operation of the Russian Industrial Zone by developing the activities of existing projects in the zone.
- Manufacturing competitive products that meet the demand of the Egyptian market and foreign markets for high-quality technological products.
- Strengthening the potential of Egyptian-Russian industrial cooperation in the markets of other countries.
- Creating new job opportunities in the Russian Industrial Zone.
- Developing and implementing specialized programs for training and retraining experts in various industrial sectors.
- Exchanging experiences and specialists in the field of establishing and managing industrial cities and exchanging information on industrial and investment opportunities in both countries.
- Integrating any industrial or service companies operating in the Russian Industrial Zone site into the activities specified in the zone.

B- The obligations of the Egyptian Side (General Authority for the Suez Canal Economic Zone), and the most prominent of which are:

- Providing complete geological and geographical data on the site of the Rus-

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6 In Arabic Language - Egypt and Russia Sign the concluding Statement of the 13th Session of the Joint Egyptian-Russian Committee in Moscow, Al-Mal Newspaper, June 25, 2021. <https://nz.sa/dkQqd>

7 In Arabic Language - Signing of an Agreement to Establish the Russian Industrial Zone in the Suez Canal Axis, Al-Sharq Al-Awsat Newspaper, May 23, 2018 <https://nz.sa/MYzsf>

sian Industrial Zone to assess the possibility of establishing and constructing the industrial facilities and infrastructure specified therein.

- Providing one-stop shop services regarding the issuance of permits and licenses.

- Providing consultations on the laws and regulations in force in Egypt.

- Defining, allocating, and making available a plot of land in the East Port Said area of the Suez Canal Zone for the benefit of the Russian Industrial Zone Management Company with an area of 5 million and 250 thousand square meters under the Leasehold Interest.

- Providing the required infrastructure for unhindered access to roads, sea-ports, and railways, as well as extending electricity and gas distribution networks to the Russian Industrial Zone specified at the site.

C- The obligations of the Russian Side (Russian Ministry of Industry and Trade), and the most prominent of which are:

- Preparing a project plan for the Russian Industrial Zone and its master plan in coordination with the Egyptian Ministry of Industry and the General Authority for the Development of the Suez Canal Economic Zone, including the most effective alternatives for equipping the Russian Industrial Zone with industrial infrastructure, as well as plans for accommodating existing projects in the zone and expected usage indicators of the infrastructure by the occupants of the Russian Industrial Zone.

- Attracting projects to the Russian Industrial Zone and organizing their work.

- Organizing the process of manufacturing industrial products, completing work, and providing services within the site of the Russian Industrial Zone.

- Using advanced Russian technologies, materials, and equipment.

- The contribution of Russian scientific, research, development, and construction organizations in the establishment and operation of the Russian Industrial Zone.

**6-The Project Size:** The investments of the zone amount to about 7 billion dollars<sup>8</sup>, where the financing of the projects to be established is carried out through the Russian Direct Investment Fund and a number of Egyptian banks. It is mentioned that the Russian government has issued a decision allocating an amount of 9.5 billion rubles to support this project until 2026<sup>9</sup>.

Section Two - The Russian Industrial Zone... The Strategic Importance:

The zone occupies great importance, whether in strengthening relations between the two countries or providing the Egyptian economy with many returns and gains, as is evident in the following:

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8 In Arabic Language - Asmaa Fahmy, Optimal Resource Investment: The Suez Canal Economic Zone as a Model, Egyptian Center for Strategic Thought, Cairo, July 24, 2021 <https://ecss.com.eg/15545/>

9 In Arabic Language - Russia Reactivates the Russian Industrial Zone Project in Egypt and Supports it with 9.5 Billion Rubles, Al-Shorouk Egyptian Newspaper, October 12, 2023 <https://nz.sa/WelZX>

1- Strengthening economic cooperation between Egypt and Russia, as it provides an encouraging investment environment for Russian investors in the Suez Canal Economic Zone, with the aim of increasing the volume of Russian investments in Egypt, which does not exceed 70 million dollars.

2- Contributing to the achievement of industrial development and creating new job opportunities, as it is expected to provide about 35 thousand job opportunities. Supporting the Egyptian economy by localizing advanced technology industries.

3- Strengthening the position of the Suez Canal as a global center for logistics and industrial services.

4- Increasing the volume of trade exchange between the two countries, as the establishment of this zone aimed to raise the volume of trade exchange between the two countries, which at that time amounted to 5 billion and 500 million dollars, with Egypt's imports from it amounting to about 5 billion dollars, while its exports amount to half a billion, which constitutes a major gap in trade between the two countries. The establishment of a free trade zone in the Suez Canal axis will help to promote Egyptian products in Russia significantly, and all of this will help to increase the volume of trade between the two countries, as the zone will become a launching pad for expanding the business of Russian companies in Egypt, the Middle East, and Africa.

5- Making Egypt's strategy in attracting foreign investments and stimulating economic growth a success by providing a stable and stimulating business environment for investors<sup>10</sup>, as the success of the zone will open the appetite of many companies to invest in Egypt and expand in it, as it is considered the main gateway to the African continent.

On the other hand, the establishment of the industrial zone is of importance to Russia as well, as it is a strategic opportunity to strengthen its economic presence in the Middle East and Africa, as it grants Russia a strategic location in a promising region close to the most important international shipping lane (the Suez Canal, through which 20% of global trade passes), in addition to the availability of ports ready for exporting and importing various goods and products, which allows it to communicate with African, regional, and international markets as well<sup>11</sup>. This is in addition to its role in expanding the areas of work of the Russian economy and opening new outlets for its exports, which contributes to compensating for a large part of its economic losses incurred as a result of Western sanctions<sup>12</sup>.

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10 In Arabic Language - After the Establishment of the Russian Industrial Zone: Millions of Dollars Flow into the Veins of the Egyptian Economy, Al-Sharq Times, February 14, 2024 <https://nz.sa/bsueP>

11 In Arabic Language - Maryam Adly, The Dream of Launching the Russian Industrial City East of Port Said Is Within Reach, Watani Newspaper, August 7, 2023 <https://nz.sa/Bowss>

12 In Arabic Language - Gamal Salah, Behind the Scenes.. How Egypt and Russia Revived the Sun City Project in the Suez Canal?, October 10, 2024 <https://nz.sa/pGCdL>

### **Section Three – The Russian Industrial Zone... Future Vision:**

In the midst of the two countries' endeavor to strengthen their bilateral relations in various fields, in implementation of the vision carried by the Egyptian president and the Russian president regarding the future of their relations in light of the many transformations the world is witnessing at various levels, and the challenges facing the Middle East that are redrawing the maps of its countries, Egyptian-Russian relations emerge as an important model of how to work together within the framework of protecting mutual interests and the multiple benefits of the two parties, which will undoubtedly be reflected in the success of the Russian industrial zone with its goals and objectives that deepen the relations of the two countries and expand the areas of their bilateral and international cooperation as well, as the zone is expected to start operating in the next few days after the agreement signed between them was amended, This amendment, which addressed many of the obstacles and impediments that hindered the start of work in establishing this zone, especially with the expansion of the implementing parties of the project by Russian institutions, and all that remains is for Russia to take serious steps in providing the necessary funding and technology to build factories and develop the required infrastructure.

Finally, the Russian industrial zone project in the Suez Canal axis is a strategic opportunity for both Russia and Egypt, and the recent amendments to the agreement confirmed the two parties' keenness to complete the project and move forward in strengthening their joint economic cooperation, taking advantage of the geopolitical developments in the future.



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# International Cooperation in Cyber Security: Challenges, and Strategies of Incident Response

## 1. Introduction

In today's world where everything is interconnected via the internet, cyber security has become a key issue for global stability. The effects of cyberattacks are no longer confined to a single country; such attacks affect people, companies, and governments throughout the world. However, different legislations, lack of trust between countries, and different rules often make combating those threats difficult.

Key statement: international cooperation in cybersecurity is required to combat global digital threats, but this cooperation faces problems such as different legislation and lack of trust between countries. These problems need to be handled via joint strategies.

## 2. The importance of CSIRT and international cooperation

Computer Security Incident Response Teams (CSIRT) play an important role in protecting key infrastructure and reducing the risks of cyberattacks. Their task is detecting, preventing, and responding to cyberattacks on telecommunications, banks, and the energy sector. However, such attacks are often launched from

other countries, and CSIRT's effectiveness and efficiency depend on cooperation between countries.

There are international treaties, such as the 2001 Budapest Convention on Cybercrime. It helps countries harmonize their legislation and facilitates cooperation. However, some large countries are not members of this convention, which reduces its effectiveness. Additionally, different countries have different classifications of cybercrimes, which complicates joint investigations.

### **3. Key infrastructure in incident response: SOC and NOC**

Security Operations Centers (SOC) and Network Operations Centers (NOC) help CSIRT via real-time monitoring and rapid incident response.

- SOC (Security Operations Center): Detect threats and coordinate defense.
- NOC (Network Operations Center): monitors network infrastructure and works together with SOC to protect against attacks, for instance, DDoS attacks.

International cooperation between these centers is very important, but often hindered by restrictions in exchanging information and by different communications protocols.

### **4. A successful cooperation case: EMOTET disrupted**

The disruption of EMOTET, one of the world's most dangerous botnets, constituted a case of successful international cooperation. EMOTET was detected in 2014 as a banking Trojan. It spread via emails with infected attachments that tricked users into enabling macros and launching the malware. Once installed, EMOTET allowed criminals to spread other malware.

In January 2021, the authorities in several countries, including the Netherlands, Germany, and the UK together with Europol and Eurojust, conducted an operation to eliminate EMOTET's infrastructure. This operation demonstrated that international cooperation could be effective in combating cybercrime.

### **5. Cases of absence of cooperation and their consequences**

Despite cases of successful cooperation, there are also instances of grave consequences resulting from the absence of international coordination. For instance, the 2017 WannaCry ransomware attack affected hundreds of thousands of computers in over 150 countries. In the absence of a rapid global response, the malware spread like wildfire. This case demonstrates the importance of bolstering mechanisms for rapid response and real-time information exchange.

### **6. Artificial Intelligence and its role in cyber security**

Artificial Intelligence (AI) assists in enhancing cybersecurity by making it possible to rapidly detect threats via big data analysis. However, cybercriminals also use AI to make their attacks more dangerous, for instance, they automate attacks and create more complex malware.

Internationally, AI can facilitate exchanging information on threats, but it requires common standards of its secure, safe, and ethical use.

### **7. Public Private Partnership initiatives**

In addition to intergovernmental cooperation, interaction with the private sector is also important. Tech companies, cloud services providers, and digital platforms have both data and instruments that can help detect and prevent attacks. For instance, the Cyber Threat Alliance (CTA) initiative allows companies to exchange information on threats in real-time, which demonstrates that effective and efficient cooperation should not be limited to public organizations only.

### **8. The role of cyber diplomacy**

Cyber diplomacy is becoming an important instrument in international cyber security cooperation. International organizations such as the UN promote discussions of international rules of conduct in cyber security with a view to reducing conflicts prompted by state attacks or by government-supported groups. Using bilateral and multilateral treaties, diplomacy could facilitate information exchange, technical support, and creation of joint mechanisms for responding to major incidents.

### **9. Metrics and Key Performance Indicators (KPI)**

Assessing the effectiveness and efficiency of international cooperation in cyber security requires deciding on metrics and indicators. Some key KPI include:

- Mean Time To Detect and Mean Time To Respond (MTTD and MTTR) to cross-border incidents.
- Number of incidents CSIRT dealt with jointly, and the time it took to handle these incidents.
- The degree of automating the exchange of information on threats via such platforms as MISP.
- Assessing CSIRT maturity according to such standards as the FIRST CSIRT Services Framework.

### **10. Fragmentation in cyber space management**

One of the key problems in international cyber security cooperation is fragmented cyber space management. Unlike other international security areas, cyber security does not have a single management system with clear rules for all countries. Some countries support an open and decentralized internet, while others want a greater degree of control over the digital infrastructure. It makes it more difficult to develop solid international treaties and creates gray areas where criminals can act with impunity.

Another problem lies in non-harmonized cyber security legislation. Every country has its own laws, which could create conflicts in investigating cross-border

der incidents. Additionally, lack of common standards in communications protocols and lack of trust between states could hinder effective response. Cultural and linguistic differences could also hamper coordination at critical moments. These problems demonstrate the need for a more integrated and cooperative approach.

### **11. Cybercrime and the absence of a transnational jurisdiction**

Cyber criminals frequently take advantage of legislative differences between countries to avoid punishment. An attack could be launched from a country with more lenient legislation and affect institutions in another country that has no mechanisms for requesting legal assistance. Without extradition treaties or prompt exchange of judicial information, many crimes go unpunished. The absence of an effective transnational jurisdiction allows cyber criminals to continue their operations, which further stresses the need to harmonize legislation and bolster cooperation between law enforcement agencies.

### **12. Proposals on improving international cooperation**

To improve cooperation in cyber security, we need to devise joint response protocols that would allow countries to respond to incidents in a coordinated manner. Introducing secure platforms to exchange information between CSIRT, SOC, and NOC will facilitate detecting and preventing threats. Additionally, harmonizing international laws will help remove barriers that hamper cooperation and will accelerate interactions between different organizations.

Another important strategy consists in holding international cyber security drills intended to improve preparedness and coordination between response teams. Training cyber security experts and deciding on metrics for assessing cooperation effectiveness and efficiency will help optimize joint efforts. Such initiatives as UNAM-CERT in Mexico and RU-CERT in Russia demonstrated that cooperation between academic, public, and private organizations is a key element in creating a more stable global cyber security ecosystem.

### **13. Conclusion**

International cooperation in cyber security is a must in the digital world where threats keep developing. Together with SOC and NOC, CSIRT should bolster their cooperation strategies, use new technologies, and share best practices to improve incident response. Only trust and joint work allow to counteract complex cyberattacks effectively.

UNAM-CERT and RU-CERT demonstrated the value of international cooperation in information security. UNAM-CERT played an important role in protecting Mexico's digital infrastructure, while RU-CERT helped protect networks in Russia via cooperation with international organizations. These initiatives demonstrate the importance of bolstering global cooperation with a view to creating a more secure and safe digital environment.

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## Using Common Language for a Dialogue: Success Strategies in Intercultural Communication

At a time of globalization, when international borders become increasingly nominal, the ability to maintain intercultural dialogue has become a key skill, which is of great importance in business, politics and everyday life. According to the UN, by 2023 the number of international migrants exceeded 281 million [1], and the global export of services reached \$7 trillion [2], making interactions between cultures inevitable. But even when people use the same language – be it English, Spanish or Chinese – it is not always easy to establish smooth communication. This has to do with the illusion that speaking the same language would suffice for mutual understanding. In fact, differences in cultural codes, values and nonverbal practices create “invisible barriers”, which lead to conflict, financial losses and missed opportunities.

A good example is the Procter&Gamble’s advertising for diapers in Japan in the 1980s that failed because of different perception of family roles in Japan and in the West (advertising to fathers did not work in the traditionally motherhood culture), with company’s subsequent losses to the tune of \$62 million [3]. Such cases confirm the hypothesis that a successful dialogue requires not just language skills, but cultural meta-competencies – the ability to recognize and adapt to alien

cultural contexts. A Hofstede Insights study [4] showed that 73% of conflicts in international projects are caused by differences in cultural perspectives and worldviews: we fail to hear and understand each other. This brings the question: how do we turn language from a transaction tool into a bridge for mutual understanding and mutual respect?

The answer is three-fold and encompasses education, technology and social policy. According to the British Council, culture-oriented programmes, which are being implemented by universities and corporations, make communication by 40% more effective, as noted by [5]. For example, 68% of business schools have already included cross-cultural training sessions in their curriculum [6], teaching students not only to carry out negotiations but to “read” hard-to-notice signals – from various nuances of business correspondence to hospitality traditions. These efforts are back with new technologies: AI translators such as DeepL help to remove language barriers but still require understanding the context. This is where virtual simulators, such as MIT VR projects, come to the fore. They immerse users in cultural scenarios, reducing cognitive dissonance by 30% [7].

The economic benefits of such strategies are evident. Companies that invest in cultural adaptation experience a failure on new markets twice less as their competitors [8]. By adapting furniture design to local traditions – e.g., creating separate zones for families in its stores in Saudi Arabia – IKEA boosts customer loyalty and revenues. The social effect is no less significant: the multiculturalism policy in Canada reduced the level of inter-ethnic crime by 35%, and education programmes like Erasmus+ increased the tolerance level among the youth by 44% [10]. These data suggest a direct link between intercultural dialogue and the sustainable development of society.

Forecasts corroborate the relevance of this issue. By 2030, the demand for intercultural communication specialists will grow by 25% [11], and the global economy, according to World Economic Forum estimates [12], may gain an additional impetus worth \$1.5 trillion as the result of effective cooperation. However, only systemic efforts, including integrating cultural competence in educational standards, development of context-sensitive technologies and support of “soft power” through art, cinema and literature, will yield success.

Using a common language for the dialogue means not just an exchange of words but a process requiring empathy, flexibility and readiness to learn. The Procter&Gamble story shows that even if your advertising was a real success in one country, there is no guarantee it will not fail in another, unless you have properly studied the cultural patterns of your target audience. Closing this gap is not only a challenge but also an opportunity to create a world where differences lay ground for cooperation rather than foment a conflict. Ultimately, this is the very idea of true dialogue: to hear not only what is said but also what is hidden between the lines.

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# Investing in Connectivity: The Key to Advancing People and Technology in the Digital Era

## Abstract

As the digital age rapidly transforms the world, connectivity has emerged as a critical factor driving economic and technological growth. The fostering of economic inclusivity, the acceleration of technological innovation and enabling access to essential services such as education, healthcare and finance are being leveraged by digital connectivity. For our country, Myanmar, it is also a vital thing for investing in digital infrastructure to bridge the digital divide and ensuring long-term socio-economic progress. This paper examines how connectivity serves as a stimulant for human capital development and technological advancement, using Myanmar's ICT Research Center (ICTRC) as a case study. It highlights key initiatives, like HR development program and conducting innovative collaboration, in digital public infrastructure, cybersecurity, e-commerce, logistics platforms, and financial connectivity while addressing challenges such as digital inequality and regional integration. Finally, the paper offers policy recommendations to strengthen connectivity and leverage its benefits for national and regional growth.

## 1. Introduction

Connectivity plays a foundational role in shaping modern economies and societies. As digital technologies continue to evolve, the ability of nations to foster seamless connectivity directly influences their capacity for innovation, industrial progress, and global competitiveness. Investments in digital infrastructure, cloud computing, and artificial intelligence (AI) have enabled rapid advancements in education, healthcare, trade, and business operations. However, connectivity is not just about technological infrastructure—it is also about ensuring equitable access to information and opportunities.

In Myanmar, where digital penetration has grown significantly over the past decade, challenges such as rural connectivity gaps, limited broadband access, and cybersecurity vulnerabilities remain key obstacles to inclusive development. According to the World Bank, Myanmar's internet penetration rate increased from 1% in 2010 to approximately 44% in 2024, driven by mobile network expansion and affordable data services [7]. Yet, over 20% of Myanmar's rural population lacks access to stable broadband networks, highlighting the need for further investment in digital connectivity [7].

This paper explores how investing in connectivity not only strengthens Myanmar's technological infrastructure but also enhances human capital development, digital trade, financial integration, and innovation. By examining the role of digital public infrastructure, e-commerce, financial flows, and research-driven initiatives at ICTRC, this paper presents a roadmap for leveraging connectivity as a pillar of sustainable growth.

## 2. The Role of ICT Research Center (ICTRC) in Connectivity Development

The ICT Research Center (ICTRC) under Myanmar's Ministry of Science and Technology is crucial in advancing digital connectivity and technology-driven education. ICTRC supports ICT infrastructure, mentors students from universities, and enhances employability by developing their skills. As a key institution in Myanmar's digital transformation, ICTRC focuses on human capital development, research projects, and strengthening ICT infrastructure. In line with Myanmar's Digital Economy Roadmap 2030, we aim to foster a skilled workforce and drive innovation under Pillars 7 (Digital Skills) and 8 (Digital Innovation), with five main initiatives: building a proficient workforce, enhancing digital competencies, promoting entrepreneurship, applying digital technologies, and growing tech-driven startups to compete globally.

### 2.1 ICTRC's Training and Infrastructure Development for Digital Workforce

Since 2008, the ICT Research Center (ICTRC) has played a crucial role in strengthening Myanmar's digital workforce by providing specialized training programs through our departments, IMCEITS and ICTTI. IMCEITS offers post-graduate diplomas in software development, including Java, Python, Oracle, and web

technologies. ICTTI focuses on network infrastructure and cybersecurity training. These initiatives have trained over 2,800 professionals, equipping them with the skills needed to meet the demands of the evolving digital economy.

Our commitment goes beyond just training. In partnership with international organizations like India's C-DAC and Japan's JICA, we implement advanced research initiatives and offer hands-on training in software and hardware development. Additionally, we are working with the Mekong-Lancang Cooperation to enhance ICT infrastructure, including improving our Learning Management System (LMS) to support online education and remote student engagement. This is part of a broader effort to build a stronger ICT ecosystem in Myanmar.

Moreover, ICTRC is at the forefront of building a Smart Campus, leveraging AI-driven data analytics and automated research facilities to create a more efficient, technology-enhanced learning environment. With over 200 fully equipped computer labs, we foster advanced HRD programs in artificial intelligence, cloud computing, and digital entrepreneurship, which are essential for nurturing innovation and supporting tech-based startups in Myanmar.

## 2.2 ICTRC's Regional and International Collaboration in ICT Advancement

In addition to its national efforts, ICTRC is deeply involved in regional and international ICT collaboration. As a member of ASEAN, BIMSTEC, and Mekong-Lancang initiatives, the center facilitates cross-border knowledge exchange, joint research projects, and policy development. Through these partnerships, we contribute to shaping the future of ICT and digital economies on a global scale. ICTRC is also an active participant in global forums such as the MKAI cooperation platform, where policymakers, industry leaders, and academics gather to explore emerging ICT trends. These collaborations help drive the development of digital economy programs, e-governance solutions, and cybersecurity policies that align with international standards. By strengthening Myanmar's presence in the global digital space, we are ensuring the country's active role in the future of ICT innovation.

## **3. The Strategic Importance of Investing in Connectivity for E-Commerce and Logistics Growth**

Connectivity is a critical driver of economic growth, fostering trade, knowledge-sharing, and financial integration. Countries with advanced digital infrastructure often experience higher productivity, improved education access, and stronger economic resilience. According to the World Economic Forum's report on the impact of 5G, investments in digital infrastructure, including broadband and 5G networks, are projected to significantly drive productivity and economic growth across industries, creating new value and fostering global economic development [5]. Myanmar's focus on expanding broadband, e-commerce, digital currencies, and logistics platforms reflects its commitment to digital progress, aiming

to strengthen its legal framework, expand mobile broadband, and enhance financial and digital connectivity for sustainable economic growth. To remain competitive, Myanmar must concentrate on regional partnerships, regulatory reforms, and emerging technologies like blockchain and AI.

### 3.1 Digital Public Infrastructure (DPI) and Myanmar's Digital Economy

Myanmar is progressing toward a digitally inclusive society through investments in digital public infrastructure (DPI), such as national identity databases, digital payment platforms, and secure cloud-based services [1]. Digital Public Infrastructure (DPI) systems like Aadhaar and UPI in India have been transformative, improving financial inclusion and efficiency by enabling faster, secure, and lower-cost transactions. These initiatives have been crucial in enhancing economic connectivity and reducing barriers to digital access, which can serve as a model for Myanmar's digital economy as it explores similar pathways to drive growth and inclusion [6]. Myanmar's Digital Economy Roadmap (2018-2025) focuses on enhancing e-governance, digital literacy, and mobile payment solutions, though challenges like low public awareness, fragmented data systems, and cybersecurity risks impede full DPI implementation. Myanmar's legal framework has been strengthened with laws such as the Telecommunications Law (2013) and the Electronic Transaction Law (2004), complemented by amendments and the 2023 Cybersecurity Policy. However, addressing digital inequality remains crucial for the nation's digital advancement.

### 3.2 Enhancing Financial Connectivity Through Digital Currencies and Mobile Payments

As global financial systems shift toward digital transactions, digital currencies have become essential for enhancing international financial connectivity. Initiatives like Central Bank Digital Currencies (CBDCs) in China and India aim to streamline cross-border payments and reduce reliance on cash [3]. Myanmar is adopting mobile payment platforms and blockchain-based remittance services to integrate into the global digital economy. With a mobile density of 116.91% and internet penetration at 91.79%, Myanmar's telecom landscape facilitates the expansion of digital payment systems. The country's mobile broadband penetration of 88.94% and international internet bandwidth of 8,812.60 Gbps provide the infrastructure for platforms such as Wave Money and KBZ Pay to flourish. Expanding access to mobile banking will reduce financial barriers and increase participation in the digital economy. Furthermore, the introduction of a national digital currency and expanded blockchain-based payment systems could enhance financial inclusion, simplify cross-border transactions, and strengthen economic resilience.

### 3.3 Digital Connectivity and E-Commerce

Myanmar's e-commerce industry has grown rapidly, driven by increased internet penetration and mobile broadband services. Platforms like Shop.com.mm and foodpanda have enabled local businesses to engage in global trade. However, chal-

lenges such as cross-border regulations and payment system integration persist. Myanmar's participation in ASEAN's E-Commerce Agreement (2021) is key to addressing these challenges, facilitating digital trade, and integrating logistics and payment systems with neighboring countries. This agreement will streamline digital trade, benefitting local e-commerce and boosting global trade opportunities [2].

### 3.4 Enhancing Telecom Infrastructure and Connectivity

Robust telecom infrastructure is essential for advancing connectivity and driving Myanmar's economic growth. The country has made significant strides, with a teledensity of 117.84% and nearly 96% mobile coverage. Myanmar's telecom operators, including four mobile service providers, rely on submarine cable systems such as SE-ME-WE3, SE-ME-WE5, UMO, and AAE1, ensuring substantial international connectivity. These telecom infrastructure investments support faster, more secure connections for both domestic and international trade. Expanding fixed broadband access (currently at 2.85%) can help address rural connectivity gaps, enabling broader digital engagement. Furthermore, Myanmar's cross-border international connectivity through nine points of interconnection with neighboring countries (China, India, Lao PDR, and Thailand) enhances regional trade and collaboration. The Myanmar government is finalizing the drafting of new legislation, including the Cybersecurity Law, to strengthen security within the telecom landscape.

### 3.5 The Role of Technology in E-Commerce, Logistics, and Trade Connectivity

Technology has become a game-changer for Myanmar's e-commerce, logistics, and trade. As digital connectivity continues to grow, it opens new doors for businesses to tap into global markets. Take e-commerce, for example. With increased internet use and mobile adoption, platforms like Shop.com.mm and foodpanda have been able to reach customers far beyond Myanmar's borders. However, challenges like cross-border regulations and the need for better payment system integration still exist. Luckily, the ASEAN E-Commerce Agreement (2021) is here to help by simplifying digital trade across the region, which will make transactions smoother and faster for Myanmar businesses.

On the logistics front, Myanmar's location between South Asia and Southeast Asia offers a unique advantage. Investments in smart logistics infrastructure, along with digital tracking systems, are crucial to streamlining trade and reducing costs. The Belt and Road Initiative (BRI) and the China-Myanmar Economic Corridor (CMEC) are already making a big impact, especially with projects like the Kyaukyu deep-sea port, helping Myanmar connect better to the global trading network [4]. Additionally, integrating technologies like blockchain for supply chain management and AI for optimizing logistics can make the entire system more efficient and quicker. And don't forget the importance of digital customs clearance systems to ease import and export processes, making international trade faster and more reliable.

In short, Myanmar's focus on advancing digital infrastructure and leveraging technology is not only boosting e-commerce but also positioning the country as an important player in regional and global trade.

#### **4. Challenges and Policy Recommendations**

Despite significant progress, Myanmar faces critical challenges in expanding connectivity and ensuring digital security. Rural connectivity gaps continue to be a major issue, requiring collaboration between the public and private sectors to expand broadband access. Additionally, the rising threat of cyberattacks calls for enhanced cybersecurity training and the development of comprehensive regulatory frameworks. Currently, Myanmar lacks a national cybersecurity policy, leading to fragmented and inconsistent data protection efforts.

To address these challenges, government-led initiatives should prioritize broadband expansion and the establishment of digital literacy programs to bridge the digital divide. Regional cooperation through organizations like ASEAN and BIMSTEC can facilitate cross-border digital infrastructure projects, enhancing connectivity. Furthermore, strengthening the role of the ICT Research Center (ICTRC) in cybersecurity training and promoting digital entrepreneurship programs will be crucial in bolstering Myanmar's digital economy.

#### **5. Conclusion**

Investing in connectivity is a fundamental driver of global economic growth. Myanmar's increasing focus on broadband expansion, e-commerce, digital currencies, and logistics platforms demonstrates its commitment to leveraging digital connectivity for economic progress. By strengthening financial flows, trade networks, and digital literacy, Myanmar can fully integrate into the global digital economy. Moving forward, regional partnerships, regulatory reforms, and technological advancements will be crucial in unlocking the full potential of digital connectivity.

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# Foreign Economic Growth Strategy in the Context of Russia's National Interests: Assessing the Potential Key Directions and Risks

**Abstract:** In the context of the formation of the world economy on the basis of multipolarity, a polycentric development model and related processes, and the fragmentation of international economic relations in most national economies, there is an urgent need to search for drivers of economic growth that are adequate to the architecture of the modern world economy. The revised version of the Concept of the Foreign Policy of the Russian Federation declares a new form of strategic planning as a national interest. National interests predetermine strategic goals, and the latter, in turn, serve as a starting point in setting specific tasks for the development of the national economy, individual industries and regions, as well as indicators of economic growth. Modern cooperative forms of reproduction processes based on global value chains, primarily in the Eurasian space, can play a fundamental role in this.

Key words: multipolarity, polycentric model of development of the world economy, national interests, connectedness, harmonization of interests in models of industrial cooperation, economics of comparative advantages of modern forms of international economic relations.

The modern world economy and international economic relations have entered a complex period of transformation. In modern economic science, understanding these processes is both natural and essential, primarily for developing a national economic strategy.

It is recognized that “the pivot to the East has become a natural continuation and practical embodiment of Russia’s adopted philosophy of foreign-policy multipolarity in which it sees itself as one of the global poles of power.”<sup>1</sup>

In the context of the formation of a polycentric model of the world economy and the associated turbulence in social relations across most national modern economies, there is an urgent need to identify economic growth drivers appropriate to the architecture of the modern world economy. The revised version of the Concept of the Foreign Policy of the Russian Federation published on March 31, 2023, traditionally serves as a document that defines basic strategic guidelines for domestic diplomacy, stating that “Russia... is one of the sovereign centres of global development performing a historically unique mission aimed at maintaining global balance of power and building a multipolar international system, as well as ensuring conditions for the peaceful progressive development of humanity on the basis of a unifying and constructive agenda.”<sup>2</sup>

The new edition of the foreign policy concept declares “national interests” as a new form of strategic planning. National interests predetermine strategic goals, which in turn serve as starting points for setting specific practice-oriented tasks.

This novelty of this provision is exceptionally significant. With few exceptions,<sup>3</sup> economic science lacks works that analyse the problem of harmonizing the economic interests of agents that are extremely diverse in their nature, goals, subjects of economic activity, and country affiliation. Ignoring this problem creates imbalances and social tensions both in society – indicators of economic depression – and in international economic relations.

A balance of interests can be found within the context of global and national economies. The combination of national economies forms the basis of the global economy and represents an essential condition in defining the world economy.

What are the horizons and geoeconomic factors of the North–South cooperation? This is a critically important question. The main thing that could make

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1 Torkunov, Anatoly (2023). Russian Policy of Turning to East: Problems and Risks. *World Economy and International Relations*, 67(4), 5–16. [https://www.imemo.ru/index.php?page\\_id=1248&file=https://www.imemo.ru/files/File/magazines/meimo/04\\_2023/02-TORKUNOV-eng.pdf](https://www.imemo.ru/index.php?page_id=1248&file=https://www.imemo.ru/files/File/magazines/meimo/04_2023/02-TORKUNOV-eng.pdf).

2 The Concept of the Foreign Policy of the Russian Federation. Approved by Decree No. 229 of the President of the Russian Federation dated March 31, 2023. Available at: [https://www.mid.ru/en/foreign\\_policy/fundamental\\_documents/1860586/](https://www.mid.ru/en/foreign_policy/fundamental_documents/1860586/).

3 See Kheifets, B. A. (2023). Vision of the Global Economy in the First Quarter of the 21st Century. 12 Scientific Reports Produced at the Institute of Economics of the Russian Academy of Sciences in 2006–2023. *Analyzing New Trends in the Development of the World Economy and Russia’s Foreign Economic Relations*. Aleteya (in Russian).

scientific understanding possible is through the detailed analysis of international economic relations in the context of balancing national interests, including, first and foremost, and RIC countries (Russia, India, China), BRICS, SCO, CIS, and EAEU.

The pattern of deglobalization processes remains complex and contradictory. Its full conceptualization requires time. Currently, attempts are being made to formulate the main political and economic indicators of fundamental changes in the world economy, international economic relations, and international business.

Minister of Foreign Affairs of the Russian Federation Sergey Lavrov stated during a January 18, 2024 press conference in Moscow on Russia's foreign policy performance in 2023, "We have a clear vision for our domestic development plans [...] various ways to promote sustained economic progress in today's environment, considering the aggressive and unlawful policies of the United States and its satellites. The goal is clear. It is to eliminate our dependence on any manufacturing, supply and logistics chains, financial and banking systems whenever our Western colleagues exercise too much control over them in one way or another. Previous and future decisions articulate this policy without any ambiguity."<sup>4</sup>

According to Alexander Yakovenko, deglobalization, the second wave of decolonization, the crisis of the liberal ideology, the crisis of five centuries of Western dominance in global politics, economics and finance – these and 22 other directions of civilizational development will form the foundation of the future world order.<sup>5</sup>

Als noteworthy is the report of the 60th annual Munich Security Conference in Germany (February 16–18, 2024), titled *Lose-Lose?* which states that now key players are abandoning neoliberal principles and formulating economic policy based on national security considerations. A new economic order is emerging – so-called securitized globalization. It is characterized by "[diversification of] trade relations to reduce exposure to rivals ("de-risking"), shifting supply chains and investment to countries that are geopolitically aligned," and "discriminatory interventions" (sanctions and means to prevent the leakage of technology). The report refers the U.S.-China competition for chips, sanctions against Moscow, and Russia's creation of its own financial messaging system as an alternative to SWIFT to name a few.<sup>6</sup>

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4 Foreign Minister Sergey Lavrov's statement and answers to media questions during a news conference on Russia's foreign policy performance in 2023, Moscow, January 18, 2024. Available at: [https://www.mid.ru/en/foreign\\_policy/news/1926392/](https://www.mid.ru/en/foreign_policy/news/1926392/).

5 Yakovenko, A. V. (2023). 25 Trends in Modern International Relations and World Development). Available at: <https://russiancouncil.ru/aleksander-yakovenko/comments/> (in Russian); Yakovenko, A. V. (2023). Geopolitical Turning Point and Russia: What the Foreign Policy Concept Tells Us: A Monograph. Diplomatic Academy of the Ministry of Foreign Affairs of the Russian Federation. Available at: <https://dipacademy.ru> (in Russian).

6 <https://www.rbc.ru/newspaper/2024/02/16/65cdc7179a79471aea4fb9a0>. Accessed February 18, 2024 (in Russian).

The UN DESA report World Economic Situation and Prospects 2024<sup>7</sup> forecasts that the global economy faces a prolonged period of slow growth, threatening the achievement of sustainable development goals.

In our view, developing an effective foreign economic strategy and trade policy for a national economy or integration association requires consideration of these macroeconomic indicators.

The main indicators of forecasts by the expert community, international organizations, and governmental bodies in different countries can be summarized in the following generalizations and conclusions.

### Forecasts of International Organizations

GDP growth rates, %	2023	UN (Jan 24)		WB (Jan 24)		IMF (Oct 23)	
		2024	2025	2024	2025	2024	2025
World (at PPP)	3.0	2.9	3.2	2.9	3.1	2.9	3.2
USA	2.5	1.4	1.7	1.6	1.7	1.5	1.8
Eurozone	0.6	1.1	1.5	0.7	1.6	1.2	1.8
Japan	1.7	1.2	1.1	0.9	0.8	1.0	0.7
China	5.3	4.7	4.5	4.5	4.3	4.2	4.1
India (fiscal year)	6.4	6.3	6.6	6.4	6.5	6.3	6.3
Brazil	3.1	1.6	2.3	1.2	1.5	1.5	1.9
Russia*	2.7	1.3	1.5	1.3	0.9	1.1	1.0

Source: UN, World Economic Situation and Prospects 2024; World Bank, Global Economic Prospects; IMF, World Economic Outlook.

The most evident factors include inflationary pressure, which, while having eased somewhat (thanks in part to non-economic factors in energy and food markets), remains strong; high interest rates leading to increased interest payments on government debt; and growing geopolitical tensions in different parts of the world, leading to trade and investment restrictions and other non-market economic measures.

Other factors that determined the dynamics of the world economy in 2023 included weakening international trade, high borrowing costs, and growing public debt. Monetary tightening, which plateaued in the second half of 2023, stimulated capital outflows and limited growth in developing countries. Inflation reduction was achieved against the backdrop of high interest rates.

Developing countries (with the exception of “tourism-oriented” small island states) have largely failed to overcome the consequences of the COVID crisis, partly due to logistics problems and declines in tourism, according to UN DESA and the five United Nations regional commissions.

and Germany).

External debt is an exceptionally important problem in the modern world economy, as it has an extensive influence on international economic relations. It is recognized that, for most countries, the growth of the debt burden (at the state and corporate levels) and problems with government debt – including interest rate hikes – impacted economic dynamics in a massive way. According to the Institute of International Finance (IIF), as of the end of Q3 2023, total world debt reached \$307 trillion. Approximately two thirds of global debt belongs to countries with so-called mature markets (MM), or “developed” countries. Countries with so-called emerging markets (EM), or “developing countries,” account for one third of global debt. The total debt of developed countries as of the end of Q3 2023 was \$206 trillion, up from \$194.4 trillion at the end of Q3 2022. The totals for developing countries were \$101.3 trillion and \$94.5 trillion, respectively<sup>8</sup>

The increasing number of trade restrictions has led to weak international trade dynamics, increased geopolitical tensions, and ultimately, slower economic growth.

In the CIS countries, economic growth exceeded forecasts due to higher-than-expected growth rates in the Russian Federation and strong indicators in the Caucasus and Central Asian countries.

The combined GDP of CIS countries and Georgia in 2023 grew by an estimated 3.3 percent and is projected to increase by 2.3 percent in 2024.

Economic dynamics in the post-Soviet space are undoubtedly influenced by integration processes, primarily among Eurasian Economic Union (EAEU) member countries. The EAEU was established based on the accumulated experience of member states of interaction within the CIS, Eurasian Economic Community, Customs Union, and Common Economic Space, while also incorporating the best global practices and advanced international experience, including the functioning of the EU and WTO. Specifically, WTO norms, rules, and principles were taken into account when developing the EAEU Treaty and still serve as the foundation for preparing preferential and non-preferential trade arrangements between the EAEU and third countries.

The EAEU’s primary objective is to improve the wellbeing of citizens in member states. To this end, Russia, Armenia, Belarus, Kazakhstan, and Kyrgyzstan are actively working to form a common EAEU market designed to ensure the free movement of goods, services, capital, and labour. Today, the EAEU represents more than 184.3 million consumers. The combined GDP of the EAEU member states exceeds \$2 trillion.

Statistics show that membership in the EAEU brings significant benefits to the

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8 Global Debt Monitor. Politics and Climate Finance in a High-Debt World. IIF, November 16th, 2023; Katasonov, 2023 Results: Global Debt “Breaks Through the Threshold” of 300 Trillion Dollars. Available at: <https://fondsk.ru/news/2024/01/03/itogi-2023-goda-mirovoy-dolg-probil-planku-v-300-trln-dollarov.html> (in Russian).

states. The combined GDP growth of all member states from 2016–2021 was 9.6%. Of this, nearly 0.7% (over \$10 billion) is the contribution of Eurasian integration – a tangible and significant integration effect. Moreover, the integration effect for the EAEU’s partners – Armenia, Belarus, and Kyrgyzstan – is more pronounced since the EAEU constitutes one of the key markets for their products and an essential import source. Between 2016 and 2021, Armenia and Kyrgyzstan gained an additional 1.5 percentage points in GDP growth, while Belarus gained 4.9 percentage points, and Kazakhstan 0.5 percentage points. Meanwhile, serious pressure is still being exerted on these allies of Russia, aimed at discrediting and weakening them.

Central Asian states (Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan, and Turkmenistan) have achieved significant progress in their development over the past 20 years. Their combined GDP during this period increased more than sevenfold, reaching \$347 billion in 2021. Central Asia’s share in world GDP at PPP has grown 1.8 times since 2000. The compound annual growth rate for Central Asian countries was 6.2% over the past 20 years (developing countries as a whole grew at a rate of 5.3%, compared to the global average of 2.6% per year). Central Asian states have established themselves economically and possess serious development prospects. Growth in export revenues, remittances from labour migrants, and foreign direct investment have contributed to increased household incomes and reduced poverty. In most countries of the region, GDP per capita at PPP has tripled.

The foreign trade turnover of Central Asian countries reached \$165.5 billion in 2021, growing sixfold over the past 20 years. The location of Central Asian countries at the crossroad of transport routes creates opportunities for developing transit potential both in terms of the transportation of goods and in terms of involving the countries of the region in cross-border production chains. Intraregional trade is developing faster than foreign trade, and its share in total trade consistently increasing, having reached 9.9% by the end of 2021. Uzbekistan has provided significant momentum to the development of, and increase in, intraregional trade since 2017.

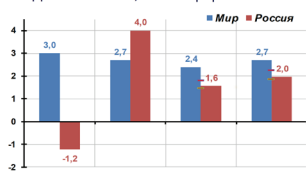
Despite the progress that has been achieved, several systemic challenges constrain the socio-economic development of Central Asian states. Significant barriers include the quality of the institutional environment, bottlenecks in regional transport networks, social problems, macroeconomic risks, and an insufficient level of harmonization in regional trade and economic relations. The countries in the region need to overcome four key structural challenges: 1) lack of access to the sea; 2) resource dependence and underdeveloped financial sectors; 3) inconsistency in the water and energy sector; and 4) climate change. Acting in coordination, Central Asian countries will have greater opportunities to overcome structural development problems. Increasing pressure on energy systems amid growing economic activity and the interconnection of the countries in the region through common river basins make water-energy cooperation critical and inevitable.

According to the Center for Macroeconomic Analysis and Short-Term Forecasting (CMASF), Russia's GDP will increase by 3.3–3.5% in 2023, 1.5–1.8% in 2024, and 2.0–2.3% in 2025. These negative forecast estimates stem from higher inflation and the resumption of monetary tightening in the Russian Federation in 2024.

## Russia Against the Global Background: Relative Dynamics and Assessment

Sources: UN DESA, World Economic Situation and Prospects 2024; CMASF estimates.

Динамика ВВП, темпы прироста в %



Динамика потребительской инфляции (среднегодовой), темпы прироста в %



ИСТОЧНИКИ: UN World Economic Situation and Prospects 2024, ПРОГНОЗ ЦМАКП

### Оценка ООН (UN DESA):

- В 2023 г. показатели российской экономики были более высокими, чем ожидалось, адаптировавшись к новым условиям и экономическим санкциям
- Торговля, финансовые потоки и денежные переводы были переориентированы
- Российский экспорт нефти и нефтепродуктов был перенаправлен из Европы в Азию
- Появились новые цепочки создания добавленной стоимости, особенно внутри ЕАЭС
- Выросли доля государственных расходов в ВВП и импортозамещение
- Сельскохозяйственное производство остается высоким
- Быстрый рост номинальной заработной платы и увеличение социальных трансфертов способствовали росту частного потребления в первой половине 2023 г.; субсидируемая ипотека поддерживала строительство

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Динамика ВВП, темпы прироста в %	GDP Dynamics, growth rates in %
Мир	World
Россия	Russia
Оценка ООН:	UN DESA:
В 2023 г. показатели российской экономики были более высокими, чем ожидалось, адаптировались к новым условиям и экономическим санкциям	In Russia, economic growth in 2023 was stronger than anticipated, having adapted to the new context and the economic sanctions
Торговля, финансовые потоки и денежные переводы были переориентированы	Trade, financial and remittance flows were reoriented
Российский экспорт нефти и нефтепродуктов был перенаправлен из Европы в Азию	Russian oil and petroleum products exports were redirected from Europe to Asia

Появились новые цепочки создания добавленной стоимости, особенно внутри ЕАЭС	New value chains have emerged, especially within the Eurasian Economic Union
Выросли доля государственных расходов в ВВП и импортозамещение	Import substitution and a share of public spending in GDP increased
Сельскохозяйственное производство остается высоким	Agricultural output reached close to record levels
Быстрый рост номинальной заработной платы и увеличение социальных трансфертов способствовали росту частного потребления в первой половине 2023 г.; субсидируемая ипотека поддерживает рост	Rapid nominal wage growth against the background of a tight labour market, along with increased social transfers, boosted private consumption in the first half of 2023; subsidized mortgages support growth
Динамика потребительской инфляции (среднегодовой), темпы прироста в %	Consumer Inflation Dynamics (annual average), growth rates in %
Мир	World
Россия	Russia
Целевой уровень Банка России	Bank of Russia target level

New industrial developing countries (India, the countries of Southeast Asia), new technology development, and new country partnerships forming new centres of power may become world economy drivers.

In this context, it would be particularly interesting to compare the economic growth potential of the eurozone and China.

The main eurozone economic growth indicators for 2023 show that, on average, the economy grew at near-zero rates (with the small recession in Germany being an exception). The labour market remained stable. Weak growth is forecast for 2024, although the possibility that individual eurozone countries might fall into recession exists. Growth will be negatively affected by high interest rates, fiscal policy tightening, and geopolitical conflicts. Some eurozone countries may also face debt crises amid rising interest rates on government debt. Energy security concerns persist. The accelerated energy transition will divert resources, slowing economic growth. Significant investments in the military-industrial complex and increased purchases of weapons and military equipment are also evident.

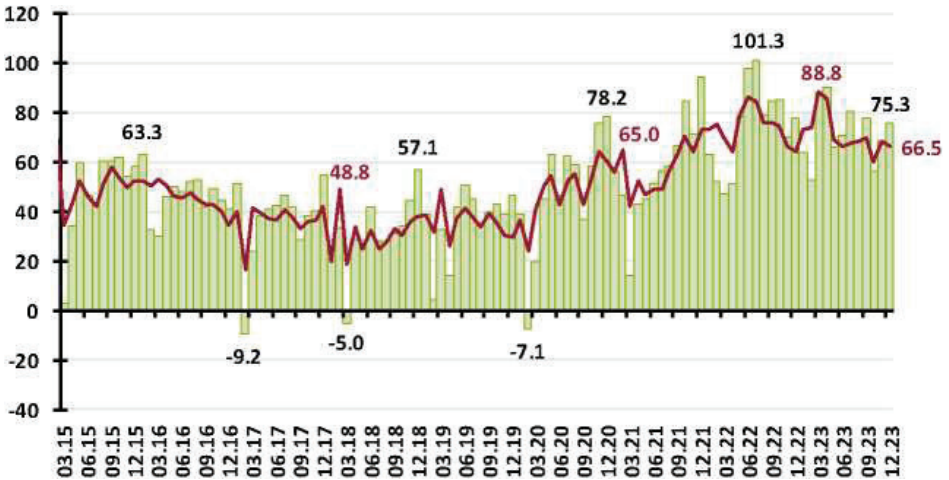
Today, the EU economy “[...] is 65 per cent of the size of the U.S. economy.”<sup>9</sup> Back in 2013, this figure was 91%, even though the population of the European Union exceeds that of the United States by almost 100 million. Per capita, U.S. gross domestic product is more than twice the size of the EU’s, and the gap is increasing. And the same can be said of technological leadership, R&D funding, semiconductor production, university rankings, etc. The double American blow to European

9 According to Financial Times, <https://www.ft.com/content/124b4cdb-deb9-49a0-b28d-d97838606661>.

competitiveness – through breaking energy and economic ties with Russia and stimulating the flow of investments and innovative resources from the Old World to the New World (through the America COMPETES Act of 2022) – is already affecting living standards in European countries.<sup>10</sup>

In 2023, China’s economic growth was constrained by weak domestic and external demand, as well as by a housing crisis. Government support measures (including tax and fee reductions for businesses, and monetary policy easing) failed to restore domestic demand. China is conducting a generally stimulating monetary policy – one that sharply contrasts with the approaches of the United States and the eurozone countries. A further decline in GDP growth rates is forecast due to the high level of debt in the economy, especially in the housing sector, and unstable external demand. The United States and its allies may impose trade and investment restrictions aimed at constraining China’s economic and technological development.

China’s trade balance, in billion USD



10 Dyngkin, A. A. (2023, November 27). On the Formation of a New World Order According to the “North–South” Model. Available at: <https://russiancouncil.ru/analytics-and-comments/comments/o-formirovanii-novogo-miroponyadka-po-modeli-sever-yug/> (in Russian).

Indicator	2021	2022	2023
GDP, %	8.5	3.0	5.2
Inflation	0.9	1.9	0.7
Unemployment rate, % of EAP	5.1	5.5	5.3

China's trade balance (seasonally adjusted), in billion USD

China's export-oriented economic model, facing growing world market uncertainty and geopolitical challenges, has led to a change in the country's concept of economic growth. "This implies two important economic policy shifts: first, redirecting attention from real estate construction to advanced high-tech production development in sectors driving modern scientific and technological progress, and second, changing predominant macroeconomic directions."<sup>11</sup> Russia's significance as a trading partner is growing significantly.

In this context, a the question naturally arises: "Is there a danger that, having freed ourselves from Western domination and corporate dictates of the West, we will fall into complete dependence on Chinese corporations and surrender our market to them?" The most accurate answer, which we will share here, is "This danger always exists."<sup>12</sup> It should be noted that "already the structure of Russian exports to China is noticeably worse than overall exports. Over three decades, Russia has transformed from a machinery and equipment supplier into a raw material appendage of the Chinese economy."<sup>13</sup>

An analysis of foreign economic relations allows us to outline the most effective instruments of protectionist policy in China's export-oriented economic model, including:

Bank loan payment subsidies at preferential (government-funded) interest rates; Priority support within bank credit policy; Preferential administrative approval procedures; Priority currency support; Tax refunds on export equipment and other materials related to foreign investment projects; Priority access to foreign financing services, investment consultations, risk assessment and control, and insurance investments; Coordinated support from multiple government depart-

11 Pirozhenko, V. China: On the Threshold of Changing Its Economic Growth Concept. Available at: <https://fondsk.ru/news/2024/01/05/kitay-na-poroge-smeny-koncepcii-ekonomicheskogo-rosta.html> (in Russian).

12 Academic Supervisor of the Faculty of World Economy and International Affairs of the Higher School of Economics National Research University Sergey A. Karaganov. «БИЗНЕС Online», January 12, 2024. Available at: <https://globalaffairs.ru/articles/strah-pered-adomvosstanovit/> (in Russian).

13 Glazhev, S. Y. (2024). Beyond the Horizon of the End of History: A Monograph. Prospekt, p. 233 (in Russian).

ments with an emphasis on information exchange, diplomatic protection, foreign travel for personnel, and the registration of export/import legal rights.

China faces accusations of illegal reverse engineering, which is a violation of patent and intellectual property rights. Chinese engineers disassemble products or components and produce similar items without authorization from rights holders.

Reverse engineering allows Chinese engineers and scientists to recreate products made by manufacturers that are not Chinese, which reduces R&D time and expenses. This practice aligns with Beijing's industrial policy goal of "introducing, mastering, absorbing foreign technologies and reinventing this technology with improvements."

The PRC employs various tools to force foreign technology and intellectual property transfer to Chinese competitors, including: Foreign ownership restrictions, forcing joint ventures and partnerships that explicitly or implicitly encourage technology transfer; Hostile administrative and licensing procedures; Discriminatory patent law and intellectual property restrictions; Security reviews; Technological standards for control and safety; Database localization; Burdensome and exhausting testing requirements; Discriminatory catalogues and lists; Government procurement restrictions; Local technological standards that significantly deviate from international norms, potentially creating "back doors" for Chinese access to source codes and encryption algorithms; Forced R&D localization; Antitrust legislation; Expert review panels; Chinese Communist Party influence on corporate governance; transfers of Chinese workers to joint ventures.

The Cybersecurity Law of the People's Republic of China, which came into effect in July 2017, establishes security reviews for products and services, imposes restrictions on cross-border data transfers, requires data localization, and authorizes the development of a national cybersecurity standard that exceeds international standards in scope and volume.

Integration production processes in modern international economic relations and international business are based on the economics of comparative advantage, which is determined by three effects: the creation of trade; the shifting of trade flows; and the development of economies of scale.

This format of this article does not allow for a more detailed examination of this aspect of the problem, but we should note that it remains regrettably outside the scope of modern scientific research.

The division of labour, as the dominant trend in the global economy, and the resulting global value chains have shaped integration production processes in modern international economic relations and international business. This factor has created import dependencies in Russia's national economy.<sup>14</sup>

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14 The import dependence of the Russian economy: in means of production – 50-90%; carbide

The fate of national strategic backbone assets raises particular concerns. One example is Russian Aluminium, “which, through sanctions threats, was effectively expropriated and placed under U.S. government control. Nine aluminium plants with a total production capacity of 4 million tonnes annually, four major hydroelectric power plants with a combined capacity of approximately 15,000 MW serving 15 million people, and other En+ Group assets came under the control of the U.S. Office of Foreign Assets Control [...]”<sup>15</sup>

According to Professor Viktor Katasonov, between 1994 and 2021, approximately \$2.5–3 trillion was withdrawn from Russia. Moreover, the scale of foreign capital withdrawals increased over time. While in the 1990s an average of \$20–30 billion left the country annually, in recent years this figure has approached \$200 billion.

In our opinion, modern imbalances in foreign economic activity in the world economy stem from global value chains (GVCs), which have become essential components of the post-industrial model of the global economy (sixth technological order). An adequate and scientifically based understanding of “trade tasks” related to increasing the added value of products during cross-border movement, and the ability to address these issues, have become decisive factors in creating an effective regulatory environment for global trade. In this context, issues of profitability in the domestic and cross-border GVC segment are extremely relevant for all economies regardless of their level of development. And this dictates the need to develop a comprehensive strategy aimed at purposeful GVC advancement and the improvement of international cooperation.

The search is possible within the context of global and national economies. The combination of national economies forms the basis of the world economy and is an essential condition in defining the world economy. The main search vectors have also emerged. We include G20, BRICS, SCO, CIS, and EAEU activities, anti-crisis measures to eliminate imbalances, and solving debt problems.

However, sustainable growth can, in our opinion, also be significantly ensured within the framework of the national economy through the harmonization of the interests of economic agents. Economic interest is the main category for identifying real causes and the root motives for people’s economic activity and economic

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tools – 75–80% (Stankoinstrument Association, March 2021); shipbuilding components – over 70% (United Shipbuilding Corporation, June 2020); food industry equipment – 55% (Rosspetsmash, October 2020); amplifiers, microphones, and sound modulation – 95–97.5% (Ministry of Industry and Trade, June 2021); road construction equipment – 60–70% (HSE, 2021). And the share of domestic microelectronics is no higher than 10% (TASS, September 2020). See Tolmachev, P.I. (2023). Foreign Economic Factors of Integration Processes Under the Conditions of Modern Trends in the World Economy. *Questions of the New Economy*, 3(67), 27–40 (in Russian).

15 Glazyev, S. Y. (2024). *Beyond the Horizon of the End of History: A Monograph*. Prospekt, p. 244.

behaviour that underly immediate motivations. Economic interests promote consistency in the interactions of various social groups in the continuous adaptation to economic changes that shape these interactions. Economic interests express relationships between the subjects of economic activity – economic agents – regarding the production, distribution, exchange, and consumption of material resources and civilization benefits. Economic relations, manifested through economic interests, become driving forces for social development and motivating factors for the activities of economic agents. Economic science largely lacks works that analyse the problems of harmonizing the interests of economic agents, extremely diverse in nature, goals, and subjects of economic activity. Ignoring this problem creates imbalances and social tensions, which are indicators economic depression.

Transforming a stimulus (as an external object of desire) into a motive (as an internal urge to act) implies judgments about regulatory possibilities within this mechanism regarding the economic behaviour of business entities. Economic sociology identifies two main channels for harmonizing economic interests: through a change in the socio-economic characteristics (individual or group) of the subject; or through the correction of private economic interests by aligning them with general economic interests (group, class, society). Achieving public consensus in this regard is an extremely complex task and is the cherished goal of any country’s political and legislative processes.

<b>Economic Agent</b>	<b>Subjects of Economic Activity</b>	<b>Functions Performed</b>
No. 1. State Sector	Enterprises where state ownership exceeds 50%	- Produces: final products for households and the state, investment goods, export goods
No. 2. Market Sector	Legally existing enterprises with private and mixed forms of ownership	- Sells fixed assets (capital goods) - Buys: labour, fixed assets and investment goods - Pays taxes - Deposits money in banks (undistributed budget)
No. 3. Shadow Sector	- Unregistered economic units producing goods and services - Hidden activities of legally existing enterprises	- Produces final products for households; - Buys labour; - Deposits money in banks.

<b>Economic Agent</b>	<b>Subjects of Economic Activity</b>	<b>Functions Performed</b>
No. 4. Aggregate Consumer	Households	<ul style="list-style-type: none"> <li>- Purchases final products produced by the state, market and shadow sectors;</li> <li>- Offers labour to the state, market and shadow sectors</li> <li>- Pays taxes</li> <li>- Deposits money in banks</li> <li>- Buys foreign currency</li> </ul>
No. 5. State	Federal, regional and municipal governments and extra-budgetary funds	<ul style="list-style-type: none"> <li>- Sets tax rates</li> <li>- Determines budget shares allocated to subsidize producers and for social transfers</li> <li>- Purchases final products produced by the state and market sectors</li> </ul>
No. 6. Banking Sector	Commercial banks and the Central Bank	<ul style="list-style-type: none"> <li>- Sets deposit rates for enterprises and individuals</li> <li>- Issues money</li> </ul>
No. 7. External World	Economic agents of the external world	<ul style="list-style-type: none"> <li>- Buys export goods</li> </ul>

Economic interest makes it possible to balance the main components of the policy of economic agents in such a way as to satisfy the economic interests of various social groups and ensure that they contribute as much as possible to transforming depressive tendencies of the economic cycle into recovery and growth, which ultimately increases demand. Economic interests operate through the interests of individual sectors of the national economy, structured around industry businesses, individual households, and individuals. Clusters undoubtedly represent the most effective form of harmonizing the economic interests of business structures.

The absence of consensus in modern Russia regarding the concept of analysing economic interests, primarily due to the virtual absence of effective trade unions, makes it impossible to establish fair mechanisms for evaluating labour, production factors, and structural preferences of the market model of the economy in economic legislation. But this will have to be done because imbalances in economic interests form the foundation of threats and challenges to national economic security.

In this context, the problem of national economic security acquires special significance, including considerations of integration processes and international cooperative relations. The Economic Security Strategy of the Russian Federation

through 2030 was approved by the President in May 2017. The search can proceed in the global and national economic contexts. And determining the threshold values of national economic security is especially important. But that is a topic for another article!

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# Digital currency – an innovative tool to strengthen financial interconnectedness of BRICS countries

**Summary:** this article explores in detail the importance and role of digital currencies as an innovative tool strengthening financial interconnectedness between BRICS countries. By way of analysis of the typical features and technological basics of digital currencies along with description of the current state of financial cooperation between BRICS countries and their needs, the article considers the active impact of digital currencies on promotion of international support, deepening of financial cooperation, as well as improvement of public accessibility of finances.

**Key words:** digital currency; BRICS countries; financial interconnectedness; innovative tool

## I. INTRODUCTION

Along with acceleration of the global process of economic integration, position of BRICS countries on the world's economic arena becomes more and more important. The group of BRICS countries (Brazil, Russia, India, China, South

Africa) consists of the countries with actively developing economies, their economic cooperation is constantly deepening, and the need for financial interconnectedness becomes more acute every day. At present, traditional financial system features multiple abuses in the areas of international support and efficiency of settlements, thus it is hardly able to fulfil the needs of BRICS countries in continuous enlargement of their economic interaction. Due to their original technological advantages and innovative operational mechanisms, digital currencies provide a qualitatively new way to solve problems of financial interconnectedness between BRICS countries, thus becoming an important innovative tool to strengthen financial cooperation of the group of BRICS countries. Many researchers highlight that digital currency can reconstruct the existing world financial order, thus providing a whole range of favorable opportunities for countries with actively developing economies.

## **II. THE NOTION AND CHARACTERISTIC FEATURES OF DIGITAL CURRENCY**

### **2.1 Scientific definition and classification of digital currency**

Digital currency is the new form of funds that is based on digital technologies and encryption algorithms that exists within the framework of electronic devices and Internet in digital format. Depending on the emission subject and operational mechanism, it can be divided into cryptocurrency, stablecoins, and central bank digital currency (CBDC). Cryptocurrency, such as bitcoin, is based on technologies of centralised blockchain, its characteristic features include anonymity and limited overall amount, but also sharp fluctuations in cost, as well as lack of efficient supervision and control, thus it is hardly possible that it can become stable means of payment; in turn, stablecoins constitute currency and other assets provisioned at the level of state legislation, they are often used as means of exchange on cryptocurrency markets to maintain price stability; emission and regulation of CB digital currency are directly ensured by central banks of each particular country, and its guaranties are state loans, which makes it possible for it to combine stability of traditional currency and convenience of digital currency, thus CBDC is an important area of digital currency development. According to the Bank for International Settlements (BIS), more than 80% of central banks around the world already started researches and experiments associated with digital currency, which reflects the global scale of attention to the latter, as well as the trends in its development.

### **2.2 Technological basics of digital currency – blockchain technology**

Blockchain is the main supporting technology of digital currency that is a kind of distributed type income and expenditure book. By means of decentralized mesh topology, this technology fully ensures total data protection. Characteristics of blockchain include decentralization, impossibility of counterfeiting, and traceability, which ensures safe and highly efficient operational

conditions of digital currency. Each operation during transactions with digital currencies is entered in blockchain, thus forming a unique chain of operations that cannot be counterfeited and guarantees authenticity and security of transactions. At the same time, decentralization of blockchain makes it possible to refuse from the need to rely on third persons in form of intermediary structures in course of transactions, which reduces their cost and possible risks, as well as increases efficiency of transactions. For example, some platforms for cross-border money transfers provide services of blockchain based digital transfers, which makes it possible to reduce the time of funds receipt from several days down to several hours, and commission fees are also reduced.

### **III. CURRENT FINANCIAL INTERCONNECTEDNESS OF THE GROUP OF BRICS COUNTRIES**

#### **3.1 Results of financial cooperation between BRICS countries**

Since the foundation of the group of BRICS countries, its member countries achieved significant results in the area of financial cooperation. In 2014, the New Development Bank of BRICS countries (NDB) was officially established, the goal of which is to provide financing for sustainable development projects, as well as construction of infrastructure in the group of BRICS countries and developing countries. As of the end of 2023, the total amount of loans provided by the New Development Bank under approved projects exceeded USD 30 billion, and the projects cover multiple areas, including energy resources, transport, communications, etc. In 2015, Contingent Reserve Arrangement of BRICS countries (CRA) was officially launched, which strengthened the ability of the group of BRICS countries to react to financial risks. Besides, BRICS countries also initiated active cooperation in the area of trade settlements and currency exchange, thus promoting the process of regional financial integration. For example, the share of trade settlements in national currency between Russia and China is increasing every year, and in 2023, it exceeded 50%, which efficiently reduces dependency of the two countries on US dollar.

#### **Cooperation in the area of securities:**

Shanghai Gold in Dubai – in 2016, Shanghai Gold Exchange and Dubai Gold and Commodities Exchange signed an agreement that allows the latter to use the base price of Shanghai Gold, and later on a futures contract for Shanghai Gold at a fixed rate was developed on its basis and it came into force, which became an important result of cooperation of the group of BRICS countries in the area of derivatives that strengthened the right of BRICS countries to define prices for precious metals and their impact on the international gold market in general.

Innovative areas of cooperation, e. g. research of financial technologies – in 2023, Shanghai Stock Exchange and Dubai Financial Market declared their intent to jointly promote development of ESG and ensure sustainable development of

relevant products; Shenzhen Stock Exchange jointly with Saudi Arabian Stock Exchange also initiated mutual exchange in the area of ESG and financial technologies, simultaneously deepening their cooperation in the area of indices, funds, and REITs, which laid the foundation for cooperation of BRICS countries within the framework of financial innovations.

#### **Area of cooperation of financial organizations:**

Project financing of the New Development Bank – by the end of November, 2023, the total number of project loans approved by the New Development Bank exceeded USD 35 billion, in particular, the bank supported the project to upgrade locomotives of Russian Railways OJSC, water supply infrastructure in Brazilian state of Paraíba, rural highway in Indian state of Gujarat, expansion and reconstruction of a container berth in the South African city of Durban, as well as many others, thus providing important financial support to construction of infrastructure and economic development of BRICS countries.

Issuance of bonds by Chinese banks and syndicated lending – in 2023, the Bank of China issued the first lot of One Belt – One Way green bonds within the framework of NASDAQ Stock Exchange in Dubai. In the same year, it acted as the leading underwriter and registrar to help Egypt successfully place panda bonds of sustainable development on Chinese interbank market, which ensured a breakthrough in the area of panda bonds with zero coupon in the African region. Industrial and Commercial Bank of China also played the key role in organization of syndicated lending for such projects as integrated photovoltaic power plant in Dubai, United Arab Emirates, and provided an export purchase credit for the new central business district project in the capital of Egypt. Thus, the Bank of China actively participates in financing of various projects of the group of BRICS countries.

#### **Cooperation in the area of payment systems:**

Development of CIPS in BRICS countries – system of international payments in yuan (CIPS) includes nine direct members located in the group of BRICS countries that are local branches of major Chinese state banks. CIPS is rapidly developing on the African continent, and in 2022, the total amount and scope of cross-border settlements in yuan processed by this system in Africa increased by 43% and 16%, respectively, as compared to the same period of the previous year, which ensured efficient and safe payment channel for cross-border settlements in yuan between BRICS countries.

Integration of Russian and Indian payment systems – in July 2024, Russia and India declared integration of their payment systems (Indian RuPay and Russian MIR) to ensure uninterrupted cross-border transfer, general reduction of dependency on the payment system in US dollars, as well as improved efficiency and convenience of international transactions of both countries.

## **IV. ACTIVE IMPACT OF DIGITAL CURRENCY ON FINANCIAL INTER-CONNECTEDNESS OF THE GROUP OF BRICS COUNTRIES**

### **4.1 Economic growth acceleration**

In the area of investments digital currency brought new vital forces for the projects of infrastructure construction in BRICS countries. An example here is Russian project of Moscow-Kazan high-speed railway line with the total length of approximately 770 km and budget exceeding several trillions of rubles. At the early stages of the said project traditional methods of financing faced multiple difficulties, in particular, limited funding channels and slow inflow of funds. After introduction of digital currency, the project team was able to attract investors from all over the world by way of digital bond issuance, including small and medium size investors interested in innovative areas of investments. Investors can comfortably participate in the investment process due to the wallets with digital currency. As a result, the project financing cycle reduced by approximately 25% as compared to the initial plan, and the financing rate increased by 40%, which largely promoted the construction process. Besides, projects of Indian smart cities are also using digital currency to raise larger amounts of foreign investments, which ensures financial guarantee of fast project implementation and promotes development of local construction, technologies, and other related industries, as well as creates vast amount of job opportunities and efficiently promotes economic growth.

In terms of trade, digital currency significantly improved its efficiency. According to statistics, in 2023, the total amount of trade between BRICS countries exceeded USD 3.5 trillion and keeps on increasing. High-cost and long-time of traditional trade settlements significantly restrict further deepening and expansion of the trade. For example, in course of agricultural product exchange between PRC and South Africa with the use of traditional means of payment, as a rule, commission fee is 1.5–3% of the transaction amount, and funds are on the average received in 5–7 days. Due to the use of digital currency for international trade settlements, commission fee can be reduced down to 0.3–0.5%, and payment in real time is possible. It speeds up the companies' capital turnover and promotes further expansion of their business. After several Chinese textile enterprises switched to settlements in digital currency, their trade volume with Brazil increased by 50% in a year, which supported coordinated development of production chains at all levels and provided significant economic benefits and new job opportunities.

### **4.2 Improved efficiency of international interaction**

As regards to cross-border payments and settlements, the multilateral project of a bridge of central bank digital currencies (mbridge) achieved brilliant results. The project was jointly initiated by the Digital Currency Scientific and Research Institute of the People's Bank of China, the Hong Kong Monetary Authority, the Bank of Thailand, and the Central Bank of the UAE. With the support and coordination from the innovative center of the Bank for International Settlements (Hong Kong)

they jointly studied the opportunity to implement central bank digital currency for cross-border payments. From August to September, 2022, 20 commercial banks from four countries and regions took part in successful completion of the world's first pilot real transaction project. During the reporting term, in total 164 cross-border payments and simultaneous settlements in foreign currency were performed with the total amount of over 150 million yuan. The total share of digital transactions in yuan was 46.6%. According to actual statistics, blockchain bridges can process one payment transaction within less than 7 second, while at present the delay between payment and funds receipt on account is 3-5 days for international transfers processed via correspondent banks. Besides, in accordance with the data of the Bank for International Settlements, the use of blockchain bridges for cross-border payment operations enables saving of almost half of the costs, which can significantly improve efficiency of payments and settlements between BRICS countries and other states and regions, as well as largely strengthen international economic interaction.

As regards to cooperation in the area of financial regulation, digital currency promotes exchange of information and joint supervision in the group of BRICS countries. In the past, due to the differences in regulatory standards and information systems there were multiple loopholes in the area of supervision over international financial operations. Due to implementation of digital currency technologies countries of the world can create a common regulatory platform based on blockchain, and exchange data on financial transactions in real time. For example, speaking about combating money laundering and terrorism financing, Russia and Brazil solved a case of money laundering associated with cross-border transfers via the information platform of digital currency regulation. In this case, the criminal group attempted to hide the source of funds through complex international financial transactions. However, due to the information platform of digital currency regulation the flow of the funds was clearly traced. Law enforcement authorities of both countries acted promptly to successfully freeze accounts associated with criminal activity and arrest relevant suspects. This became an example of efficient maintenance of order on the financial market and increased efficiency and performance of international of cooperation in the area of financial regulation.

#### **4.3 Unlocking new opportunities**

Digital currency provides wide scope of opportunities for financial innovations as it creates new types of financial services and business models. An example here can be smart contracts based on blockchain technology that enable automatic fulfilment of contract terms without intervention of external intermediary. On financial markets of the group of BRICS countries, smart contracts are widely used in the area of supply chain financing. For example, Brazilian coffee supplier signed a trade contract with Chinese importer. Due to a smart contract, at the time of coffee arrival to the designated port and commencement of its inspection the system automatically launches the payment order and completes the settlement. This not only improves transaction efficiency, but also reduces the risk of contract terms violation. Accord-

ing to relevant statistics, in supply financing chains where smart contracts are used transaction costs are reduced by approximately 40%, and the probability of successful financing increases by 35%, which provides more financial channels, as well as additional opportunities for development of small and medium size enterprises.

Digital currency also plays an important role in the area of inclusive financing. Some remote rural areas of South Africa feature low level of development of their financial infrastructure that includes only several traditional bank branches, which hinders basic financial service provision to the locals. Emergence of digital currency changed this situation. Due to mobile wallets the locals can easily store, transfer, and make payments with digital currency, as well as use the entire range of financial services. According to statistics, with introduction of digital currency the coverage of the population with financial services in remote areas of South Africa has increased by 25%, and at the same time the share of population involved in financial activities has significantly increased, which promotes local economic development and social stability, as well as unleashes new potential for regional economic growth. India, in its turn, also promotes inclusive financing via digital currency, as it provides convenient lending services for multiple microenterprises and low-income groups of population, which helps them to open own businesses and improve their wellbeing, thus supporting well-balanced economic development.

## **V. CHALLENGES AND RESPONSE MEASURES IN THE USE OF DIGITAL CURRENCY BY THE GROUP OF BRICS COUNTRIES**

### **5.1 Challenges in the area of control and regulation and coordination mechanisms**

Such features of digital currency as its virtual nature and transnationality resulted in enormous challenges in the area of financial supervision. As transactions with the use of digital currency are geographically unlimited, traditional regulation methods cannot be efficiently implemented, which can easily result in such illegal and criminal activity as money laundering, terrorist financing, and financial fraud. Differences in policy and standards of digital currency regulation in BRICS countries may result in regulatory arbitrage operations and partial vacuum in the area control and supervision. For example, some of the countries accept mild rules to regulate operations with digital currency while other on the contrary introduce strict restrictions, which leaves criminals the room to maneuver. To settle the regulatory issues, the group of BRICS countries shall increase coordination and cooperation in the area of supervision over digital currencies, create common regulatory framework and standards for their regulation, strengthen exchange of information and cooperation in the area of control over operations with the use of digital currencies for joint combating of illegal and criminal activities. BRICS countries shall elaborate common regulation policy that is suitable for development of their own digital currencies and complies with their national interests, as well as jointly com-

bat financial risks and simultaneously support innovations. In particular, it is necessary to create a platform for exchange of information on BRICS digital currencies and transfer of regulatory data on possible risks in real time; to regularly hold meetings on supervision over digital currencies in order to discuss amendment and improvement of the regulation policy; to set common standards of operations with digital currency and strengthen control of cross-border transfer in order to ensure efficient combating of money laundering and terrorism financing.

## **5.2 International cooperation and geopolitical challenges**

Development of digital currencies steadily leads to transformation of the international currency system and reconstruction of the global financial order, which will inevitably face various resistances of the international community and geopolitical challenges. Some developed countries may apply measures to restrict development of digital currencies of the group of BRICS countries in order to maintain their own dominant position in the international financial system. The use of digital currencies in cross-border operations may also cause problems in the area of international taxation and related legal conflicts. For example, in some EU countries the norms of tax policy regarding international transactions with the use of digital currencies are rather different, as a result of which companies are facing obvious problems in the area of taxation when doing cross-border business.

The group of BRICS countries shall take active part in elaboration of international norms of digital currency circulation, strengthen liaisons and cooperation with other countries and international organizations against this background, as well as retain its voting right in the area of cross-border digital currencies. Through bilateral and multilateral cooperation it is possible for us to efficiently react to international challenges and geopolitical problems associated with the development of digital currency technologies, thus supporting its favorable establishment at the global scale. To promote formulation of the rules and norms of digital currency regulation, BRICS countries may join their efforts with other developing economies to ensure active presence in such international organizations and global platforms as the International Monetary Fund and the World Bank; to strengthen the dialog and continue consultations with developed countries in order to achieve consensus regarding control and regulation of digital currencies, as well as in the area of taxation; to jointly participate in the development of international standards of digital currency circulation in order to increase the impact of the group of BRICS countries in the said area.

## **VI. CONCLUSIONS**

Thus, being an innovative financial tool, digital currency provides qualitatively new ways to strengthen financial interconnectedness between BRICS countries. By speeding up the economic growth, improving efficiency of international

interaction, and releasing new potential opportunities, digital currency can cause efficient impact on the process of financial integration of the group of BRICS countries, as well as increase their status and influence on the international financial arena. However, introduction of digital currency in BRICS countries is also associated with multiple problems in the area of technologies, supervision, and international cooperation. To fully use the benefits of digital currency, the group of BRICS countries shall continue to strengthen cooperation in the area of technological researches and developments, improve the regulatory and coordination mechanisms, take active part in international cooperation, and jointly react to the global challenges. As digital currency technology continues to develop and areas of its implementation keep expanding, many researchers believe that the importance of digital currency for financial interconnectedness of BRICS countries will continue to increase, which will give a new impetus to sustainable development of the economies of the group of BRICS countries. In our future research it will be possible for us to further study particular models and ways of digital currency implementation in BRICS countries, as well as to develop the best mechanisms to coordinate interconnection between development of digital currency technologies and financial stability, which will make it possible for us to provide even more operative offers on cooperation of the group of BRICS countries in the area of digital currencies.

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# Language homogenization and intercultural cooperation: building dialogue in the framework of new platform for global growth in BRICS countries

## **Thematic Abstract**

This essay focuses on how to promote investments in human capital and networking through “one language” intercultural communication strategies to foster new platform for global growth as the center of the world economy moves to the BRICS countries. The essay highlights language as a bridge, combines cultural inclusiveness and technological capabilities, explores ways and methods for BRICS countries to work together to overcome cultural barriers and enhance cooperation, and ultimately proposes a feasible solution to develop economic synergies through linguistic homogenization.

## **Preface: Relevance of the topic and challenges**

In the first 25 years of the 21st century, the global economy underwent a structural change: the BRICS countries (Brazil, Russia, India, China, South Africa) have captured the largest share of the world’s economic potential. Their commodity pro-

duction, resource extraction, and population are projected to dominate future economic growth. However, at the center of this process are communication barriers due to cultural differences that limit the effectiveness of cooperation. For example, language differences not only affect the negotiation success of multinational enterprises but can also distort information in technical cooperation.

At the same time, new platform for global growth emphasizes “cooperation, transparency, and openness”, requiring countries to fulfil their economic potential by investing in human capital and connectivity. Against this backdrop, intercultural dialogues in “one language” is associated with both opportunities and challenges:

I. Opportunities: Breakthrough in artificial intelligence and natural language processing (NLP) technologies allows for linguistic translation and cultural adaptation; the trend of internationalization of education among young people in BRICS countries has created a human resource base for linguistic homogenization.

II. Challenges: Differences in cultural values (e. g., time, manner of decision-making) may reduce the practical effectiveness of language tools; the digital gap and differences in access to educational resources limit the spread of language proficiency.

## **Hypothesis: Economic factors of language homogenization**

### **I. Language homogenization under the influence of technology**

1. Breakthrough in natural language processing (NLP): The global AI market is expected to reach \$150 billion in 2025, and deep learning algorithms can adapt cultural nuances in language, improving machine translation accuracy by more than 95%. For example, a Chinese online education platform has adapted cross-cultural language courses using AI technology, allowing students to improve their communication efficiency in business by 40%.

2. Utilizing Big Data Arrays and Technology: BRICS countries have jointly created a multilingual array (e. g., Chinese-Russian and Chinese-Indian bilingual databases) and, by analyzing commonly used vocabulary and contextualized colloquiations, refined common patterns of expressions in cross-cultural communication to reduce cultural misunderstandings.

### **II. Investing in language skills development in the education system**

1. The popularity of intercultural communication courses: 80% of companies worldwide have identified intercultural competence as a core quality of their employees, and the number of relevant courses in higher education institutions has grown by 50%. For example, the Indian Institute of Technology (IIT) offers a program on “Integration of Languages and Cultures in BRICS Countries” that aims to train people with a combination of technical skills and cultural sensitivity.

2. Expansion of youth exchange programs: the China Foundation for International Youth Sports Exchange and the U.S. Youth in China program that aims to increase the cultural inclusiveness of youth through involvement in language environment.

### **III. Synergy of policy and cultural diplomacy**

1. Language Standardization Initiative: BRICS countries can learn from the EU's experience with "multilingualism" and promote a "common language for business" (e. g. English or Chinese) as an official language of cooperation while preserving the cultural value of national languages.

2. Practicing cultural diplomacy: for example, more than 1,000 activities were performed during the "U.S.-China Cultural Exchange Year", reducing the risk of cultural conflicts through bilateral exchanges in art and language.

Economic and social impact

Economic benefits: from human capital to industrial synergies

1. Reducing costs of international cooperation: business losses due to language barriers account for 15-20% of the total costs of multinational enterprises, and language homogenization can reduce this figure to less than 5%.

2. Fostering the digital economy development: with over 3 billion social media users worldwide, language homogenization allowed for BRICS digital content (e. g. short videos, e-commerce platforms) to reach the global market, which is expected to allow for cultural industries growth in the digital space by 20% per year.

### **II. Social benefits: inclusive growth and empowerment of youth**

1. Youth employment and skills development: youth with intercultural skills are twice as competitive in the labor market, and the youth unemployment rate in BRICS countries is expected to decrease from 12% to 8% on average.

2. Cultural identity and social stability: the transmission of the value of "seeking common ground while maintaining differences" through language learning can reduce social conflicts arising from the clash of different cultures. For example, in South Africa, multilingual education policies have reduced the frequency of ethnic conflicts by 30%.

Main conclusions and expected results

I. Establishment of a "three-point" language cooperation

1. Technological level: promoting standard development of AI translation tools and multilingual corporations.

2. Education level: incorporation of intercultural language programs into the basic education systems of BRICS countries.

3. Policy level: Establishment of a Transnational Language Cooperation Fund

to support cultural exchange projects between peoples.

## II. Expected results

1. In the next five years, the efficiency of transnational corporations' cooperation in BRICS countries will increase by 30%, and the turnover of the digital content industry will exceed 500 billion dollars.

2. The level of intercultural competencies among young people has increased from 45% to 70%, which contributes to the sustainable human capital on new platform for global growth.

## New approaches and proposed solutions

### I. Linguistic digital twins: creating virtual cross-cultural scenarios

1. Methodology: Using the meta-universe and digital twin technology, a "virtual laboratory of linguistic cooperation" was created in BRICS countries. By simulating international business negotiations, multilateral meetings, and other scenarios, users can switch language models (e. g., English, Chinese, Russian) in real time and receive instant feedback from AI on cultural taboos and non-verbal behaviors (e. g., gestures, facial expressions).

2. Case study: the BRICS Business Metropolitan Area pilot project developed by China in cooperation with Brazil, which increased the efficiency of international trade negotiations by 25% and reduced cultural misunderstandings by 40%.

### II. Blockchain-enabled "language credit system"

1. Methodology: Establish a blockchain-based intercultural language competence certification platform to record the history of language cooperation (e. g., translation accuracy, cultural sensitivity scores) of individuals or companies as a proof of reputation for international cooperation.

2. Application: Technology enterprises in Bangalore, India, shortened their project cycle by 18% and reduced disputes by 30% by checking partner candidates using this system.

### III. Regional network of "language hubs"

1. Methodology: Establishment of "language hubs" in key BRICS cities (e. g. Shanghai, Moscow, Mumbai, Sao Paulo, Johannesburg) to provide multilingual training, cultural mediation services, and support for the creation of local content, as well as to form a network of cooperation extending to neighboring countries.

2. Example: the Johannesburg Center, South Africa, provides Portuguese-English-Swahili synergy services to member states of the Southern African Development Community (SADC) to promote regional energy cooperation projects.

## Defined assessment of economic and social effects

### I. Projected economic effect by regions (2025-2030)

Country/region	Growth of the digital economy (US\$ billion)	Reduction of international cooperation costs in %	Growth of youth employment
Eastern China	1,200	22%	8% → 12%
Southern India	650	18%	10% → 15%
Western Russia	380	15%	7% → 11%
South-Eastern Brazil	420	20%	9% → 13%
Gauteng, South Africa	150	12%	6% → 9%

Data sources: World Bank BRICS Digital Economy Report (2023), International Labor Organization (ILO) Global Employment Trends for Youth.

## II. Quantitative analysis of social stability

1. Mitigation of cultural conflicts: a language homogenization strategy can reduce the frequency of social conflicts in BRICS countries due to cultural misunderstandings by 25-35% (e. g. the effect of multilingualism policy in South Africa).

2. Overcoming digital gap: through regional language hubs, the diffusion of digital opportunities in remote areas will increase to 65% (compared to the current average of 42%), contributing to equal access to education.

## Expected results for BRICS countries by geographical distribution

### I. Key country synergies

Country/region	Geographical advantage	Priority areas for language cooperation	Expected results by 2030
China	Hub of East and Southeast Asia	Standardized database of technical terms in Chinese	Dominating the Asian digital content market (35% global share)
India	A link between South Asia and the Middle East	AI translators for English and Hindi	Becoming a global IT outsourcing hub (market size > USD 500 billion)
Russia	Eurasia's transit corridor	Cultural and linguistic adaptation of Russian and Central Asian languages	Standardization of the Arctic Logistics Belt language, 40% growth in trade volumes

Brazil	Gateway to South America	Educational programs to make Portuguese and Spanish closer	Increase efficiency of regional cooperation in Latin America by 50%
South Africa	Hub of South Africa	Platform for English, Swahili, and Zulu	Reduction of language barriers in African medical projects by 60%

## II. Potential for BRICS+ expansion

1. Southeast Asia (Indonesia, Vietnam): implementation of a Sino-Indonesian AI-assisted translation system to facilitate manufacturing supply chain integration.

2. Middle East (Saudi Arabia, UAE): accelerating energy payments in digital currencies through trilingual financial agreements in Arabic-English-Chinese.

3. Latin America (Argentina, Mexico): promoting Spanish-Portuguese standards of business cooperation based on the Brazilian hub.

### Conclusion: “decentralized” global network for language cooperation

I. New platform architecture: with the BRICS countries as the main hubs, a decentralized global network for cooperation will be formed through linguistic digital twins, blockchain-based credit systems, and regional hubs, reducing the dependence on the traditional Western system of linguistic hegemony.

2. North-South balancing effect: BRICS intercultural language cooperation is expected to reach 60% of the world’s low- and middle-income countries by 2035, changing the distributional structure of international discourse.

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# The Northern Sea Route and The New Transcontinental Corridor: A Strategic Vision to Link China, Russia and Africa Via the Dakhla Atlantic Port

## INTRODUCTION :

The Northern Sea Route (NSR), which runs across the Arctic Ocean along the northern coast of Russia, is often presented as a strategic alternative to traditional maritime routes, especially those going through the Suez Canal. With global warming and the gradual ice melting, this route is becoming increasingly accessible for international shipping. According to (Armateur de France, 2020), the NSR is approximately 40% shorter compared with the traditional route between Europe and Asia via the Suez Canal (around 13,000 km versus 22,000 km). But it cannot be used all year round. According to scientific estimates, it might become accessible

for year-round navigation by non-ice-breaking vessels by 2050 (Brigham, 2022). However, smaller commercial carriers in niche markets and with select cargoes have used the NSR during summer for trans-Arctic voyages between the Bering Strait and northern Norway. Approximately 9% to 11% of the NSR's traffic tonnage in 2050 is expected to be trans-Arctic shipping (Brigham, 2022).

On the other hand, a study by (UNCTAD, 2022) indicates that the Suez Canal currently serves around 12% of the world's maritime traffic, representing around 8% of global GDP. However, traditional routes, like the Suez Canal, are vulnerable to regional and geopolitical tensions as well as climate and economic crises. These factors have led to major disruptions, such as the blocking of the Suez Canal in March 2021 by the container ship *Ever Given*, which disrupted world trade for several days (Perspective monde, 2021).

Similarly, the Panama Canal is facing capacity constraints and climate risks. For example, the shortage of fresh water due to waves of drought has forced the Canal Authority to reduce the size of vessels allowed to pass through, thus limiting its traffic capacity (Miossec, 2024). In this context, the NSR offers a viable alternative. According to the study by (CYR, 2021), the primary advantage of NSR-based shipping is the much shorter route distance between Asia, Europe and North America. For instance, a voyage between Yokohama (Japan) and St. John's (Canada) taken via the NSR would be 33% shorter compared to the established route through the Panama Canal. Vessels plying between Yokohama and Rotterdam in the Netherlands, which go through the Suez Canal, could take a 40% shortcut if they opted for the NSR instead (see Fig. 1) (CYR, 2021).

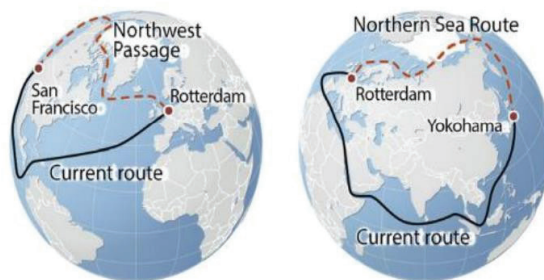


Figure 1. Arctic maritime routes compared with the current shipping routes  
Source: Pahl et Kaiser, 2018 : 141

In addition, there is the Dakhla Atlantic Port on the Atlantic coast of Morocco, which positions itself as a potential strategic hub for linking the emerging econo-

mies that are part of BRICS+. The group, which now also includes Egypt, Ethiopia, Iran, the United Arab Emirates (UAE) and Saudi Arabia, is a growing economic and geopolitical alliance. With more than 45% of the world’s population and 28% of the global GDP (Loizzo, 2023), these countries seek to enhance their trade and reduce dependence on traditional sea routes. The Dakhla Atlantic Port, located at a strategic crossroads between Africa, Europe and the Americas, could play a key role in this new shipping corridor.

## KEY QUESTIONS AND ANALYSIS

The development of the Northern Sea Route and the integration of the Atlantic Dakhla Port into the global trade network raises several fundamental questions concerning the strategic, economic and geopolitical aspects of this ground-breaking project:

### 1. How could the NSR and Dakhla Atlantic Port revolutionize global trade?

The NSR and Dakhla Atlantic Port offer a viable alternative to traditional shipping routes like the Suez and Panama Canals. According to (CYR, 2021), the NSR could save 20% to 30% of transportation costs compared to traditional routes. Furthermore, the Dakhla Atlantic Port, located at a strategic crossroads between Africa, Europe and the Americas, could play a key role in this new corridor. For example, the Shanghai–Dakhla Atlantic–Rotterdam route is 15% shorter than the one via the Suez Canal (Chen & Liu, 2022). Shorter trips would drive significant savings in fuel and transportation costs, making companies more competitive.

The Dakhla Atlantic Port has unique potential to become the logistical center of gravity for BRICS+ countries, thanks to its equidistant geographical position and logistical opportunities. However, its success will depend on Morocco’s ability to leverage international partnerships and modernize its infrastructure. If these conditions are met, Dakhla could become a key hub of the South–South trade by 2030.

### Sea Route Distances

Country (Port)	Distance from Dakhla (nautical miles)	Maritime Route
Brazil (Santos)	3,200	South Atlantic
Russia (St. Petersburg)	3,800	via Gibraltar and the North Sea
India (Mumbai)	5,500	Indian Ocean
China (Shanghai)	10,200	via the Suez Canal
South Africa (Cape Town)	4,000	Southeast Atlantic

Egypt (Port Said)	2,500	Mediterranean
Ethiopia (Djibouti)	4,200	Red Sea
Iran (Bandar Abbas)	5,800	Persian Gulf
Saudi Arabia (Jeddah)	4,500	Red Sea
United Arab Emirates (Dubai)	6,000	Persian Gulf

Source: Estimated using data on SeaRoutes.com (2023).

**Key observations:**

Central position: Dakhla is located at an average distance of 4,900 nautical miles from the ports of BRICS+, versus 6,500 miles from Singapore.

Benefits for Africa and Europe: proximity to Europe (1,000 miles to Lisbon) and Sub-Saharan Africa that facilitates transshipment.

An alternative to the Suez Canal: For China and India, Dakhla would provide an alternative route to Europe and Africa, reducing dependence on the Suez Canal.

**2. What are the technical, economic and geopolitical challenges of the project?**

Navigation in the Arctic poses multiple challenges, particularly the need for special infrastructure, including icebreaking vessels and adapted seaport facilities. Port infrastructure and logistical systems will require large-scale development to support this project. The economic challenges are associated with the high costs of the massive initial investment into ports, routes and railway lines. Geopolitically, the cooperation between China, Russia and Morocco will be essential, but geopolitical tensions could complicate negotiations.

**3. What is the potential impact on the environment and local communities?**

The NSR passes through a fragile region where Arctic ecosystems are threatened by global warming and intensifying human activity. Increased shipping traffic would exacerbate pollution risks and disrupt natural habitats. In terms of the social impact, the development of the Dakhla Atlantic Port would create direct and indirect jobs, reducing unemployment in the regions involved. However, it is essential to make sure that these projects are also beneficial for local communities without damaging their way of life.

**4. How can the participating countries benefit from this opportunity?**

Several strategies could be adopted to maximize the chance of success for the project. China, Russia and Morocco need to work closely together to harmonize policies and share infrastructure costs. The parties must take steps to minimize the NSR’s environmental impact, including the use of low-carbon vessels. Morocco

should accelerate the construction and upgrading of infrastructure around Dakhla Atlantic to meet project needs. Finally, African countries should be involved from the beginning to make sure that the project is in line with their economic and social interests.

### **5. What are the links between the Belt and Road Initiative (BRI) and this project?**

The Belt and Road Initiative (BRI), launched by China in 2013, is a global program to develop logistical infrastructure designed to strengthen links between Asia, Africa and Europe. In Africa, the BRI has already committed billions of dollars to infrastructure projects, including transport, energy and telecommunications. In Russia, the BRI is aligned with national infrastructure initiatives, such as the North Silk Road, which aims to improve connectivity between Russia and Asia.

#### **a) BRI–NSR links in Africa**

The BRI in Africa aims to reinforce links between African and Asian countries through land and sea infrastructure projects. The Dakhla Atlantic Port could play a key role in this new corridor as a logistical hub for transit cargoes between Asia and Africa. The BRI could support the development of Dakhla Atlantic by investing in port and logistical facilities as well as in railway and road networks to connect Dakhla with major African cities.

#### **b) BRI–NSR links in Russia**

In Russia, the BRI is aligned with national infrastructure initiatives, such as the North Silk Road, which aims to improve connectivity between Russia and Asia. The BRI could support NSR development by investing in maritime and port infrastructure along with railway links to connect Russia with Asia via the NSR. Besides, it could stimulate cooperation between China and Russia to develop green technologies and low-carbon vessels for the NSR.

#### **c) BRI's potential economic impact on the participating countries**

The BRI could have a positive economic impact on the participating countries by strengthening business and trade ties and generating investment opportunities. In Africa, BRI could help to unlock isolated regions, providing better access to global markets. It could also strengthen Russia's position as a logistics hub between Asia and Europe based on the NSR. At the same time, it is critical to ensure that these projects also benefit local communities and do not result in unbearable debt.

## **GENERAL CONCLUSION**

The development of the Northern Sea Route (NSR) and the integration of the Dakhla Atlantic Port into the global trade network are major strategic initiatives that can potentially reshape global trade flows. These economically and geopolitically transformative projects will provide alternatives to traditional maritime routes

through the Suez and Panama Canals that are increasingly vulnerable to regional and geopolitical tensions as well as climate and economic crises.

### **Reduced transportation costs and stronger competitiveness**

The NSR can significantly reduce the distance between Asia, Europe and North America, resulting in 20% to 30% savings in fuel and transportation costs compared to traditional routes (CYR, 2021). For example, the NSR can potentially reduce the shipping distance between Yokohama (Japan) and Rotterdam (Netherlands) by as much as 40%. Moreover, the Dakhla Atlantic Port, located at a strategic crossroads between Africa, Europe and the Americas, offers a viable alternative to BRICS+ countries that could lower their dependence on the Suez Canal and make their companies more competitive.

### **Technical, economic and geopolitical challenges**

The development of the NSR and the Dakhla Atlantic Port presents quite a few challenges. Navigation in the Arctic requires special infrastructure, including ice-breakers and adapted seaport facilities, and the project costs are going to be high due to large upfront infrastructural spending. Geopolitically, the cooperation between China, Russia and Morocco will be critical for harmonizing policies and sharing infrastructure costs. To address environmental challenges, the countries involved should take steps to minimize the NSR activity impact on fragile Arctic ecosystems and promote green technologies to cut CO<sub>2</sub> emissions. In terms of its social impact, the development of the Dakhla Atlantic Port could create direct and indirect jobs, but it is important to make sure that these projects are equally beneficial for local communities without harming their way of life.

### **BRI's role in the Project**

The Belt and Road Initiative (BRI), launched by China in 2013, could play a key role in this project by supporting the development of the necessary maritime and land infrastructure. The BRI can contribute to opening up isolated regions in Africa, giving them better access to global markets, while it could also strengthen Russia's position as a logistical hub between Asia and Europe through the NSR. In addition, it can give impetus to cooperation between China and Russia to develop green technologies and low-carbon ships for the NSR.

### **Benefits for participating countries**

The project to develop a transcontinental maritime corridor via the NSR and the Dakhla Atlantic Port can bring substantial economic benefits to the participating countries by boosting trade and creating investment opportunities. In Africa, the BRI would help to unlock isolated regions and provide better access to global markets. It could also strengthen Russia's position as a logistical hub between Asia

and Europe based on the NSR potential. However, it is critical to ensure that these projects also benefit local communities and do not result in unbearable debt

## FINAL CONCLUSION

If the technical, economic and geopolitical challenges are successfully resolved, the NSR and Dakhla Atlantic Port could become an essential part of the international trade system. These projects have good potential to strengthen economic relations between continents and cut transportation costs as well as promote green technologies and sustainable infrastructure. The success of the whole project will depend on the ability of the participating countries to collaborate closely and make sure that these initiatives also benefit the local communities and the environment. The BRI could play a crucial role in this process by supporting the development of relevant infrastructure and strengthening trade links between BRICS+ members.

### Expected outcomes:

- Reduced transportation costs – the NSR and Dakhla Atlantic Port could cut transportation costs by 20% to 30% versus traditional routes and therefore make businesses of the participating countries more competitive.
- Stronger economic relations – the project can boost trade between BRICS+ countries and drive economic development in the regions involved.
- Positive impact on employment – the development of the Dakhla Atlantic Port could create direct and indirect jobs, reducing unemployment in the associated regions.
- Strategic role of the BRI – the BRI could support the development of necessary infrastructure for the project, strengthening trade and business links and creating investment opportunities.

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# Building Bridges for High-Quality Exchange: Cross-Cultural Communication in the Era of Globalization

**Preface:** As the world becomes increasingly multipolar and globalization deepens, nations are forming closer connections, creating a greater need for effective cooperation and dialogue mechanisms to enhance international exchange. The multipolarity and globalization of the world are shifting political, economic, and other structural patterns. Against this backdrop, information exchange and resource sharing play a particularly vital role, with communication between different cultural entities becoming more frequent than ever. This presents a clear opportunity, but in our world of diverse coexisting cultures, we face not only language barriers but also significant differences in cultural backgrounds, thinking patterns, and social norms, as well as economic constraints – these are the challenges we must address in cross-cultural communication. Establishing dialogue using a common language extends beyond mere linguistics to encompass shared values and the understanding, respect, and tolerance of cultural differences, thereby achieving a higher level of consensus. This paper will use education as an example to illustrate from multiple perspectives how cross-cultural communication relates to global economic development and enhances international interaction efficiency.

Cross-cultural communication refers to the cultural phenomenon where people from different cultures connect, interact, learn from, and integrate with each other through specific channels within particular timeframes, continuously evolving in the process. People from different regions and countries acquire different knowledge, beliefs, and moral customs, naturally forming different value systems and standards. This constitutes one of the objective foundations of cross-cultural communication and represents its primary challenge.

Therefore, all solutions must be built on promoting understanding and respect between different cultures. The knowledge, beliefs, and moral concepts we acquire come from cultural traditions and, most directly, through education. Educational philosophies, methods, resources, and environments vary across different cultural backgrounds. In some economically underdeveloped regions, people lack even basic access to education, making participation in cross-cultural communication impossible. Yet cross-cultural communication isn't merely about knowledge; it also tests soft skills such as psychological resilience, communication abilities, and organizational capabilities — precisely what education in some regions fails to develop.

Beyond rules and cognition, let's first assume that establishing dialogue using a common language in cross-cultural communication is influenced by educational levels. For instance, the wider availability of higher education provides more high-quality talent for cross-cultural communication. The following section will examine the relationship between education, cross-cultural communication, and economic development through regional data and materials.

According to Eurostat's<sup>1</sup> data on cultural statistics and cultural participation in 2022, cultural participation rates were higher among individuals with higher levels of education.

In 15 countries, at least two-thirds of people with higher education participated in cultural activities. In Portugal, Poland, Romania, France, Belgium, Hungary, and Ireland, the cultural participation rate of people with higher education was at least 40 percentage points higher than those with middle school education or lower. In 19 EU countries, the rate of cultural activity participation among people with higher education was at least twice that of people with middle school education. Additionally, comparing the higher education graduation rates<sup>2</sup> compiled by the Organization for Economic Cooperation and Development in 2024, the average higher education graduation rate in OECD member countries exceeds 50%. This clearly demonstrates that higher education positively impacts participation in cultural activities.

Without delving into specific types of cultural activities, it's evident that in such large and important economic entities, cross-cultural activities inevitably

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1 Data source: Eurostat (Eurostat) Website: <https://ec.europa.eu/eurostat> Online publication: Cultural Statistics

2 Data source: Organization for Economic Cooperation and Development (OECD) Website: <https://www.oecd.org>

occur. Cultural activities drive consumption, and consumption stimulates economic growth. Survey data shows that in developed countries like the United States, the cultural industry accounted for as much as 7% of economic growth in 2023; in developing countries like China, this figure reached approximately 4.5% in 2023, both representing significant contribution rates. Furthermore, according to data on industrial chain effects, London's West End theatres drive over £1 billion in surrounding restaurant and hotel consumption annually; China's Hengdian World Studios attract over 20 million visitors each year, substantially boosting the regional economy. As living standards continue to improve and people pursue higher quality of life, cultural activities have become an essential part of daily life and a significant driver of economic growth in recent years.

The data we've referenced comes primarily from developed economies. According to the latest policy documents<sup>3</sup> from UNESCO's Global Education Monitoring Report and the International Institute for Educational Planning released on 20 April 2017, higher education opportunities are expanding fastest in wealthier countries. In the poorest countries, an average of 8% of young people receive higher education, compared to 74% in the wealthiest countries. The poorest countries also show the largest gender gaps; in 2014, only 30% of women in low-income countries received undergraduate education.

The BRICS countries, comprising representatives from developing nations across different continents, reflect to some extent the current situation in most developing countries. Among the five BRICS nations, the rate of compulsory education is generally high, with Russia, China, and Brazil approaching 100%, though urban-rural disparities persist, and impoverished areas still face challenges. Regarding higher education, except for Russia and China, the penetration rate is less than 50% in the other countries. These countries face uneven distribution of educational resources due to geographical differences affecting urban development and transportation networks; large populations with growing educational demands while rural and remote areas lag behind; or historical issues causing severe shortages of educational resources. If large segments of the population cannot access even basic compulsory education, higher education becomes unattainable. If this situation persists, the demographic structure of those participating in cultural activities and cross-cultural communication may become imbalanced.

Based on the above, we can conclude that higher education enables people to participate in various cultural activities, and increasing participation drives economic growth. While the direct impact of cross-cultural communication on the world economy may not be immediately apparent, people with higher education possess higher cognitive levels, stronger motivation, and more time and economic

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3 Data source: United Nations Sustainable Development Goals Website: <https://www.un.org/sustainabledevelopment>

resources to participate in cultural activities. As participation increases and more people engage, exchange and communication naturally flourish.

Therefore, addressing the issues revealed by the data, I propose the following solutions. For rural and remote areas, such as in Brazil, we can establish mobile schools providing basic education and vocational training, and encourage community involvement in educational management. For areas with large urban-rural disparities and underdeveloped infrastructure, such as India, we can implement preferential policies and prioritize funding for educational infrastructure. Increasing higher education attainment enhances human capital and innovation capacity, indirectly promoting cultural industries, raising cultural participation and employment rates, thereby fostering social stability and economic structural optimization. As participation and employment rates rise, output increases, which can be reinvested in higher education, creating a virtuous cycle.

As is widely recognized, English is currently the most widely used language globally. English permeates educational systems across countries, and non-native English speakers need various proficiency tests to access study abroad and employment opportunities. Through higher education, the number of talented individuals with high-level English communication abilities exceeds previous generations and plays an increasingly significant role across society. In this context, “common language” extends beyond English or other specific languages to broader implications.

Beyond the literal “common language”, non-verbal aspects hold greater importance. In an organization or team where everyone speaks the same language but comes from different countries, varying perspectives on certain issues will inevitably emerge. This involves how people from different cultural backgrounds approach and understand problems. This level of “common language” might be termed “consensus” or “finding common ground”.

In the field of cross-cultural communication, the renowned five-dimensional cultural theory interprets various conflicts and integration phenomena in cross-cultural communication through five dimensions: individualism, power distance, uncertainty avoidance, social nature, and long-term orientation. By examining scores<sup>4</sup> for different countries across these five dimensions, significant variations become apparent. For example, regarding power distance, countries with higher scores include Russia, China, and India, while those with lower scores include Canada, Sweden, and Norway. Conversely, the situation is reversed for individualism. Regarding long-term orientation, countries with higher scores include Japan, China, and Singapore, while those with lower scores include South Africa, UAE, and Brazil.

By comparing these data, we can generally predict how a country might approach organizational or business management and social rules, helping us

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4 Data source: The Culture Factor Group Country/Region Comparison Tool Website: <https://www.theculturefactor.com>

analyse a country's or nation's internal psychology and providing valuable references for cross-cultural communication with people from different countries. With this reference, we can more easily establish dialogue using a "common language". Although this theory has certain limitations, it provides relatively comprehensive perspectives and dimensions. If we want to achieve a "common language" in non-verbal factors, we inevitably need to engage with it. Only by establishing dialogue with a "common language" at this level and reaching consensus can we promote high-quality dialogue at the language level. Therefore, if we can incorporate knowledge about cross-cultural communication into higher education, or even begin in primary school compulsory education, cultivating cross-cultural awareness from childhood and teaching understanding and respect for others' cultures, we might provide more talent for high-quality cross-cultural communication.

In conclusion, as a young university student still growing and learning, I must connect my destiny with the future development of my country and the world. In our shared world, people come from all directions with different cultural backgrounds. We may have gaps between us, and some aspects may be difficult to understand, but this is precisely the significance of cross-cultural communication. To enhance mutual understanding, exchange is an essential means. "The road is long", and bridging divides cannot be accomplished overnight, but as long as we take that first step, the distance between us will surely decrease. Thus, in the near future, the world economy will continue to improve through efficient, high-quality cross-cultural communication.



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