

Q.5

**Dedollarization :** Dedollarization is a process through which countries reduce their reliance on the US dollar as a reserve currency and medium of exchange.

After the world war II, US dollar became the dominant currency of the world. Furthermore, Bretton Woods agreement of 1944 which linked the dollar to gold. However with the passage of time, especially the "Nixon Shock" of 1971, dollars convertibility to gold ended, resulting in the US dollar fluctuation.

In recent years, many countries have sought to reduce their dependence on the US dollars due to various economic and political reasons.

The main reason is the US and China rivalry. Both countries want to have their dominance over the world.

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Their rivalry has turned into currency war. China is the major leading country that is trying to compete through reduction on the US dollar reliance and through providing loans to developing countries. China has given greater loan to other countries than IMF and world bank combine and through dept servicing china is strengthening its economy.

The trend of dellobalization has tremendously increased after sanctions imposed by US to Russia. Countries like China, Brazil, Russia, India have increasingly used their national currencies in bilateral trading. While others, like Saudi Arabia has showed openness to trading in currencies other than the dollar. Argentina and Brazil have begun using the Chinese currency, yuan for trade with China. Meanwhile, Russia has developed alternatives

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to SWIFT financial managing system to mitigate the effects of sanctions imposed by the US. Others nations like Molivia, Malaysia, and Turkey have also taken steps toward dedollarization, seeking to stabilize their economies.

Despite these efforts, the dollars remain a dominant global currency, supported by the strength of the U.S. economy and its deep capital markets. However, this trend of dedollarization pose a significant challenge to US dominance over the world. As more countries considering currency other than the dollar to trade with China, there are greater chances of shift of trading practices in the world. The emergence of alternative financial system like CIPS and regional trade agreements denominated in non-dollar

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Currencies could lead to a more fragmented global financial system. This fragmentation can reduce international trading. This currency war could increase volatility in global markets. It could lead to instability, especially in countries having larger dollar reserves. Furthermore, countries might increasingly align themselves either with China or the U.S., depending upon their trading interests. Nations involved in the Belt and Road Initiative might be more inclined to adopt the yuan, while US allies might resist dedollarization efforts. However, the transition to a more multipolar currency system is likely to be gradual, given the entrenched role of the dollar and the complexities involved in shifting global trade practices.

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Q3

Students protesters ended the long rule of autocratic Sheikh Haseena. Critically evaluate the political earthquake in Bangladesh. Also analyze its possible fallouts.

Sheikh Haseena was the prime minister of Bangladesh for about two decades. She was leading Awaami Party. It is the same party who fought for independence from Pakistan, leading to disintegration of Pakistan and Bangladesh then came into being. The leaders who fought against Pakistan made government in Bangladesh. They made laws that were suited to their interests. 30% quota is reserved for the descendants of freedom fighters. Increasing unemployment rate, corruption and inflation cause huge anger in the public. Specially among students, who

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has been demanding to lessen the reserved quota for descendants of freedom fighters. But Supreme Court decision came in favour of descendants of freedom fighter. This leads to countrywide students protests, causing 184+ students casualties by the police. The Sheikh Haseena government faced major backlash from the public. Ultimately, long rule of Sheikh Haseena came to the end. Military rule has been established in Bangladesh.

Possible Fallouts:

- i. Absence of stable leadership in Bangladesh is harmful for the country. There are huge chances of increase in inflation rate in the country. The country situation will become more worse.

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Sheikh Hasena has been a good ally to the India. New government may not be serious in maintaining strong ties with India. There can be decline in diplomatic relations between Bangladesh and India.

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Furthermore, Muslim countries such as Pakistan has the chance to build strong diplomatic relations with Bangladesh. This would be in favour of Pakistan.

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Q.7

Iran Israel tension has tremendously increased after the killing of Ismael Haniya. Critically evaluate the evolving situation in the Middle East. How the tension could be reduced?

Background: According to UN resolution there are two states between Jordan river and Mediterranean sea. Jerusalem, West bank, and Gaza belongs to Palestine whereas West belongs to Israel. But in 1968, Israel illegally occupied 40% of Palestinian land that is Jerusalem.

Different countries have sided differently on two-state solution between Israel and Palestine. Majority of European countries and UK have sided the two-state resolution.

Whereas US stance is that illegally captured area should be left to Israel. Israel under Netanyahu wants to establish one state from the sea to the river.



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Whereas, in Palestine, there are two organizations i.e. Palestinian Liberation Authority (PLA) and Hamas.

PLA has been responsible for elections contestation and have been winning elections in Palestine.

Whereas, Hamas is a jihadist organization.

PLA supports a two-state solution while Hamas stands on the view that all the land belongs to the Palestinian people.

Therefore, Hamas attacked Israel with 1400+ troops and captured 250+ Israelis.

In response, Israel has started war on Gaza. Israel has started war crimes in

Gaza, attacking hospitals, camps, educational institutions and even worship places.

Due to this, millions of people got killed including children, women, and journalists.

17 million people got displaced.

37000+ civilians martyred among those. 12000 were

children and 10,000 women.

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120 Journalists and 2007 doctors and health workers got killed. After North and central Gaza, southern Gaza is under attack. Israel has stopped the food supply in north and central Gaza. limited supply especially food, water and medicine are being allowed into the <sup>southern</sup> Gaza.

Because of these war crimes on Gaza, non-state actors have started attacking Israel. Hezbollah in Lebanon attacks on Israel. Houthis and Yemen attacks on Israel. US, UK, and Israel are intercepting these attacks. Israel attacked Syria. Syria is a ally of Iran. Iran retaliate back and attack Israel. Many of its missiles were intercepted by Israeli air defense system called Iron-Dome. In returned, Israel started air strike against Iran.

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Iran and Israel were  
into proxies war but  
war on Gaza has  
escalated the situation.  
Now both countries are  
in open conflict. Recent  
assassination of Hamas leader,  
Ismael Haniya in capital  
of Iran, Tehran, has  
escalated the worse situation  
in the Middle East.

There are chances of Iran  
attack on Israel again.  
Although assassination of Hamas  
leader in Tehran has raised  
security concerns of Iran, but  
Iran has weapons such  
as hypersonic missiles  
that can reach Israel  
within minutes in theory.

There are huge chances of  
escalation of conflict between  
Iran and Israel, and the  
war on Gaza seems  
would not to be end  
soon. The Middle East  
region is becoming destabilize  
because different countries  
have been involved in the

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## Conflict.

Tension between the countries can only be possible through diplomatic negotiations. There is a need of involvement of third party. This could be Saudi Arabia or Turkey. Only Negotiations can reduce the tension in the region. In addition to Negotiation, west must stop defending Netanyahu madness. UN should impose sanctions against the one who is committing war crimes on Gaza. These are some of the ways to have stability in the Middle East.