

THE PREDICTION OF THE DEVELOPMENT OF THE WORLD POLITICAL-ECONOMIC DISTRIBUTION OF FORCES BASED ON THE POSITION OF THE WEAKENING ROLE OF THE US USD AS A GLOBAL RESERVE CURRENCY

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Abstract: After 2020, many countries claim a dominant position or serious participation in global politics. In monitoring the development of macroeconomic indicators, especially from the point of view of forecasting their development with regard to the direction of the globalized political-economic trend, one can look for the future of the world order. The combination of factors reflects the conflictual and complex nature of development, pointing to areas with high demographic pressure. The expansion of the sphere of influence of NATO and the European Union in the former Soviet republics caused great resentment in Russia. Russia, on the other hand, is trying to create a Eurasian bloc with a strong Orthodox core, but also with considerable influence in relatively weaker Islamic countries. The aim of the contribution is to predict the future development of the world's political-economic distribution of forces based on the position of the weakening role of the US dollar as a global reserve currency.

Keywords: Reserve currency, globalization, international order, ideology, bipolar world, political-economic view.

1 Introduction

The problem of the political-economic balance of power lies in globalization. Economic globalization is inherently transnational and removes all barriers to the movement of goods and capital. In international politics, however, we encounter an emphasis on the concept of the nation state. Thus, the organization of peace is greatly influenced by the alignment of concepts of national interests, and thus the emphasis on the importance of borders. (Kissinger, 2016) It can therefore be concluded that nation states remain the main actors and the main motivation is the acquisition of power and wealth, emphasized by cultural orientation in all its similarities and differences. Henry Kissinger (2016) lists six major powers that will continue to assert their own values in the future. United States, Europe, China, Japan, Russia and India. Huntington (2001) bases this classification on the civilizational model and adds that there are five very different civilizations. In order to complete the whole issue, Islamic countries cannot be neglected. Their total population, strategic location, underground sources of oil and gas, and influence on world politics are not negligible. (Kissinger, 2016)

In the early 2000s, it became increasingly clear that the new American economy that had been created in the last 15 years had many serious shortcomings:

- The huge financial obligations that had been spent over the years to develop this economy were hanging in the balance;
- The growth rate did not correspond to the expected values;
- This "high-tech economy" requires more and more investment for its mere existence;
- And above all, it does not allow a significant increase in sales to its consumers, as it turned out that the consumer is relatively conservative in his needs (clothing, housing, food). The analysis of the structure of the population's expenditure also showed that in order for the share of the population's expenditure on GDP involved in the purchase of goods produced by the "top economy" to increase by at least 1.5 %, the need for investment in the economy itself would have to almost double. (Cheung, Kutcher, and Wagle, 2009)

Eventually, however, US resources proved insufficient to sustain the "high-tech economy" and the scale of the financial problems spread to the rest of the world. America helped revive the European economy, created the North Atlantic Alliance, and

created a network of global and economic partnerships. It set up a worldwide system of free trade that helped increase shared prosperity and productivity. (Kissinger, 2016) The history of economic relations throughout the world is based on a single measure of value, with gold being the measure of value for most of the time. It was only in 1944 that the US dollar, which was backed by gold – the Bretton Woods system – took over as the standard of value. In 1971, this system was abandoned and the US dollar, which was backed by the US economy and political power, became the sole benchmark. America needed markets and developed them further. From 1945 it lent to Europe, then created the WTO to define a controlled market and protect the interests of big corporations, including the aforementioned wars in the Middle East, Afghanistan, Vietnam, Africa, Korea and elsewhere, which of course invalidated the aforementioned ideologies. (Clark, 2003) However, in the 21st century, there are no longer enough resources to keep everything together indefinitely, leading to what is happening in the world now. The more Americans will resist this, the more enormous the consequences, both economic and political, will be. (Eckert, 2012) However, the free movement of America to the East was always hindered first by Tsarist Russia, then by the USSR. This was followed by its long departure from the political scene, but at the beginning of the 21st century, Russia returned to a state where he had to be reckoned with. The Russian stagnation that lasted from 1986 to the beginning of 2000 is now over. Russia is trying to show the world that it is in full force, and what it is. The Soviet Union thus became a guarantor against NATO's eastward advance, as it firmly established itself in territories that had previously belonged to Europe. In this way, it maintained stability in these territories and prevented the US from advancing east, not only to the borders of Russia, but also to the borders of other countries and influencing them by force. In 1989, the Berlin Wall fell, which was the beginning that gave free rein to liberal US policy, which went east and pursued its economic and political goals regardless of the interests of the countries present, and the gradual destruction of the bipolar world began. After that, Russia very quickly left the world stage. The agreement that the United States made with the Soviet Union in 1990 that NATO would not move eastward was broken, and America began deliberately moving NATO in that direction. Subsequently, America destroyed the economies of those countries that became part of Europe. (Brzezinski, 2007)

The Baltic states, which were integrated into Europe and the WTO, lost their entire economy and became only a donor to the European Union. Later, in 1999, there was an unprecedented destruction of Slovenes in Belgrade. The US pursued its strategy of political and economic dominance through NATO. Russia, which has always defended Europe, allowed the destruction of the Berlin Wall and allowed the US to expand its sphere of influence eastward, destroying the stability it had created. As NATO moved closer to Russia's borders, it eventually led to the conflict in Ukraine. (Historical Retrospective, 2022) (Nezavisimaya Gazeta, 2019) (Pechurov, 2018)

In the period after World War II, the United States of America (US) and later the European Union adopted rules and principles for the free movement of goods and capital, the rejection of the use of military force among its members, and the military-political hegemony of the US, where the US is the main guarantor and distributor of resources and all benefits. When the bipolar system ceased to exist, all previously established rules and customs began to merge with the global UN system, leading to the establishment of a liberal world order. From the very beginning, the characteristic leadership of the US and its allies, especially the European Union, came into conflict with the formal equality of states within the UN, as well as with the status of Russia and China, which were not part of the political institutions of the West formed throughout the Cold War. (Huntington, 2001) The global interdependence of countries,

which has been building for decades, is becoming more and more tangible for states, companies, and citizens and we are now witnessing a change in progress. There is an intensive restructuring of economic relations, which undoubtedly leads to a gradual weakening of the USD as the dominant currency. (Wallerstein, 2016) Against the backdrop of general economic and political changes, financial and economic hegemony is weakening in the US. There is a reluctance to have strong competitors abroad, disrupting the economic and financial rules that have worked in the market for many decades. Eliminating the dominance of the USD can be achieved by transforming the current world monetary system and creating new global regional currencies and international financial centres that will contribute to a multipolar arrangement in the financial sphere. (Zakaria, 2010) The US has repeatedly used mechanisms to regulate the access of foreign companies to domestic financial markets in various countries as an instrument of foreign financial policy. And this mechanism is now losing its power. The IMF is also an instrument of US foreign policy that supports US hegemony. (Wallerstein, 2016) The world monetary system is highly dependent on the US dollar and this is bringing it to the point of crisis. (Eckert, 2012) The debt crisis (Stroukal, 2021) of the United States of America reflected in the devaluation of the US dollar can have a very negative impact on most of the world's economies because their foreign exchange reserves are denominated in this currency. This again highlights the role of China and its Yuan, which immediately displaced the Japanese yen and the British pound upon its acceptance into the SDR (Special Drawing Rights – constitutes the main reserve asset of the IMF) basket. Another consequence is the depreciation of the euro. All these key points lead to the creation of a strong argumentative plane for outlining the further development of the global direction of the world economy and the new distribution of the new centres of power of the world political order.

2 Problem processing methods

The paper deals with a comprehensive historical analysis of the role of the US dollar (USD) as a key instrument of the power and influence of the United States of America in the global economy. The historical development of the USD and the Federal Reserve System (FED) is examined in detail, including an examination of the Bretton Woods system and its influence on the formation of the global financial order. A comparative political-economic analysis of various political and economic strategies of states towards the USD, their motivations and impacts on the global economy is used in order to identify key differences and similarities in their approaches and impacts on the global economy. Empirical data and statistical methods are used for objective assessment of current and historical trends. The approach makes it possible to bring new knowledge about macroeconomic indicators and their influence on global political-economic dynamics. Theoretical framing and critical analysis uses the theoretical foundations and opinions of leading economists and political scientists, combined with a critical assessment of alternative economic approaches and theories. The views and theories of prominent economists and political scientists such as Henry Kissinger, Daniel Eckert, Jaroslav Kurfürst and Josef Jílek are interpreted and confronted with alternative approaches in economics, drawing on the works of authors such as Michael Morris, Karlheinz Deschner, H. H. Will and the Šlapota brothers. Deviations and specific trends in economic thinking will be identified, which allows to provide a comprehensive and balanced view of the dynamics of the global economic environment. Analysis of trends and future scenarios is aimed at exploring and predicting future trends, including the potential shift away from dependence on the US dollar and the development of alternative economic and monetary systems.

3 The rise of the USD as the global reserve currency

The beginning of the American USD is associated with great inflation. The original currency of the United States of America was called the Continental. This money was issued on behalf of the Continental Congress in the 1770s-1880s. However, their form was paper and they were primarily intended to fight against

the British colonialists. (Jílek, 2013) The beginning of the linking of the dollar with gold and silver dates back to 1792. However, later, in 1879, there was a shift from bimetallism to monometallism, and the dollar was no longer covered by these two metals, which represented a significant step in the economic development of the United States. These moments were important for the gradual profiling of the USA as the successor of the great power of the 19th century – the British Empire. Another milestone for the process of appreciation of paper currency was the law of 1873 (Coinage Act), in force 1879. The value of the US dollar was fixed against an ounce of gold. Thus, the USD was as good as gold until 1971, when the linkage was abolished by President Richard Nixon's decision. (Eckert, 2012)

The Federal Reserve Act of 1913 was the culmination of the United States' historic effort to create a central bank known as the Aldrich Plan. The Fed, the Federal Reserve System, has been composed of the Federal Reserve Board and twelve regional reserve banks since 1913, this system introduced the concept of an elastic currency. The ban on gold exports during World War I disrupted the gold standard regime, in place between 1879 and 1933. The Fed was charged with the responsibility of placing bonds and repaying them when they matured, bringing in \$21.5 billion for the federal government. The critical value was already reached in 1920, when the ratio of issued banknotes and gold reached a minimum of 40%. Higher discount rates stopped this phenomenon at the cost of a recession. The Great Depression saw the failure of more than 11,000 banks in the US, and even in 1933, all banks in the country were closed for 4 days by President Roosevelt. Unemployment reached 32% that year, up from 3% in 1929, and bankers and brokers were blamed for their dishonesty.

The historical transition from a rather deflationary development valid until 1940 to inflation is linked to the state of war. Another factor is the withdrawal from the gold standard in the 1980s to the level of 14 %, or in the event of a pandemic in 2022 with 8 %. GDP growth can be traced from \$0.1 trillion in the 1930s to \$23 trillion today. In addition to the standard management of inflation using the real interest rate, there is a drastic increase in the country's indebtedness. The 1980s are a watershed and I demonstrate the dark side of debt to US GDP growth. From World War II to the 1970s, the FED was focused exclusively on economic growth. Controlling inflation with the help of the interest rate only came into focus in the following period, but deflation was named as a clear threat. (Jílek, 2013) In the area of indebtedness, the Fed's quantitative easing implemented since 2007 is highlighted, when the value of American government bonds in its ownership in 2022 was already 12.26 trillion USD. Among the largest foreign holders of US Treasuries are Japan with USD 1.08 trillion and China with USD 870 billion of US bonds. The rise of the USD is identified with World War I as a period of weakening of the British pound, thanks to Great Britain's debt to the value of twice GDP in the 1920s and Churchill's erroneous decision to overvalue the pound to the level of 4.86 USD, which had disastrous consequences, since at that time already because the USA was outdoing this country with its predatory economic policy. The main goal of the Bretton Woods arrangement in 1944 was to establish the USD as the main world currency, to fix its value at the level of 35 USD per ounce of gold and to maintain parity by the issuing banks on the foreign exchange market in a maximum fluctuation of 1 %. (Eckert, 2012) The system can be assessed as very solid, even with problems stemming from the financing of the war in Korea, the power ambitions of Communist China, or the Cuban crisis. At the end of the 1960s, the era of the gold standard brought the first doubts about the maintenance of the hegemonic position of the USA. The conflict in Vietnam, the economic prosperity of Europe and the associated exchange of USD for gold led by France and subsequently the attack of exchange rates by speculators could no longer be handled by the Bretton Woods system. (Wille, Šlapota K., Šlapota B., 2020)

Paradoxically, it was Japan that played a key role in saving the situation after de Gaulle's attack on the American monetary system. The inability to regulate the price of gold and the

loosening of the USD exchange rate against major currencies has definitively changed the functioning of the world economy. However, the fall of the Bretton Woods system was not so unpleasant for the USA. After the collapse of the Bretton Woods system, the US maintained its status thanks to the USD's position as an international currency, with dollar bills becoming the bonds in demand worldwide. (Eckert, 2012) In the next period, however, America issued banknotes as needed and spun an inflationary spiral, when inflation values reached double-digit values. The dollar continued to significantly lose its value and was not helped by the circumstances of the 1980s, i.e. the abolition of the ban on private acquisition of gold, but also the second oil crisis. The phenomenon of demon dollars arose, i.e. money created from US loans, which were intended primarily for investment. The negative effect of their inappropriate value compared to goods or services was fully manifested in the 1980s in Japan and later moved to other "bubble economy" countries. The saving grace of the whole situation is primarily the FED, mainly thanks to quantitative easing. The 1990s were marked by a reduction in the growth rate of the federal debt, with President Bill Clinton's administration even halting debt growth. The year 2001 stabilized the debt value at 57 % of US GDP. (Jílek, 2013) Since 1999, the Fed began to significantly increase interest rates to prevent the economy from overheating. From 2001, there was a drastic reduction in order for the Fed to face deflationary tendencies, and subsequently from 2004, it returned to increasing again, reaching a value of 5.25 % in 2006. (fiscaldata.treasury.gov, 2023)

Between World War II and the late 1970s, the Fed primarily stimulated the economy and did not address inflation with due attention. It was only during the following period that the Fed turned its attention to inflation. In 1997, there was even an increase in the interest rate even at a time of falling inflation, and in his official communication from the same year, the chairman of the Fed declared that the main threat to expansion is deflation, not inflation. From late 2007 to 2011, the Fed implemented a process of so-called quantitative easing by increasing its holdings of federal bonds to the level of \$1.750 billion; \$848 billion in mortgage-backed securities and \$108 billion in government-sponsored agency bonds, all at favourable interest rates. This brought with it a 13 % increase in GDP, higher employment, but also an increase in federal taxes. Today, the Fed is the largest owner of US federal bonds, surpassing China and Japan. Quantitative Easing was ended by the Fed in 2014 and the value has stabilized at USD 2.5 trillion in Treasury bonds. Mainly maintaining a low interest rate appeared to be beneficial, and with the help of loans created out of thin air, it buys government bonds from member banks. By doing so, it substitutes money printing and helps the government avoid penalties for high interest from excessive indebtedness. Since 2020, the Fed has announced the purchase of an additional \$500 billion in US Treasury bonds, as well as \$200 billion in mortgage-backed securities, to support the economy during the pandemic. In April 2022, the Fed already owned 12.26 trillion USD in US government bonds. (thebalancemoney, 2023) The final finding for assessing the future state is the statement that 60 % of US government loans are in foreign hands. However, these bonds are long-term and their debt relief is aided by inflation. The 5 % limit maintained by the Fed thus provides the basic premise of maintaining the dollar's position as an international reserve currency. Only hyperinflation could disrupt this change. Then it will be necessary to look elsewhere for a replacement.

4 The influence of the USD on the reorganization of forces in the international political and economic world

The America proclaims very emphatically its country's status as a leader in world affairs. This position was started by the events of the period after World War II. The market share of this country's economy in the global economy reached 60 %. The main driver of this success was the flourishing of the arms industry in the Victory program and, in particular, the massive investment reaching 44.8 billion USD by American concerns in Europe. Another support mechanism for the sale of American products was the provision of the Marshall Plan of economic aid,

awarded in 1953 with the Nobel Peace Prize. The Marshall Plan was implemented, even with its unnamed consequences in the form of gaining new outlets in place of the lost Chinese markets associated with Mao's revolution. In its quest to secure extraordinary economic and military influence in Europe, the USA finds a new enemy in the communist USSR. (Deschner, 2016) This period, the Cold War, can be translated into rivalry in the form of a series of proxy wars, as it was in Korea and Vietnam, and continues to be, for example, in Ukraine. Three times the US has withdrawn from war due to poor preparation or a lack of transformative engagements. Iraq and Afghanistan were terminated by the President and Vietnam by Congress. America faces the moral dilemma of whether it pursued unattainable goals or pursued a strategy that failed to achieve. (Kissinger, 2023) The military interventions of the United States have always brought with them a fundamental restart of economic growth supported especially by a strong military-industrial complex. The country's influence is underlined by its participation in NATO in 1949, including the consequences of its expansion, and the role of the CIA since 1947 for the protection of national security, which sounds tendentious in retrospect. (Kissinger, 2016)

The fact is that after the fall of the Soviet Union, America once again found a new enemy, this time in the form of Arab terrorism, and crowned its efforts by participating in the wars in Iraq and Afghanistan. The proclamation of democratic processes in the Arab environment rings hollow, but the profitable contracts of the military-industrial sector amounted to an estimated 2 trillion USD. Lockheed Martin, Northrop Grumman, General Dynamics, Boeing and others can be named. (Lopata, Tichý, Slivka, 2023) The US has interests in the oil fields in Iraq or opium cultivation in Afghanistan. The increase in defense costs is very strongly linked with each war started and there is a steady increase to the extent that today the United States invests 877 billion USD compared to 14 billion USD after World War II. The phenomenon is the merit of Donald Trump with the achievement of the lowest historical level of unemployment of 3.7 % in 2019 after the tax reform with the negative consequence of increasing social inequality and the negative effects of the fight against COVID-19 during the Biden administration with an investment package of 1.9 trillion USD.

There are three threats to American hegemony. Europe, Russia and China. Europe is losing with its disunity in common defense and military policy. Moreover, economic dependence on the US increased after the 2008 crisis. Russia, after significantly improving its economic situation after the Yeltsin era, was significantly weakened after the invasion of Ukraine, both due to the conduct of a protracted war and the impact of sanctions from the free world. The main focus is on China, where its economic boom can be predicted, with the vision of controlling 50% of the global economy by 2050. In response to this fact, America is trying to assert its influence both militarily, e.g. by building bases in Australia, and also by economic rapprochement with countries such as Japan, Thailand, Vietnam, South Korea, Singapore, Malaysia, Indonesia. A separate chapter is Taiwan with the stalemate and Myanmar. There is a gradual reorientation to the issue of Latin America caused by the changing demographic environment of the US. The African continent can already be declared as China's sphere of influence. The Middle East, de facto the entire Arab world, is becoming another area where spheres of influence are being formed and the ongoing Israeli-Palestinian war complicates the whole situation. (thediplomat.com, 2023)

China steadily strengthens its military, now the third largest, and expands its influence by investing in the economy. It invests in the construction of deep-sea ports in Myanmar, Bangladesh, Pakistan and Sri Lanka, mainly for the distribution of oil and gas. In African countries, they are interested in precious metals and minerals, and in return they help build infrastructure in countries such as Kenya, Angola and Ethiopia. A potential risk is the fact that China's economic power is based on the global economy. If no one buys from China, there will be a chain reaction of economic weakening ending in a potential threat to

the entire regime. Asia is interwoven with a spectrum of multilateral groupings and bilateral mechanisms. In some key groupings, the USA is also a member, others are also economic, they are purely Asian. China believes in its uniqueness and in being closed to its own reality. America considers itself unique, exceptional, but with a moral obligation to spread its social values in the world. Thus, the order of the 21st century will take place either in the form of mutual rivalry or in the form of partnership. (Kironská, Turcsányi, 2021)

America's aid to Japan after the World War II was lost. Wars and the country's rebirth as a military powerhouse with \$40 billion invested in defense were aimed at limiting China's regional influence. Approximately 30,000 American troops were stationed on Japanese soil and remain there today. The constitution began to bend in the 1980s, and the self-defense forces became a modern combat unit. The Americans, taking into account China's regional importance, ignored this process. After 2000, it was already possible to fight alongside the allies. (Marschall, 2018) However, the economic growth of the country, once the fastest growing economy, started to slow down along with the trend of significant population reduction. Analysis of the future state highlights the continued strained relations with Russia, especially over the Kuril Islands. (Kissinger, 2023) The next step is gaining new allies, such as South Korea. There is growing tension in the relationship with China, not only due to the dispute over the Ryukyu and Senkaku/Diaoyu Islands, but especially in the promotion of American influence in the region.

The influence of India, as the most populous country in the world, creates a certain potential for tomorrow, even if the current GDP is only 20 % of China's. The country has vast areas of arable land and has sufficient water supply. It is a major producer of coal and natural resources. In the international field, however, India functions rather neutrally. It is even more focused on a traditional problem, Pakistan with its nuclear weapons. (Kissinger, 2023) In the relationship with China, there is a power struggle for influence over Tibet, Nepal, Bhutan and Arunachal Pradesh. (Kissinger, 2023) The country internally faces separatist attacks by the Sikhs or the state of Assam. Thus, the future state of the country will shift to strengthening relations in the region, with countries such as Myanmar, the Philippines and Thailand, Vietnam and Japan. The United States also offer assistance, and India, although it has a well-armed navy, including an aircraft carrier, may accept such assistance in an expected power struggle with China. However, the biggest threat to India remains the Muslim world. We cannot ignore the fact that the country is inhabited by the second largest Muslim community after Indonesia, and all unrest is covered by an approach to minorities, support of common internal political principles, including national pride and democracy, and thus rise above the contradictions within the communities. With Pakistan's current position and the radicalization of the Arab world, the country has to make a lot of concerted efforts to resist these pressures. (Kissinger, 2023)

Russia has always been very attractive, especially due to its wealth of raw materials. After the October Revolution, there was an increase in the country's economic level and foreign policy, similar to the previous analysis of the USA. It can be stated that the country that distinguished itself as a victorious power and liberator during World War II soon became a key player in the bipolar division of the world during the Cold War. (Wille, Šlapota, K., Šlapota, B., 2020) The naive political actions of the Gorbachev era leading to the collapse of the USSR and de facto led by the powerful interests of the Western global economies significantly damaged the state of the country. The collapse of the USSR was a geopolitical change of a global scale. (Marschall, 2022) The fall of Russia was exacerbated by the rise of Boris Yeltsin. His government bankrupted the country and the oligarchs took their huge cash profits abroad. It is necessary to focus on the country's most valuable commodity, oil, and especially the incredibly disadvantageous deals with Western investors and the ecological damage in the country. The arrival of President Putin reversed this situation in the country. Reducing inflation and increasing nominal wages achieved a 30-

fold increase in wages and a 9 percentage point reduction in inflation during his administration. (Laqueur, 2016) GDP has also more than doubled in the country. Russia's image is damaged, especially by its military interventions in Ukraine, Chechnya, Syria and others. Despite the fact that the Russian army boasts the status of the second strongest in the world, strategically, the country faces many obstacles. The annexation of Crimea does not solve anything, because the exit from the Black Sea is controlled by Turkey. Gibraltar and Suez also stand in their way to the Atlantic. Investments in military capabilities and technological development will be key to maintaining its status as a military power. The future of Russia in the international context will thus significantly depend on the development of its relations with the West, the ability to adapt to economic and political challenges, and the success in creating new alliances and partnerships outside the Western sphere of influence.

The democratization processes of the Arab Spring soon brought, as in the Syrian case, the level of crystallization of tensions between the main Muslim groups of Sunnis and Shiites. (Kissinger, 2023) In the Palestine-Israel issue, it is necessary to map the historical events since 1917 and identify the key political milestones associated with the Jewish state in the Arab world. Unfortunately, tensions in the region continue even now, due to the ongoing war. The attitude of the international community to this situation is different. (BBC news, 2023) The US, European Union and other Western nations have condemned the attacks by Hamas, and the US is pledging further support for Israel, including military equipment and strengthening its naval presence in the eastern Mediterranean. Russia and China are reluctant to condemn Hamas and maintain contacts with both sides of the conflict. Iran, as a regional power, continues to support Hamas and Hezbollah, another enemy of Israel in the region. (Reuters, 2023) Saudi Arabia is a key country of the Sunni conception of the Muslim faith, and thus Iran's arch-rival. The country is particularly interesting from the point of view of its oil deposits, which are the second largest in the world. (Kissinger, 2023) Saudi reserves are thinning and have already fallen from 737 to 475 billion USD, which led the Saudi prince to adopt a "new Vision 2030", aimed at diversifying the economy towards the technology and service sectors, with a plan to invest in this program 5 % of shares from the sale of Saudi Aramco. (Marschall, 2022) The country tries to develop projects like the futuristic city of Neom and invests in the green economy and electric cars. Strategically, Saudi Arabia maintains a partnership with the US and develops relations with China, until recently it was even willing to reassess relations with Israel, especially for business reasons. A potential alliance between Saudi Arabia and Russia may affect global oil prices, but will be complicated by geopolitical tensions and differences in regional interests. (Washington Institute, 2023) On the other hand, Saudi Arabia tries to diversify its international relations and reduce its dependence on the US, while Russia is similarly strengthening its influence in the region. India is also becoming an important trading partner of Saudi Arabia, but its relations with Iran and Pakistan complicate the possibilities of a deeper partnership. Therefore, the United States can be expected to remain a key security guarantor and trade partner for Saudi Arabia, and its support will be critical to the success of the Vision 2030 reform agenda. Any future alliances with Saudi Arabia must therefore carefully consider these existing relationships and strategic interests. (Atlantic Council, 2020)

Iran has the world's fourth largest oil field. After the World War I, it immediately attracted the attention of the British, who were protecting the interests of their British Petroleum. The same scenario was repeated after the World War II and the United States and the USSR intervened in the situation. (Marshall, 2022) Since 1979, however, the country has been situated in the form of an Islamic republic under the leadership of ayatollahs. It is necessary to draw attention to the unauthorized Iranian nuclear program, which puts the country under the pressure of Western sanctions. Iran's future will be heavily influenced by its relations with China, the US and Russia. China is emerging as a key investment partner as the U.S. under the Biden administration

considers a shift in policy toward Iran's nuclear program, a decision that could finally lead to the easing of sanctions. At the same time, Russia is strengthening its influence in Iran, which may complicate relations with the West, while demographic changes and the growing demands of the young population create pressure for social and economic reforms.

5 The future of the international arrangement

The By historical separating of the USD from gold, from the point of view of its position as the core of the international monetary system, the USD represents a bond whose strength rests on the success of promoting American values in the world. However, American consumption is very heavily dependent on other loans, liabilities and bonds. The current trend is accompanied by the weakening of positions by the retirement of strong cohorts and the reorganization of the concentration of the economy around China. The economic trend shows only further indebtedness, and we should look for a way out of this problem in controlled inflation. The advantage of inflation is the deleveraging of the country, since the majority of bonds have a long maturity and are held by non-Americans, so the impact will mainly go to other economic powers. The exchange rate between the American and Chinese currencies is key, as it is the exchange rate that determines the movement of trillions of USD, either to Western economies or to the expanding Chinese economy. The EU also figures in the game, whose production is comparable to China with less than a third of the population. In 2022, the US GDP reached 25 trillion USD, compared to China's 18.1 trillion USD and European 15.8 trillion USD. However, the EURO represents a defensive currency and could serve as a calm point between the phase of the retreating USD and the rising yuan. The rise of China and Asia is inevitable and the USD, Euro, Pound are just bonds, but less covered every year. In the recent past, the government has tried to prevent deflation with stimulus programs and the central bank has used quantitative easing to influence the market. The goal was to start economic growth, but it only succeeded in preventing further decline. The West greatly underestimated the whole situation and assigned the whole situation the status of hermetically sealed capitalism with a lobbyist approach and missing control mechanisms. The demon USD crisis will be treated with new demon USD backed demon euros, pounds and yen held in overvalued Treasuries. You can get out of this spiral through the state bankruptcy of several large countries and the associated depression, or hyperinflation with the expropriation of loan holders. It is quite obvious that the international gold standard will not be restored in the foreseeable future, but the role of real values in the areas of investments and pension insurance is being strengthened. In the area of paper money, in the coming years, currencies that will emerge from economically dynamic and low-indebted countries, countries rich in raw materials, with good prospects for an upward trend and a healthy demographic structure will begin to gain ground, and the yuan appears to be the most suitable. For international currency needs, China, as the future number one player, manipulates its currency, giving it a huge export advantage. On the other hand, the yuan is not suitable for storing values, where the currency is expected to be reliable, solid, flexible and tradable. Another supporting argument is the worldwide decline in the proportion of liberal democracies from 18 % to 13 % since 2012. Also, the share of the global economy from the original 74 % of global GDP in 1998 is currently 47 %, comparable to the economy of autocratic systems such as China or Russia. Russia is a country that is demographically aging, the country's income is fundamentally based on oil and gas income, and the future of the country is therefore completely dependent on them. Favourable points for economic growth are the existence of the Eurasian economic sphere and BRICS. The BRICS group has already surpassed the Western G7 group, as the BRICS countries account for 32 % of the world's GDP, while the G7 group of countries only accounts for 30 % of the world's GDP. China's New Development Bank further expects BRICS to expand to include Arab oil and gas exporting countries, namely Saudi Arabia, the United Arab Emirates and Iran. Thus, by 2030, the BRICS bloc of developing countries will account for 50 % of all worlds GDP. Russia also supports the use of the Chinese yuan in

trade with Asia, Africa and Latin America, weakening the dominance of the USD. It is quite obvious that the United States, by using the USD to impose sanctions and control the world economy, especially its confrontational attitude towards China and sanctions towards Russia, has accelerated the effort to diversify away from the USD on a global scale. The central banks of Russia and China hold fewer and fewer USD reserves, while most of their trade with each other is conducted in yuan. While the global economy still needs the USD for its tradability and stability, there are efforts to create alternative payment systems, including oil trading in yuan and experiments with digital currencies. These steps show that states are willing to support their political goals even at the cost of high economic costs. The disadvantage of gold and silver in the position of a possible alternative to the dollar or another strong currency is, for example, the regulation of production, but the fundamental finding is that with a real gold standard, gold, or silver to cover the weight of money. It would not be enough for, for example, the amount of money in the Eurozone to be covered by only 2-3 % of gold bars and coins. Gold money would have to be covered by at least 40 %. At current prices, all the gold stored in the countries of the monetary union will cover 100 % of only 333 billion euros. However, the total funds are estimated at 9.4 trillion euros. In such a case, they would only be covered by 3.5 %. So the amount of money can be radically reduced or the price of gold can be increased enormously. In both cases, it is an economic shock. The current trend in this case is thus towards the privatization of gold reserves and further manipulation, thanks to the derivatives market, of the price of silver.

6 Conclusion

The contribution contributes to a better understanding of the role of the US dollar in the global economy and its impact on international relations and financial policy, helps to deepen the understanding of the future development of the international financial system and monetary policy. The struggle for world hegemon is apparently an icon for all ideologies, religions, politics of the world. On one hand, we talk about liberal democracy as an ideal to which all the countries of the world should approach, and on the other hand, on a mass scale, individual countries are turning in different directions. It is clear that this is not just a simple political act, but brings with it a shift of economic power in favour of various forms of autocracy. Russia, as a remnant of the Soviet Union, represents the main military threat, but the strength of the country is reflected in the determination of the population, the energy potential and the ability to face the Western perception of the world. Another variable is China, which is "the" main challenger. Patient effort has produced a real economic threat in a very short period of time, not only to the United States, but to the entire world. The American dollar, representing the Western democratic system, is losing its dominance and the centres of the economy are moving in alternative directions.

The United States repeatedly proclaims its status as the world's number one hegemon through the mouths of its presidents. Its power is primarily based on its military-economic strength. Under the auspices of the global spread of democracy, it gains fundamental influence over individual countries. Here, it tries to create long-term markets for its products and obtain raw materials that help improve the performance of the domestic economy. We repeatedly compare the gross domestic product with other factors that help to understand this trend. It clearly shows an increase in economic growth, but a significant link to indebtedness. The fact is demonstrated that if this growth declines, there is still the possibility of resuming the decline through military conflict and the country's involvement in a war economy. This ratio of profits of the military-industrial complex is demonstrated empirically. The ratio of economic growth in China and the United States is compared, where the mutual ratio sounds very unfavourable for the United States. A new player is emerging on the scene, the BRICS. The lessons of the US imposing tough sanctions on Russia through the central currency of the US dollar sound like a cautionary tale for contenders for world power. The answer has been attempts by China, Russia

and the Europeans to build an international fire system outside of the US dollar. Arab countries trade their oil in yuan, followed by India when it comes to Russia.

Regarding the forecast of the distribution of political and economic forces in the world as a result of the weakening of the role of the US dollar, we can state that there will not be a significant turn in the near future. This represents the continued leadership of the United States, represented by the strength of the US dollar on the world stage, as well as a significant military effort to maintain energy supplies and markets for its exports. America, with its global economy and presentation of its values, creates the need for consumerism. The United States repeatedly proclaims its status as the world's number one hegemon through the mouths of its presidents. Their power is primarily based on their military-economic strength. Under the auspices of the global spread of democracy, they gain fundamental influence over individual countries. Here, they try to create long-term markets for their products and obtain raw materials that help to improve the performance of the domestic economy. In our texts, we repeatedly compare the gross domestic product with other factors that help to understand this trend. It clearly shows an increase in economic growth, but a significant link to indebtedness. The fact is demonstrated that if this growth declines, there is still the possibility of resuming the decline through military conflict and the country's involvement in a war economy. This ratio of profits of the military-industrial complex is demonstrated empirically. The ratio of economic growth in China and the United States is compared, where the mutual ratio sounds very unfavourable for the United States. A new player is emerging on the scene, the BRICS. The lessons of the US imposing tough sanctions on Russia through the central currency of the US dollar sound like a cautionary tale for contenders for world power. The answer was attempts by China, Russia and the Europeans to build an international payment system outside of the US dollar. Arab countries trade their oil in yuan, followed by India when it comes to Russia.

With its offensive policy, the United States of America suppresses the fact that the current US dollar no longer represents its original strength and thus loses its sphere of influence. The USA has represented the real hegemon of the world order since World War II. The effort of all US presidential administrations is to maintain the primacy of world hegemony with its positive and negative consequences. Securing global peace through disproportionate military interventions means that the country's economic growth is superior to anything in the rest of the world. Analysing Russia, one can understand the weakening of this country in Yeltsin's times into a country looking for its original strength. This stems mainly from the union of the anti-sanctions world in the form of the aforementioned BRICS complex, from which China benefits the most. An analysis of China in the form of global investment expansion leads to worrying results. China offers a very interesting construct to the American arrangement, and its economic growth is multiple compared to other states in history. However, China has learned its lesson and is keeping its currency low so as not to repeat the examples of the Asian tigers. China, with its protective tendency to undervalue its currency, greatly supports exports, but a manipulated currency is not suitable for preserving values. The analysis of the potential of other countries clearly highlighted the real possibilities of Japan and India or of the Arab countries, especially Saudi Arabia and Iran, but they cannot be counted on to become a contender for the hegemon of the world. However, we are not underestimating their energy, population, i.e. market and productive potential. The hegemon position of the United States of America in world politics and economics will be threatened by China's economic boom and Russia's resource wealth, as well as whether Russia can demonstrate and sustain its imperial ambitions. The trend of the USA and, always behind it, the EU and China, has so far shown progressive tendencies. The game of Chinese economists with the currency and its undervaluation is also very significant. However, the effort is to highlight the fact that China, second only to Japan, owns almost 900 billion USD in government bonds. However, China needs resources for its epoch-making

expansion. Its need for oil and gas and its coverage, the second largest in the world, is pointed out. Europe has completely absorbed itself in green politics and is boldly liquidating its industrial strength within the framework of the ideology. The Arab countries are fighting the Western Satan as part of Jihad. As in the case of the Afghan war, Russia allowed itself to be drawn into the Ukrainian conflict. Thus, the struggle for world hegemon was limited to the USA versus China.

A key problem for the US is its inability to support the growth of domestic industry. Therefore, the main task of the USA is to dominate the markets in Southeast Asia. As part of this effort, the US has expanded its presence in the Philippines, entered into a military agreement with Indonesia, and is now blocking China's access to the Indian Ocean through Myanmar, where war has just broken out. (Interfax.ru, 2023) The US actively tries to dominate the economic spheres in Southeast Asia. At the same time, China faces problems in its business sector, especially due to the decline in profits from less technological products, which is related to the rising living standards in the country. This leads China to seek new opportunities to sell its high-tech products with higher margins. However, the US makes it difficult for China to enter these areas, which is evident in Europe, where Chinese high-tech products such as laser medical devices are limited due to recently introduced rules and certifications. The US cannot completely exclude the import of less technologically advanced Chinese products, as it does not have sufficient own alternatives and its production would be more expensive, which could have a negative impact on the standard of living of Americans.

At the meeting in San Francisco, in November 2023, US President Joe Biden and Chinese President Xi Jinping focused primarily on the rules of international trade. The Chinese president appealed to Biden not to obstruct the process. He emphasized the need to comply with the trade rules that were set by the United States. Biden, on the other hand, expressed the opinion that China is implementing an inappropriate policy and does not want to back down on key trade issues. It was clear from the positions of both sides that the United States wanted China to adopt the role of a secondary partner that would respect the trade restrictions imposed by the United States and expected the United States to gain more influence in Southeast Asia. These differing expectations have led to a stalemate in negotiations, which is likely to cause further restrictions on Chinese high-tech products in the international market. However, China refused to submit to these conditions. At the end of the meeting, Biden, unlike his Secretary of State Antony Blinken, called Xi Jinping a dictator, indicating considerable strain in relations between the two countries. (Reuters, 2023)

In the coming period, the US will face China as its main geopolitical rival, as well as the countries that provide support to China, including Russia. Russia is set to play an important role in cooperation with Africa and other states, focusing on its naval capabilities, which are crucial given the inferior strength of China's navy compared to America's. However, this does not mean that there will be a direct military conflict between the United States and China. Confrontation can be expected to take place through other states and regions, such as Myanmar (Burma). The result will be an intensification of conflicts of various natures around the world, in which the US will try to consolidate its economic dominance and the monetary hegemony of the USD.

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