



US Decline in Perspective

Since America's disastrous wars in Iraq and Afghanistan and the rise of China, many consider the unipolar moment to be coming to an end. Many consider US global power to be in decline and cite this as key evidence for the ending of the unipolar world. Whether the US is in decline and the unipolar moment is coming to an end has major implications for the world. If the US is in decline and there is a shift in power to the formation of a multipolar world, then this scenario opens several possibilities for alternative global structures to emerge.

One of the most prominent arguments to reflect US decline is that the world is shifting from a unipolar to a multipolar world. This is oft repeated in the media and usually driven by the rapid ascent of China and now the Russian invasion of Ukraine. Many think tanks in the US, Europe and beyond propagate this perspective. This argument is probably the most prominent currently about US decline.

We need to consider a number of matters when scrutinising this perspective. Is the goal of US foreign policy to ensure hegemony of the US dollar? Is it to be the supreme economic power? Is it to ensure that no competing powers arise that will eat from the same economic cake? If we look at these issues, they are important for the US and they are US goals, but they are not the drivers of US foreign policy. If US foreign policy goals were economic hegemony, why did it assist China in its economic ascent? It was the US that welcomed China into the global economy and the WTO in 1999 and integrated it into the global trading and financial systems. It was the US that permitted Chinese money into its real estate, financial markets and tech sectors.

The chief US foreign policy goal since WW2 has been to create and maintain a global liberal order in which other nations participate and submit to. This ensured US power. Whilst China gets lots of headlines for organisations such as BRICS, SCO and the Asian Infrastructure Bank, these are not alternatives to the current order. Rather, they are parallel structures with the participating countries fully integrated into the global liberal order.

Many believe the US share of global GDP shrinking vis-a-vis other powers is also an indicator of US decline. The protagonists of this view believe GDP equals economic power and thus influence. This argument really gained prominence since the 2008 global financial crisis, which hit the US and the West hard, whereas China was somewhat isolated and did not feel the financial effects like others. The US was 50% of global GDP after WW2, it had the largest gold reserves and was the biggest oil exporter. This percentage of GDP has been on a steady decline and is now at 15%.

If we put this into perspective, the British Empire in the middle of the 19th century at its peak held approximately 7% of global GDP. It was always expected other nations would increase their GDP and eat into the US GDP share. Europe and Japan were crippled after WW2 and it was US strategic goals to turn them into successful

examples of free market Capitalist economies in order to counter the calls from Communism during the Cold War. It was a US foreign policy objective to create the fertile ground for other countries to catch up to the US as examples of successful Capitalist economies.

Economic data and statistics do indeed reflect US economic decline. For many, US manufacturing moving abroad and the level of both US government and consumer debt show the US has economic challenges. We do need to keep in mind that all superpowers go through peaks and troughs and that economic data doesn't capture everything. US tech innovation, military lead and global military presence are very unique. Today the US has an extensive economic arm that allows it to control the world's riches at the expense of others. This is why the US is much richer than China, and why it has substantial net resources to deploy in a conflict against China.

The world is witnessing tremendous political shifts and many unprecedented ones in the Middle East. However, none of these events reflect the emergence of a multipolar world order in the sense of the dilution of US power and the emergence of competing powers and blocs to its global leadership. A global power to fall off its perch needs to experience severe domestic and external pressures, especially the latter like the Ottomans did when it faced colonial attacks and conquests of their territories, or when Germany was taken out during WW1, with the allies threatened by Germany's conquests of Europe. For the moment, be it China or Russia, no one is proposing an agentive ideological order for the world and engaging in political struggle to establish it. Until that happens, it's unlikely the global situation will change.

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