

## Covid-19: Is America's Liberal World Order Coming to an End?

### News:

Recently, the IMF predicted the worse economic contraction since the Great Depression of the 1930s. IMF Managing Director Kristalina Georgieva said, "We anticipate the worst economic fallout since the Great Depression." [1]. The assessment is shared by the EU commission "a shock without precedent since the Great Depression". [2]. Such cautionary statements raise interesting questions about whether the West is facing an enormous economic crisis or perhaps far worse is in terminal decline.

### Comment:

The majority opinion argues that the West faces economic turmoil ranging from a Great Recession to a Great Depression. Only a few dare to forecast an economic fallout to surpass the Great Depression of the 1930s. However, there is a small but growing body of opinion that views Western civilization and dominance in perpetual decline way before the Covid-19 induced economic crisis.

In 1997, two amateur historians William Strauss and Neil Howe, in their book *The Fourth Turning: An American Prophecy* claimed that in about 2008 the US would enter a period of crisis that would peak in the 2020s. [3] According to Peter Turchin, an evolutionary anthropologist at the University of Connecticut, the world goes through bouts of a secular cycle every two to three hundred years. This is where labor supply outstrips demand and wealth inequality increases between the very rich and the masses. Subsequently infighting ensues between the elites, and misery of the poor increases in magnitude. Society enters a destructive phase and finally collapses. Turchin, also spoke of a much shorter cycle of 50 years, which is just as destructive. Based on his study of US history, Turin predicted in 2010 that the next short cycle is due in 2020 but it will coincide with the longer cycle causing unprecedented chaos. [4]

The billionaire hedge fund owner Ray Dalio has developed a theory similar to Turchin, which he prefers to call the long-debt cycle. From Dalio's standpoint, this cycle occurs every 50 to 75 years and exhibits four notable features: upswing in innovation, a deeply divided political elite at home, abroad very little cooperation between nations, and a rising challenger. The last long-debt cycle ended in 1945, after the Great Depression provoked Germany to challenge Britain's world order. Britain won the war, but lost its position to America, which established a new political and economic order based on the Bretton Woods Agreements. According to Dalio, 2020 is end of the long-debt cycle and will lead to a radical restructuring of the world economy with China on top. [5]. Long before Turchin and Dalio, Oswald Spengler in 1922 predicted the death of Western civilization and maintained that the West had entered its final season i.e. winter.

The foregoing theories are interesting and should evoke some thinking in people about what to expect in the post Covid-19 environment. Well before the epidemic, the intelligent observer could identify several underlying trends that threatened America's world order. Trends such as the rise of hyper-nationalism, retrenchment of global supply chains to domestic shores, localism replacing globalization, bilateral relationships in preference to multilateralism, extreme global inequality in wealth, especially in the advanced economies,

failure of unconventional economic tools like zero interest rates and QE to stimulate economic growth, soaring global debt, and a distrust of international institutions signals that America's liberal order is on borrowed time.

Allah (swt) says, ﴿لِكُلِّ أُمَّةٍ أَجَلٌ إِذَا جَاءَ أَجْلُهُمْ فَلَا يَسْتَأْخِرُونَ سَاعَةً وَلَا يَسْتَقْدِمُونَ﴾ **“And to every nation (there is) a term; so when their term comes, they will not (be able to) postpone (it) by a (single) hour, nor will they put (it) forward.”** [TMQ: Yunes: 49]. Some civilizations rise and fall, while others are completely destroyed. Likewise, a nation may ascend to become the leading state only to succumb to temptations of this world and fall into obscurity. The aware Muslim is the one who diligently follows the international situation, understand underlying trends and seeks opportunities to return the Muslim nation to its rightful place as a leader of humankind. Allah (swt) says: ﴿كُنْتُمْ خَيْرَ أُمَّةٍ أُخْرِجَتْ لِلنَّاسِ تَأْمُرُونَ بِالْمَعْرُوفِ وَتَنْهَوْنَ عَنِ الْمُنْكَرِ وَتُؤْمِنُونَ بِاللَّهِ﴾ **“You are the best nation produced [as an example] for mankind. You enjoin what is right and forbid what is wrong and believe in Allah.”** [TMQ: Al-i Imran: 110]

Indeed, the Covid-19 world presents excellent opportunities for those in power to turn the tables on the Western colonial powers and re-establish the rightly guided Khilafah state (Caliphate). Allah (swt) says: ﴿يَا أَيُّهَا الَّذِينَ آمَنُوا اسْتَجِيبُوا لِلَّهِ وَلِلرَّسُولِ إِذَا دَعَاكُمْ لِمَا يُحْيِيكُمْ وَاعْلَمُوا أَنَّ اللَّهَ يَحُولُ بَيْنَ الْمَرْءِ وَقَلْبِهِ وَأَنَّهُ إِلَيْهِ تُحْشَرُونَ﴾ **“O you who have believed, respond to Allah and to the Messenger when he calls you to that which gives you life. And know that Allah intervenes between a man and his heart and that to Him you will be gathered.”** [TMQ: Al Anfal: 24].

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## References

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[2] The BBC (2020). *Coronavirus: EU facing 'deep and uneven recession'*. [online] BBC. Available at: <https://www.bbc.com/news/business-52557191> [Accessed 7 May. 2020].

[3, 4] New Scientist (2016). *End of days: Is Western civilisation on the brink of collapse?*. [online] New Scientist. Available at: <https://www.newscientist.com/article/mg23731610-300-end-of-days-is-western-civilisation-on-the-brink-of-collapse/> [Accessed 7 May. 2020].

[5] Deal Street Asia (2020). *Billionaire investor Ray Dalio says pandemic to usher in new world order with China on top*. [online] Deal Street Asia. Available at: <https://www.dealstreetasia.com/stories/pandemic-china-ray-dalio-187533/> [Accessed 7 May. 2020].