

## The International Monetary Fund is a Global Security Guard for American Economic Colonialism

### News:

On 12 September 2024, during an International Monetary Fund press briefing, the Director of Communications announced that the Board meeting for Pakistan's new 37-month Extended Fund Facility arrangement is scheduled for September 25, 2024.

[IMF]

### Comment:

Between 2001 and 2023, the United States ran average annual fiscal and trade deficits of \$957 billion and \$609 billion, respectively. By IMF standards, such deficits should have led to severe austerity, currency depreciation, structural adjustments, and rampant inflation, similar to what developing economies face. Yet, despite these imbalances, the Gross Domestic Product of the United States surged from \$10.58 trillion to \$27.36 trillion, with inflation averaging just 2.5% annually. This anomaly challenges the treatment of the Muslim World by International Monetary Fund. It reveals the complex dynamics of the global financial system, where the America defies existing economic norms, while maintaining growth and stability.

One might wonder how the United States achieves consistent economic growth, maintains political and economic dominance, funds global war like the Russia-Ukraine war and the illegal occupying entity. This ongoing phenomenon represents neo-colonialism.

After the Second World War, the United States and its colonialist allies emerged as dominant global powers, marking the dawn of neo-colonialism. As traditional colonial empires declined, the United States reshaped the global economic architecture, rebuilding war-torn Europe via the Marshall Plan and solidifying its influence over Japan, South Korea, and Taiwan during the Cold War. Globalization soon became a tool for the Western to exploit cheap labor and resources in developing nations, while offshoring manufacturing preserved the wealth of the West. Yet, despite this production shift, the United States maintained a stranglehold on critical levers of power, technology, research and development, finance, and defense. Trapped in a cycle of export dependency, Muslim economies like Pakistan and Bangladesh, produced low-value goods while relying on Western consumer markets, deepening their economic vulnerability and reinforcing a system that perpetuated Western dominance.

Historically, international trade was anchored in gold and silver standards until the First World War disrupted this system, leading countries to suspend gold convertibility for war financing. Efforts to restore the gold standard in the 1920s failed, culminating in U.S. nationalization of gold in 1933. After the Second World War, the Bretton Woods system pegged currencies to the U.S. dollar, convertible to gold at \$35 per

ounce, establishing the International Monetary Fund, World Bank, and World Trading Organization. However, persistent the United States' deficits eroded confidence in the dollar, leading to President Nixon's suspension of gold convertibility on 15 August, 1971, marking the transition to a fiat currency system.

During the 1973 War with the Jewish entity, the Organization of the Petroleum Exporting Countries (OPEC) imposed an oil embargo on the United States and Western countries, causing oil prices to spike from \$3 to \$12 per barrel. In response, the United States reached an agreement with Saudi Arabia's King Faisal, establishing the petrodollar system. This agreement required that all oil transactions be conducted in American dollars, creating unprecedented demand for the dollar and solidifying its role as the global reserve currency. The system allowed the United States to protect its gold reserves, replace gold with oil-backed dollars, sustain moderate domestic inflation, run significant fiscal and trade deficits, finance military operations, and attract surplus oil revenues into financial markets. It also facilitated America in colonizing the wealth of the Islamic Ummah.

The International Monetary Fund enforces Western dominance, trapping the Muslim World in a cycle of debt and dependence. Interest-based loans and structural adjustments force trade liberalization, privatization, and prioritization of debt over development. This dollar-driven system stifles local industries, erodes economic sovereignty, and ensures the Islamic Ummah remains subjugated to Western economic control, hindering true prosperity and independence. The only escape from American economic colonialization is the Khilafah Rashidah (rightly guided Caliphate) and its Islamic Shariah rulings regarding the economy.

The Khilafah Rashidah will unify Islamic lands and their resources, ending Western hegemony through an economic policy of self-sufficiency. This approach will minimize dependence on exports and focus on generating wealth within its borders. By reinstating the gold and silver standard, as commanded by Shariah, the Khilafah will reject the dominance of fiat currencies like the dollar. With their intrinsic value, gold and silver, provide vital economic stability, ensuring stable exchange rates and fairness in global trade, leading to increase in trade. The lands of Muslims are endowed with abundant raw materials, making reliance on foreign commodities unnecessary. By utilizing local resources, the Khilafah Rashidah will achieve economic independence and mitigate the impact of international market fluctuations. With valuable commodities like oil and minerals, the Khilafah can dominate international trade and assert its economic sovereignty, adhering to the Islamic rulings of as per the Noble Qur'an and Prophetic Sunnah.

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