

Book Reviews

Why the Global Order Failed

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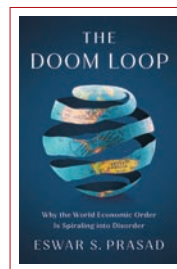
“UNCERTAINTY” IS THE THEME du jour in global business and was the primary concern of US CEOs, according to a January 2026 survey, even before the Iran war plunged global energy markets into crisis. Eswar Prasad tackles the uncertainty head-on. A leading voice on China’s role in the global economy and financial system, he probes the seismic changes of our times. *The Doom Loop: Why the World Economic Order Is Spiraling into Disorder* doesn’t just make vague declarations about uncertainty and wistfully lament the decaying economic order, it identifies what went wrong and paints a picture of what comes next.

The system imploded because it could not adapt to its own contradictions and deficiencies, Prasad says. It was based on tenets beloved by economists and liberal thinkers: Democracy is self-correcting, markets know how to allocate resources and impose discipline, the rules ensure fair play. Many who hold to these beliefs blame the destruction of the economic order on outside forces, including the rise of China, populist leaders, and technology that has reshaped public discourse and caused a concentration of power. Their solution is better democracy, freer markets, and more rules about how we should live with technology.

Prasad’s creative and provocative book tells another story. He says that China’s successes demand that we rethink which political institutions work best, he blames climate and technology challenges on the hubris and irresponsibility of dominant countries, and he argues that market forces generate more debt and fragility than discipline.

Together, these failures form a set of negative feedback loops in a global system that has fallen short on prosperity, security, and the fair distribution of power. As Prasad puts it, “The feedback loop between economics, domestic politics, and geopolitics is spiraling out of control and becoming destructive on every front, turning into a doom loop.”

Today’s policy tools and novel technology offer no promise of stability, he argues. Central bank digital currencies, artificial intelligence, great-power competition, and industrial policy are problems, not solutions. It’s time to reinvent the structure of domestic and international societies and let go of attachment to empty liberal commitments.



THE DOOM LOOP:
Why the World
Economic Order
Is Spiraling
into Disorder

Eswar S. Prasad
Hachette

New York, NY,
2026, 368 pp., \$32

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What comes next? And what does *The Doom Loop* tell us that we haven’t already heard from the heralds of economic rupture? Prasad offers a frank, if frustrating, answer. A world that is stable and free from disorder depends on new and better institutions; repairing the ones we already have is not enough.

International institutions such as the IMF and World Bank must apply their rules more fairly and embark on reform; middle powers must choose long-term responsibility over quick fixes; chief executives must put social responsibilities above short-term profits and pressure politicians to pursue equitable policies and build bridges with other countries. Above all, voters must elect visionary leaders. As Prasad writes, “We must strive to put in power leaders committed to long-term improvements in people’s lives and capable of managing the difficult transition away from economic, political, and legal systems that have outlived their usefulness.” A future leader who picks up this book will understand what failed, why it failed, and the scale of the challenge ahead. **F&D**

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