

## Trump and the new world disorder

U.S. Secretary of State [Rex Tillerson's speech on relations with India on October 18](#) was ambitious in scope and sought to define it for the "next hundred years," when both countries will be "standing firm in defence of a rules-based order." The speech has been received with justifiable enthusiasm among well-wishers of India. There is absolutely no two opinion about the desirability of long-standing commitments between the two big democracies, notwithstanding the challenges of social frictions and illiberal tendencies that they both currently face.

For some context to the speech by Mr. Tillerson, who is currently on a South Asian visit, it would be appropriate to recall the following. Five days earlier, on October 13, President Donald Trump destabilised an international agreement that the U.S, the four other UN Security Council members and Germany had reached with Iran; on October 12, Mr. Tillerson himself had conveyed to the head of UNESCO the U.S decision to quit the organisation. In the first nine months of the Trump administration, other international commitments that the U.S. had unilaterally reneged on include the [Paris climate agreement and the Trans-Pacific Partnership Agreement](#). The North American Free Trade Agreement is gasping for breath; and treaty allies South Korea, Japan and Germany have been threatened for trade surplus with America.

The rest of the world might think that the world order has been designed to America's advantage but Mr. Trump has been categorical that he is committed to dismantling it — because he is convinced that America does not benefit from it. To understand his, and his administration's, views on the issue, and to look for signs of what to expect now, we need to take a collective view of three events that happened over the last four weeks. Mr. Trump's first speech to the UN General Assembly; the annual meetings of the World Bank and the International Monetary Fund (IMF); and the [Chinese Communist Party's 19th Congress](#) in Beijing.

The UN, the World Bank and the IMF have been the instruments of American hegemony for decades. What is relevant to the current context is the last three decades. The collapse of the Soviet Union was validation for the U.S. of the power of market economy and liberal democracy. The globalising world required a gradual depreciation of the concept of national sovereignty, including the U.S.'s own, its liberals and conservatives agreed, though not from entirely overlapping perspectives. Promotion of market economy and democracy, defence of human rights and environment, etc were assumed to be part of the U.S.'s global hegemony. The U.N. and the World Bank-IMF became instruments of this American authority over the world. The World Bank and IMF through aggressive promotion of neoliberal economics, and the UN through its non proliferation, climate protection, and Responsibility to Protect doctrines expanded the rules of the new order that chipped away at national sovereignty. The U.S. and its camp followers bankrolled these institutions. Moreover, the U.S.'s own example of prosperity — "the shining city upon a hill," according to Ronald Reagan — would lead the rest of the world to accept its model of democracy and market economy, it was assumed.

Mr. Trump calculates the price of everything and perhaps understands the value of nothing. "The United States is one out of 193 countries in the United Nations, and yet we pay 22% of the entire budget and more. In fact, we pay far more than anybody realises," he told the UNGA. It is national sovereignty — he mentioned the words 10 times — that will safeguard the world and not globalism, he declared, upending the U.S. gospel that guided the order. "For too long, the American people were told that mammoth multinational trade deals, unaccountable international tribunals, and powerful global bureaucracies were the best way to promote their success... Now we are calling for a great reawakening of nations."

## In a foreign policy haze

At the World Bank-IMF meetings, the rift between the Trumpian world view and these institutions played out in a two-pronged fashion. The IMF is no longer advocating neoliberalism as its core credo, and called for more redistributive measures by governments, including higher taxes on the rich, to deal with the inequality created by market. These institutions have in recent years rolled back their trickle-down growth dogma. The Trump administration is meanwhile pushing for massive tax cuts, stuck on the trickle down approach, putting it at odds with the IMF-World Bank approach.

Second, like in the case of UN, the Trump administration feels that America is paying too much for these institutions. U.S Treasury Secretary Steven Mnuchin called on the World Bank to reduce lending to middle-income countries, four days before Mr. Tillerson spoke about providing alternative financing to countries that may be coming under Chinese influence for infrastructure financing. As strategic expert Alyssa Ayres noted, Mr. Tillerson “provided no further specific proposals to sketch out in greater detail how the United States and India should work together to provide alternative financing.”

The World Bank was also upbeat about the Belt and Road Initiative (BRI), on which India and the U.S. are expected to join hands in resisting Chinese manoeuvres. Bank President Jim Yong Kim, an American appointee, said during the annual meetings, “Two things that the world needs very much right now are strong leadership and an embrace of multilateral approaches to solving difficult problems, and [BRI] is both of those things.”

It is in this context of Mr. Trump’s rejection of multilateralism and adherence to a questionable economic philosophy that Chinese President Xi Jinping exhorted other countries to follow the Chinese model as opposed to Western liberalism, in his Make China Great Again speech last week at the party congress. Such a prospect is of concern for India.

Though Indian leaders repeatedly say that a strong U.S. and American leadership of the world are in India’s interest, the history of that dynamic is more layered and nuanced. While American leadership and ability to arm twist other countries, including China and Pakistan, have benefited India on occasions, the space for New Delhi’s global ambitions come only from America’s retreat. It was the U.S. that forced China to accede to Nuclear Suppliers Group waiver for nuclear commerce for India and forced Pakistan into resolving the Kargil conflict. But a relatively weakened U.S. is what took a more friendly view of India to begin with. “We are going to come down on those guys like a ton of bricks,” President Bill Clinton declared at an Oval Office meeting the day after India landed a blow to his non-proliferation agenda, with Pokhran 2 in May 1998. But he could not stay the course of seeking to punish India, primarily because of domestic American issues.

The Trump administration’s disregard for the ‘world order’ would open opportunities for India’s ambitions to be a ‘leading power,’ but a gradual retreat of the existing order is what could benefit India. The transition from a U.S President (Barack Obama) who reminded India about its own Constitution to a leader (Mr. Trump) who does not bother much about even the U.S’s Constitution could be welcome from the perspective of the Narendra Modi government’s nationalist agenda.

However, any abrupt creation of a power vacuum in the event of American abdication of its global role would invite conflict and chaos. Having already demonstrated his inability to lead either America or the world, Mr. Trump still has the means to force his way on account of having the world’s most formidable military. More than the reassurance of order, what India should be watchful of should be the threats of conflict.

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