

stars insights: 9 October 2018

The empty throne – How America abdicated its global leadership

At their meeting on Saturday, 22 September 2018, *Friends of stars*, an exclusive circle of supporters of stars, gained excellent first-hand insights from **Ivo H. DAALDER**, President of the Chicago Council on Global Affairs, Former US Ambassador to NATO and Former Director for European Affairs at the National Security Council, Chicago, United States. Ivo shared his views on Trump, the challenges to the international rules-based order and other hot-spots of American foreign policy. This summary has been written by Markus Herrmann, Co-Head Asia Program, Swiss Forum on Foreign Policy (foraus).

How Trump breaks with 70-years of US foreign policy

- After witnessing a global recession in the 1930s and the outbreak of WWII, the US re-defined its responsibility for **worldwide stability**:
 - It remain **engaged in international affairs** (unlike after WWI)
 - It became a **global power** (1/2 world GDP, 3/4 military capability in 1950s)
 - It put in place and led a **rules-based international order**
- This order relies on **three core principles**:
 - **Collective security** (UN Security Council-system, regional alliances)
 - **Open and global economic collaboration** (free trade)
 - **Democracy and freedom**
- Despite regrettable mistakes by the US (e.g. Vietnam, Iraq, Iran), **US foreign policy** has been consistently guided by the **same core principles over 70 years**
- **Single-biggest issue** with Trump is his **rejection** of US global leadership role and the underpinning core principles, but a more fundamental shift is ongoing:
 - Challenges from **below**: patriotism, nationalism, crisis of capitalism (de-distribution issue), impact from technological revolution and social media
 - Challenges from **without**: not everyone supports the US-led international rules-based order (esp. Russia and China), it is natural that great powers challenge existing rules and try to bend system to their own interest
 - Challenges from **within**: growing doubts about the need for US' global leadership and the costs associated (cf. Syrian conflict under Obama)

Can Trump be “contained”?

- US President is **most powerful executive** in a democratic system globally (besides France), entire constitution is designed to constrain the executive power
- Today's **3 biggest challenges for the US political system**:
 - Trump quickly “molds” the **judicial branch** to his own agenda
 - Trump **captured 170 years old Republican party** within less than a year
 - Trump created **media culture** where truths and facts do no longer matter
- However, on the **hopeful side**:
 - US media operate **free, uncensored** and with **better journalism than ever** – independent and thorough investigations (NYT, WSJ, FT, WP)
 - The only non-electoral means of **stopping Trump** are the Special Counsel investigations led by **R. Mueller** find evidence for criminal acts

Upcoming US midterm election predictions

- Win for Democrats in the **House of Representatives** is probable, they need a realistic **net gain of 24 seats** (ca. 50 anti-Trump-Republicans will not run again!)
- **Senate** will be more difficult: need to defend 26 seats (vs. only 9 by Republicans)
- If Democrats **control both Houses**, then they can block Trump's legislative agenda and reinforce investigations against him
- However, **downside** of such a stalemate situation would be that Trump has an **enemy** he can blame during the next elections campaign in 2020
- If **Trump gets elected** and he continues the cultural war he inflicted on the US society, this will **change everything**

Where is our world (order) heading?

- Key scenarios for the future international order?
 - 19th century-style **geopolitical competition between blocks** with risk of one block aggrandizing itself which can lead to confrontation and war
 - **China-dominated new world order**
 - Reinvigorating **US-led international rules-based order**
- During absence of the US as leader of the international rules-based order, the **G9** (Germany, France, UK, Italy, EU, Canada, Australia, Japan, South Korea) should step in and lead this order via **collective leadership**:
 - 1/3 of global GDP (2x China), militarily 4x Russia, 2 seats in UN SC, 80% of international aid → **collective raw power**, just not institutionalized
 - G9 already produced **concrete results** such as the **TPP11**
 - However, need to increase **defense resources** and intensify defense cooperation, e.g. UK/France and Japan/Australia have started

US-China relationship – end of China engagement strategy

- **US China policy** led by same people for 40 years (Kissinger, Scowcroft, Paulson, etc.) believing it would be best to integrate China into economic globalization
- Relied on assumption that economic liberalization leads to political liberalization and eventually to a **convergence of political systems** (F. Fukuyama)
- However, today a **new US China policy** has emerged backed by a broad consensus inside and outside the White House
- Turning point when Xi Jinping started to assert China's success as representing an **own model** (Washington- vs. Beijing-consensus)
- This has inflicted a **fierce ideological competition** on the US-China relationship
- Unlike during the cold war (under R. Reagan), today there is a **lack of dialogues**
- Due to lack of a level-playing field, US business community increasingly views its **investments in China** as a **liability** (esp. SOEs, industrial policies, MiC 2025)

US-Russia relationship – US elite aligned on Russian issue

- US policy these years towards Russia is the **toughest since 1989** (sanctions, troops, NATO, etc.) with Syria being the exception
- If you take out **Trump's rhetoric** on Russia, US policy towards Russia has in fact not changed; Trump is singular in his Russia-position among US elite
- Although Trump managed to shift some Republican voters' opinion on Russia for a more accommodating policy, he has **no impact on Republicans in Congress**

The views expressed here are solely those of the speaker and they do not necessarily represent or reflect the views of the stars Foundation.

[stars insights](#) are exclusive contributions by business leaders and experts who scan the horizon to discuss geopolitical, economic, technological and further trends and developments which will impact society and business in the next few years.

www.the-stars.ch