

# POLITICO

THE FRIDAY COVER

## Trump and the World: What Could Actually Go Wrong

The definitive guide to the global risks of a Donald Trump presidency.

By IAN BREMMER | June 03, 2016



POLITICO Illustration; Images via AP and iStock

To hear Hillary Clinton tell it, letting Donald J. Trump anywhere near the Oval Office would be tantamount to inviting a nuclear apocalypse. The address she delivered from San Diego Thursday opened up a new front in the 2016 campaign: whether Trump can be trusted as leader of the free world. Calling Trump’s ideas “dangerously incoherent,” she presented herself a sure-handed, sober-minded alternative to the erratic billionaire. “He is not just unprepared,” she said, “he is temperamentally unfit to hold an office that requires knowledge, stability and immense responsibility.”

It’s powerful political rhetoric, and Trump is certainly an unknown quantity—perhaps even a radical disruption to the current order. But what are the actual global risks that a Trump presidency would pose?

His campaign has already raised any number of potentially destabilizing questions.

Might President Trump send U.S. ground troops after ISIL? Confront Vladimir Putin, or let him run loose? Sanction Mexico or Japan? Bomb China's artificial islands in the South China Sea? Wage trade war on China? Attack Iran or North Korea? Would he tear up existing trade deals? Pull the U.S. out of NATO if allies don't pay more? Use U.S. debt as negotiating leverage? What risks might any or all of these actions pose for Americans?

My firm, Eurasia Group, specializes in analyzing large-scale global hazards, and each year we publish a list of what we see as the top geopolitical risks of the year. This year, there is so much uncertainty surrounding a Trump presidency that I've worked with POLITICO MAGAZINE to apply this model to the specific question of a Trump presidency, with the goal of separating sound arguments from hype, and looking at the full-risk implications of a Trump foreign policy.

Mapping those implications is a challenge, in part because Trump's habit of issuing contradictory statements on the campaign trail make it tough to predict what he would actually do in office. Both Trump and Clinton are shrewdly evasive candidates, but Clinton's tenure as Barack Obama's secretary of state gives her a clear track record we can study. She also has a campaign website that offers detailed foreign policy proposals. Trump has no foreign policy history and few clearly stated plans. It's also much easier to guess whom Clinton might invite to join her team, and who might accept. Not so for Trump on either count; he has alienated much of the Republican foreign-policy establishment, depriving him of a reservoir of expertise he would normally be able to rely on.

Compounding the problem, Trump's positions change pretty quickly. Clinton flip-flops as well, but her shifts develop more slowly than Trump's and involve carefully crafted, if sometimes convoluted, justifications. Trump's are a magician's quicker-than-the-eye sleight of hand, and they often come with little or no explanation. Would Trump really try to ban all Muslims from entering the United States? That was a pledge, and then it was a "suggestion." How could this ban be legal? How would it be enforced? He hasn't said, and his supporters don't seem to care.

That said, we have to assume that Trump's "America First" philosophy will guide his choices. That's a term I bear some responsibility for: When I observed earlier this spring that Trump's worldview amounted to an "America First" foreign policy, I didn't mean it as a compliment, and I was startled to see him grab that label with both hands. In addition, Trump prides himself on being a tough negotiator, and he wants to show U.S. taxpayers and foreign governments that he's no chump.

He won't be guided by ideology. He doesn't appear to have one. He's a gut-feel guy, a zero-sum strategist, and a bottom-line businessman. He won't approach problems as if

the world's sole superpower can afford to be generous, to do more so that others can do less. He sees no special responsibility to be magnanimous, or even patient. Being No. 1 doesn't mean playing the role of provider. It's about winning. It means being the toughest, smartest son of a bitch at the table. In short, Trump will probably try to remake U.S. foreign policy in his own (self-)image.

One caveat: I think Trump is unlikely to be president. A Democratic Party more unified after its convention will probably generate enough votes to lift Hillary Clinton to victory. And the nuclear threat, though it tops many people's list of visceral fears, is the ultimate red herring: Trump himself may be reckless, but we're well past the days of the Cold War and Cuban Missile Crisis. That's well outside what even he would be willing to gamble on.

But that doesn't mean we can afford to dismiss the risks of a Trump foreign policy. He has hit on a message that resonates with millions of Americans, and it won't be easy for future presidential candidates, of either party, to ignore the electoral potential of this formula. Even if Trump falls short, his America First approach to foreign policy deserves a close look because it will survive his candidacy. And if he does manage to pull off the upset, the implications of an America First foreign policy directed by Trump himself will be far reaching.

Here are the "Trump Top Risks," the most worrisome implications of a Trump foreign policy, and a few red herrings we won't need to worry about.

### **1. The Bolt from the Blue**

Despite their best-laid plans, all presidents face storms they didn't expect. For Bill Clinton it was the war in Yugoslavia. George W. Bush had 9/11. Barack Obama got the Arab Spring, a civil war in Syria, and the conflict in Ukraine. What's the best way to handle the unexpected? In an off-the-record briefing with reporters in 2014, President Obama described his foreign policy doctrine as "Don't do stupid stuff," a "first, do-no-harm" approach to crisis management. "Don't do stupid stuff is not an organizing principle," as Hillary Clinton later noted, but it can help presidents avoid making a bad situation worse.

With Trump, the biggest risk comes from the way he'd handle a crisis that no one saw coming, whether from China, Putin, North Korea, a cyberattack, terrorists, or something else. As a candidate, he thrives on surprise. Restraint and strategic patience don't figure among his strengths, and Trump might well respond to a bolt-from-the-blue crisis with a shot of bravado, a threat of escalation and tactics designed to keep antagonists, and maybe U.S. allies, off guard.

In addition to the risk of what will actually happen in a crisis, his approach creates another kind of risk, one that exists even without a crisis to trigger it. An improvised foreign policy based on maintaining the element of surprise might make policymakers and a few citizens feel more powerful, but it invites rivals and enemies to test U.S. intentions to find out what Washington will and will not defend. A clear policy, and predictable outcomes, help shape the behavior of the world's bad actors. Mixed signals and big surprises, on the other hand, increase the risk of miscalculation on all sides—and increase the chances the U.S. will be provoked.

## **2. The Dollar**

The U.S. benefits enormously from the dollar remaining the world's reserve currency, the vital asset for central banks and commercial transactions of all kinds around the world. The dollar remains the safest port in any storm, because investors and other governments have confidence that it's a reliable store of value. That keeps international demand for dollars high, holds inflation in check, and keeps U.S. interest rates relatively low, despite the expansion of the U.S. national debt.

An unpredictable foreign policy, the product of either an administration that likes surprises or a temperamentally erratic commander in chief, will undermine that confidence quickly. Worse, any hint from the president that the U.S. might deliberately default on its debt, for any reason, will inflict damage that can't be undone, and it will push foreign governments to look more urgently for an alternative. Trump appeared to learn that lesson a few weeks ago when he had to quickly reverse course after hinting he might want to renegotiate debt. But that sort of threat is consistent with the brash and impetuous image Trump has cultivated throughout the campaign, and these sorts of doubts, once raised, are hard to erase. It's damaging for a presidential candidate to say such a thing, much more so for a president.

This risk is unprecedented for a credible presidential candidate: No one else has said the things Trump is saying about debt and America's global relationships. The impact has been mitigated for the moment by the reality that there is no viable dollar alternative. Investors in sovereign debt aren't ready to bet more heavily on the longevity of the euro. China's financial system is still too underdeveloped, its economy too opaque, and its military power too much in question to support the growth of the yuan as a global reserve currency. Even within a well-diversified basket of currencies, there aren't yet other viable options. Demand for dollars will remain high for now, but the search for alternatives will continue, and a Trump presidency would sharply accelerate the process.

## **3. U.S.-led alliances and institutions**

The Obama administration has confused a lot of U.S. allies, who no longer know what sort of leadership Washington is willing and able to offer. European allies aren't clear on what role the U.S. will play in the Middle East or how far it will go to face down threats from Russia. Both Israel and Saudi Arabia are unsure how the U.S. will respond over time to security threats in the Middle East, particularly from Iran. Many of China's neighbors were heartened by Obama's "pivot to Asia" and his push for the Trans-Pacific Partnership, an enormous trade deal, but U.S. staying power in the face of China's expansion remains very much in doubt, and Trump's views on trade are now well-known around the world.

In today's more volatile world, the U.S. needs allies. Many of Trump's campaign pledges will make it harder to regain the trust Obama has lost. Some of them will inflict still more damage. Trump's charge that NATO allies are freeloaders won't improve relations with European governments or voters. His threats to impose tariffs on Mexico and Japan will antagonize citizens and lawmakers in those countries. A promise to eject 11 million undocumented workers from the U.S. and build a wall along the southern border will antagonize millions of Latin-Americans. His "suggestion" that all Muslims should be banned from entering the country won't improve U.S. relations with the world's Muslims or their governments, both of whom are critical for the daily struggle against terrorism.

Whether or not he follows through on these campaign pledges, the uncertainty President Trump will create will leave many allies unsure how much responsibility they can afford to accept as part of collective action. Some will take risks, expecting U.S. support that isn't coming. Others will question U.S. intentions, and the Trump administration's refusal to make clear which commitments it will honor and which it won't will strip allied governments of the domestic support required to spend the money and accept the risks needed to take more responsibility for their own security. U.S. allies deserve to know whether the United States intends to lead, whether it will fight only for its core interests, or whether they must now adapt to the reality that the Americans aren't coming. And U.S. voters are likely to remain divided over the value of American leadership. Does an active international role make the United States safer and more prosperous? Or poorer and less secure? Trump hasn't offered a clear answer to that fundamental question.

One clear beneficiary of Trump-generated uncertainty will be China. Allies in Asia will hedge their bets on American staying power with a stronger embrace of China. To protect their economies and promote their flagship companies, Britain and Germany will do the same. Trump has already offered a preview of the future of the "special relationship" by contradicting Prime Minister David Cameron's call for Britons to vote to remain within the European Union, by warning that he and Cameron are "not going

to have a very good relationship” after Cameron called his proposed ban on Muslims “stupid,” and by challenging London’s newly elected Muslim mayor to an IQ test. The mayor of Paris has a similarly low opinion of Trump’s intelligence, and France will turn to Russia for help in the Middle East. Putin will then feel freer to test a weakened NATO, confident that European governments will balk at Trump’s insistence that they pay a much higher share of NATO’s bills. Japan will move toward a more assertive defense policy, heightening tensions and the risk of conflict in the region that is more important than any other for the future of the global economy. Doubts about Trump’s commitments will undermine the ability of institutions like the International Monetary Fund and the World Bank, in which Washington has considerable influence, to function.

#### **4. Trade**

For long-term peace and prosperity, America’s commercial partnerships are as important as its military alliances. Trump’s abrasive approach to trade negotiations will push potential partners around the world, including traditional U.S. allies, toward China. If Trump wins the election, Speaker Paul Ryan probably won’t have support from enough House Republicans to pass the TPP, the largest free-trade agreement ever negotiated by the U.S. Both Bernie Sanders and Trump have anchored their campaigns on the claim that trade kills U.S. jobs. Opposition to trade from pro-labor Democrats is nothing new, but the growing chorus of conservative anti-trade voices has drowned out traditional support from the business community. The Transatlantic Partnership, a still nascent U.S.-European deal, is already on a slow boat to nowhere. U.S. public support for it has fallen from 53 percent in 2014 to 18 percent today. Given his hard-line comments on the campaign trail, it’s unlikely that any government will want to invest political capital in trying to bargain with President Trump on trade.

Trump probably wouldn’t follow through on threats to impose 45 percent tariffs on goods from China and 35 percent on imports from Mexico. No need to start trade wars that would inflict heavy damage on all sides. But given his campaign complaints that China, Mexico, Japan and others are dumping cheap products into American markets to harm U.S. companies, we should expect his administration to be hyperactive in launching cases against dumping, theft of intellectual property, and accusations of cyberattacks. Mexico would be especially vulnerable since this is the culprit with whom the U.S. has greatest leverage. It’s important for any U.S. administration to insist on fair trade practices from other governments, and the Obama administration recently slapped import taxes of more than 500 percent on imports of Chinese cold-rolled flat steel. But Trump’s campaign rhetoric suggests that his administration will pursue these cases much more often and more aggressively—and probably sometimes for political, rather than commercial, reasons.

## **5. Terrorism**

Finally, a Trump presidency would make the United States, its citizens and its assets the single most attractive target for Al Qaeda, ISIL, and other Islamic militant groups. There is obviously nothing new about terrorist attacks, and would-be attacks, on American targets. The Clinton, Bush and Obama administrations have all faced this problem. But Trump's intensely anti-Muslim rhetoric will encourage a lot more militants to look beyond softer and more accessible targets in Europe toward the "big score," a deadly attack on Trump's America. U.S. military personnel, businesspeople and tourists are more likely to be targeted abroad. Trump's rhetoric will also make it easier for militant organizations to recruit and raise money, and a more aggressive intervention in the Middle East's various conflicts would only amplify this effect. It's impossible to know where and when terrorists will strike, but Trump's anti-Muslim vitriol will make America less safe, not more.

### **RED HERRINGS: WHAT NOT TO WORRY ABOUT**

#### **1. U.S.-China relations**

There is considerable fear that Trump's anti-China rhetoric will ratchet up tension with a nation that could be our most dangerous rival, militarily and economically. But this doesn't pose the risk you might think. The next president, Trump or Clinton, will have two advantages in U.S. relations with China, the world's most important bilateral relationship. First, China's leaders are now focused on a complex, high-stakes economic reform process, one designed to transition from an inefficient export-based economy to a more innovative and resilient model powered mainly by domestic consumption. Success depends on Beijing's ability to avoid conflicts that are bad for business, even those concocted by a U.S. president who wants to shake things up. Second, the expected slowdown in Chinese economic growth looks to be under control, and President Xi Jinping appears confident in his hold on power. Trump's campaign assertion that Japan and South Korea should take greater responsibility for their own security will increase that confidence. This gives him less incentive to create an artificial foreign policy emergency to divert public attention from domestic problems.

President Trump will make a point of antagonizing China, particularly on trade and investment relations, but Chinese officials can afford to respond by taking the high road on most points of potential conflict to try to convince other governments that Washington, not Beijing, is the cause of trouble in U.S.-China relations. Trump will sometimes spoil for a fight, but Xi appears unlikely to give him one under any but the most extraordinary circumstances.

#### **2. Asia's geopolitics**

China isn't the only country in the midst of a delicate and dangerous domestic economic reform process. Japan's Shinzo Abe and India's Narendra Modi are hoping to avoid confrontations with China that undermine efforts to stoke growth. The South China Sea remains a hot spot worth watching, but Vietnam, the Philippines and Malaysia can't afford a direct confrontation with Beijing. Leaders of all these countries will sometimes saber-rattle for short-term political gain, but actual conflict is in no one's interests. President Trump and newly elected President Rodrigo Duterte of the Philippines have enough in common to build a solid relationship. The loss of the TPP would hurt Japan and a number of South Asian countries, but that will make stable relations with China only that much more important for them. Asian leaders will watch President Trump closely, but the risk that any of them will allow push to come to shove is lower than many fear.

### 3. Iran

Will Trump provoke conflict with Iran? In April, Trump told AIPAC, America's most powerful pro-Israel lobby organization, that his "No. 1 priority is to dismantle the disastrous [nuclear] deal with Iran." That pledge would be more credible were it not a direct contradiction of other comments he's made on this subject, and if, as with his ban on Muslims entering the country, he hadn't already established a pattern of backing away from other (apparently) deeply held convictions. Criticizing the Iran deal allows him to attack the president—and, by extension, Hillary Clinton—on a signature issue. But when he's not in front of AIPAC, Iran hasn't figured prominently among the list of adversaries he wants to corner.

\* \* \*

**Donald Trump presents himself as the man** uniquely qualified to "remasculate" U.S. foreign policy, to sweep aside those who believe leadership depends as much on patience, discipline, generosity and imagination as on military muscle and an iron will. He wants to reassert American power without a mature understanding of the basis for that power. He lives in a zero-sum world, one divided between winners and losers, good and evil, doers and freeloaders, us and them.

But America First won't strengthen America. It will alienate friends and embolden rivals. In the process, it will badly damage U.S. commercial interests. It will undermine the institutions that the U.S. and its allies created from the ashes of World War II and which continue to extend U.S. international influence into the future. It will cast grave doubt on what America stands for.

A Trump foreign policy will undermine U.S. exceptionalism, the consensus-based conviction that America will fight for more than its self-interest and is therefore worthy

of emulation. That idea has sustained plenty of damage in recent years. It will sustain more. But the biggest risk posed by a Donald Trump foreign policy is that he will destroy this worthy aspiration once and for all.