

America First Revisited: Trump's Agenda and Its Global Implications

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PAVITTARBIR SAGGU, NOV 12 2024

The return of Donald J. Trump to the U.S. presidency following the 2024 elections marks the beginning of a new chapter of both ambition and unpredictability in American and global politics. In his second term, Trump's administration is positioned to implement a bold, inward-focused economic agenda, while recalibrating foreign alliances and trade practices to meet his long-standing "Make America Great Again" promise. Domestically, this mantra continues to prioritize U.S. manufacturing and seeks to limit outsourcing, a strategy aimed at restoring America's economic self-reliance.

An ambitious fiscal agenda is likely to drive the domestic narrative, especially as Trump works with high-profile business leaders like Elon Musk, who is expected to lead a new government efficiency commission focused on cutting \$2 trillion from the \$6.8 trillion federal budget. This commission would streamline regulatory processes and reduce government overhead, echoing recent regulatory reforms in India under Prime Minister Modi's government. Modi's administration passed the Jan Vishwas (Amendment of Provisions) Act in August 2023, which sought to rationalize economic offenses and reduce penalties. The U.S., with its vast bureaucracy, faces an even greater task, but success here could signal a precedent for the private sector's role in public administration reform.

Commerce Minister Piyush Goyal of India, known for his push towards deregulation, may find Musk's approach in the U.S. a valuable model, potentially allowing him to overcome bureaucratic inertia and implement reforms that enhance India's business environment. For Trump, this kind of regulatory overhaul could not only boost business sentiment domestically but also attract foreign investment, reinforcing his goal to re-establish America as a global manufacturing powerhouse.

Trump's return signals significant shifts in U.S. alliances and foreign policy objectives, especially within NATO and other transatlantic partnerships. A defining feature of his approach to NATO is the insistence on greater financial responsibility from European allies, a demand he first voiced during his initial term. Trump's strategy has already prompted Germany to explore conscription, and other NATO countries may soon follow, as they prepare to share the burden of European security. Trump's approach to NATO funding and military responsibility is designed not only to reduce American expenditures but also to assert the U.S. as a strong, but conditional, ally in the region. This pressure on Europe to bolster its own security efforts could, however, lead to tensions within the alliance, with certain countries likely resistant to significant military expansion.

Meanwhile, in Eastern Europe, Trump's desire to broker an end to the protracted Russia-Ukraine war represents a key foreign policy ambition. A potential diplomatic resolution, which might require Kyiv to cede some contested territories, could allow Moscow to save face, while enabling European nations to shift from military involvement to peace-building initiatives. However, the U.S. risks facing criticism if any peace arrangement appears to favor Russian interests or undermines Ukraine's sovereignty. Trump's likely approach would be pragmatic, recognizing "new red lines" that could produce an uneasy peace. Such a strategy would allow the U.S. to refocus its resources elsewhere and exert influence in regions of growing geopolitical significance.

In South Asia, Trump's policies are poised to reflect a more assertive stance on religious freedoms and human rights,

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particularly in Bangladesh. His anticipated support for the Hindu community in the region aligns with his broader commitment to protecting religious minorities. Chief Advisor Muhammed Yunus of Bangladesh has publicly committed to “peace, harmony, stability, and prosperity for all”, yet the administration’s actions will be closely monitored, especially amid rising concerns over “barbaric violence” against the Hindu community. Trump’s policies here may extend beyond diplomatic statements to exert real pressure on regional leaders to ensure the protection of minorities. His stance could even influence Canada’s response to violence against Hindu communities, potentially prompting Prime Minister Justin Trudeau to take a more active approach in addressing these issues, as recent incidents have raised concerns over how his administration is handling religious tensions.

Another critical facet of Trump’s international strategy will be his engagement with China. Although he is likely to maintain a firm stance against China’s economic practices, President Xi Jinping’s recent assertion that “history has shown that China and the United States benefit from cooperation and suffer from confrontation” could open the door to a cautiously transactional relationship. Trump’s approach will likely prioritize American economic interests while managing tensions in ways that benefit the U.S. economically and strategically. Trump may push for concessions in trade agreements, technology sharing, and regional security commitments, emphasizing areas like the Indian Ocean Region where the U.S. seeks to counterbalance Chinese influence alongside its allies, including India.

Trump’s inward-focused economic policies, however, carry complex implications for international trade. Nations like India and Vietnam, both of which aspire to expand their manufacturing capabilities, could face heightened competition as Trump moves to make the U.S. an even more attractive hub for global business. This protectionist stance also raises questions about tariffs and trade disputes, especially with India, which Trump has previously criticized as a “tariff abuser.” Balancing trade with India will be essential, especially as both democracies aim to deepen their strategic partnership and drive trade figures beyond the current \$118 billion level, with the goal of reaching up to \$1 trillion in the long term.

In the realm of global finance, Trump is also likely to revisit the policies surrounding the U.S. dollar’s role as the world’s reserve currency. The decision to eject Russia from the SWIFT system in recent years diminished the dollar’s credibility as a reserve currency, motivating the BRICS nations to seek alternatives like a common currency. Trump’s stance on the SWIFT system could mark a shift, perhaps even reopening the possibility for Russia’s reintegration if it aligns with American economic interests, thereby reinforcing the dollar’s stability on the world stage. Additionally, Trump’s approach to cryptocurrencies and digital finance could evolve, as these technologies represent both an opportunity and a challenge. Although he may legitimize cryptocurrencies with some regulations, transitioning to them at a national level without compromising financial stability would remain a complex undertaking.

Finally, Trump’s emphasis on reshaping American media and information channels signals a broader shift in public discourse. Elon Musk’s ownership of X (formerly Twitter), which Musk has positioned as a “real-time source of truth,” aligns with Trump’s push against perceived biases in mainstream media. This platform, under Musk’s direction, promotes unfiltered public expression, a dynamic that resonates with Trump’s base, many of whom feel disenfranchised by traditional media narratives. This movement toward digital media is likely to further decentralize public discourse, pushing more Americans to turn to platforms like X for direct information over traditional news outlets.

Trump’s return to the White House represents a renewed focus on American self-reliance, strategic pragmatism in foreign policy, and a transformation in public discourse. From pushing regulatory efficiency and restructuring U.S. alliances to navigating complex relationships with global powers like China, Trump’s policies are set to redefine America’s role in an increasingly multipolar world. His approach may lead to significant shifts in global trade, security, and financial networks, with long-term impacts likely to reverberate beyond his presidency. The return of Trump and his administration underscores a global trend of rising populism and a demand for strong, direct leadership—an echo from the U.S. that may find resonance in democracies across Europe and Asia alike.

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