

2. DONALD TRUMP'S POLICY AND INTERNATIONAL INSTITUTIONS

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The rhetoric of Donald Trump, as well as some of his actions, have given rise to a lot of questions as to what will be the United States' future policy toward certain leading international organizations like the UN, G7, the EU, and the WTO. This policy will certainly undergo a number of changes, but most of these changes are not going to be radical. It is obvious that Trump is not going to desist from the use of diplomatic tools and global institutions when pursuing his foreign policy that will primarily be oriented towards safeguarding US national security interests.

The United Nations

Despite tough talk on the UN¹ and the unanimous opinion of numerous experts and politicians that US funds for this organization will be cut, including mandatory contributions to its general budget² and peacekeeping operations,³ as well as voluntary contributions to UN specialized agencies, the US mission to the United Nations continues to operate on a business as usual basis.

There is no doubt that the issue of cutting US funds for the UN will be repeatedly raised by both the Administration and the Congress. However, it can be expected that members of Donald Trump's team will do their best to achieve a proper balance between their public criticism of the UN and a businesslike participation in its major bodies and agencies, whose activities, in their view, directly corresponds to US interests⁴. One of the programs that are likely to fall victim to funding cut is the Paris Climate Agreement⁵. Even if the USA does not withdraw from the Agreement, it is not realistic to expect that Washington will meet the US greenhouse gas (GHG) reduction target agreed to by the Obama administration⁶.

US participation in the UN Development Program, UN humanitarian programs and UN peacekeeping operations will be continued.

It is unlikely that having announced his intention to intensify the United States' participation in the struggle against transnational criminal organiza-

1 Donald J. Trump Tweet dated of 27 December 2016: see <https://twitter.com/realdonaldtrump/status/813500123053490176>

2 The United States' contribution accounts for 22% of the UN general budget, which makes the USA the largest single donor to the UN.

3 The USA finances 29% of UN peacekeeping operations. Donald Trump and the United Nations: a fight waiting to happen?: see <http://www.telegraph.co.uk/news/2017/01/19/donald-trump-united-nations-fight-waiting-happen/>

4 Republicans Have Long Wanted to Punish the U.N., but Trump Might Actually Do It, P. 3: <http://www.politico.com/magazine/story/2016/12/republicans-have-long-wanted-to-punish-the-un-but-trump-might-actually-do-it-214558>

5 Trump 'will definitely pull out of Paris climate change deal': see <http://www.independent.co.uk/news/world/americas/donald-trump-paris-climate-change-deal-myron-ebell-us-president-america-pull-out-agreement-a7553676.html>

6 US INDC: see <http://www4.unfccc.int/ndcregistry/PublishedDocuments/United%20States%20of%20America%20First/U.S.A.%20First%20NDC%20Submission.pdf>

tions¹, Donald Trump will desist from using the political and legal tools for combating terrorism that were created after the tragedy of 9/11/2001 in accordance with UN Security Council Resolution 1373.

It can be anticipated that the expected Presidential Executive Order titled 'Auditing and Reducing US Funding of International Organizations' will take into account two more arguments in favor of continuing US active involvement in UN activities. In the first place, if the USA abandons its leadership therein, China will be ready to increase her influence in the UN system². In the second place, even if the USA discontinues its funding of UN development programs, US budget expenditures will be cut by less than 0.2% of GDP, which represents about one-fifth of the amount of the corporate income tax cuts promised by Trump. Thus, this measure will have a negligible effect on the US federal budget, but will certainly inflict serious reputational damage on the USA³.

'The Group of Seven' (G7)

Some experts believe that the May 2017 G7 Summit in Taormina, Italy, will become a 'catastrophe': 'Many instinctively think the summit is due for a disaster, as a defiant Trump confronts his fellow leaders' core convictions and policy priorities on climate change, migration and open trade'⁴. However, the G7 leaders have much more in common with regard to their high priorities and values than they have difference. Moreover, this 'club' has already shown, on numerous occasions, its ability to 'socialize' newcomers and skeptics⁵. It is highly unlikely that the Taormina summit will result in the adoption of any historical decisions. Past experience shows that in order such decisions can be arrived at, two factors are absolutely necessary: definitely expressed US leadership and full support from at least one power besides the United States⁶. The Taormina summit will be a success if its participants manage to work out coordinated policies designed to promote economic growth, investment in infrastructure, and struggle against terrorism.

'The Group of Twenty' (G20)

With regard to the possible changes in the United States' involvement in G20 affairs under Donald Trump, experts have different, and sometimes rather contradictory, views. Under the worst scenario, G20 breaks down entirely, and international economic cooperation reverts back to its age-old format –

1 Presidential Executive Order on Enforcing Federal Law with Respect to Transnational Criminal Organizations and Preventing International Trafficking, Sec. 2 (d): see <https://www.whitehouse.gov/the-press-office/2017/02/09/presidential-executive-order-enforcing-federal-law-respect-transnational>

2 Republicans Have Long Wanted to Punish the U.N., but Trump Might Actually Do It, P. 4: see <http://www.politico.com/magazine/story/2016/12/republicans-have-long-wanted-to-punish-the-un-but-trump-might-actually-do-it-214558>

3 The balance sheet on 'America First', P. 4: see <https://www.bostonglobe.com/opinion/2017/01/29/the-balance-sheet-america-first/5NN1urTLce1xB0rGObvUEI/story.html#comments>

4 President Trump Meets the G7/G20: see <http://www.g7g20.com/articles/john-kirton-president-trump-meets-the-g7-g20>

5 Hanging Together. Cooperation and Conflict in the Seven-Power Summits, Revised and Enlarged Edition. P. 256–257: see <http://www.hup.harvard.edu/catalog.php?isbn=9780674372269>

6 Ibid., p. 272–273

meetings between ministers of finance¹. There is no doubt that the agenda of G20 contains many issues which are being approached by the US President in a rather unorthodox way. These issues are as follows: trade and investment liberalization; the Sustainable Development Goals; the Paris Agreement; financial regulation; and the phasing out of inefficient fossil fuel subsidies. However, some of the issues on the agenda of G20 indeed correspond to the policy priorities of the 45th President of the United States.

First of all, he is certainly not averse to G20's main goal of achieving steady, sustainable, balanced and inclusive growth. Secondly, the issue of combating terrorism is definitely at the top of the new US administration's agenda. Thirdly, the same is true of investment in infrastructure seen as an important means of stimulating economic growth and increasing the competitiveness of the United States. Bearing this in mind, the tactics of the German delegation to the G20 summit – to abstain from any attempts at making some progress in tackling controversial issues – for example, the issue of financial regulation, but to consolidate the decisions agreed upon at the 2016 G20 Hangzhou summit and simultaneously to make palpable progress towards solving non-controversial issues² – seems to be highly promising.

Multilateral institutions in the field of international trade

The new US administration has announced that the trade agreements characterized by the Trump team as disadvantageous and dishonest to the US economy should be revised³.

The Trans-Pacific Partnership

On 2 January 2017, Donald Trump signed a memorandum suspending US participation in the Trans-Pacific Partnership (TPP) and directed the US trade representative to withdraw the United States as a signatory to the Trans-Pacific Partnership (TPP), to permanently withdraw the United States from TPP negotiations, and to begin pursuing, wherever possible, bilateral trade negotiations to promote American industry, protect American workers, and raise American wages⁴.

So far, a number of contradictory opinions have been expressed on the TPP's future without the USA. Japan's Prime Minister Shinzo Abe said that the TPP 'has no meaning' without the United States⁵. The Japanese Deputy Prime Minister and the US Vice President were instructed to discuss fully on the economic relations between the USA and Japan in order that a new framework for economic dialogue could be launched⁶.

1 America's International Role Under Donald Trump, P. 13: see <https://www.chatham-house.org/publication/americas-international-role-under-donald-trump>

2 Germany's gamble to break even with Trump at G20: see <http://www.politico.eu/article/germanys-gamble-to-break-even-with-trump-at-g20/>

3 Trade Deals That Work For All Americans: see <https://www.whitehouse.gov/trade-deals-working-all-americans>

4 Presidential Memorandum Regarding Withdrawal of the United States from the Trans-Pacific Partnership Negotiations and Agreement: see <https://www.whitehouse.gov/the-press-office/2017/01/23/presidential-memorandum-regarding-withdrawal-united-states-trans-pacific>

5 TPP 'has no meaning' without US, says Shinzo Abe: see <https://www.ft.com/content/59972c38-b058-11e6-a37c-f4a01f1b0fa1>.

6 Remarks by President Trump and Prime Minister Abe of Japan in Joint Press Conference: see <https://www.whitehouse.gov/the-press-office/2017/02/10/remarks-president-trump-and-prime-minister-abe-japan-joint-press>

Australia insists that the TPP should be renegotiated in order to create an opportunity for this partnership to proceed without the United States, and that there is potential for China to join the TPP. The Australian government is hopeful that other countries can be encouraged to continue TPP negotiations¹.

Most likely, there will be a lengthy process of revising the bilateral trade agreements between the USA and the countries of the Asia-Pacific region (APAC). Washington's participation in any new multilateral initiatives (especially in initiatives that include developing countries) is unlikely.

The North American Free Trade Agreement (NAFTA)

The USA is also going to renegotiate the North American Free Trade Agreement (NAFTA). If the other participants in NAFTA (Canada and Mexico) refuse to comply with Donald Trump's plan to renegotiate this trade agreement, the USA will withdraw from NAFTA².

The new US President is most highly displeased with the US goods trade deficit with Mexico and the influx of Mexican labor into the United States. The already unpleasant situation was further aggravated by the cancellation of the bilateral meeting between the US and Mexican Presidents planned for the end of January 2017³.

The issue of NAFTA's future was also discussed at President Trump's meeting with Canadian Prime Minister Justin Trudeau on 1 February 2017. At the same time, the US President noted that as far as the US-Canada trade relationship was concerned, 'it's a much less severe situation than what's taking place on the southern border'⁴. It can be expected that the negotiation process between the USA and its two North American neighbors will be lengthy and convoluted.

The World Trade Organization (WTO)

The 2017 Trade Policy Agenda and 2016 Annual Report of the President of the United States on the Trade Agreements Program indicate that the USA is going to continue, with some reservations, its activity within the framework of the World Trade Organization (WTO). The document emphasizes that existing US legislation should be used to counteract and override WTO decisions that are seen to be inimical to US national interests. The USA considers the commercial practice of dumping carried out by other countries as a major challenge to US national interests in the field of international trade, and reserves the right to resort to anti-dumping and countervailing measures in accordance with WTO rules.

The document contains a detailed plan for US participation in various WTO bodies and its continued cooperation with WTO member states for the

1 Tokyo turns down Australian proposal for TPP without U.S., vows to keep pushing Trump: see <http://www.japantimes.co.jp/news/2017/01/24/national/politics-diplomacy/tokyo-turns-australian-proposal-tpp-without-u-s-vows-keep-pushing-trump/#.WMK33G-LSM8>

2 Trade Deals That Work For All Americans: see <https://www.whitehouse.gov/trade-deals-working-all-americans>

3 Mexican president cancels meeting with Trump: see <http://edition.cnn.com/2017/01/25/politics/mexico-president-donald-trump-enrique-pena-nieto-border-wall/>

4 Remarks by President Trump and Prime Minister Trudeau of Canada in Joint Press Conference: see <https://www.whitehouse.gov/the-press-office/2017/02/13/remarks-president-trump-and-prime-minister-trudeau-canada-joint-press>

purposes of promoting the principles of world trade liberalization¹, thus making it impossible to suggest that US policy towards the WTO is already being radically changed.

International Financial Institutions

The Trump administration's focus on fostering economic growth on the basis of the USA's own resources, on weakening the multilateral vector of US economic policy, on eliminating excessive government regulation of the economy, and on pursuing primarily the national interest may result in a slackening of US support for the international financial regulatory institutions in which the USA currently plays a leading role².

NATO

Strengthening of the United States' military capabilities is one of the top priorities of the Trump administration³. During his presidential campaign, Donald Trump said NATO was 'obsolete', and cast doubt on whether the NATO commitment truly serves the United States' best interests. Since his inauguration as US president, Trump's team has sought to soften the rhetoric around NATO. Thus, the rather trivial issue of ensuring a fair distribution of the burden of collective security within the framework of NATO and of compelling all NATO members to increase their defense spending to 2% of their GDP has suddenly come to the fore out of the blue⁴.

It should be expected that the Trump administration will increase pressure on NATO member countries. Apparently, the United States will retain its leading role in the North Atlantic Alliance in the Trump era. And it is equally apparent that the US demand that their NATO partners should increase their defense spending does not mean that US defense budget will be reduced.

The European Union (EU)

Having launched a barrage of criticism of the 'counterproductive' EU regulatory apparatus and taken a swipe at the EU by labeling it 'a vehicle for Germany, Donald Trump has met a strong rebuff from EU leaders. Notwithstanding their hurt feelings and painful emotions, it is clear that the main problems in the USA-EC relationship (cooperation within the framework of NATO, Trump's support for Brexit, the suspension of negotiations on the Transatlantic Trade and Investment Partnership (TTIP)) should not become an obstacle to the continuation of transatlantic economic and investment cooperation. At the same time, the new US administration's policy on a number of sensitive issues can deepen the diversity of opinion among the European countries and thus negatively affect the coherence and unity of the EU⁵. ●

1 2017 Trade Policy Agenda and 2016 Annual Report: see <https://ustr.gov/sites/default/files/files/reports/2017/AnnualReport/AnnualReport2017.pdf>.

2 The economic consequences of Donald Trump: see <http://www.economist.com/blogs/freeexchange/2016/11/global-economy>

3 The Inaugural Address: see <https://www.whitehouse.gov/inaugural-address>

4 Remarks by the Vice President and NATO Secretary General Stoltenberg at a JPA: see <https://www.whitehouse.gov/the-press-office/2017/02/20/remarks-vice-president-and-nato-secretary-general-stoltenberg-jpa>

5 America's International Role Under Donald Trump: <https://www.chathamhouse.org/publication/americas-international-role-under-donald-trump>